

## PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 20, 2021

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel, assuming continuing compliance by the County (as hereinafter defined), with certain tax covenants described herein, under existing law, interest on the Refunding Bonds (as hereinafter defined) is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended and will not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals. In addition, interest on the Refunding Bonds may be subject to the branch profits tax imposed on certain foreign corporations and to the tax on "excess net passive income" imposed on S corporations. Interest on the Refunding Bonds and any gain from the sale thereof is not included in the gross income of owners thereof under the New Jersey Gross Income Tax Act as presently executed and construed. See "TAX MATTERS" herein.

\$9,520,000\*

**COUNTY OF GLOUCESTER, NEW JERSEY  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021  
(Non-Callable)**

**Dated: Date of Delivery****Due: March 1, as shown below**

The County of Gloucester, New Jersey ("County") is issuing its \$9,520,000\* aggregate principal amount of General Obligation Refunding Bonds, Series 2021 ("Refunding Bonds"). The Refunding Bonds shall be issued in fully registered book-entry-only form without coupons. The principal of the Refunding Bonds shall be paid on the respective maturity dates thereof upon presentation and surrender of the Refunding Bonds at the offices of the Treasurer/Chief Financial Officer of the County or the County's hereafter designated paying agent, if any. Interest on the Refunding Bonds is payable semiannually on March 1 and September 1 ("Interest Payment Dates"), commencing March 1, 2022, in each year until maturity. The Refunding Bonds are not subject to redemption prior to their stated maturity dates.

Upon initial issuance, the Refunding Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), which will act as securities depository for the Refunding Bonds. So long as Cede & Co. is the registered owner of the Refunding Bonds, payments of principal of and interest on the Refunding Bonds will be made by the County or its hereafter designated paying agent, if any, directly to DTC or its nominee, Cede & Co., which will remit such payments to the DTC Participants (as herein defined) which will, in turn, remit such payments to the Beneficial Owners (as herein defined) of the Refunding Bonds. Purchasers will not receive certificates representing their ownership interest in the Refunding Bonds purchased. For so long as any purchaser is a Beneficial Owner of a Refunding Bond, such purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC participant to receive payment of the principal of and interest on such Refunding Bond.

The Refunding Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) a refunding bond ordinance ("Refunding Bond Ordinance"), duly and finally adopted by the Board of County Commissioners ("Board") on September 15, 2021; and (iii) a resolution adopted by the Board on September 15, 2021.

The Refunding Bonds are being issued to provide funds which will be used to: (i) currently refund and redeem up to all of the County's outstanding callable General Obligation Refunding Bonds, Series 2011, maturing on October 1 in each of the years 2022 through 2024, both dates inclusive; (ii) currently refund and redeem up to all of the County's outstanding callable General Obligation Bonds, Series 2012, maturing on March 1 in each of the years 2023 through 2027, both dates inclusive; and (iii) pay the costs and expenses related to the issuance, sale and delivery of the Refunding Bonds.

The full faith and credit of the County are irrevocably pledged for the payment of the principal of and interest on the Refunding Bonds. The Refunding Bonds are general obligations of the County payable as to principal and interest from *ad valorem* taxes to be levied upon all taxable real property in the County without limitation as to rate or amount.

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIPs**

<u>Maturity</u> <u>(March 1)</u>	<u>Principal Amount</u> <sup>*</sup>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u> <sup>1</sup>	<u>Maturity</u> <u>(March 1)</u>	<u>Principal Amount</u> <sup>*</sup>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u> <sup>1</sup>
2022	\$1,605,000	%	%		2025	\$870,000	%	%	
2023	2,580,000				2026	880,000			
2024	2,690,000				2027	895,000			

**This cover contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement, including the Appendices attached hereto, to obtain information essential to their making an informed investment decision.**

The Refunding Bonds are offered when, as and if issued, subject to the prior approval of legality by the law firm of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the County, and certain other conditions described herein. Certain legal matters will be passed upon for the County by Eric M. Campo, Esquire, Woodbury, New Jersey, County Counsel, and for the Underwriter by its Counsel, Obermayer Rebmann Maxwell & Hippel LLP, Mount Laurel, New Jersey. Acacia Financial Group, Inc., Mount Laurel, New Jersey, has served as Municipal Advisor to the County in connection with the issuance of the Refunding Bonds. It is anticipated that the Refunding Bonds in definitive form will be available for delivery through DTC in New York, New York on or about December \_\_, 2021.

**Citigroup**

\* Preliminary, subject to change.

<sup>1</sup> "CUSIP" is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. The CUSIP numbers listed above are being provided solely for the convenience of bondholders only at the time of issuance of the Refunding Bonds and the County does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number is subject to being changed after the issuance of the Refunding Bonds as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Refunding Bonds.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Refunding Bonds 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. This Preliminary Official Statement is deemed final by the County within the meaning and for the purposes of Rule 15c2-12 of the Securities and Exchange Commission.

**COUNTY OF GLOUCESTER, NEW JERSEY**

**COMMISSION DIRECTOR**

**Robert M. Damminger**

**COMMISSION DEPUTY DIRECTOR**

**Frank J. DiMarco**

**BOARD OF COUNTY COMMISSIONERS**

**Lyman Barnes  
Daniel Christy  
Jim Jefferson  
Jim Lavender  
Heather Simmons**

**COUNTY ADMINISTRATOR**

**Chad M. Bruner**

**CLERK OF THE BOARD OF COUNTY COMMISSIONERS**

**Laurie J. Burns**

**COUNTY COUNSEL**

**Eric M. Campo, Esquire**

**COUNTY TREASURER/CFO**

**Tracey N. Giordano**

**BOND COUNSEL**

**Parker McCay P.A.  
Mount Laurel, New Jersey**

**COUNTY AUDITOR**

**Bowman & Company LLP  
Voorhees, New Jersey**

**MUNICIPAL ADVISOR**

**Acacia Financial Group, Inc.  
Mount Laurel, New Jersey**

The information which is set forth herein has been provided by the County of Gloucester, New Jersey ("County"), the Depository Trust Company ("DTC") and by other sources which are believed to be reliable by the County, but the information provided by such sources is not guaranteed as to accuracy or completeness by the County. Certain general and financial information concerning the County is contained in Appendices "A" and "B" to this Official Statement. Such information has been furnished by the County.

Where the Constitution or statutes of the State of New Jersey are referred to, reference should be made to such Constitution or statutes for a complete statement of the matters referred to therein. This Official Statement is submitted in connection with the sale of the Refunding Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

No dealer, broker, salesperson or other person has been authorized by the County or the Underwriter to give any information or to make any representations with respect to the Refunding Bonds other than those contained in this Official Statement and, if given or made, such information or representations must not be relied upon as having been authorized by the foregoing. The information contained herein has been provided by the County and other sources deemed reliable; however, no representation or warranty is made as to its accuracy or completeness of such information from sources other than itself is not to be construed as a representation or warranty by the Underwriter, or as to information from sources other than itself, by the County. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof.

References in this Official Statement to laws, rules, regulations, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by references to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein, and copies of which may be obtained from the County during normal business hours.

Upon issuance, the Refunding Bonds will not be registered under the Securities Act of 1933 as amended, will not be listed on any stock or other securities exchange and neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity, other than the County will have passed upon the accuracy or adequacy of the Official Statement.

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 Refunding Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the County or any underwriter(s).

**IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE REFUNDING BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE.**

The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed to be a determination of relevance, materiality or importance and the Official Statement, including the Appendices, must be considered in its entirety.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under federal securities laws, as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

## TABLE OF CONTENTS

	PAGE
INTRODUCTION .....	1
AUTHORIZATION FOR THE REFUNDING BONDS .....	1
PURPOSE OF THE ISSUE .....	1
ESTIMATED SOURCES AND USES OF FUNDS .....	2
DESCRIPTION OF THE REFUNDING BONDS .....	2
Description .....	2
Book-Entry-Only System .....	3
Discontinuance of Book-Entry-Only System .....	5
SECURITY FOR THE REFUNDING BONDS .....	6
INFORMATION REGARDING THE COUNTY OF GLOUCESTER .....	6
General .....	6
Financial Statements .....	6
CERTAIN PROVISIONS OF THE LAWS OF THE STATE OF NEW JERSEY AND THE UNITED STATES RELATING TO GENERAL OBLIGATION DEBT .....	7
Local Bond Law .....	7
Local Fiscal Affairs Law .....	8
Local Budget Law .....	8
Miscellaneous Revenues .....	10
Real Estate Taxes .....	10
Deferral of Current Expenses .....	11
Budget Transfers .....	11
Capital Budget .....	11
Related Constitutional and Statutory Provisions .....	11
Rights and Remedies of Owners of Bonds .....	12
Limitation of Remedies Under Federal Bankruptcy Code .....	12
LEGAL MATTERS .....	13
CERTAIN RISK FACTORS .....	14
Recent Healthcare Developments .....	14
Cyber Security .....	15
TAX MATTERS .....	15
Federal .....	15
New Jersey .....	16
Changes in Federal and State Tax Law .....	17
LEGALITY FOR INVESTMENT .....	17
LITIGATION .....	17
RATING .....	18
MUNICIPAL ADVISOR .....	18
VERIFICATION OF MATHEMATICAL COMPUTATION .....	18
CONTINUING DISCLOSURE .....	18
NO DEFAULT .....	19
UNDERWRITING .....	19
CERTAIN RELATIONSHIPS .....	19
PREPARATION OF OFFICIAL STATEMENT .....	20
ADDITIONAL INFORMATION .....	20
APPENDIX A - General Information Regarding the County	
APPENDIX B - Audited Financial Statements of the County	
APPENDIX C - Form of Bond Counsel's Opinions	
APPENDIX D - Form of Continuing Disclosure Agreement	

## **OFFICIAL STATEMENT**

### **RELATING TO**

**\$9,520,000\***

### **COUNTY OF GLOUCESTER, NEW JERSEY GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021**

#### **INTRODUCTION**

The purpose of this Official Statement, including the cover page hereof and the Appendices attached hereto, is to provide certain information relating to the issuance by the County of Gloucester, New Jersey ("County") of its \$9,520,000\* aggregate principal amount of General Obligation Refunding Bonds, Series 2021 ("Refunding Bonds").

All financial and other information presented herein and in the Appendices attached hereto has been provided by the County from its records, except for information expressly attributed to other sources. The presentation of information is intended to show recent historic information and, but only to the extent specifically provided herein, certain projections into the immediate future, and is not necessarily indicative of the future position of the County, its constituent municipalities or public authorities.

#### **AUTHORIZATION FOR THE REFUNDING BONDS**

The Refunding Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) a refunding bond ordinance ("Refunding Bond Ordinance"), duly and finally adopted by the Board of County Commissioners ("Board") on September 15, 2021; and (iii) a resolution adopted by the Board on September 15, 2021.

#### **PURPOSE OF THE ISSUE**

The Refunding Bonds are being issued to provide funds which will be used to: (i) current refund and redeem up to all of the County's outstanding callable General Obligation Refunding Bonds, Series 2011, maturing on October 1 in each of the years 2022 through 2024, both dates inclusive ("2011 Refunded Bonds"), on December 2, 2022 ("2011 Redemption Date"), at a redemption price of 100% of the principal amount of the 2011 Refunded Bonds ("2011 Redemption Price"), together with accrued interest thereon; (ii) current refund and redeem up to all of the County's outstanding callable General Obligation Bonds, Series 2012, maturing on March 1 in each of the years 2023 through 2027, both dates inclusive ("2012 Refunded Bonds"; together with the 2011 Refunded Bonds, the "Refunded Bonds"), on March 1, 2022 ("2012 Redemption Date"; together with the 2011 Redemption Date, the "Redemption Dates"), at a redemption price of 100% of the principal amount of the 2012 Refunded Bonds ("2012 Redemption Price"; together with the 2011 Redemption Price, the "Redemption Prices"), together with accrued interest thereon and (iii) pay the costs and expenses related to the issuance, sale and delivery of the Refunding Bonds.

---

\* Preliminary, subject to change.

Concurrently with the issuance and delivery of the Refunding Bonds, the County and TD Bank, National Association, Cherry Hill, New Jersey, as escrow agent for the Refunded Bonds ("Escrow Agent"), will enter in to an Escrow Deposit Agreement ("Escrow Agreement"). Pursuant to the Escrow Agreement, on the delivery date for the Refunding Bonds, the County will irrevocably deposit direct noncallable obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America ("Government Obligations") with the Escrow Agent, which Government Obligations will bear interest at such rates and will mature at such times and in such amounts so that, when paid in accordance with their terms, sufficient moneys will be available to make full and timely payments of (i) interest on the Refunded Bonds through and including the Redemption Date; and (ii) the Redemption Price of the Refunded Bonds on the Redemption Date.

The mathematical calculations and adequacy of the deposit provided for payment of the Refunded Bonds will be verified by Bowman & Company LLP, Voorhees, New Jersey, Certified Public Accountants, at the time of the delivery of the Refunding Bonds. All money and Government Obligations deposited for payment of the Refunded Bonds, including interest thereon, are pledged solely and irrevocably for the benefit of the owners of the Refunded Bonds.

### **ESTIMATED SOURCES AND USES OF FUNDS**

The following table sets forth the estimated sources and uses of funds with respect to the Refunding Bonds.

**Estimated Sources of Funds:**

Principal Amount of Refunding Bonds	\$
Original Issue Premium/Discount	_____
<b>Total Estimated Sources</b>	<b>\$_____</b>

**Estimated Uses of Funds:**

Deposit to Escrow Fund	\$
Costs of Issuance <sup>1</sup>	
Underwriter's Discount	
Rounding Amount	_____
<b>Total Estimated Uses</b>	<b>\$_____</b>

<sup>1</sup> Includes legal fees, municipal advisory fees, accounting fees, Escrow Agent fees, printing costs, rating agency's fees, verification agent fees and miscellaneous expenses incurred in connection with the issuance of the Refunding Bonds.

### **DESCRIPTION OF THE REFUNDING BONDS**

**Description**

The Refunding Bonds will be issued in the aggregate principal amount of \$9,520,000\*. The Refunding Bonds will be dated their date of delivery and bear interest from that date at the interest rates set forth on the front cover hereof. Interest on the Refunding Bonds will be payable semiannually on March 1 and September 1 (each an "Interest Payment Date"), commencing March

1, 2022 in each year until maturity. The Refunding Bonds are not subject to redemption prior to their stated maturity dates. Interest shall be calculated on the basis of a year of 360 days consisting of twelve 30-day months. The Refunding Bonds will mature on March 1 in the years and in the principal amounts, all as shown on the cover page of this Official Statement.

The Refunding Bonds will be issued in fully registered book-entry-only form without coupons in the principal denominations of \$5,000 or any integral multiple thereof. The principal of the Refunding Bonds will be payable to the registered owners thereof at maturity upon presentation and surrender of the Refunding Bonds at the office of the Treasurer/Chief Financial Officer of the County, acting as bond registrar and paying agent. Interest on each Refunding Bond shall be payable on each Interest Payment Date of such Refunding Bond to the registered owner of record thereof appearing on the registration books kept by the County or its hereafter designated paying agent, if any, as of the close of business on the fifteenth (15th) day of the calendar month immediately preceding an Interest Payment Date ("Record Date").

So long as The Depository Trust Company, New York, New York ("DTC") or its nominee, Cede & Co., is the registered owner of the Refunding Bonds, payments of the principal of and interest on the Refunding Bonds will be made directly to Cede & Co., as nominee of DTC. Disbursements of such payments to the participants of DTC is the responsibility of DTC and disbursements of such payments to the Beneficial Owners (as hereinafter defined) of the Refunding Bonds is the responsibility of the Direct Participants (as hereinafter defined) and not the County or its hereafter designated paying agent, if any.

### **Book-Entry-Only System<sup>1</sup>**

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Refunding Bonds, payment of principal and interest, and other payments on the Refunding Bonds to DTC Participants or Beneficial Owners (as each such term is hereinafter defined), confirmation and transfer of beneficial ownership interests in the Refunding 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 as to the completeness or accuracy of such information.

DTC will act as securities depository for the Refunding Bonds. The Refunding 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 Refunding Bond certificate will be issued in the aggregate principal amount of each maturity of the Refunding Bonds, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100

---

<sup>1</sup> Source: The Depository Trust Company.

countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Refunding Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Refunding Bonds on DTC's records. The ownership interest of each actual purchaser of the Refunding Bonds ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Refunding Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Refunding Bonds, except in the event that use of the book-entry system for the Refunding Bonds is discontinued.

To facilitate subsequent transfers, all Refunding Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Refunding 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 Refunding Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Refunding Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Refunding Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County or the paying agent, if any, 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 Refunding Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

DTC may discontinue providing its services as depository with respect to the Refunding Bonds at any time by giving reasonable notice to the County or its hereafter designated paying agent, if any. Under such circumstances, in the event that a successor depository is not obtained, Refunding Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Refunding Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

**NEITHER THE COUNTY NOR ITS HEREAFTER DESIGNATED PAYING AGENT, IF ANY, WILL HAVE THE RESPONSIBILITY OR OBLIGATION TO THE DIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DIRECT PARTICIPANTS, OR THE INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS.**

**SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE REFUNDING BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE REFUNDING BONDS (OTHER THAN UNDER THE CAPTION "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE REFUNDING BONDS.**

#### **Discontinuance of Book-Entry-Only System**

In the event that the book-entry-only system is discontinued and the Beneficial Owners become registered owners of the Refunding Bonds, the following provisions would apply: (i) the Refunding Bonds may be exchanged for an equal aggregate principal amount of Refunding Bonds in other authorized denominations, of the same maturity, upon surrender thereof at the principal

corporate trust office of the County or its hereafter designated paying agent, if any; (ii) the transfer of any Refunding Bonds may be registered on the books maintained by the County or its hereafter designated paying agent, if any, for such purpose only upon the surrender thereof to the County or its hereafter designated paying agent, if any, together with the duly executed assignment in form satisfactory to the County or its hereafter designated paying agent, if any; and (iii) for every exchange or registration of transfer of Refunding Bonds, the County or its hereafter designated paying agent, if any, may make a charge sufficient to reimburse for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Refunding Bonds. Interest on the Refunding Bonds will be payable by check or draft mailed on each Interest Payment Date to the registered owners thereof as of the close of business on the Record Date, whether or not a business day.

## **SECURITY FOR THE REFUNDING BONDS**

The Refunding Bonds are general obligations of the County and the full faith, credit and taxing power of the County are irrevocably pledged for the payment of the principal of and interest on the Refunding Bonds. The Refunding Bonds are payable, if payment is not provided in any other manner, from *ad valorem* taxes to be levied upon all the taxable real property located within the County without limitation as to rate or amount, except to the extent that enforcement of such payment may be limited by bankruptcy, insolvency or other similar laws or equitable principles affecting the enforcement of creditors' rights generally.

The County may pledge only its own credit and taxing power in respect of the Refunding Bonds, and has no power to pledge the credit or taxing power of the State of New Jersey ("State") or any other political subdivision thereof, nor shall the Refunding Bonds be deemed to be obligations of said State or any other political subdivision thereof, nor shall said State or any other political subdivision thereof be liable for the payment of principal of or interest on the Refunding Bonds.

## **INFORMATION REGARDING THE COUNTY OF GLOUCESTER**

### **General**

General information concerning the County, including statistical, demographic and other relevant data, is set forth in Appendix "A" to this Official Statement.

### **Financial Statements**

The financial statements of the County – Regulatory Basis for the fiscal years ended December 31, 2020 and 2019 included in Appendix B to this Official Statement have been audited by Petroni & Associates, LLC, Glassboro, New Jersey, as prior independent auditors to the County, as stated in their report, appearing in Appendix "B" hereto.

**CERTAIN PROVISIONS OF THE LAWS OF THE STATE OF NEW JERSEY  
AND THE UNITED STATES RELATING TO GENERAL OBLIGATION DEBT**

**Local Bond Law**

**General** - The Local Bond Law governs the issuance of bonds and notes by counties and municipalities for the financing of capital improvements. Among its provisions are the following: (i) the power and obligation to pay any and all bonds and notes issued pursuant to the Local Bond Law shall be unlimited; (ii) the county or municipality shall levy *ad valorem* taxes upon all taxable property therein for the payment of the principal of and interest on such bonds and notes without limitation as to rate or amount; (iii) generally, a down payment that is not less than five percent (5%) of the amount of debt obligations authorized must be appropriated in addition to the amount of debt obligations authorized; (iv) all non-special-assessment bonds shall mature within the period of usefulness or average period of usefulness of the improvements being financed; and (v) after issuance, all bonds and notes shall be conclusively presumed to be fully authorized and issued by all of the laws of the State, and all persons shall be estopped from questioning their sale, execution or delivery.

**Debt Limits** - The authorized bonded indebtedness of the County is limited by statute, subject to the exceptions noted below, to an amount equal to two percent (2.00%) of its equalized valuation basis. The equalized valuation basis of the County is set by statute as the average for the last three years of the equalized value of all taxable real property and improvements as annually determined by the New Jersey State Board of Taxation. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

Bonds, notes and long-term loans are included in the computation of debt for the statutory debt limit. The County, including the issuance of the Refunding Bonds, will not exceed its two percent (2.00%) debt limit.

**Exceptions to Debt Limits – Extensions of Credit** - The County may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the County may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the County or substantially reduce the ability of the County to meet its obligations or to provide essential public improvements and services, or make certain other statutory determinations, approval may be granted.

In addition, debt in excess of the statutory limit may be issued by the County to fund certain notes, to provide for purposes in an amount not exceeding two-thirds (2/3) of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

**Short-Term Financing** – When approved by bond ordinance, the County may issue bond anticipation notes to temporarily finance capital improvements. Such notes may not be issued in an aggregate amount exceeding that specified by the ordinance. The notes may not be issued for periods of more than one year, renewable with the final maturity occurring no later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original note. After the third year, the amount of the notes that may be renewed

annually must be decreased by the minimum amount required for the first year's principal payment for the bond issue in anticipation of which the notes are issued.

**Bonds** – Bonds may be issued pursuant to the Local Bond Law for the purpose of paying, funding outstanding bonds, including emergency appropriations, the actuarial liabilities of a non-state administered public employee pension system and amounts owing to others for taxes levied in the local unit, or any renewals or extensions thereof, and for paying the cost of issuance of bonds.

### **Local Fiscal Affairs Law**

The Local Fiscal Affairs Law, Chapter 5 of Title 40A of the New Jersey State Statutes, as amended and supplemented ("Local Fiscal Affairs Law"), governs audits, auditors, public moneys and financial statements of local governmental units, including the County.

Each local unit is required to cause an annual audit of its books, accounts and financial transactions to be made and completed within six months after the close of its fiscal year by either a Registered Municipal Accountant or, by agreement with the Director ("Director") of the Division of Local Government Services ("Division") in the Department of Community Affairs, by qualified employees of the Division.

An independent examination of the County's books, accounts and financial transactions must be performed annually by a Registered Municipal Accountant who is licensed by the State Board of Public Accountants. The audit, conforming to the Division's "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the report, together with all recommendations made. A Summary of Audit, together with recommendations, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2020 is on file with the Clerk of the Board of County Commissioners and is available for review during business hours.

The Local Fiscal Affairs Law also requires that the chief financial officer/treasurer of the local unit file annually with the Director a verified statement of the financial condition of the local unit as of the close of the fiscal year to be made not later than February 10 for December 31 fiscal year end local units and August 10 for June 30 fiscal year end local units. The Annual Compiled Financial Statement for the year ended December 31, 2020 is on file with the Clerk of the Board of County Commissioners

### **Local Budget Law**

The Local Budget Law, Chapter 4 of Title 40A of the State states, as amended and supplemented ("Local Budget Law"), governs the budgeting and appropriation of funds by local governmental units.

The Local Budget Law requires local governmental units to adopt a "cash basis" budget in such form that there will be sufficient cash collected to meet all debt service requirements, necessary operations of the local governmental units for the fiscal year and any mandatory payments required to be met during the fiscal year.

No budget shall be adopted unless the Director shall have previously certified their approval thereof.

Each local governmental unit must include in its budget an appropriation for the payment of debt service. The Director is required to examine such appropriation to determine whether it is properly set forth, in addition to determining whether all estimates of revenue contained in the budget are reasonable, accurate and correctly stated.

A statute passed in 1976, as amended (*N.J.S.A. 40A:4-45.1 et seq.*), commonly known as the "Cap Law", imposed limitations on increases in municipal appropriations subject to various exceptions. On August 20, 1990, the Governor signed into law P.L. 1990, c. 89, which revised and made permanent the "Cap Law". Since its inception, the "Cap Law" has been amended and modified several times, most recently on July 13, 2010. While the revised "Cap Law" is more restrictive on the ability of a local unit to increase its overall appropriations, it does not limit the obligation of the County to levy *ad valorem* taxes upon all taxable real property within the County to pay debt service on the Refunding Bonds. The Cap Law provides that a local unit shall limit any increase of its budget to 2.5% or the index rate, whichever is less, over the previous year's final appropriations subject to certain exceptions. The "index rate" is the rate of annual percentage increase in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services computed by the United States, Department of Commerce. Among the exceptions to the limitations imposed by the Cap Law are capital expenditures; debt service; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law.

Additionally, legislation constituting P.L. 2010, c. 44, was adopted on July 13, 2010 (S-29R1), which, among other things, imposes a two percent (2%) cap on the tax levy that municipalities, counties, fire districts and solid waste collection districts may impose, with very limited exceptions and subject to certain adjustments.

Exclusions from the two percent (2%) tax levy cap include: (i) increases required to be raised by taxation for capital expenditures, including debt service as defined by law; (ii) increases in pension contributions and accrued liability for pension contributions in excess of 2.0%; (iii) increases in health care costs equal to that portion of the actual increase in total health care costs for the budget year that is in excess of 2.0% of the total health care costs in the prior year, but is not in excess of the product of the total health care costs in the prior year and the average percentage increase of the State Health Benefits Program, P.L.1961, c.49 (C.52:14-17.25 et seq.), as annually determined by the Division of Pensions and Benefits in the Department of the Treasury; and (iv) and extraordinary costs incurred by a local unit directly related to a declared emergency, as defined by regulation promulgated by the Commissioner of the Department of Community Affairs, in consultation with the Commissioner of Education, as appropriate. The amendments to the tax levy sections of the "Cap Law" (specifically, *N.J.S.A. 40A:4-45-46*) in 2010 no longer permit municipalities, counties, fire districts and solid waste collection districts to request approval from the Local Finance Board for a waiver to increase the amount to be raised by taxation in excess of the two percent (2%) cap. However, counties, municipalities, fire districts and solid waste collection districts may request, through a public question submitted to the voters, an increase in the amount to be raised by taxes above the two percent (2%) tax levy cap. Such approval must be achieved by an affirmative vote in excess of fifty percent (50%) of those voting on such public question.

In response to the outbreak of the Coronavirus (as defined and described under the heading "CERTAIN RISK FACTORS – Recent Healthcare Developments" below), the New Jersey Legislature enacted P.L. 2020, c. 74 (A3971), under which a local unit may adopt an

emergency appropriation to fund certain deficits and expenditures resulting from Coronavirus with approval of the Director and may either fund it as a deferred charge or issue special emergency notes to fund it payable by 1/5 each year beginning in the year after the year in which the deferred charge appears in the financial statements so it is paid off no later than the last day of the sixth fiscal year following the end of the fiscal year in which the application is made. If there is a showing of fiscal distress, that may be extended to ten (10) years. Such emergency appropriation must be approved by 2/3 vote of the governing body of the local unit and be accompanied by a certification of the Chief Financial Officer stating that the resolution covers deficits and expenses incurred during the emergency response to the Coronavirus. Moreover, to the extent that such Coronavirus-related emergency appropriations exceed the cost of providing similar services under non-emergency conditions, the deferred charge to be raised in the following year's budget is an eligible exception to both the levy cap and the appropriations cap. The Director may also promulgate guidelines modifying the standard for anticipated revenues when the amount realized in cash from the same source during the next preceding fiscal year experienced reductions due to Coronavirus. The County has made no appropriations for Coronavirus related deficits or expenditures.

Neither the tax levy limitation nor the "Cap Law" limits the obligation of the County to levy *ad valorem* taxes upon all taxable real property within the County to pay debt service on its bonds or notes, including the Refunding Bonds.

### **Miscellaneous Revenues**

*N.J.S.A.* 40A:4-26 provides that: "No miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the [D]irector 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." Such determination may be made by the governing body and the chief financial officer in any year during which the local unit is subject to local examination.

No budget or amendment shall be adopted unless the Director has previously certified the approval of such anticipated revenues.

### **Real Estate Taxes**

The same general principal that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. *N.J.S.A.* 40A:4-29 delineates anticipation of delinquent tax collections: "The maximum which may be anticipated is the sum produced by the multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year."

Section 41 of the Local Budget Law provides with regard to the current taxes that: "Receipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year, shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by December 31, of such preceding fiscal year."

Section 40 of the Local Budget Law requires that an additional amount ("Reserve For Uncollected Taxes") be added to the tax levy required to balance the budget so that when the percentage of the prior year's tax collection is applied to the combined total, the product will be at least equal to the tax levy required to balance the budget.

### **Deferral of Current Expenses**

Emergency appropriations (i.e., those made after the adoption of the budget and determination of the tax rate for an unforeseen event or purpose) may be authorized by the governing body of the local governmental units. With minor exceptions, however, such appropriations must be included in full in the following year's budget. When such appropriations exceed three percent (3%) of the adopted operating budget, consent of the Director of Local Government Services must be obtained.

The exceptions are certain enumerated projects to cover the cost of the extraordinary expense for the repair, or reconstruction of streets, roads or bridges, or other public property damaged by snow, ice, frost or flood, where such expense was not foreseen at the time of the adoption of the budget, which may be amortized over three years; and tax map preparations, revision of ordinances, revaluations, master plan preparation, studies and planning necessary for the installation and construction of a sanitary sewer system, and payments of accumulated sick and vacation time which may be amortized over five years.

### **Budget Transfers**

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

### **Capital Budget**

In accordance with the Local Budget Law, each local unit shall prepare and adopt a capital budget, in conjunction with its annual operating budget, for any year in which it proposes to undertake a capital project. Every local unit which adopts a capital budget must also adopt a three (3) year capital program unless the local unit's population exceeds 10,000 where a six (6) year capital program is required.

### **Related Constitutional and Statutory Provisions**

In the general election of January 2, 1976, as amended by the general election of January 6, 1984, the following Article 8, Section 1, Paragraph 7, with respect to a state income tax, was added to the State Constitution:

No tax shall be levied on personal incomes of individuals, estates and trusts of this State unless the entire net receipts therefrom shall be received into the treasury, placed in a perpetual fund and be annually appropriated, pursuant to formulas established from time to time by the Legislature, to the several counties, municipalities and school districts of this State exclusively for the purpose of reducing or offsetting property taxes. In no event, however, shall a tax so levied on personal income be levied on payments received under the Federal Social Security Act, the Federal Railroad Retirement Act, or any federal law which substantially reenacts the provisions of either of those laws.

A progressive state income tax is currently in effect in the State.

The State Constitution may only be amended after: (i) approval of a proposed amendment by three-fifths (3/5) of all of the members of each house of the State Legislature and approval by a majority vote in a statewide referendum; or (ii) approval in two successive legislative years by a majority of all of the members of each house and approval by a majority vote in a statewide referendum. Amendments failing to receive voter approval may not be resubmitted for voter approval before the third succeeding general election after such disaffirmance.

### **Rights and Remedies of Owners of Bonds**

The State Municipal Finance Commission Act, Chapter 27 of Title 52 of the State Statutes, as amended and supplemented ("Act"), provides that when it has been established, by court proceedings, that a local unit has defaulted for over sixty days in the payment of the principal of or interest on any of its outstanding bonds or notes, the Local Finance Board of the State Department of Community Affairs (which, pursuant to the Act, is constituted the Municipal Finance Commission and shall hereinafter be referred to as the "Commission") shall take control of the fiscal affairs of the defaulting local unit.

The Act provides that the Commission shall remain in control of the local unit until all bonds or notes of the local unit that have fallen due and all bonds or notes that will fall due within one year, and the interest thereon, have been paid, funded or refunded, or the payment thereof in cash shall have been adequately provided for by a cash reserve.

The Act empowers the Commission to direct the local unit to provide for the funding or refunding of notes or bonds of the local unit and the interest thereon, which the Commission shall have found to be outstanding and unpaid and to be due or become due. The Act further authorizes the Commission to bring and maintain an appropriate proceeding for the assessment, levy or collection of taxes by the local unit for the payment of principal or of interest on such indebtedness.

Under Article 6 of the Act, while the Commission functions in the local unit, no judgment, levy, or execution against the local unit or its property for the recovery of the amount due on any bonds, notes or other obligations of the local unit in the payment of which it has defaulted, shall be enforced unless otherwise directed by Court Order. However, Article 6 of the Act also provides that upon application of any creditor made upon notice to the local unit and the Commission, a court may vacate, modify or restrict any such statutory stay contained therein.

### **Limitation of Remedies Under Federal Bankruptcy Code**

The rights and remedies of the registered owners of the Refunding Bonds are subject to the provisions of Chapter 9 of the Federal Bankruptcy Code of the United States ("Bankruptcy Code"). In general, Chapter 9 permits, under prescribed circumstances, but only after an authorization by the applicable state legislature or by a governmental officer or organization empowered by state law to give such authorization, a political subdivision of a state to file a petition for relief in a bankruptcy court of the United States if it is insolvent or unable to meet its debts as they mature and desires to effect a plan to adjust its debts.



The State has authorized the political subdivisions thereof to file such petitions for relief under the Bankruptcy Code pursuant to and subject to Article 8 of the Act. The Act provides that such petitions may not be filed without the prior approval of the Commission and that no plan of readjustment of the local unit's debts may be filed or accepted by the petitioner without express authority from the Commission to do so.

THE ABOVE REFERENCES TO THE BANKRUPTCY CODE ARE NOT TO BE CONSTRUED AS AN INDICATION THAT THE COUNTY EXPECTS TO RESORT TO THE PROVISIONS OF SUCH BANKRUPTCY CODE OR THAT, IF IT DID, SUCH ACTION WOULD BE APPROVED BY THE COMMISSION, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCE OF PAYMENT OF AND SECURITY OF THE REFUNDING BONDS.

THE SUMMARIES OF AND REFERENCES TO THE STATE CONSTITUTION AND OTHER STATUTORY PROVISIONS ABOVE ARE NOT AND SHOULD NOT BE CONSTRUED AS COMPREHENSIVE OR DEFINITIVE. ALL REFERENCES TO SUCH DOCUMENTS ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PARTICULAR DOCUMENT, THE FULL TEXT OF WHICH MAY CONTAIN QUALIFICATIONS OF AND EXCEPTIONS TO STATEMENTS MADE HEREIN.

#### **LEGAL MATTERS**

The legality of the Refunding Bonds will be subject to the approving legal opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the County ("Bond Counsel"). Such opinion will be printed on or accompany the Refunding Bonds and provide, *inter alia*, that the Refunding Bonds are valid and binding obligations of the County, and the County has the power and is obligated to levy *ad valorem* taxes upon all the taxable property within the County without limitation as to rate or amount for the payment of the Refunding Bonds and interest thereon. The enforceability of rights or remedies with respect to such Refunding Bonds may be limited by bankruptcy, insolvency, or other law affecting creditors' rights or remedies heretofore or hereinafter enacted. Certain legal matters will be passed upon for the County by Eric M. Campo, Esquire, Woodbury, New Jersey, County Counsel, and for the Underwriter by its Counsel, Obermayer Rebmann Maxwell & Hippel LLP, Mount Laurel, New Jersey.

Bond Counsel has not verified the accuracy, completeness or fairness of the statements contained in this Official Statement (except to the extent, if any, as specifically stated herein) and will express no opinion relating thereto.

The various legal opinions to be delivered concurrently with the delivery of the Refunding Bonds express the professional judgement of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

## CERTAIN RISK FACTORS

### Recent Healthcare Developments

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus ("Coronavirus" or "COVID-19"), which was first detected in China and has spread to other countries, including the United States, has been declared a pandemic by the World Health Organization, a national emergency by the President of the United States ("President") and a state of emergency by the Governor of the State ("Governor").

In response, the President declared a national emergency on March 13, 2020. Additionally, on March 9, 2020, the Governor issued Executive Order 103, pursuant which the Governor declared a State of Emergency and a Public Health Emergency, thereby allowing State agencies and departments to utilize State resources to assist affected communities in response to the COVID-19 outbreak. Other Executive Orders (some of which have since been modified or rescinded), limited various activities and undertook measures in an attempt to slow the spread of COVID-19 throughout the State. Quarantine and other "social distancing" measures undertaken by government agencies, businesses, schools and other entities in response to the COVID-19 outbreak altered behavior and have affected commerce in a manner that has negatively affected global, national and local economies.

Notwithstanding the disruptions that have resulted from COVID-19, the State and the County have recently seen a reduction in reported cases of COVID-19, and a corresponding reduction in hospitalization rates and fatalities. As a result, on June 4, 2021, the Governor signed legislation formally ending the Public Health Emergency declaration, while retaining certain limited Executive Orders related to public health and safety until January 1, 2022. The previous declaration of the State of Emergency, however, remains in effect as of the date hereof.

In an effort to provide relief to entities impacted by the COVID-19 pandemic, the American Rescue Plan Act of 2021, H.R. 1319 ("Plan") was signed into law by President Biden on March 12, 2021 and provides \$1.9 trillion in financial assistance to businesses, individuals and governmental entities. In particular, the Plan includes various forms of financial relief, including up to a \$1,400 increase in direct stimulus payments to individuals and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan also provides funding for state and local governments to recoup and offset costs related to COVID-19 and to encourage and re-establish economic development and certain infrastructure improvements.

Pursuant to the funding methodology under the Plan, the County is expected to receive approximately \$56,646,874 in funding ("Plan Funds"), all of which must be expended by December 31, 2024. Such funds are expected to be received in two (2) equal payments; one (1) to be received within 60 days of enactment of the Plan, and the balance to be received no earlier than 12 months from the initial payment. Pursuant to the Plan (codified as Section 603(c) of the Social Security Act (42 U.S.C. 603(c)), Plan Funds may be utilized to: (i) respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; (ii) respond to workers performing essential work during the

COVID-19 public health emergency by providing premium pay to eligible workers of the County that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work; (iii) provide government services to the extent of the reduction in revenue due to the public health emergency relative to revenues collected in the most recent full fiscal year of the County prior to the emergency; and (iv) make necessary investments in water, sewer or broadband infrastructure. Plan Funds may not, however, be utilized for debt service, legal settlements or judgments or financial reserves.

While the effects of COVID-19 have been reduced in the State, the County cannot predict, and does not predict, the duration, severity or ultimate impact of COVID-19 upon global, State-wide and local economies and operations, including that of the County.

Moreover, the County has provided and intends to continue to provide essential services in and for the County including, but limited to, emergency services, core health and human services, and public works, together with certain other vital services the County deems necessary to remain operational and responsive to public needs.

## **Cyber Security**

The County relies on a complex technology environment to conduct its various operations. As a result, the County faces certain cyber security threats at various times including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and digital networks and systems. To mitigate the risks of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, the County has invested in multiple forms of cybersecurity and operational safeguards. In addition, the County maintains certain insurance coverage for cyberattacks and related events.

## **TAX MATTERS**

### **Federal**

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the County, assuming continuing compliance by the County with the tax covenants described below, under existing law, interest on the Refunding Bonds is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended ("Code"), and will not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals.

Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to thirty percent (30%) of the "dividend equivalent amount" for the taxable year. Interest on the Refunding Bonds received or accrued by a foreign corporation subject to the branch profits tax will be included in computing the "dividend equivalent amount" of such corporation.

In addition, passive investment income, including interest on the Refunding Bonds, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter C earnings and profits at the close of the taxable year if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.

In rendering this opinion, we have assumed continuing compliance by the County that it will comply with the applicable requirements of the Code, including requirements relating to, inter alia, the use and investment of proceeds of the Refunding Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the County to comply with such covenants could result in the interest on the Refunding Bonds being subject to federal income tax from the date of issue. We have not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date hereof that affect the tax-exempt status of the interest on the Refunding Bonds.

Ownership of the Refunding Bonds may result in collateral federal income tax consequences to certain taxpayers including, without limitation, certain holders of an interest in a financial asset securitization investment trust, property and casualty insurance companies, controlled foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and to individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the Refunding Bonds will constitute disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the Refunding Bonds is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by household income. Section 36B(d) of the Code provides that household income consists of the "modified adjusted gross income" of the taxpayer and certain other individuals. "Modified adjusted gross income" means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Refunding Bonds.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The County has not designated the Refunding Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Owners of the Refunding Bonds should consult their own tax advisers as to the applicability and effect on their federal income taxes of the alternative minimum tax, the branch profits tax and the tax on passive investment income of S corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

## **New Jersey**

Bond Counsel is also of the opinion that interest on the Refunding Bonds and any gain from the sale thereof is not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as presently enacted and construed.

## **Changes in Federal and State Tax Law**

From time to time, there are legislative proposals in the United States Congress and in New Jersey that, if enacted, could alter or amend the Federal and New Jersey tax matters referred to above or adversely affect the market value of the Refunding Bonds. It cannot be predicted whether or in what form any such proposals might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Refunding Bonds.

**PROSPECTIVE PURCHASERS OF THE REFUNDING BONDS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING ANY FEDERAL AND STATE INCOME TAX LEGISLATION, WHETHER CURRENTLY PENDING OR PROPOSED, REGULATORY INITIATIVES OR LITIGATION. THE OPINIONS EXPRESSED BY BOND COUNSEL ARE BASED UPON EXISTING LEGISLATION AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY AUTHORITIES AS OF THE DATE OF ISSUANCE AND DELIVERY OF THE REFUNDING BONDS AND BOND COUNSEL HAS EXPRESSED NO OPINION AS OF ANY DATE SUBSEQUENT THERETO OR WITH RESPECT TO ANY PENDING LEGISLATION, REGULATORY INITIATIVES OR LITIGATION.**

## **LEGALITY FOR INVESTMENT**

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutions, building and loan associations, investment companies, and other persons carrying on banking business, all insurance companies, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, money or other funds belonging to them or within their control in any bonds of the County, including the Refunding Bonds, and such Refunding Bonds are authorized securities for any and all public deposits.

## **LITIGATION**

Upon delivery of the Refunding Bonds, the County shall furnish an opinion of its Counsel, dated the date of delivery of the Refunding 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 Refunding Bonds, or in any way contesting or affecting the validity of the Refunding 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 Refunding Bonds. In addition such opinion 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 and adverse impact on the financial condition of the County or adversely affect the power to levy, collect and enforce the collection of taxes or other revenues for the payment of the Refunding Bonds, which has not been disclosed in this Official Statement.

## **RATING**

Moody's Investors Service ("Rating Agency") has assigned a rating of "Aa1" to the Refunding Bonds.

Explanations of the significance of such bond ratings may be obtained from the Rating Agency, 250 Greenwich Street, New York, New York 10007. Such bond rating expresses only the view of the Rating Agency. There is no assurance that the bond rating will continue for any period of time or that the rating will not be revised or withdrawn. Any such revision or withdrawal of the rating may have an effect on the marketability and market price of the Refunding Bonds.

A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

## **MUNICIPAL ADVISOR**

Acacia Financial Group, Inc., Mount Laurel, New Jersey, served as municipal advisor ("Municipal Advisor") to the County with respect to the issuance of the Refunding Bonds. This Official Statement has been prepared with the assistance of the Municipal Advisor. Information set forth in the Official Statement has been obtained from the County and other sources which are deemed reliable, but no warranty, guaranty or other representation as to the accuracy or completeness is made as to such information contained herein. There is no assurance that any of the assumptions or estimates contained herein will be realized. The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

## **VERIFICATION OF MATHEMATICAL COMPUTATION**

The accuracy of: (i) the arithmetic computations supporting the conclusion that the principal amounts of, and interest earned on, the Government Obligations to be acquired with a portion of the proceeds of the Refunding Bonds, are sufficient to pay the Redemption Price of and interest on the Refunded Bonds through and including the Redemption Date; and (ii) the mathematical computations supporting the conclusion that the Refunding Bonds will not be "arbitrage bonds" under the Code, will be independently verified by Bowman & Company LLP, Voorhees, New Jersey, certified public accountants.

## **CONTINUING DISCLOSURE**

In accordance with the provisions of Rule 15c2-12, as amended ("Rule"), promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, the County will enter into a Continuing Disclosure Agreement with the dissemination agent ("Dissemination Agent"), substantially in the form set forth in Appendix "D" hereto.

The County has entered into previous undertakings with respect to various other bond issues for which it is an obligated party. On May 13, 2020, the Authority issued certain revenue bonds ("GCIA Bonds") to evidence a loan provided by the New Jersey Infrastructure Bank for

which the County provided its guaranty for the payment of principal and interest. The County did not timely file a notice on EMMA of its guaranty of a financial obligation in connection with the GCIA Bonds. The County filed the notice on June 8, 2020. The foregoing description of instances of non-compliance by the County with its continuing disclosure obligations should not be construed as an acknowledgement by the County that any such instances were material. The County has retained a Disclosure Agent to ensure future timely filings.

### **NO DEFAULT**

There is no record of default in the payment of the principal of or interest on any Refunding Bonds or notes of the County.

### **UNDERWRITING**

The Refunding Bonds are being purchased from the County by Citigroup Global Markets Inc., as underwriter ("Underwriter"), pursuant to a bond purchase contract dated October \_\_, 2021 ("Bond Purchase Contract"), at a purchase price of \$ \_\_\_\_\_ ("Purchase Price"). The Purchase Price of the Refunding Bonds reflects the principal amount of the Refunding Bond, [plus/less] a [net] original issue [premium/discount] of \$ \_\_\_\_\_, less an Underwriter's discount of \$ \_\_\_\_\_. The Underwriter is obligated to purchase all of the Refunding Bonds, if any Refunding Bonds are purchased. The obligation of the Underwriter to accept delivery of the Refunding Bonds is subject to various conditions contained in the Bond Purchase Contract.

The Underwriter intends to offer the Refunding Bonds to the public initially at the offering yields set forth on the front cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Refunding Bonds to the public. The Underwriter may offer and sell Refunding Bonds to certain dealers (including dealers depositing Refunding Bonds into investment trusts) at yields higher than the public offering yields set forth on the inside front cover page, and such public offering yields may be changed, from time to time, by the Underwriter without prior notice.

Citigroup Global Markets Inc., an Underwriter of the Refunding Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, "Fidelity"). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, Citigroup Global Markets Inc. will compensate Fidelity for its selling efforts with respect to the Refunding Bonds.

### **CERTAIN RELATIONSHIPS**

Parker McCay P.A., Mount Laurel, New Jersey, from time to time, provides legal services to Citigroup Global Markets Inc. in various matters unrelated to the Refunding Bonds or the transaction described in this Official Statement.

## **PREPARATION OF OFFICIAL STATEMENT**

The County hereby states that the descriptions and statements herein, including financial statements, are true and correct in all material respects and it will confirm same to the purchasers of the Refunding Bonds, by certificates signed by various County officials.

All other information has been obtained from sources that the County considers to be reliable and it makes no warranty, guaranty or other representation with respect to the accuracy and completeness of such information.

Bond Counsel has not participated in the preparation of this Official Statement, nor has such firm verified the accuracy, completeness or fairness of the information contained herein (except under the heading "TAX MATTERS") and, accordingly, will express no opinion with respect thereto.

## **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement may be directed to Tracey N. Giordano, County Treasurer/Chief Financial Officer, at (856) 853-3322, or to the Municipal Advisor at (856) 234-2266.

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

All quotations from and summaries and explanations of provisions of laws of the State herein do not purport to be complete and are qualified in their entirety by reference to the official compilation thereof.

This Official Statement has been duly executed and delivered by the County.

**COUNTY OF GLOUCESTER, NEW JERSEY**

By: \_\_\_\_\_  
**TRACEY N. GIORDANO,**  
**County Treasurer/Chief Financial Officer**

**Dated: October \_\_, 2021**



## **APPENDIX A**

### **General Information Concerning the County**

## **GENERAL INFORMATION CONCERNING THE COUNTY OF GLOUCESTER**

### **Introduction**

The County of Gloucester, New Jersey ("County") operates under the Commissioners form of County government in which a seven-member Board of County Commissioners ("Board") is elected for staggered three-year terms. A County Administrator is appointed by the Board to be responsible for daily operations of the County government. The Board operates through a committee system and is required to perform both executive and legislative responsibilities in: (i) formulating County policies; (ii) developing new County programs; (iii) appointing members of the various commissions and boards; and (iv) approving the operating and capital budgets and appropriating the funds that are received from the 24 municipalities of the County to maintain all County services.

### **Location and Profile**

The County is located between Camden and Salem Counties, with its western shore lying along the Delaware River, south of the City of Philadelphia. The County covers an area of 329 square miles. Within a few miles of the Delaware River, there is a concentration of both industry and people. Extensive farmlands in the eastern portion of the County make the County one of the State's leading agricultural counties. The County is also a home site for thousands of commuters to the Philadelphia metropolitan area.

### **Transportation and Manufacturing**

The County is served by a modern high-speed road network and comprehensive rail and air routes. The New Jersey Turnpike and Interstate 295 provide access to and from the County and its industry. Both the New Jersey Turnpike and Interstate 295 parallel the Delaware River and provide north-south access to the County. The Atlantic City Expressway and Route 42 provide east-west access to the County. The County is also traversed by U.S. Routes 130 and 322 and State Routes 41, 44, 45, 47, 55 and 77. A bypass to U.S. Route 322 north of Mullica Hill was completed in 2012 to relieve congestion through the town. There are also 404 miles of County roads that provide access to and from the County.

Air transportation is facilitated by the Philadelphia International Airport, Atlantic City International Airport, the Northeast Philadelphia Airport, and two (2) commercially licensed airports in the County.

The Delaware River continues to serve the County's industry needs with direct access to the Atlantic Ocean and Philadelphia Ports such as the South Jersey Port Corporation, the Port of Philadelphia, the Delaware River Port Authority and the Port of Wilmington.

Freight rail service is provided by CSX and Norfolk Southern Transportation Corporation. The Glassboro-Camden Line (GCL) is a proposed 18-mile passenger rail line between Glassboro and Camden in Southern New Jersey. NJ TRANSIT is funding the \$8.1 million environmental study with DRPA acting as project manager. The GCL corridor traverses Gloucester and Camden counties including the communities of Glassboro, Pitman, Sewell, Mantua Twp., Deptford Twp., Wenonah, Woodbury Heights, Woodbury, Westville, Brooklawn, Gloucester City and Camden.

The South Jersey Port Corporation ("SJPC") and the Gloucester County Improvement Authority are developing a new state-of-the-art marine terminal in the Borough of Paulsboro, with Holt Logistics Corp ("Holt"), with which a partnership was entered into in July 2014 for its construction. Located on the banks of the Delaware River, the facility, a redevelopment of the terminal, is the first new multi-purpose marine terminal on the Delaware River in over 30 years. The Paulsboro Marine Terminal is a 190-acre development with a 3,000-foot-deep water berth and 21,000 feet of rail track which opened March 2, 2017. The terminal provides over 300 jobs, securing a new tenant from Russia with regards to steel slabs.

In early 2021, Gloucester County announced plans to build a \$250 million facility to manufacture monopile components for the entire U.S. wind industry at the Port of Paulsboro, N.J. This project will be America's Largest Offshore Wind Manufacturing Hub. Ocean Wind, a joint venture between Ørsted and PSEG, and steel pipe manufacturer EEW, have broken ground for the EEW monopile manufacturing facility at the Port of Paulsboro Marine Terminal. The start of construction marks a significant milestone in delivering the largest industrial offshore wind manufacturing facility in the U.S. to date. Construction of the facility will be completed under a Project Labor Agreement (PLA) with the South Jersey Building Trades Council. Ocean Wind is an 1,110 MW offshore wind project by Ørsted and PSEG that will provide enough clean energy to power 500,000 New Jersey homes. Creating more than 500 skilled jobs at build-out in 2023. The construction of two large buildings that will support circumferential welding, sandblasting, and painting. EEW has contracted with more than 30 New Jersey companies in support of design, permitting, site work, and concrete creating the beginnings of the South Jersey Offshore Wind Industry supply chain that will continue to grow in our region.

## **Health Care**

Two (2) hospitals provide health care in the County. The first, Jefferson Health System's Washington Township Campus, is located in Washington Township, formerly known as Kennedy Hospital. The second, Inspira Medical Center, is located in Mullica Hill (Harrison Township), and contains 210 licensed beds. This has changed since the hospital has relocated to Mullica Hill. Inspira Medical Center has also recently undergone an expansion to better serve the health care needs of the County, including an expanded/renovated emergency room/center, plans to build a surgical center and the establishment of several additional family practice centers throughout the County. Inspira Medical Center has over 1,825 full and part time employees and a medical and dental staff of 400.

Virtua Health Care system does not have a hospital located in Gloucester County; however, it has a Wellness Center in the County, which opened in 2009. The 225,000 square-foot facility sits on approximately 40 acres in Washington Township. The Wellness Center includes a High-Risk Pregnancy Center, Ambulatory Surgery Center, Cardiac Rehabilitation, an Immediate Care Center which provides timely and convenient treatment of minor, unexpected injuries or illnesses, and a Metabolic Center that provides an outpatient diabetes management program. The Wellness Center houses physicians, a fitness/therapeutic center and offers other related wellness initiatives/programs for the residents of the County.

Also located within the County are 24 specialized care facilities. The 24 facilities include nine (9) assisted living facilities, seven (7) residential health care facilities, and eight (8) long-term care facilities.

Atrium Health, located in the City of Woodbury, opened a new health care facility in the Spring of 2016 that holds a total of 244 beds. This facility has created about 400-500 new employment opportunities for the County. On site amenities for the facility include The Woodbury Country Club, aquatic therapy pool, salon/massage parlor, handicap accessible theater, a physical/occupational and speech therapy office.

In 2017, the Nemours-duPont Pediatric Center located in the Township of Deptford was finalized, which has created 60 professional healthcare jobs and 120 employees to staff the facility.

## **Recreation and Distribution**

One of the County's most notable assets is the opportunity it provides to rediscover nature. With its parks, camp grounds, lakes and streams, the County provides an excellent opportunity for all of its residents

to enjoy the natural environment. Six (6) golf courses and four (4) boat launches are located in the County to provide other forms of recreation.

The County has worked to actively expand both the municipal and County Park systems. Through the County's Open Space Preservation Program, new parks were created for the township of East Greenwich, Greenwich, Glassboro, Monroe and Woodbury. Municipal expansion of existing parks has been completed in Mantua Township, Washington Township and Woodbury Heights Borough. Acquisitions are currently underway in Woolwich Township, Harrison Township, West Deptford Township, Mantua Township and Glassboro Borough. The County has also completed seven (7) expansions of the County Park system and has completed a bike path project.

In June of 2008, phase one of the Delaware River Equestrian, Agriculture and Marine Park ("DREAM Park") opened in Logan Township. The 74-acre equestrian complex features a 150 x 300-foot temperature controlled indoor arena with bleacher seating for 600 spectators, a separate area for auctions and exhibits, two barns that can accommodate 238 horses, five outdoor rings and a concession area. In addition to being a premier equestrian facility, DREAM Park has been used for canine agility trials and various regional events.

In April of 2021, Freshly, a meal subscription service which offers Chef-cooked, healthy meals, announced that it will open a distribution center in Gloucester County. The plan is to hire 340 new employees at its second distribution center in New Jersey. This will be Freshly's largest distribution center with a 340,000 Sq Ft facility, equipped to assemble and ship 1.6 million meals per week at peak capacity. Scheduled to be operational by February 2022, the new facility will help meet growing customer demand.

## **Farming**

The County has secured numerous land additions to the county parks system and has assisted with additions to municipal open spaces that includes land in Deptford Township, East Greenwich Township, Glassboro Borough, Greenwich Township, Harrison Township, Logan Township, Mantua Township, Monroe Township, Swedesboro Borough, Washington Township, West Deptford Township, Woodbury City, Woodbury Heights Borough and Woolwich Township. A bike path project has also been completed that encompasses land in a number of municipalities. As of this date the County has participated in the acquisition of more than 3,120 acres of open space. For more than a decade the County has overseen one of the most aggressive farmland preservation programs in the State. Since its inception the County has permanently preserved more than 17,000 acres of farmland, encompassing more than 200 individual farms in 14 different municipalities.

## **EDUCATION**

### **Rowan College of South Jersey**

Rowan College of South Jersey, formerly known as Rowan College at Gloucester County and Gloucester County College, is a public community college with two campuses, one in Sewell and one in Vineland. The college was established in 1966 as Gloucester County College. In 2014 the college changed its name to Rowan College of Gloucester County when Rowan University and Gloucester County College entered into a partnership. The college then expanded in 2019, combining Rowan College at Gloucester County and Cumberland County College to become Rowan College of South Jersey. The college now offers conditional dual enrollment with Rowan University depending on GPA. While GCC took the Rowan name, the community college maintains its independence with its own Board of Trustees and administration.

Total enrollment for the fall 2020<sup>1</sup> semester was 84,733 students. In addition, the College's Division of Continuing Education provides various educational, career training and personal enrichment courses, as well as outreach programs, to community residents.

The College offers more than 70 academic programs in a full spectrum of career fields. The College also maintains a well-rounded cultural, artistic and sports calendar of events.

A number of selective admission programs related to the allied-health field, including nursing, diagnostic medical sonography (DMS) and nuclear medicine technology (NMT) are available at the College.

The College awards both certificate and associate degrees leading to immediate career and transfer opportunities. With an extensive record of matriculation agreements with four-year colleges and universities, graduates are able to transfer seamlessly into baccalaureate and master degree programs. The College added an automatic-dual acceptance initiative with five (5) four-year universities which makes earning a bachelor's degree an uncomplicated progression with added benefits. The College's educational partners offer a variety of programs and incentives to the College graduates ranging from tuition discounts to obtaining a bachelor's degree on the College campus.

There were recently several developments and renovations including a \$1 million renovation to the former Sciences building, a \$11.5 million; 41,000-square-foot building at the Nursing and Allied Health Center, and a \$2 million; 6,500-square-foot expansion to the Law and Justice Education Center.

Located on 250 acres in Deptford Township, New Jersey, the College's main campus also houses the Continuing Education Center that provides customized training and safety instruction to the business community. The Safety Unit is especially well-known for its long-term relationship with the Delaware Valley Safety Council, which represents large petrochemical and manufacturing businesses in the region.

Recent projects completed in 2020 include a one-story economic development center to house the New Jersey Department of Labor and Workforce Development, the Gloucester County Chamber of Commerce and the Gloucester County Economic Development Department. In addition, a two story, 56,000 square-foot medical and academic building for Rowan School of Osteopathic Medicine was completed in March 2021.

## **Rowan University**

Rowan University (“Rowan” or the “University”) is a selective, medium-sized public research university located in Glassboro, New Jersey. It is recognized for its nationally-ranked academic and athletic programs, talented professors and high-tech facilities. Rowan prides itself on being able to provide its approximately 19,400 students an outstanding education at an exceptional value. Undergraduate and graduate student body totals 19,678 across all categories. Undergraduate students represents 15,963, graduate students represent 2,466 with professional/medical students representing 1,249.

The University’s approved degree programs include 85 bachelor's degrees, 45 master's degrees, six doctoral degrees (Ed.D. and Ph.D.) and two professional degrees, a Doctor of Medicine (M.D.) and a Doctor of Osteopathic Medicine (D.O.). Students may pursue degrees at the main Glassboro campus, the Camden City campus, Cooper Medical School of Rowan University in Camden, the Rowan University School of Osteopathic Medicine in Stratford, online, or at multiple community college locations.

---

<sup>1</sup> Represents the latest data available. (Unaudited)

Rowan has been recognized by national organizations that evaluate colleges and universities. Last year U.S. News & World Report released its 2019 college rankings and, as in years past, scored Rowan among the best schools in its category. Other recognitions include the following:

- In the Public Research Universities category, Rowan was ranked #171 overall and #91 among Public Research Universities.
- The news service ranks some programs like engineering separately and scored the Henry M. Rowan College of Engineering #23 out of more than 200 schools nationwide where the highest degree offered is a bachelor's or master's degree.

The rankings follow announcements in August 2018 by Forbes and Money magazines that ranked Rowan among the “Top Colleges” in the U.S. for 2018 and among the “Best Colleges” respectively.

The University's main campus, on approximately 200 acres in the southern New Jersey town of Glassboro, is about 20 minutes southeast of Philadelphia and about one hour west of Atlantic City. It is approximately two hours from New York City and just a two-and-a-half-hour drive to Washington, D.C. The locale provides students all of the advantages of a suburban campus plus opportunities for entertainment, cultural events and professional opportunities in major East Coast metropolises and the nation's capital.

Rowan has acquired approximately 600 acres of open space in Glassboro and neighboring Harrison and Mantua Townships, some of which is home to the South Jersey Technology Park at Rowan University. A portion of the land on that parcel informally referred to as the “West Campus” was developed into athletic fields. In May of 2016, Rowan sold 100 acres of West Campus land in Harrison Township to Inspira Health Network of New Jersey (“Inspira”). Inspira broke ground in May 2017 on its new \$349 million, 467,000 square foot, 204-bed medical center that employs 1,400 workers and provides Rowan with a wide range of educational opportunities. It also will act as an anchor that is expected to attract health-care providers, researchers and businesses to the area.

On July 6, 1992, Mr. & Mrs. Henry M. Rowan pledged \$100 million to the Glassboro State College Development Fund. Terms of the gift required establishment of an Inductotherm Scholarship Fund in the amount of \$3 million and the creation of a School of Engineering. In 1992, the name of the University was changed from Glassboro State College to Rowan College of New Jersey. On March 21, 1997, the school became Rowan University.

In Fiscal Year 2015, following a subsequent gift announcement from the Henry M. Rowan Family Foundation of \$15 million, the College of Engineering was renamed the Henry M. Rowan College of Engineering in Mr. Rowan's honor.

On October 17, 2016, Rowan University alumni Jean and Ric Edelman made history when they announced a \$25 million gift to transform the Rowan University Fossil Park into a world-class destination for scientific discovery and “citizen science.” The Fossil Park will be known as the Jean & Ric Edelman Fossil Park at Rowan University. The gift from the Edelman's is the largest ever from Rowan alumni and the second largest gift in the institution's history. Plans for the tract include a museum and visitor center, laboratory spaces, a nature trail, a paleontology-themed playground, and social spaces. Construction will begin Spring 2021 to establish a world-class museum and visitor center focusing on STEM, Education laboratory spaces for research a paleontology-themed playground and social spaces. The \$67 million dollar Museum project will attract visitors worldwide and enhance Gloucester County as known tourism destination. Estimated completion date is October 2022.

In 2017, Rowan opened the new \$63.2 million dollar, four-story, 96,500-square-foot Rohrer College of Business facility, which houses 16 classrooms, 7 conference rooms, 10 specialty spaces, 15 administrative offices, and 70 faculty offices. Along with the new College of Business facility, Rowan opened a three story, 90,500 square-foot, \$71 million addition to the College of Engineering building and opened the new \$145 million Holly Pointe Commons housing complex, which houses 1,400 students on campus.

Construction continues on Rowan Boulevard which is home to a Marriot hotel, a Barnes & Noble, and Inspira/Cooper medical center, the Gloucester County Chamber of Commerce, several restaurants and retailers, luxury apartments and a parking garage. Currently under construction in Discovery Hall, a 68,000 square-foot academic and research building on the Glassboro campus.

In addition, Rowan is in the process of several new developments including the West Campus Development, which includes a soccer stadium, commercial and retail space, 1,000 construction jobs, 350 permanent jobs, 100-million-dollar investment. The South Jersey Technology Park, which is a new technology related business expansion of 40,000 square feet creating 500 new jobs and a 45-million-dollar investment.

In collaboration with the Gloucester County Improvement Authority, Rowan University intends to anchor a proposed Global Solutions Facility with a 50,000 square-foot LEED certified mixed R&D and manufacturing facility.

### **Gloucester County Institute of Technology<sup>2</sup>**

The Gloucester County Institute of Technology ("Institute") provides a full range of regionalized occupational and technical County-wide educational services and programs appropriate to the needs of the students of 13 public high schools, and adults who seek educational opportunities that lead to employment or higher education. The Institute also provides programming for secondary students who wish to continue to higher education through Tech Prep matriculation agreements with various county colleges and four-year institutions.

As of June 30, 2020, there are approximately 1,349 students are enrolled in the Institutes' Academy and Career-Technical programs. Recent construction has added, among other things, a cafeteria, gymnasium and classrooms to the academic facilities in order to keep pace with demand.

In addition to its day school enrollment, the Institute serves an average of 4,000 residents in various programs, including: (i) adult and continuing education programs; (ii) County employees in customized training programs; (iii) adults in the skill center; (iv) over 400 at-risk youth and their families in school-based youth services counseling; (v) the U.S. swim team of 175 members; and (vi) the joint auto technology program with Rowan College serving 40 adult students in an AAS degree program.

### **Gloucester County Special Services School District**

Gloucester County Special Services School District ("GCSSSD") provides a wide range of educational services to the families of the County. GCSSSD serves children with special needs from birth to age 21. The enrollment for the 28-acre Bankbridge complex in Deptford, as of June 2020, was approximately 631 special needs students.

---

<sup>2</sup> Source: University Basic Financial Statements and Management's Discussion and Analysis Year Ended June 30, 2019.

Bankbridge Regional opened its doors in September 2000 and serves secondary level students who have special needs. In September 2002, GCSSSD opened Bankbridge Elementary School. The elementary school is located next to Bankbridge Regional and serves special needs students from pre-kindergarten to grade five (5).

The Bankbridge Development Center ("BDC") opened in 2007. With an emphasis on developing skills in the areas of communication, socialization, and independence, the BDC strives toward helping students become participating and contributing members of their community. Education, advocacy, public awareness efforts, and the promotion of research form the cornerstones of the activities. Together, they can promote lifelong access and opportunity for all individuals within the autism spectrum and/or multiply disabled.

BDC student outcome goals include, but are not limited to:

- The development of a functional communication system in order to increase interaction and enhance adaptive behaviors.
- Effectively providing functional, skill-based instruction to develop each student's social, behavioral and academic abilities.
- Providing students with the skills necessary to become contributing and functional members of society.

The staff at BDC is dedicated to educating and supporting the special needs students who attend BDC. Each classroom and specialty area has been carefully designed to provide an encouraging but challenging learning environment to help the children reach their maximum potential. The programs are tailored to meet the specific needs of each child. The philosophy, goals, and objectives of the BDC reflect the diversity of the children they serve. Programs are designed to meet their educational, social, and emotional needs.

In addition to the schools, GCSSSD provides the following services to support the special needs children of the County: (i) the Early Intervention Program for children from birth to age 3 and their families; and (ii) the Center for Regional Education Support Services (CRESS) which provides professional services to the school districts in the County and the County of Camden.

GCSSSD also provides support to nonpublic students through their schools including remedial programs, speech-language therapy and textbook purchasing. GCSSSD's Special Projects Program provides Migrant Services to more than 3,000 students and families throughout the southern region of New Jersey.

*[The remainder of this page has intentionally been left blank.]*



## POPULATION

The population of the County has grown at a rate greater than the population growth of the State. The pattern of growth during the last four decades reflects the shift of population to suburban areas assimilating the trend both nationwide and statewide. The following table shows U.S. Census Bureau population data for the twenty-four municipalities in the County and for the State:

<b><u>MUNICIPALITY</u></b>	<b><u>1970</u></b>	<b><u>1980</u></b>	<b><u>1990</u></b>	<b><u>2000</u></b>	<b><u>2010</u></b>
Clayton Borough	5,193	6,013	6,155	7,139	8,179
Deptford Township	24,232	23,473	24,137	26,763	30,561
East Greenwich Township	3,280	4,144	5,258	5,430	9,555
Elk Township	2,707	3,187	3,806	3,514	4,216
Franklin Township	8,990	12,938	14,482	15,466	16,820
Glassboro Borough	12,938	14,574	15,614	19,068	18,579
Greenwich Township	5,676	5,404	5,102	4,879	4,899
Harrison Township	2,661	3,585	4,715	8,788	12,417
Logan Township	1,840	3,078	5,147	6,032	6,042
Mantua Township	9,643	9,193	10,074	14,217	15,217
Monroe Township	14,071	21,639	26,703	28,967	36,129
National Park Borough	3,730	3,552	3,413	3,205	3,036
Newfield Borough	1,487	1,563	1,592	1,616	1,553
Paulsboro Borough	8,084	6,944	6,577	6,160	6,097
Pitman Borough	10,257	9,744	9,365	9,331	9,011
South Harrison Township	1,226	1,486	1,919	2,417	3,126
Swedesboro Township	2,287	2,031	2,024	2,055	2,584
Washington Township	15,741	27,878	41,960	47,114	48,559
Wenonah Borough	2,364	2,303	2,331	2,317	2,278
West Deptford Township	13,928	18,002	19,380	19,368	21,677
Westville Borough	5,170	4,786	4,573	4,500	4,288
Woodbury City	12,408	10,453	10,904	10,307	10,174
Woodbury Heights Borough	3,621	3,460	3,392	2,988	3,055
Woolwich Township	<u>1,147</u>	<u>1,129</u>	<u>1,459</u>	<u>3,032</u>	<u>10,200</u>
<b>GLOUCESTER COUNTY</b>	<b>172,681</b>	<b>200,559</b>	<b>230,100</b>	<b>254,673</b>	<b>288,288</b>
<b>STATE OF NEW JERSEY</b>	<b>7,168,000</b>	<b>7,380,000</b>	<b>7,730,000</b>	<b>8,414,350</b>	<b>8,791,894</b>

*[The remainder of this page has intentionally been left blank.]*

## EMPLOYMENT AND UNEMPLOYMENT COMPARISONS

For the past ten years, the New Jersey Department of Labor reported the following annual average employment information for the County and the State.

<u>County</u>	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployment</u>	<u>Unemployment Rate</u>
2009 (r)	159,700	145,000	14,700	9.2%
2010 (r)	158,600	142,500	16,100	10.1
2011 (r)	157,200	141,900	15,300	9.8
2012 (r)	157,400	142,100	15,300	9.7
2013	155,600	142,400	13,300	8.5
2014	148,800	138,300	10,600	7.1
2015	149,700	140,800	8,900	5.9
2016	150,100	142,500	7,600	5.1
2017	151,600	144,400	7,200	4.7
2018	151,800	146,200	5,600	3.7
2019	149,700	144,200	5,500	3.7
2020 <sup>1</sup>	149,600	139,200	10,500	7.0

<u>State</u>	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployment</u>	<u>Unemployment Rate</u>
2009 (r)	4,544,700	4,135,900	408,800	9.0%
2010 (r)	4,545,600	4,108,700	436,900	9.6
2011 (r)	4,535,800	4,112,200	423,600	9.3
2012 (r)	4,561,800	4,136,900	424,800	9.3
2013	4,537,800	4,166,000	371,800	8.2
2014	4,518,700	4,218,400	300,300	6.6
2015	4,543,800	4,288,800	255,000	5.6
2016	4,524,300	4,299,900	224,300	5.0
2017	4,518,800	4,309,700	209,100	4.6
2018	4,500,500	4,337,800	162,700	3.6
2019	4,547,100	4,382,900	164,200	3.6
2020 <sup>1</sup>	4,444,500	4,114,800	329,800	7.4

(r) Revised by the Department of Labor and Workforce Development in April of 2015 from originally reported number

(1) The Department of Labor and Workforce Development Estimates as of February 3, 2021. As a result of the COVID-19 Pandemic unemployment rates were elevated.

## Major Employers<sup>1</sup>

The 10 largest non-government employers in the County are shown below, as of 2020:

<u>Employer</u>	<u>Number of Employees</u>	<u>Type of Business</u>	<u>Location</u>
Amazon	4,500	Distribution	West Deptford
Rowan University	3,500	Education	Glassboro
Inspira Healthcare Network	2,051	Healthcare	Mullica Hill
Jefferson Health	2,015	Healthcare	Washington Twp.
Shop Rite	1,300	Food Production	Glassboro
U.S. Food Service	1,014	Wholesale/Distribution	Bridgeport
Walmart	800	Retail	Turnersville
Penske	700	Truck Rental	Deptford
Heritage Dairy Stores	520	Food Production/Distribution	West Deptford
United Methodist Community	500	Assisted Living	Pitman

<sup>1</sup>County Website

## County Labor Relations

The County employs approximately 1,250 employees, including 182 part-time personnel. Approximately 85% of the County's work force is represented by the collective bargaining units listed below:

<u>Union</u>	<u>Employees in Union</u>	<u>Job Titles Covered</u>
Communication Workers of America (CWA) Local 1085	613	Supervisory and Non-Supervisory Personnel
CWA Social Services Local 1085	126	Supervisory & Rank-and-File Social Services
Fraternal Order of Police (FOP Local #97)	23	Corrections Officers
Sheriff's Officers Association (PBA Local #122)	78	Sheriff Officers: Sergeants
Fraternal Order of Police (FOP Local 165)	12	Sheriff; Lieutenants; Captain; Corrections Lieutenants
Police Benevolent Association (PBA Local #122)	35	Prosecutor's Office; Investigators; Detectives and Superior Officers Assistant
Assistant Prosecutor's Association	27	Prosecutors
FOP Lodge # 199	7	Corrections Sergeants Social
Teamsters	5	Services Managers

## RETIREMENT SYSTEMS AND PENSION FUND

Substantially all eligible employees of the County are covered by either the Public Employees' Retirement System or Police or Firemen's Retirement System, a cost-sharing, multiple-employer defined benefit pension plan which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required

supplementary information for the retirement systems. The reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or can be accessed on the internet at <http://www.state.nj.us/treasury/pensions/actuarial-rpts.shtml>.

The Division of Pensions and Benefits within the Treasury Department of the State ("Division") is the administrator of the funds with benefit and contribution levels set by the State. The County currently has no unfunded past pension liability.

### **Public Employees' Retirement System<sup>1</sup>**

The Public Employees' Retirement System includes approximately 1,008 non-uniformed County employees. The system is evaluated every year and the County's contribution is determined on an actuarial basis by the Division. Employee rates of contribution are 7.5%. The County's contribution for 2020 was \$7,758,837 equal to the County's required contribution for such year.

### **Police and Firemen's Retirement System<sup>1</sup>**

Approximately 154 County employees are covered under the Police and Firemen's Retirement System. The State's requirement for the County's contribution is determined on an actuarial basis by the Division. Employee rates of contribution are 10%. The County's contribution for 2020 was \$4,627,448, equal to the County's required contribution for such year.

### **Funding Policy**

The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115 P.L. of 1997 and NJSA 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS contribution rate increased to 6.5% of base salary effective with the first payroll, to be paid on or after October 1, 2011. Subsequent increases will then be phased in over 7 years (each July 1<sup>st</sup>) to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. The PFRS contribution rate increased to 10% of base salary effective with the first payroll to be paid on or after October 1, 2011. Employers are required to contribute at an actuarially determined rate in PERS and PFRS. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

### **Defined Contribution Retirement Program (DCRP)**

The County established Defined Contribution Retirement Program by resolution on June 18, 2008, as required by Chapter 92 of the Laws of 2007 and NJSA 43:15C-1 et. seq. DCRP provides for employee contributions of 5.5% of employee's annual base salary. Employers are required to contribute 3% of the employee's base salary. The County's contributions to DCRP for the years ending December, 31, 2020, 2019 and 2018 were \$66,465, \$57,447 and \$57,918 and respectively, equal to the required contributions for each year.

### **Post-Employment Healthcare Plan**

The County contributes to the State Health Benefits Program ("SHBP"), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the Division. The SHBP was established in 1961 under NJSA 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. The SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. The County contribution to SHBP for the year ended December 31, 2020, was \$18,902,587 which equaled the required contributions for the year.

(1) Annual Financial Statements as of December 31, 2020

## COUNTY TAXES

### County Property Tax Rates

County taxes on real property are not levied by the County directly, but the amounts required to be raised are apportioned to the municipalities by the Board of Taxation located in each county. The County Board of Taxation fixes and determines the tax rate, which includes the amount required for county, local school districts and local municipal requirements.

Current property taxes are collected by the tax collectors of the municipalities within the County. Property taxes are due in four (4) installments, which become delinquent on February 1, May 1, August 1 and November 1. Each municipality is required to pay to the County Treasurer its share of the county purpose tax on the fifteenth (15th) day of February, May, August and November of each year, and if need be, to borrow money to make such payments as provided by New Jersey Statutes. Consequently, counties in the State experience 100% tax collection.

The following schedule shows the County property tax rate and the equalized valuation on which such County taxes were apportioned.

### County Property Tax Rate and Equalized Valuations

<u>Year</u>	<u>County Tax Rate (per \$100)</u>	<u>Equalized Valuation</u>
2008	\$0.5104	\$28,052,514,335
2009	0.5104	29,365,481,297
2010	0.5104	29,099,745,522
2011	0.5011	28,774,322,435
2012	0.5107	27,539,059,608
2013	0.5635	26,367,768,361
2014	0.5769	25,436,791,282
2015	0.6158	25,466,430,286
2016	0.6311	25,677,598,255
2017	0.6347	26,081,261,902
2018	0.6427	26,537,050,714
2019	0.6950	27,323,688,683
2020	0.6572	27,878,127,091

*[The remainder of this page has been intentionally left blank.]*

## NET VALUATION TAXABLE

The previously mentioned equalized valuations on which County taxes are based are comprised of the aggregate of Net Valuations of the twenty-four (24) municipalities located within the County, using Assessed Value to True Value ratios maintained by the County Board of Taxation. The net taxable valuations for the past five years of the municipalities in the County are included below:

<b><u>MUNICIPALITY</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020<sup>1</sup></u></b>
Clayton Borough	\$462,838,565	\$466,392,308	\$466,254,207	\$466,959,231	\$466,743,682
Deptford Township	2,797,249,493	2,796,637,101	2,812,813,930	2,816,860,238	2,829,992,276
East Greenwich Township	1,060,518,500	1,068,250,300	1,074,152,700	1,195,814,300	1,211,054,600
Elk Township	354,959,581	365,674,209	371,019,357	372,583,504	374,251,077
Franklin Township	1,232,463,275	1,237,078,979	1,231,752,737	1,231,986,253	1,230,598,454
Glassboro Borough	1,205,300,593	1,216,452,728	1,225,046,520	1,249,614,554	1,263,853,866
Greenwich Township	762,934,668	754,417,466	746,625,206	719,530,896	720,241,131
Harrison Township	1,405,992,089	1,528,708,197	1,530,035,240	1,540,362,693	1,545,984,112
Logan Township	1,052,335,560	1,064,176,460	1,384,277,890	1,421,145,940	1,454,409,740
Mantua Township	1,324,373,124	1,329,495,507	1,334,185,026	1,334,477,687	1,347,665,987
Monroe Township	2,659,263,631	2,666,561,754	2,704,555,200	2,704,193,200	2,721,975,400
National Park Borough	158,853,832	158,493,724	158,241,182	158,481,879	159,043,974
Newfield Borough	123,275,635	127,603,100	130,776,000	130,432,200	132,958,900
Paulsboro Borough	361,296,512	358,928,000	358,009,400	339,740,300	339,411,300
Pitman Borough	569,320,562	569,386,536	570,025,944	569,134,100	568,717,700
South Harrison Township	378,324,352	379,454,625	383,385,700	385,373,400	385,735,700
Swedesboro Borough	172,468,500	172,331,900	172,856,900	173,087,400	172,167,600
Washington Township	4,237,529,564	4,258,451,544	4,262,047,553	4,265,315,844	4,711,518,046
Wenonah Borough	224,428,800	223,342,200	221,623,000	220,010,800	218,200,300
West Deptford Township	2,248,313,928	2,243,764,051	2,250,266,605	2,206,346,696	2,211,842,859
Westville Borough	236,840,836	235,552,390	233,481,348	231,591,047	232,167,133
Woodbury City	586,645,741	581,707,125	577,763,282	572,821,475	570,769,299
Woodbury Hts. Borough	253,727,377	253,485,367	251,390,917	250,162,420	250,017,821
Woolwich Township	<u>1,122,915,247</u>	<u>1,133,399,244</u>	<u>1,150,342,410</u>	<u>1,175,212,910</u>	<u>1,347,561,510</u>
<b>TOTAL COUNTY</b>	<b>\$23,869,254,718</b>	<b>\$25,189,744,815</b>	<b>\$25,600,928,254</b>	<b>\$25,731,238,967</b>	<b>\$26,466,880,467</b>

### County Assessment Pilot Program

As part of a pilot program approved by the State, the County has finalized the assessment of real property and taken over the assessment process from the various municipalities located within the County.

### Tax Appeals

State Statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 in each year, the municipalities within the County must mail to each property owner a notice of the current assessment and taxes on the property. That taxpayer has a right to petition the County Tax Board on or before April 1 for review. The County Board of Taxation has the authority, after a hearing, to decrease the assessment or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as cancelled or remitted taxes for that year. If the taxpayer feels the petition was unsatisfactorily reviewed by the County Board of Taxation, appeal may be made to the Tax Court of New Jersey for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations.

(1) County Website Updated as of March 2021

## Business Retention Act

Under the provisions of N J S.A. 54:4-1 et seq., all property, real and personal, within the jurisdiction of the State not expressly exempted from taxation is subject to taxation annually under the statute. Additionally, pursuant to the Business Retention Act, N J S.A. 54:4-1.13 et seq., machinery, apparatus or equipment of a petroleum refinery directly used for refining crude oil into petroleum production is taxable as tangible personal property. The standard of value of tangible personal property subject to taxation is assessed on the true value thereof, which is presumed to be the original cost less depreciation as of the assessment date, as shown on the books and records of the person assessed, provided that the true value of depreciable property shall, so long as such property remains in use or is held for use, be presumed to be not less than 20% of its original cost.

The taxable value of tangible personal property shall be at that percentage of true value as shall correspond to the average ratio of assessed value of real property promulgated by the Director of the Division of Taxation on October 1 of the pre-tax year for State school aid purposes. The taxable value determined pursuant to this promulgation shall be taxed at the general real property tax rate of the taxing district.

On or before September 1 each year, any person owing tangible personal property is required to prepare and file with the tax assessor a return of such taxable personal property in the form and containing the information as prescribed by the Director of the Division of Taxation.

### TEN LARGEST TAXPAYERS

<u>Name</u>	<u>Type of Business</u>	<u>2020 Assessed Value</u>	<u>Percent of County Total Assessed Valuation</u>
Paulsboro Refinery Co LLC	Oil Refinery (951 Billingsport Rd.)	\$265,028,500	0.99%
Deptford Mall Associates	Retail Property (Deptford)	161,775,400	0.61
Liberty Venture LP	Industrial Refinery	142,485,080	0.54
SVF Oldmans Creek Logan LLC	Developer	58,380,000	0.22
BRE RC Deptford NJ LLC	Developer	57,819,600	0.22
Sunoco c/o KE Andrews	Oil Refinery	57,734,500	0.22
Turnersville Auto Mall	Retail Property	48,541,200	0.18
Solvay Solexis Inc.	Plastic Manufacturer	43,399,200	0.16
Paulsboro Refining Co LLC	Oil Refinery (226 Billingsport Rd.)	41,073,831	0.15
PBF Logistics Products	Refinery	<u>38,333,400</u>	<u>0.14</u>
Total:		\$914,570,700	3.44%

Total Assessed Valuation in the County (2020): **\$26,509,406,917**

## REAL PROPERTY ASSESSMENTS

Each county board of taxation annually ascertains and determines the general ratio or percentage of true value at which the assessed value of real property of each taxing district is assessed. It prepares an equalization table showing the assessed valuation of the real property in each district, the ratio or percentage, if any, by which the assessed valuation should be increased or decreased in order to correspond to true value.

For the 2019 tax year, the County Board of Taxation filed with the State, on behalf of the twenty-four municipalities, the following aggregate assessed values and true values are shown below.

### REAL PROPERTY EXCLUSIVE OF CLASS II RAILROAD PROPERTY

<u>Municipality</u>	<u>2020 Aggregate Assessed Value</u>	<u>Ratio of Aggregate Assessed Value to True Value</u>	<u>2020 Aggregate True Value</u>
Clayton Borough	\$465,511,100	94.53%	\$492,448,006
Deptford Township	2,823,744,200	98.37	3,008,175,349
East Greenwich Township	1,211,054,600	98.74	1,226,508,608
Elk Township	373,102,300	91.98	405,634,160
Franklin Township	1,228,438,700	90.26	1,361,000,111
Glassboro Borough	1,258,030,700	98.11	1,282,265,518
Greenwich Township	679,184,300	96.05	707,115,357
Harrison Township	1,542,931,800	95.02	1,623,796,885
Logan Township	1,454,409,740	94.44	1,540,035,726
Mantua Township	1,347,665,987	90.53	1,488,640,215
Monroe Township	2,721,975,400	97.41	2,794,349,040
National Park Borough	158,701,200	98.80	160,628,745
Newfield Borough	132,956,900	97.65	136,156,580
Paulsboro Borough	339,411,300	105.26	322,450,409
Pitman Borough	568,717,700	89.56	635,013,064
South Harrison Township	385,735,700	92.25	418,141,680
Swedesboro Borough	172,167,600	91.26	188,656,147
Washington Township	4,706,640,565	95.83	4,911,447,944
Wenonah Borough	218,200,300	97.81	223,085,881
West Deptford Township	2,207,090,700	92.54	2,385,012,643
Westville Borough	231,937,300	96.58	240,150,445
Woodbury City	565,697,500	92.74	609,982,208
Woodbury Heights Borough	249,376,000	96.71	257,859,580
Woolwich Township	<u>1,347,561,510</u>	<u>97.44</u>	<u>1,382,965,425</u>
<b>TOTAL COUNTY</b>	<b>\$26,390,273,102</b>	<b>94.92%</b>	<b>\$27,801,519,726</b>

Source: New Jersey Division of Taxation Table of Equalized Valuation 2020



## COUNTY FINANCES

### **The Budget Process**

The County's process for establishing its annual operating and capital budgets, including submission of the budget to the Board, its approval by the Board and its certification by the Director ("Director") of the Division of Local Government Services ("Division of LGS"), are set forth by State statute. The County Treasurer is responsible for the preparation of the annual budgets.

The budget process begins with the submission of appropriation requests by the directors and managers of the various county departments and agencies to the Budget Committee which consists of the County Administrator, Deputy Administrator and the County Treasurer. The Committee reviews the requests, meets with each department and agency to discuss the requests and after evaluating the financial factors affecting the County, makes recommendations to the Board of Commissioners.

The Board of Commissioners then meets to act on the Budget Committee's recommendations and to adopt a balanced budget which meets the desired goals.

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

The Local Budget Law, Chapter 4 of Title 40A of the New Jersey Statutes, as amended and supplemented ("Local Budget Law"), governs the budgeting and appropriation of funds by counties and municipalities.

The Local Budget Law requires counties and municipalities to adopt a "cash basis" budget (unless otherwise permitted by law) in such form that there will be sufficient cash collected to meet all debt service requirements, necessary operations of the municipalities for the fiscal year and any mandatory payments required to be met during the fiscal year.

No budget shall be adopted unless the Director shall have previously certified his approval thereof. Every county and municipality must include in its budget an appropriation for the payment of debt service. The Director is required to examine such appropriation to determine whether it is properly set forth, in addition to determining whether all estimates of revenue contained in the budget are reasonable, accurate and correctly stated.

A statute passed in 1976, as amended (N.J.S.A. 40A:4-45.1 et seq.), commonly known as the "Cap Law", imposed restrictions which limit the allowable increase on county taxes over the previous year's taxes to the lesser of two and one-half percent (2 1/2%), or the rate of the annual percentage increase in the Implicit Price Deflator for State and Local Government purchases of goods and services, as published by the United States Department of Commerce ("Cost of Living Adjustment"). If the Cost-of-Living Adjustment is equal to or less than two and one-half percent (2 1/2%), an increase greater than the Cost of Living Adjustment, but not to exceed three and one-half percent (3 1/2%) over the previous year's county tax levy, will be permitted. If the Cost-of-Living Adjustment is equal to or less than two and one-half percent (2 1/2%) and a county increases its final appropriations or county tax levy in an amount less than three and one-half percent (3 1/2%), it may, in either of the following two years' budgets appropriate additional taxes in an amount equal to the difference between its actual final appropriations or county tax levy and three and one-half percent (3 1/2%). Exceptions to the limitations imposed by the Cap Law exist for, among other things, the payment of debt service; capital expenditures; extraordinary expenses approved by the Local Finance Board required for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by court order or Federal or State law.

Additionally, legislation constituting P.L. 2010, c.44, was adopted on July 13, 2010, which, among other things, imposes a two percent (2%) cap on the tax levy that municipalities, counties, fire districts and solid waste collection districts may impose, with very limited exceptions and subject to certain adjustments.

Exclusions from the two percent (2%) tax levy cap include: (i) increases required to be raised by taxation for capital expenditures, including debt service as defined by law; (ii) increases in pension contributions and accrued liability for pension contributions in excess of 2.0%; (iii) increases in health care costs equal to that portion of the actual increase in total health care costs for the budget year that is in excess of 2.0% of the total health care costs in the prior year, but is not in excess of the product of the total health care costs in the prior year and the average percentage increase of the State Health Benefits Program, P.L.1961, c.49 (C.52:14-17.25 et seq.), as annually determined by the Division of Pensions and Benefits in the Department of the Treasury; and (iv) and extraordinary costs incurred by a local unit directly related to a declared emergency, as defined by regulation promulgated by the Commissioner of the Department of Community Affairs, in consultation with the Commissioner of Education, as appropriate. The amendments to the tax levy sections of the "Cap Law" (specifically, N J S.A. 40A:4-45-46) in 2010 no longer permit municipalities, counties, fire districts and solid waste collection districts to request approval from the Local Finance Board for a waiver to increase the amount to be raised by taxation in excess of the two percent (2%) cap. However, counties, municipalities, fire districts and solid waste collection districts may request, through a public question submitted to the voters, an increase in the amount to be raised by taxes above the two percent (2%) tax levy cap. Such approval must be achieved by an affirmative vote in excess of fifty percent (50%) of those voting on such public question.

Neither the tax levy limitation nor the "Cap Law" limits the obligation of the County to levy ad valorem taxes upon all taxable real property within the County to pay debt service on bonds or notes issued by the County or obligations guaranteed by the County.

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

This law regulates the non-budgetary financial activities of local governments. The chief financial officer of every local unit, including the County must file annually, with the Director, a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of each local unit account must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of LGS's "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the report, together with all recommendations made, and must be published in a local newspaper within 30 days of its submission. The County's entire annual audit report for the year ended December 31, 2018 is on file with the Clerk of the Board and is available for review during business hours. The 2018 Audit is also available on the County's website at <http://www.co.gloucester.nj.us>.

#### **General Expenditures of the County**

County expenditures are comprised of those made for general county purposes, certain expenditures made from restricted Federal, State and private grants, certain Federal or State mandated expenditures, deferred charges, debt service and capital improvements. Budgeted expenditures for general county purposes include payments made primarily in support of the various departments and agencies of the County.

## Recent Budgetary and Financial Condition

The total amount of taxes to be collected from municipalities within the County in 2021 is \$182,500,000, which is 2.50% higher than the \$178,000,000 budgeted in 2020.

<b><u>APPROPRIATIONS</u></b>	<b><u>2021 BUDGET</u></b>	<b><u>2020 BUDGET</u></b>	<b><u>2019 BUDGET</u></b>
General Government	\$15,443,468.00	\$16,245,271.00	\$15,229,245.00
Health & Human Services	28,670,510.00	28,408,704.00	26,010,472.00
Educational	20,309,907.00	19,384,330.00	18,284,185.00
Parks and Recreation	1,914,948.00	2,046,182.00	2,004,077.00
Land Use Administration	451,755.00	449,626.00	383,738.00
Code Enforcement & Administrator	166,140.00	265,870.00	371,764.00
Insurance	26,893,500.00	26,033,500.00	26,026,000.00
Public Safety Functions	57,880,057.00	57,689,839.00	57,186,033.00
Public Works	10,037,673.00	9,748,612.00	9,681,722.00
Utilities & Bulk Purchases	3,187,000.00	3,287,000.00	3,271,000.00
Landfill/Solid Waste Disposal	3,627,845.00	3,345,808.00	2,228,525.00
Unclassified	450,000.00	140,000.00	292,225.00
State and Federal Programs			
Offset w/ Revenues	7,246,757.00	3,775,761.00	20,916,065.00
Contingency	500,000.00	500,000.00	500,000.00
Capital Improvements	1,007,102.00	1,520,982.00	1,763,756.00
Debt Service	39,453,370.00	34,988,115.00	35,903,299.00
Deferred Charges and Statutory Expenditures	\$20,527,903.00	17,503,522.00	17,458,707.00
<b>TOTAL GENERAL APPROPRIATIONS</b>	<b>\$237,767,935.00</b>	<b>\$225,333,122.00</b>	<b>\$237,510,813.00</b>
<b>ANTICIPATED REVENUES</b>			
Miscellaneous Revenues: State & Federal Revenues	\$2,632,344.00	\$1,677,143.00	\$1,661,452.00
Misc. Local Revenues	18,084,888.00	18,523,935.00	16,918,592.00
Other Special Items	19,875,773.00	20,239,981.00	21,240,287.00
State Assumption of Costs of County Social/Welfare Serv.	494,851.00	508,584.00	480,967.00
Special Items of General Revenue Anticipated w/Prior Consent	7,156,079.00	3,685,479.00	20,833,290.00
Total Miscellaneous Revenues	48,243,935.00	44,635,122.00	61,134,688.00
Surplus Anticipated	7,024,000.00	2,698,000.00	2,376,225.00
Amount to be Raised by Taxation	182,500,000.00	178,000,000.00	174,000,000.00
<b>TOTAL GENERAL REVENUES</b>	<b>\$237,767,935.00</b>	<b>\$225,333,122.00</b>	<b>\$237,510,813.00</b>

## **DISCUSSION OF FINANCIAL OPERATIONS**

### **Basis of Accounting**

The accounting policies of the County conform to the accounting principals applicable to counties which have been prescribed by the Division. The following is a summary of the significant policies:

**Basis of Accounting** - A modified accrual basis of accounting is followed, with minor exceptions. Revenues are recorded as received in cash except for certain amounts which may be due from the State of New Jersey. Expenditures are recorded on the accrual basis. Appropriation reserves covering unexpended appropriation balances are automatically created on December 31 of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred or entered into during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Interfunds-Interfund receivables in the Current Fund are recorded with offsetting reserves. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

**Fixed Assets** - Property and equipment purchased by the Current Fund and the General Fund are recorded as expenditures at the time of purchase and are not capitalized.

### **The Current Fund**

The County finances its operations primarily through the Current Fund. All tax receipts and most revenues are paid into the Current Fund and substantially all expenditures made by appropriations are paid from the Current Fund. The County operates on a January 1 to December 31 fiscal year.

## **REVENUE SOURCES OF THE COUNTY**

### **County Tax Receipts and Other Revenues**

The County purpose taxes are apportioned among the constituent municipalities that comprise the County. The taxes reflect that portion of the total County equalized valuation that each municipality represents. The municipalities' and the County's valuations for this purpose include: (i) the total assessed valuation; (ii) an amount added or deducted to equalize the assessed valuation according to the ratio of assessed-to-true value promulgated by the State Division of Taxation on October 1 of the next preceding year; (iii) an amount which reflects the true value of municipality-owned property which is leased and income producing; (iv) the value of certain railroad property, adjusted downward to reflect only that portion on which local property taxes are not in default and uncollectible; and (v) the capitalized amount of replacement revenues-business personal property tax received during the next preceding year.

## COUNTY REVENUES AND TAX RECEIPTS<sup>1</sup>

<u>Year</u>	<u>Total Revenues</u>	<u>County Purpose Tax</u>	<u>Taxes as a % of Revenues</u>	<u>Other Revenue</u>
2008	\$214,963,165	\$143,200,000	66.62%	\$71,763,165
2009	237,955,486	148,100,000	62.23	89,855,486
2010	244,411,875	148,020,000	60.56	96,391,875
2011	219,891,640	144,125,000	65.54	75,766,640
2012	220,426,946	139,975,000	63.50	80,451,946
2013	216,889,704	141,970,000	65.46	74,919,704
2014	221,267,054	147,900,000	66.84	73,367,054
2015	220,915,385	155,800,000	70.52	65,115,385
2016	225,341,714	161,000,000	71.45	64,341,714
2017	230,584,515	164,887,378	71.51	65,697,137
2018	244,296,029	170,000,000	69.58	74,296,029
2019	237,510,813	174,000,000	73.25	63,510,813
2020	225,333,122	178,000,000	78.99	47,333,122
2021	237,767,935	182,500,000	76.75	55,267,935

(1) 2021 County Budget as of February 17, 2021

## MUNICIPAL INDEBTEDNESS<sup>1</sup>

The following table shows the indebtedness of the twenty-four (24) municipalities in the County as of December 31, 2020.

<u>Municipality</u>	<u>Total Gross Debt</u>	<u>Total Deductions</u>	<u>Total Net Debt December 31, 2020</u>
Clayton Borough	\$23,062,164.92	\$20,632,164.92	\$2,430,000.00
Deptford Township	61,141,501.91	40,191,854.00	20,949,647.91
East Greenwich Township	46,311,664.87	35,208,492.87	11,103,172.00
Elk Township	3,977,563.22	2,471,163.22	1,506,400.00
Franklin Township	16,725,774.78	8,366,834.64	8,358,940.14
Glassboro Borough	74,324,375.00	38,887,785.85	35,436,589.15
Greenwich Township	17,384,896.99	3,031,583.20	14,353,313.79
Harrison Township	58,074,469.99	26,858,302.18	31,216,167.81
Logan Township	16,896,500.00	7,870,000.00	9,026,500.00
Mantua Township	13,731,361.17	4,271,711.17	9,459,650.00
Monroe Township	67,274,625.92	37,970,000.00	29,304,625.92
National Park Borough	8,063,652.19	6,720,653.99	1,342,998.20
Newfield Borough	1,555,082.46	814,017.26	741,065.20
Paulsboro Borough	31,867,813.94	23,635,913.94	8,231,900.00
Pitman Borough	18,684,746.75	10,692,124.70	7,992,622.05
South Harrison Township	12,093,285.80	12,093,285.80	0.00
Swedesboro Borough	9,758,520.52	6,998,902.95	2,759,617.57
Washington Township	49,319,505.69	10,130,000.00	39,189,505.69
Wenonah Borough	10,353,172.54	8,043,171.93	2,310,000.61
West Deptford Township	107,369,353.79	50,733,588.32	56,635,765.47
Westville Borough	9,759,802.19	6,531,846.44	3,227,955.75
Woodbury City	35,114,200.24	15,435,260.92	19,678,939.32
Woodbury Heights Borough	8,657,020.89	5,154,020.89	3,503,000.00
Woolwich Township	<u>76,994,445.72</u>	<u>39,449,004.38</u>	<u>37,545,441.34</u>
<b>TOTAL</b>	<b>\$788,495,501.49</b>	<b>\$422,191,683.57</b>	<b>\$356,303,817.92</b>

2020 Annual Debt Statements of all Municipalities

## **COUNTY INDEBTEDNESS**

### **Debt Authorization**

The Local Bond Law (N.J.S.A. 40A:2-1 et seq.) ("Local Bond Law") governs the issuance of bonds and notes by the County to finance certain expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded, that bonds be retired in serial installments and that cash down payments equal to at least 5% of the bond authorization be generally provided.

### **Debt Limits**

The debt of the County is limited by 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 and improvements and certain Class II railroad 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 with the approval of the New Jersey Department of Community Affairs, Division of Local Government Services, Local Finance Board ("Local Finance Board"). If all or any part of a proposed debt authorization exceeds its debt limit, the County must apply to the Local Finance Board for an extension of credit. The Local Finance Board considers the request, concentrating its review on the effect of the proposed authorization on outstanding obligations and operating expenses and the anticipated ability to meet the proposed obligations. If the Local Finance Board determines 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.

### **Debt Statements**

The County must report all new authorization of debt or changes in previously authorized debt to the New Jersey Division of Local Government Services. The Supplemental Debt Statement, as this report is known, must be submitted to the Division of Local Government Services prior to final passage of any debt authorization. Before January 31 of each year, the County must file an Annual Debt Statement with the Division of Local Government Services. This report, prepared by the Chief Financial Officer, is made under oath and indicates the authorized, issued and unissued debt of the County as of the previous December 31. Through the Annual and Supplemental Debt Statements, the Division of Local Government Services monitors all local borrowing. Even though the County's authorizations are within its debt limits, the Division of Local Government Services is able to enforce State regulations as to the amounts and purposes of local borrowing.

**STATUTORY DEBT**  
**As of December 31, 2020**

Bonded Debt	\$166,037,000.0
Bonds Authorized but Not Issued	7,000,800.00
Miscellaneous Bonds, Notes and Loans Issued	92,821,687.00
Bonds Guar. By County Issued by Another Public Body	<u>181,618,306.00</u>
<b>Total Gross Debt</b>	<b><u>\$447,477,793.00</u></b>
Less Deductions:	
Bonds Entitled to State Aid	-
Bonds Guar. by County Issued by Another Public Body	<u>\$201,406,614.00</u>
<b>Total Deductions from Gross Debt</b>	<b><u>\$201,406,614.00</u></b>
<b>Statutory Net Debt</b>	<b>\$246,071,179.00</b>

**DEBT LIMIT**

Three-Year Average Equalized Valuation (2018-2020)	\$27,281,367,058.00
Statutory Borrowing Capacity (2% of Average Equalized Valuation)	\$545,627,341.16
Statutory Net Debt	\$246,071,179.00
Remaining Borrowing Capacity	\$299,556,162.16
Percentage Statutory Net Debt to Average Equalized Valuation	0.902%
Percentage Statutory Net Debt to Current Equalized Valuation (27,801,519,726)	0.885%
Net Debt per Capita	\$854.00

**COUNTY OF GLOUCESTER ANNUAL DEBT STATEMENTS**

<b>Gross Debt:</b>	<b><u>December 31, 2020</u></b>	<b><u>December 31, 2019</u></b>	<b><u>December 31, 2018</u></b>
Serial Bonds Issued and Outstanding:			
General	\$236,855,366.00	\$210,116,936.00	\$201,248,634.00
County College	<u>19,695,000.00</u>	<u>27,025,000.00</u>	<u>23,678,000.00</u>
 Total Serial Bonds Issued and Outstanding	 \$256,550,366.00	 \$237,141,936.00	 \$224,926,634.00
Bonds and Notes Authorized and Not Issued	\$7,000,800.00	\$0	\$0
 Bond Anticipation Notes Issued	 <u>\$0</u>	 <u>\$0</u>	 <u>\$0</u>
 Total Gross Debt:	 \$263,551,166.00	 \$ 237,141,936.00	 \$ 224,926,634.00
 <b>Net Debt:</b>			
Statutory Deductions			
State Share College Bonds	\$16,848,300.00	\$11,012,500.00	\$8,971,500.00
NJEIT	631,687.00	1,250,882.00	1,854,540.00
 <b>Net Debt</b>	 <b><u>\$246,071,179.00</u></b>	 <b><u>\$224,878,554.00</u></b>	 <b><u>\$214,100,594.00</u></b>

**OUTSTANDING BONDED INDEBTEDNESS**

The outstanding general obligation indebtedness (bonded debt only) of the County as of December 31, 2020 is shown in the following table:

<b><u>Issue</u></b>	<b><u>Interest Rates</u></b>	<b><u>Dated Date</u></b>	<b><u>Final Maturity</u></b>	<b><u>Amount Outstanding</u></b>
2009 General Obligation Bonds Refinance	3.00 to 5.00%	12/28/11	10/1/24	\$18,135,000.00
2011 General Obligation Bonds Refinance	2.00 to 2.50%	6/28/12	3/1/22	6,680,000.00
2012 General Obligation Bonds	2.00 to 2.50%	6/28/12	3/1/22	6,800,000.00
2012 County College Bonds-Chapter 12	2.25 to 3.00%	6/28/12	3/1/27	800,000.00
2012 County College Bonds-Chapter 12	3.00%	6/28/13	3/1/28	800,000.00
2013 General Obligation Bonds	2.00 to 2.50%	6/27/14	3/1/24	14,120,000.00
2014 County College-Chapter 12	2.00 to 2.50%	6/27/14	3/1/24	1,000,000.00
2014 General Obligation Bonds	1.75 to 2.50%	6/27/14	3/1/23	1,875,000.00
2014 Building Our Future Bonds	2.00 to 2.50%	6/27/14	3/1/24	2,400,000.00
2014 County College Bonds-Chapter 12	2.00 to 3.25%	6/25/15	3/1/30	1,000,000.00
2015 County College Bonds-Chapter 12	2.00 to 3.25%	6/25/15	3/1/30	1,130,000.00
2015 General Obligation Bonds	2.00 to 3.00%	6/25/15	3/1/25	2,285,000.00
2015 County College Bonds-Chapter 12	3.00 to 4.00%	5/24/16	1/15/22	1,130,000.00
2016 General Obligation Bonds Refinance	2.00 to 2.38%	6/7/16	3/1/31	7,560,000.00
2016 County College Bonds-Chapter 12	2.00 to 2.38%	6/7/16	3/1/31	1,160,000.00
2016 General Obligation Bonds	1.00 to 2.00%	6/7/16	3/1/27	3,635,000.00
2016 County College Bonds-Chapter 12	1.63%	5/11/17	7/1/21	1,160,000.00
2017 General Obligation Bonds	2.00 to 3.13%	5/31/17	3/1/32	6,385,000.00



2017 Building Our Future Bonds	2.00 to 3.13%	5/31/17	3/1/32	1,810,000.00
2017 General Obligation Refunding	1.00 to 2.50%	5/31/17	3/1/27	1,845,000.00
2017 County College Bonds-Chapter 12	2.00 to 2.50%	5/31/17	3/1/28	1,222,500.00
2017 County College Bonds-Chapter 12	3.00 to 4.00%	8/9/17	10/15/29	1,222,500.00
2018 General Obligation Bonds	3.00 to 3.25%	5/16/18	4/1/33	15,670,000.00
2018 County College Bonds-Chapter 12	3.00 to 3.375%	5/16/18	4/1/33	1,440,000.00
2018 County College Bonds-Chapter 12	3.00 to 3.375%	5/16/18	4/1/33	1,440,000.00
2019 General Obligation Bonds	2.50 to 2.75%	5/2/19	3/1/34	29,045,000.00
2019 County College Bonds-Chapter 12	4.00 to 5.00%	11/6/19	9/15/33	3,095,000.00
2019 County College Bonds-Chapter 12	2.00 to 3.00%	5/2/19	3/1/34	3,095,000.00
2019 General Obligation Bonds Refinance	2.00 to 3.00%	5/2/19	3/1/34	12,590,000.00
2020 General Obligation Bonds	0.05 to 3.00%	6/25/20	3/1/29	<u>15,507,000.00</u>

**TOTAL** **\$166,037,000.00**

**SCHEDULE OF GENERAL OBLIGATION DEBT SERVICE  
(As of December 31, 2020)**

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$23,592,000.00	\$4,675,508.00	\$28,267,508.00
2022-2026	87,380,000.00	14,166,063.00	101,546,063.00
2027-2034	<u>55,065,000.00</u>	<u>4,659,409.00</u>	<u>59,724,409.00</u>
<b>Total</b>	<b>\$166,037,000.00</b>	<b>\$23,500,980.00</b>	<b>\$189,537,980.00</b>

**CONTINGENT DEBT LIABILITY**

**The Gloucester County Improvement Authority**

The Gloucester County Improvement Authority ("GCIA") is a public body corporate and politic of the State and was created by a resolution of the County Board adopted on December 16, 1963. The GCIA operates under the supervision of five (5) members who are appointed by the County Board for five-year staggered terms. The following table identifies the GCIA transactions in which the payment of debt service is secured either by payments pursuant to a County lease or loan agreement and/or County guaranty. The GCIA has undertaken other bond issues; however, repayment of the debt in those transactions is secured by sources other than the County.

The GCIA has never failed to make timely payment of the principal and/or interest on any of the bonds, notes, or obligations described below. The County has never failed to make timely payment of any payment obligations due pursuant to an agreement with the GCIA and pledged by the GCIA as security for the GCIA bonds. The County has never been required to make a payment pursuant to its guaranty of GCIA bonds or notes.

**GCIA'S DEBT UNDER A LEASE OR LOAN AGREEMENT WITH THE COUNTY OR  
GUARANTEED BY THE COUNTY (AS OF DECEMBER 31, 2020)**

<u>Issue</u>	<u>Interest Rates</u>	<u>Dated Date</u>	<u>Final Maturity</u>	<u>Amount Outstanding</u>
Lease Revenue Bonds, Series 2003B	5.000%	6/1/03	7/15/23	\$255,000
Lease Revenue Bonds, Series 2004B	4.130% to 4.500%	12/7/04	11/1/24	250,000
Lease Revenue Bonds, Series 2004C	4.000% to 4.500%	12/7/04	11/1/24	120,000
Refunding Bonds, Series 2010A-2	2.500% to 3.125%	12/2/10	9/1/21	515,000
2011 Refunding Bonds	4.000% to 5.000%	9/20/11	7/15/23	3,640,000
2012 Refunding Bonds	2.625% to 4.000%	2/28/12	12/1/29	5,740,000
2012 Solid Waste Revenue Bonds	3.000% to 5.000%	7/10/12	3/1/25	2,540,000
2013 Refunding Bonds	3.130% to 5.000%	4/17/13	9/1/30	18,025,000
2014 Solid Waste Revenue Bonds	2.000% to 5.000%	7/31/14	3/1/31	4,125,000
2015 Refunding Bonds	4.000% to 5.000%	9/24/15	4/1/33	41,545,000
2016 Refunding Bonds	4.000%	7/12/16	4/1/38	2,930,000
2016 Refunding Bonds	1.477%	9/2/16	9/1/26	22,770,000
2016 Refunding Bonds	4.000 to 5.000%	11/15/16	3/1/30	9,095,000
2017 NJIB Trust Share	1.370%	11/21/17	9/1/31	1,205,000
2017 NJIB Fund Share	n/a	11/21/17	9/1/31	3,348,972
Project Notes, Chlorox Site ACQ.	0.800%	9/16/20	9/15/21	1,500,000
2020 NJIB Trust Share	5.000%	5/13/20	8/1/29	1,090,000
2020 NJIB Fund Share	n/a	5/13/20	8/1/29	<u>3,525,948</u>
<b>TOTAL</b>				<b>\$118,094,920</b>

**The Gloucester County Utilities Authority**

The Gloucester County Utilities Authority ("Utilities Authority") is a public body corporate and politic of the State originally created under the name The Gloucester County Sewerage Authority, pursuant to a resolution of the County Board adopted July 21, 1967 and the Sewerage Authorities Law, constituting Chapter 138 of the Laws of 1946 of the State of New Jersey, as amended and supplemented. The Utilities Authority has been renamed, reorganized and is continued as a public body corporate and politic pursuant to a resolution of the County Board adopted August 7, 1978 and the Act.

Pursuant to the terms of a Deficiency Advance Contract, the County is obligated to pay the Utilities Authority any annual charges charged to and payable by the County for any deficit in revenues to pay or provide for: (1) operations and maintenance expenses of the regional sewerage system; (2) the principal and interest on the Utilities Authority's bonds as the same become due; and (3) to maintain required revenues. The obligations of the County pursuant to the provisions of the Deficiency Advance Contract constitute a valid and binding direct and general obligation of the County.

No payment has been required to be made by the County pursuant to the Deficiency Advance Contract.

As of December 31, 2020, the Utilities Authority has the following series of Sewer Revenue Bonds and New Jersey Infrastructure Bank ("NJIB") Bonds outstanding:

<u>Issue</u>	<u>Amount Outstanding</u>
NJIB Trust & Fund Bonds, Series B 2010 (Trust)	\$690,000.00
NJIB Trust & Fund Bonds, Series 2018 (Fund)	1,167,852.00
NJIB Trust & Fund Bonds, Series 2001 (Trust)	175,000.00
NJIB Trust & Fund Bonds, Series 2008 (Trust)	905,000.00
NJIB Trust & Fund Bonds, Series 2010 (Fund)	453,245.00
NJIB Trust & Fund Bonds, Series 2010 (Trust)	185,000.00
NJIB Trust & Fund Bonds, (ARRA), Series 2010 (Trust)	65,022.00
NJIB Trust & Fund Bonds (ARRA), Series 2010 (Fund)	54,000.00
NJIB Trust & Fund Bonds, Series B (Fund)	588,158.00
NJIB Trust & Fund Bonds, Series 2013 (Trust)	830,000.00
NJIB Trust & Fund Bonds, Series 2013 (Fund)	1,615,531.00
NJIB Trust & Fund Bonds, Series 2013 (Trust)	660,000.00
NJIB Trust & Fund Bonds, Series 2015 (Fund)	1,804,324.00
2017 Refunding Bonds	7,120,000.00
NJIB Trust & Fund Bonds, Series 2018 (Trust)	420,000.00
NJIB Trust & Fund Bonds, Series 2008 (Fund)	428,147.00
NJIB Trust & Fund Bonds, Series 2019 (Trust)	10,160,000.00
NJIB Trust & Fund Bonds, Series 2019 (Fund)	<u>29,159,777.00</u>
 <b>TOTAL</b>	 <b><u>\$56,481,056.00</u></b>

## SIX YEAR CAPITAL PROGRAM

The Six Year Capital Program of the County is presented in the table below.

### SIX YEAR CAPITAL PROGRAM -2021-2026 Anticipated Project Schedule and Funding Requirements County of Gloucester

<u>Project Title</u>	<u>Project Number</u>	<u>Estimated Total Costs</u>	<u>Estimated Completion Time</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
County Park Improvements	1	\$6,987,500	2026	\$1,561,000	\$3,166,500	\$940,000	\$227,500	\$892,500	\$200,000
Buildings New & Renovated	2	13,166,000	2026	7,271,000	970,000	1,190,000	1,655,000	1,190,000	890,000
Highways	3	103,475,325	2026	8,910,000	20,513,065	18,513,065	18,513,065	18,513,065	18,513,065
Intersections	4	2,323,065	2026	823,065	300,000	300,000	300,000	300,000	300,000
Bridges and Dams	5	10,818,629	2026	1,818,629	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Computer Equipment	6	10,391,000	2026	7,806,000	779,500	558,000	408,000	421,500	418,000
Communications Equipment	7	8,095,820	2026	1,019,000	2,021,500	1,177,320	1,266,000	1,416,000	1,196,000
EMS Equipment	8	5,704,000	2026	464,000	1,298,000	950,000	999,000	899,000	1,094,000
Other Equipment	9	<u>725,000</u>	2026	<u>225,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
<b>Total-All Projects</b>		<b>\$161,686,339</b>		<b>\$29,897,694</b>	<b>\$30,948,565</b>	<b>\$25,528,385</b>	<b>\$25,528,385</b>	<b>\$25,532,065</b>	<b>\$24,511,065</b>

## SOLID WASTE MATTERS

Pursuant to the Solid Waste Management Act, constituting Chapter 39 of the Pamphlet Laws of 1970 of the State of New Jersey (N J S.A. 13:1E-1 et seq.), as amended and supplemented and the regulations promulgated thereunder ("Solid Waste Management Act"), the New Jersey Legislature initiated a comprehensive statutory mechanism for the management of solid waste disposal in the State. The Solid Waste Management Act requires each county to develop a comprehensive plan for the collection, transportation and disposal of all solid waste generated in the County. The New Jersey Department of Environmental Protection ("NJDEP" or "Department") reviews and certifies each county plan to ensure its consistency with Statewide solid waste management objectives, criteria and standards.

Pursuant to the Solid Waste Management Act, the County has lawfully adopted and implemented a County-wide solid waste management plan, as the same has been amended and supplemented to date, through the auspices of the GCIA ("Solid Waste Management Plan"). Pursuant to the Solid Waste Management Plan and the McEnroe Act, N J S.A. 13-IE-136 et seq. ("McEnroe Act"), the County has full legal authority to control the disposal of all processible solid waste generated within the County. The County's Solid Waste Management Plan currently consists of two (2) primary components: (i) a mass burn waste-to-energy facility located in West Deptford, New Jersey ("Resource Recovery Facility"); and (ii) the Gloucester County Landfill which is owned and operated by the GCIA ("Landfill").

Pursuant to and in accordance with the Solid Waste Management Act and the McEnroe Act, and following a non-discriminatory procurement process, the County and the GCIA, on December 31, 2019, entered into a ten (10) year agreement with Wheelabrator Gloucester County L.P., a subsidiary of Granite Acquisition Inc. ("Company"), for the provision of disposal services related to solid waste generated within the County ("Agreement"). The Agreement, among other things, provides that the GCIA direct the disposal of all processible solid waste generated within the County to the Resource Recovery Facility and all bypass waste to the Landfill. In addition, the Agreement contractually obligates the Company to dispose of its residual ash waste at the Landfill, and authorizes the GCIA to accept at the Landfill for a disposal fee, construction and demolition waste and non-processible waste. The Agreement, by its terms, expires on December 31, 2029.

The GCIA has outstanding solid waste revenue bonds which were issued to finance various capital improvements and enlargements to the Landfill ("Solid Waste Bonds").

Information with respect to the Solid Waste Bonds is included in the table entitled "GCIA'S DEBT UNDER A LEASE OR LOAN AGREEMENT WITH THE COUNTY OR GUARANTEED BY THE COUNTY" herein.

**APPENDIX B**

**Audited Financial Statements of the County**

# PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants  
P.O. Box 279 • Glassboro, NJ 08028  
(856) 881-1600

MEMBER: AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA  
Denise R. Nevico, CPA  
Deanna L. Roller, CPA, RMA

## INDEPENDENT AUDITOR'S REPORT

Honorable Director and Members of the  
Board of County Commissioners  
County of Gloucester  
P.O. Box 337  
Woodbury, New Jersey 08096

### ***Report on the Financial Statements***

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the County of Gloucester as of December 31, 2020 and 2019, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County of Gloucester's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion 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 audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the

reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the County of Gloucester on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County of Gloucester as of December 31, 2020 and 2019, or changes in financial position for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2020 and 2019, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2020, in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

***Other Matters***

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Gloucester’s basic financial statements. The supplementary information listed in the table of contents and Schedule of Expenditures of Federal Awards, as required by *Audits of States, Local Governments, and Non-Profit Organizations, and/or Title 2*, U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Uniform Guidance, the Schedule of Expenditures of State Financial Assistance as required by NJ OMB 15-08, and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents and the Schedule of Expenditures of Federal Awards, as required by *Audits of States, Local Governments, and Non-Profit Organizations, and/or Title 2*, U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Uniform Guidance, and the Schedule of Expenditures of State Financial Assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial



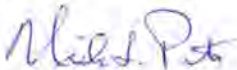
statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, Schedule of Expenditures of Federal Awards, as required by *Audits of States, Local Governments, and Non-Profit Organizations*, and/or Title 2, U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Uniform Guidance and the Schedule of Expenditures of State Financial Assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2021, on our consideration of the County of Gloucester's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Gloucester's internal control over financial reporting and compliance.

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Registered Municipal Accountant #252

July 26, 2021

**CURRENT FUND**

## COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

	Ref.	Balance Dec. 31, 2020	Balance Dec. 31, 2019
<b>ASSETS</b>			
Regular Fund			
Cash - Chief Financial Officer	A-4	\$ 85,160,989.62	\$ 73,185,936.62
Change Fund	A-5	1,200.00	1,200.00
		85,162,189.62	73,187,136.62
Deferred Charges			
Emergency Authorization	A-19	2,100,000.00	
Local Grants Receivable	A-9	370,479.00	360,000.00
		2,470,479.00	360,000.00
Receivables and Other Assets with Full Reserves:			
Taxes Receivable - Added & Omitted Taxes	A-7	1,250,775.13	923,250.66
Taxes Receivable - Added & Omitted Taxes-Open Space	A-8	76,924.61	57,721.35
		1,327,699.74	980,972.01
		88,960,368.36	74,528,108.63
Federal and State Grant Fund			
Cash	A-4	1,327,234.94	632,380.10
Grants Receivable	A-12:A-13	36,184,897.59	36,568,941.27
		37,512,132.53	37,201,321.37
		\$ 126,472,500.89	\$ 111,729,430.00

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

	Ref.	Balance Dec. 31, 2020	Balance Dec. 31, 2019
<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>			
Regular Fund			
Liabilities:			
Appropriation Reserves	A-3:A-16	\$ 20,215,041.03	\$ 17,092,636.53
Encumbrances Payable	A-17	4,008,557.91	1,954,470.76
Payroll Taxes Payable		1,218,550.21	1,255,055.33
Accounts Payable			538,352.93
Due General Capital		9,317.00	
Reserve for Local Grants	A-10	358,425.13	452,437.89
		<u>25,809,891.28</u>	<u>21,292,953.44</u>
Reserve for Receivables		1,327,699.74	980,972.01
Fund Balance	A-1	61,822,777.34	52,254,183.18
		<u>88,960,368.36</u>	<u>74,528,108.63</u>
Federal and State Grant Fund			
Reserve for Grants Appropriated	A-14:A-15	27,796,913.36	27,442,476.00
Encumbrances Payable	A-18	9,715,219.17	9,758,845.37
		<u>37,512,132.53</u>	<u>37,201,321.37</u>
		<u>\$ 126,472,500.89</u>	<u>\$ 111,729,430.00</u>

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE  
IN FUND BALANCE - CURRENT FUND - REGULATORY BASIS

	Ref.	Year 2020	Year 2019
<b>Revenue and Other Income Realized</b>			
Fund Balance Utilized	A-2	\$ 2,698,000.00	\$ 2,376,225.00
Miscellaneous Revenue Anticipated	A-2	69,136,785.20	61,998,436.96
Receipts from Current Taxes	A-2	178,000,000.00	174,000,000.00
Non-Budget Revenue	A-2	4,645,834.53	5,528,168.20
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-16	9,882,000.43	6,712,749.67
Grant Reserve - Canceled	A-14:A-15	2,293,824.05	288,043.50
Total Income		<u>266,656,444.21</u>	<u>250,903,623.33</u>
<b>Expenditures</b>			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	80,674,167.00	82,055,750.00
Other Expenses	A-3	119,509,240.00	100,312,076.00
Capital Improvements	A-3	1,520,982.00	1,763,756.00
Debt Service	A-3	34,988,115.00	35,903,299.00
Deferred Charges and Statutory Expenditures	A-3	17,503,522.00	17,458,707.00
Grant Receivable Canceled	A-12:A-13	2,293,824.05	288,043.50
Total Expenditures		<u>256,489,850.05</u>	<u>237,781,631.50</u>
Excess in Revenue		10,166,594.16	
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-19	<u>2,100,000.00</u>	
Statutory Excess to Fund Balance		12,266,594.16	13,121,991.83
<b>Fund Balance</b>			
Balance January 1	A	<u>52,254,183.18</u>	<u>41,508,416.35</u>
		64,520,777.34	54,630,408.18
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>2,698,000.00</u>	<u>2,376,225.00</u>
Balance December 31	A	<u>\$ 61,822,777.34</u>	<u>\$ 52,254,183.18</u>

The accompanying notes to the financial statements are an integral part of this statement.

## STATEMENT OF REVENUES - CURRENT FUND - REGULATORY BASIS

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget 2020	Special NJSA 40A:4-87		
Fund Balance Anticipated	A-1	\$ 2,698,000.00		\$ 2,698,000.00	
Miscellaneous Revenues:					
County Clerk	A-11	3,088,800.00		3,120,804.42	\$ 32,004.42
Surrogate	A-11	144,670.00		149,970.08	5,300.08
Sheriff	A-11	484,000.00		103,792.54	(380,207.46)
Interest on Investments and Deposits	A-11	1,779,995.00		1,039,259.21	(740,735.79)
Gloucester County Insurance Commission Dividend	A-11	500,378.00		500,378.00	
Title IV D Incentive Program	A-11	2,230,790.00		2,076,455.28	(154,334.72)
County Golf Course	A-11	1,358,925.00		1,142,335.91	(216,589.09)
Emergency Medical Services	A-11	5,501,700.00		5,858,425.27	356,725.27
Shared Service Agreement Medical Examiner Services	A-11	1,462,800.00		1,298,535.02	(164,264.98)
Soil Safe Inc. Impact Fee	A-11	264,542.00		224,629.93	(39,912.07)
Added and Omitted Taxes	A-11	962,147.00		923,250.66	(38,896.34)
GCIA 5% Contribution Due County	A-11	1,480,802.00		1,480,802.00	
Vacant Property Register	A-11	325,502.00		246,200.00	(79,302.00)
Reimbursement - Library	A-11	419,686.00		419,686.00	
State Aid					
County College Bonds (NJSA 18A:64A-22.6)	A-11	1,458,018.00		1,458,017.38	(0.62)
Reimbursement of Mandated Election Costs	A-11	219,125.00		471,047.73	251,922.73
State Assumption of Costs					
Supplemental Social Security Income	A-11	508,584.00		342,338.00	(166,246.00)
Public and Private Programs					
New Jersey Department of Health and Senior Services					
Local Core Capacity Infrastructure for Bio-Terrorism	A-12		\$ 611,803.00	611,803.00	
Special Child Health Case Management	A-13		173,000.00	173,000.00	
Area Planning Grant	A-12:A-13	1,569,876.00	992,729.00	2,562,605.00	
Child Health Lead Exposure	A-13		165,744.00	165,744.00	
Right-to-Know	A-13		10,798.00	10,798.00	
Overdose Fatality Review Team	A-13		100,000.00	100,000.00	
Access to Reproductive Care and HIV Services	A-13		125,000.00	125,000.00	
PEER Grouping	A-13		12,226.00	12,226.00	
Covid-19 MOA NJOEM	A-12		3,200,211.00	3,200,211.00	
New Jersey Association of County & City Health Officials					
Hepatitis A Outbreak Response Grant	A-9		47,491.00	47,491.00	
Strengthening Local Public Health Scholar	A-9		5,615.00	5,615.00	
Covid-19 Response Grant - Health	A-9		100,479.00	100,479.00	
New Jersey Historical Society					
Preserve NJ Historical Preservation Fund	A-13		142,500.00	142,500.00	

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES - CURRENT FUND - REGULATORY BASIS

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget 2020	Special NJSA 40A:4-87		
U.S. Department of Agriculture					
WIC Program	A-12		865,861.00	865,861.00	
Senior Farmer's Market Nutrition Program	A-12		1,500.00	1,500.00	
Housing Preservation Grant	A-12		115,407.00	115,407.00	
New Jersey Department of Labor					
Work First New Jersey	A-13		1,226,239.00	1,226,239.00	
Workforce Learning Link	A-13		13,000.00	13,000.00	
Workforce Innovations Opportunities Act	A-12		1,647,852.00	1,647,852.00	
Covid-19 Relief Fund - Dislocated Worker	A-12		54,699.00	54,699.00	
New Jersey Department of Environmental Protection					
County Environmental Health Act	A-12:A-13		177,889.00	177,889.00	
Pre-Disaster Mitigation Assistance Grant	A-12		125,000.00	125,000.00	
New Jersey Department of Human Services					
Personal Attendant Services Program	A-13	57,078.00		57,078.00	
Mental Health Administration	A-13		12,000.00	12,000.00	
Human Services Planning Grant	A-13	62,770.00		62,770.00	
Abused and Missing Children	A-13	3,234.00		3,234.00	
Youth Incentive Program	A-13	38,442.00		38,442.00	
Title XX Transportation	A-13	30,367.00		30,367.00	
Medication Assisted Treatment	A-13	125,000.00		125,000.00	
Social Services for the Homeless	A-13		28,716.00	28,716.00	
Comprehensive Alcohol and Drug Abuse Program	A-12:A-13	594,625.00		594,625.00	
Prevention of Teen Pregnancy	A-12:A-13	1,000.00		1,000.00	
GC Innovation Opioid Crisis Service Grant	A-13		111,151.00	111,151.00	
Overdose to Action	A-12		62,500.00	62,500.00	
New Jersey Department of Children and Families					
Child Advocacy Development Grant	A-13		30,064.00	30,064.00	
Prevention Planning	A-13		300,000.00	300,000.00	
New Jersey Transit Corporation					
Senior Citizens and Disabled Residents Transportation	A-13	477,489.00	16,988.00	494,477.00	
Section 5310 FTA 15	A-12		100,000.00	100,000.00	
FTA Small Urban and Rural Area Transportation	A-12		175,000.00	175,000.00	
Covid-19 Section 5311	A-12		373,657.00	373,657.00	
Job Access & Reverse Commute	A-13		110,000.00	110,000.00	
New Jersey Department of Law and Public Safety					
Insurance Fraud Reimbursement Program	A-13		245,168.00	245,168.00	
Victims of Crime Act	A-12		421,181.00	421,181.00	
Juvenile Detention Alternative Initiative	A-13	120,000.00		120,000.00	

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES - CURRENT FUND - REGULATORY BASIS

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget 2020	Special NJSA 40A:4-87		
New Jersey Office of Homeland Security & Preparedness					
Homeland Security	A-12		181,547.00	181,547.00	
Emergency Management Assistance Program	A-12		55,000.00	55,000.00	
National Emergency Food and Shelter Program	A-12		22,180.00	22,180.00	
High Intensity Drug Trafficking Area	A-12		177,000.00	177,000.00	
Governor's Council on Alcoholism and Drug Abuse					
Municipal Alliance	A-13		177,816.00	177,816.00	
New Jersey Juvenile Justice Commission					
Family Court Program	A-13	141,848.00		141,848.00	
State/Community Partnership Program	A-13	279,282.00		279,282.00	
New Jersey Department of Transportation					
Rt 44 Truck Bypass & DuPont Port Rd	A-13		4,000,000.00	4,000,000.00	
Wash Twp. and Monroe Twp. Bikeway	A-12		107,940.00	107,940.00	
Rowan Fossil Park Roadway Design	A-13		400,000.00	400,000.00	
Coronavirus Relief Fund	A-12		264,000.00	264,000.00	
Traffic Signal Upgrades	A-12		1,476,060.00	1,476,060.00	
Clayton Williamstown Road Tuckahoe to Fries Mill	A-12		798,000.00	798,000.00	
Commissioners Bridge	A-13		3,695,000.00	3,695,000.00	
Section 5311 Rural Transportation	A-13	184,468.00		184,468.00	
New Jersey Department of Military and Veterans Affairs					
Veterans Transportation	A-13		15,000.00	15,000.00	
U.S. Department of Housing & Urban Development					
Gloucester County Roadway Safety Improvements	A-12		176,700.00	176,700.00	
Community Development Block Grant	A-12		1,368,184.00	1,368,184.00	
CARES - CDBG	A-12		804,857.00	804,857.00	
Home Investment Partnership	A-12		601,945.00	601,945.00	
New Jersey Division of Highway Traffic Safety					
Comprehensive Traffic Safety Program	A-12		55,100.00	55,100.00	
Child Passenger Safety Seat Program	A-12		24,500.00	24,500.00	
Distracted Driving Crackdown	A-12		66,000.00	66,000.00	
Delaware Valley Regional Planning Commission					
Supportive Regional Highway Planning	A-12		39,100.00	39,100.00	
Transit Support Program	A-12		38,680.00	38,680.00	
Region Wide Transportation System GIS Program	A-12		34,000.00	34,000.00	

The accompanying notes to the financial statements are an integral part of this statement.



STATEMENT OF REVENUES - CURRENT FUND - REGULATORY BASIS

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget 2020	Special NJSA 40A:4-87		
U.S. Secret Service					
Electronic Crimes	A-12		15,000.00	15,000.00	
Covid-19 Response Grant - County Clerk	A-9		114,783.00	114,783.00	
Covid-19 Response Grant - Elections	A-9		153,044.00	153,044.00	
Reserve for Debt Service - Capital	A-11	1,900,000.00		1,900,000.00	
Weights and Measures Trust Fund	A-11	45,000.00		45,000.00	
Open Space and Farmland Preservation Trust Fund	A-11	1,475,423.00		1,475,435.78	12.78
Increased Row Officer Fees Under Chapter 370 of the Laws of 2001 - Surrogate	A-11	156,730.00		162,467.59	5,737.59
Increased Row Officer Fees Under Chapter 370 of the Laws of 2001 - County Clerk	A-11	1,746,900.00		1,993,778.09	246,878.09
Increased Row Officer Fees Under Chapter 370 of the Laws of 2001 - Sheriff	A-11	525,975.00		112,328.19	(413,646.81)
Motor Vehicle Fines	A-11	1,100,000.00		1,100,000.00	
Social Services Administrative	A-11	11,809,151.00		11,043,465.12	(765,685.88)
Total Miscellaneous Revenues		<u>44,635,122.00</u>	<u>26,762,904.00</u>	<u>69,136,785.20</u>	<u>(2,261,240.80)</u>
Amount to be Raised by Taxation	A-6	<u>178,000,000.00</u>		<u>178,000,000.00</u>	
Budget Totals		<u>225,333,122.00</u>	<u>26,762,904.00</u>	<u>249,834,785.20</u>	<u>\$ (2,261,240.80)</u>
Non-Budget Revenue	A-2			4,645,834.53	
		<u>\$ 225,333,122.00</u>	<u>\$ 26,762,904.00</u>	<u>\$ 254,480,619.73</u>	
	Ref.	A-3	A-3		

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES - CURRENT FUND - REGULATORY BASIS

**Analysis of Non-Budget Revenue**

Miscellaneous Revenue Not Anticipated:	Ref.	
Animal Shelter	A-11	\$ 34,965.30
Bail Forfeitures	A-11	8,300.00
County Assessor	A-11	591,920.09
County Share of Authority Surplus	A-11	1,400,416.00
Emergency Response	A-11	245,453.60
Environmental Fees	A-11	141,043.75
Fire Marshall Fees	A-11	118,909.98
Indirect Cost	A-11	686,770.01
LIHEAP/Universal Service Fund	A-11	14,497.00
Miscellaneous Fees and Permits	A-11	361,410.48
Recycling	A-11	2,626.09
Refund of Prior Years' Expenditures	A-11	713,423.42
Rental & Maintenance Charges	A-11	43,475.00
Sales and Commissions	A-11	3,734.72
Serv-A-Tray	A-11	68,076.09
State Aid - Community Caregiving JACC	A-11	39,040.00
Veterans Interment Allowance	A-11	171,773.00
	A-2	<u>\$ 4,645,834.53</u>

The accompanying notes to the financial statements are an integral part of this statement.

## STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended		
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved
<b>OPERATIONS</b>					
<b>GENERAL GOVERNMENT FUNCTIONS</b>					
Administrator's Office					
Salaries & Wages	\$ 1,258,256.00	\$ 1,258,256.00	\$ 1,111,894.90		\$ 146,361.10
Other Expenses	177,275.00	177,275.00	100,262.46	\$ 1,902.66	75,109.88
Board of Chosen Freeholders					
Salaries & Wages	605,699.00	605,699.00	577,822.53		27,876.47
Other Expenses	36,400.00	36,400.00	26,711.00	1,044.88	8,644.12
Advertising					
Other Expenses	3,000.00	3,000.00	1,385.30	48.92	1,565.78
County Clerk					
Salaries & Wages	1,779,767.00	1,779,767.00	1,700,576.07		79,190.93
Other Expenses	775,657.00	775,657.00	622,166.22	12,079.00	141,411.78
Superintendent of Elections					
Salaries and Wages	819,876.00	819,876.00	565,815.57		254,060.43
Other Expenses	730,150.00	730,150.00	355,367.74	125,533.20	249,249.06
Financial Administration					
Salaries & Wages	1,226,282.00	1,286,282.00	1,213,062.41		73,219.59
Other Expenses	97,500.00	97,500.00	43,538.14	32,091.90	21,869.96
Audit Services					
Other Expenses	120,000.00	120,000.00			120,000.00
Information Technology					
Salaries & Wages	1,359,747.00	1,344,747.00	1,246,936.17		97,810.83
Other Expenses	948,450.00	948,450.00	861,389.28	43,482.11	43,578.61
Board of Taxation					
Salaries and Wages	65,454.00	68,454.00	64,618.31		3,835.69
Other Expenses	1,500.00	1,500.00			1,500.00
County Assessor					
Salaries and Wages	1,535,222.00	1,472,222.00	1,352,830.34		119,391.66
Other Expenses	715,100.00	715,100.00	272,125.18	76,050.78	366,924.04
County Counsel					
Salaries & Wages	1,369,543.00	1,384,543.00	1,280,164.81		104,378.19
Other Expenses	384,600.00	384,600.00	299,652.38	48,822.28	36,125.34
Surrogate					
Salaries and Wages	660,050.00	660,050.00	628,428.50		31,621.50
Other Expenses	38,380.00	38,380.00	32,354.33	6,009.15	16.52
Engineering					
Salaries and Wages	1,156,363.00	1,006,363.00	960,293.27		46,069.73
Other Expenses	48,300.00	648,300.00	373,489.06	8,179.01	266,631.93

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended		
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved
Economic Development					
Salaries & Wages	65,000.00	65,000.00	8,238.67		56,761.33
Other Expenses	252,700.00	252,700.00	101,992.50	33,828.76	116,878.74
Historical Society					
Other Expenses	15,000.00	15,000.00	15,000.00		
<b>LAND USE ADMINISTRATION</b>					
County Planning Board (NJSA 40:55 D-1)					
Salaries and Wages	334,237.00	334,237.00	324,419.41		9,817.59
Other Expenses	72,227.00	72,227.00	55,169.99	3,071.63	13,985.38
Construction Board of Appeals (NJSA 52:27 D-127)					
Salaries and Wages	42,537.00	42,537.00	40,296.36		2,240.64
Other Expenses	625.00	625.00			625.00
<b>CODE ENFORCEMENT &amp; ADMINISTRATION</b>					
Consumer Protection					
Salaries & Wages	259,030.00	259,030.00	225,852.62		33,177.38
Other Expenses	6,840.00	6,840.00	4,779.49	673.71	1,386.80
<b>INSURANCE</b>					
Liability Insurance	2,650,000.00	2,655,150.00	2,654,852.50		297.50
Workmen's Compensation Insurance	1,625,000.00	1,619,850.00	1,451,271.73		168,578.27
Group Insurance Plans for Employees	21,483,500.00	21,483,500.00	17,046,436.55	70,232.20	4,366,831.25
Unemployment Compensation Insurance	275,000.00	275,000.00	274,998.78		1.22
<b>PUBLIC SAFETY FUNCTIONS</b>					
Emergency Response					
Salaries & Wages	21,568,678.00	21,718,678.00	20,808,449.93		910,228.07
Other Expenses	1,790,200.00	1,830,200.00	1,564,887.54	169,662.35	95,650.11
County Medical Examiner					
Salaries and Wages	1,111,560.00	1,111,560.00	1,060,283.27		51,276.73
Other Expenses	217,825.00	217,825.00	158,428.61	32,218.91	27,177.48
Sheriff's Department					
Salaries and Wages	9,949,353.00	9,599,353.00	8,821,981.90		777,371.10
Other Expenses	238,427.00	238,427.00	136,607.39	91,090.57	10,729.04
Prosecutor's Office					
Salaries & Wages	9,427,464.00	10,177,464.00	9,847,413.72		330,050.28
Other Expenses	431,000.00	431,000.00	392,765.67	35,623.54	2,610.79
Department of Corrections					
Salaries & Wages	4,086,147.00	4,086,147.00	3,118,179.56		967,967.44
Other Expenses	8,869,185.00	8,869,185.00	4,709,030.80	126,851.90	4,033,302.30

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended		
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved
<b>PUBLIC WORKS FUNCTIONS</b>					
Roads and Bridges					
Salaries and Wages	2,730,204.00	2,800,204.00	2,674,746.31		125,457.69
Other Expenses	610,375.00	610,375.00	144,557.07	207,656.34	258,161.59
Buildings and Grounds					
Salaries & Wages	3,383,282.00	3,383,282.00	3,237,748.73		145,533.27
Other Expenses	1,057,760.00	1,057,760.00	797,981.95	123,160.80	136,617.25
Fleet Management					
Salaries & Wages	510,441.00	510,441.00	463,402.66		47,038.34
Other Expenses	1,456,550.00	1,456,550.00	665,407.17	745,199.04	45,943.79
<b>HEALTH AND HUMAN SERVICES FUNCTIONS</b>					
County Health Services - Interlocal Agreements (40:8A-1, et seq.)					
Salaries and Wages	2,263,276.00	2,173,276.00	1,279,923.28	20,737.60	872,615.12
Other Expenses	468,570.00	2,048,570.00	815,946.75	689,490.32	543,132.93
Education & Disability Services					
Salaries and Wages	355,371.00	425,371.00	389,401.13		35,969.87
Other Expenses	12,475.00	12,475.00	4,342.43	769.95	7,362.62
Senior Services					
Salaries and Wages	932,428.00	652,428.00	624,881.63		27,546.37
Other Expenses	322,000.00	322,000.00	191,181.94	15,180.81	115,637.25
Human Services					
Salaries and Wages	892,801.00	892,801.00	827,438.14		65,362.86
Other Expenses	202,210.00	202,210.00	43,657.95	15,090.67	143,461.38
Veterans Affairs					
Salaries and Wages	375,851.00	393,851.00	357,988.94		35,862.06
Other Expenses	24,430.00	24,430.00	21,537.42	901.50	1,991.08
Commission on Women					
Other Expenses	2,600.00	2,600.00			2,600.00
Animal Shelter					
Salaries and Wages	2,181,394.00	2,181,394.00	1,918,926.62		262,467.38
Other Expenses	281,584.00	281,584.00	224,048.10	24,015.13	33,520.77
Division of Social Services					
Salaries & Wages	10,403,935.00	10,403,935.00	9,694,024.76		709,910.24
Other Expenses	6,919,996.00	6,919,996.00	6,053,050.15	372,549.36	494,396.49
Temporary Assistance to Needy Families	96,411.00	96,411.00	96,411.00		
Supplemental Social Security Income	508,584.00	508,584.00	508,584.00		
Maintenance of Patients in State Institutions					
Other Expenses	1,574,265.00	1,574,265.00	1,574,265.00		

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended		
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved
Cerebral Palsy Clinic					
Other Expenses	15,000.00	15,000.00	11,250.00	3,750.00	
Family Support Center - Contractual					
Other Expenses	82,460.00	82,460.00	34,358.35	48,101.65	
Mental Health Programs					
Other Expenses	213,500.00	213,500.00	53,375.00	160,125.00	
Gloucester County ARC					
Other Expenses	22,000.00	22,000.00	16,500.00	5,500.00	
Aid to Occupational Center					
Other Expenses	25,000.00	25,000.00	13,000.00	12,000.00	
Juveniles in Need of Supervision					
Other Expenses	167,681.00	167,681.00	122,313.00	45,367.00	1.00
Support of Non-Profit Child Care Centers					
Other Expenses	39,882.00	39,882.00	29,911.50	9,970.50	
Code Blue Emergency Housing					
Other Expenses	25,000.00	25,000.00	5,510.00	19,490.00	
<b>PARKS AND RECREATION FUNCTIONS</b>					
Parks and Recreation					
Salaries and Wages	1,029,784.00	791,784.00	700,922.20		90,861.80
Other Expenses	303,723.00	303,723.00	190,340.76	73,282.65	40,099.59
County Golf Course					
Salaries and Wages	483,485.00	483,485.00	384,940.93		98,544.07
Other Expenses	229,190.00	229,190.00	188,225.01	34,563.04	6,401.95
<b>EDUCATIONAL FUNCTIONS</b>					
Gloucester County College					
Other Expenses	8,100,000.00	8,100,000.00	8,100,000.00		
Reimbursement for Residents Attending Out-of-County Two-Year Colleges	200,000.00	200,000.00	52,879.54		147,120.46
Gloucester County Vocational School	8,300,000.00	8,300,000.00	8,300,000.00		
Reimbursement for Residents Attending Out-of-County Vocational Schools	25,000.00	25,000.00			25,000.00
Special Services School District					
Other Expenses	2,125,000.00	2,125,000.00	2,125,000.00		
Superintendent of Schools					
Salaries and Wages	279,024.00	279,024.00	250,654.37		28,369.63
Other Expenses	8,200.00	8,200.00	4,997.94	1,965.68	1,236.38
Extension Services					
Salaries and Wages	238,773.00	238,773.00	178,388.89		60,384.11
Other Expenses	98,333.00	98,333.00	74,123.99	59.40	24,149.61
4-H Fair Association					
Other Expenses	10,000.00	10,000.00	5,381.00		4,619.00

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended		
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved
<b>UTILITIES EXPENSES AND BULK PURCHASES</b>					
Electricity	1,580,000.00	1,580,000.00	1,220,084.31	85,203.88	274,711.81
Street Lighting	29,000.00	29,000.00	23,724.44	718.19	4,557.37
Water	60,000.00	60,000.00	46,746.93	258.40	12,994.67
Natural Gas	300,000.00	300,000.00	170,784.97	13,227.52	115,987.51
Heating Oil	11,000.00	11,000.00	7,040.36	1,062.81	2,896.83
Telephone	600,000.00	600,000.00	508,296.81	4,084.32	87,618.87
Sewer	57,000.00	57,000.00	50,445.62	1,145.59	5,408.79
Gasoline & Diesel	650,000.00	650,000.00	351,929.19	56,725.00	241,345.81
<b>LANDFILL/SOLID WASTE DISPOSAL</b>					
Contractual Obligations-Logan Township	175,000.00	175,000.00	105,196.11		69,803.89
GCIA Contributions	3,170,808.00	3,170,808.00	3,170,808.00		
<b>UNCLASSIFIED</b>					
Salary and Wage Adjustments	140,000.00	70,000.00	70,000.00		
Total Operations	167,044,742.00	169,144,742.00	145,688,803.31	3,709,849.61	19,746,089.08
<b>PUBLIC AND PRIVATE PROGRAMS</b>					
<b>OFF-SET BY REVENUES</b>					
New Jersey Department of Health and Senior Services					
Local Core Capacity Infrastructure for Bio-Terrorism		611,803.00	611,803.00		
Special Child Health Case Management		173,000.00	173,000.00		
Area Planning Grant	1,569,876.00	2,562,605.00	2,562,605.00		
Child Health Lead Exposure		165,744.00	165,744.00		
Right-to-Know		10,798.00	10,798.00		
Overdose Fatality Review Team		100,000.00	100,000.00		
Access to Reproductive Care and HIV Services		125,000.00	125,000.00		
PEER Grouping		12,226.00	12,226.00		
Covid-19 MOA NJOEM		3,200,211.00	3,200,211.00		
New Jersey Association of County & City Health Officials					
Hepatitis A Outbreak Response Grant		47,491.00	47,491.00		
Strengthening Local Public Health Scholar		5,615.00	5,615.00		
Covid-19 Response Grant - Health		100,479.00	100,479.00		
New Jersey Historical Society					
Preserve NJ Historical Preservation Fund		142,500.00	142,500.00		
U.S. Department of Agriculture					
WIC Program		865,861.00	865,861.00		
Senior Farmer's Market Nutrition Program		1,500.00	1,500.00		
Housing Preservation Grant		115,407.00	115,407.00		
New Jersey Department of Labor					
Work First New Jersey		1,226,239.00	1,226,239.00		
Workforce Learning Link		13,000.00	13,000.00		
Workforce Innovations Opportunities Act		1,647,852.00	1,647,852.00		
Covid-19 Relief Fund - Dislocated Worker		54,699.00	54,699.00		
New Jersey Department of Environmental Protection					
County Environmental Health Act		177,889.00	177,889.00		
Pre-Disaster Mitigation Assistance Grant		125,000.00	125,000.00		

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended		
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved
New Jersey Department of Human Services					
Personal Attendant Services Program	57,078.00	57,078.00	57,078.00		
Mental Health Administration		12,000.00	12,000.00		
Human Services Planning Grant	62,770.00	62,770.00	62,770.00		
Abused and Missing Children	3,234.00	3,234.00	3,234.00		
Youth Incentive Program	38,442.00	38,442.00	38,442.00		
Title XX Transportation	30,367.00	30,367.00	30,367.00		
Medication Assisted Treatment	125,000.00	125,000.00	125,000.00		
Social Services for the Homeless		28,716.00	28,716.00		
Comprehensive Alcohol and Drug Abuse Program	684,907.00	684,907.00	684,907.00		
Prevention of Teen Pregnancy	1,000.00	1,000.00	1,000.00		
GC Innovation Opioid Crisis Service Grant		111,151.00	111,151.00		
Overdose to Action		62,500.00	62,500.00		
New Jersey Department of Children and Families					
Child Advocacy Development Grant		30,064.00	30,064.00		
Prevention Planning		300,000.00	300,000.00		
New Jersey Transit Program					
Senior Citizens and Disabled Residents Transportation	477,489.00	494,477.00	494,477.00		
Section 5310 FTA 15		100,000.00	100,000.00		
FTA Small Urban and Rural Area Transportation		175,000.00	175,000.00		
Covid-19 Section 5311		373,657.00	373,657.00		
Job Access & Reverse Commute		110,000.00	110,000.00		
New Jersey Department of Law and Public Safety					
Insurance Fraud Reimbursement Program		245,168.00	245,168.00		
Victims of Crime Act		421,181.00	421,181.00		
Juvenile Detention Alternative Initiative	120,000.00	120,000.00	120,000.00		
New Jersey Office of Homeland Security & Preparedness					
Emergency Management Agency Assistance		181,547.00	181,547.00		
Homeland Security		55,000.00	55,000.00		
Emergency Food and Shelter Program		22,180.00	22,180.00		
High Intensity Drug Trafficking Area		177,000.00	177,000.00		
Governor's Council on Alcoholism and Drug Abuse					
Municipal Alliance		177,816.00	177,816.00		
New Jersey Juvenile Justice Commission					
Family Court Program	141,848.00	141,848.00	141,848.00		
State/Community Partnership Program	279,282.00	279,282.00	279,282.00		

The accompanying notes to the financial statements are an integral part of this statement.



STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended		
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved
New Jersey Department of Transportation					
Rt 44 Truck Bypass & DuPont Port Rd		4,000,000.00	4,000,000.00		
Wash Twp. and Monroe Twp. Bikeway		107,940.00	107,940.00		
Rowan Fossil Park Roadway Design		400,000.00	400,000.00		
Coronavirus Relief Fund		264,000.00	264,000.00		
Traffic Signal Upgrades		1,476,060.00	1,476,060.00		
Clayton Williamstown Road Tuckahoe to Fries Mill		798,000.00	798,000.00		
Commissioners Bridge		3,695,000.00	3,695,000.00		
Section 5311 Rural Transportation	184,468.00	184,468.00	184,468.00		
New Jersey Department of Military and Veterans Affairs					
Veterans Transportation		15,000.00	15,000.00		
U.S. Department of Housing & Urban Development					
Gloucester County Roadway Safety Improvements		176,700.00	176,700.00		
Community Development Block Grant					
CARES - CDBG		804,857.00	804,857.00		
Home Investment Partnership		1,970,129.00	1,970,129.00		
New Jersey Division of Highway Traffic Safety					
Comprehensive Traffic Safety Program		55,100.00	55,100.00		
Child Passenger Safety Seat Program		24,500.00	24,500.00		
Distracted Driving Crackdown		66,000.00	66,000.00		
Delaware Valley Regional Planning Commission					
Supportive Regional Highway Planning		39,100.00	39,100.00		
Transit Support Program		38,680.00	38,680.00		
Region Wide Transportation System GIS Program		34,000.00	34,000.00		
U.S. Secret Service					
Electronic Crimes		15,000.00	15,000.00		
Covid-19 Response Grant - County Clerk		114,783.00	114,783.00		
Covid-19 Response Grant - Elections		153,044.00	153,044.00		
Total Public and Private Programs Offset by Revenue	3,775,761.00	30,538,665.00	30,538,665.00		
Contingent	500,000.00	500,000.00	450,784.72	8,132.38	41,082.90
Total Operations Including Contingent	171,320,503.00	200,183,407.00	176,678,253.03	3,717,981.99	19,787,171.98
Detail:					
Salaries and Wages	80,794,167.00	80,674,167.00	74,892,767.35	20,737.60	5,760,662.05
Other Expenses	90,526,336.00	119,509,240.00	101,785,485.68	3,697,244.39	14,026,509.93
<b>CAPITAL IMPROVEMENTS</b>					
Capital Improvement Fund	845,000.00	845,000.00	845,000.00		
Down Payment on Improvements	675,982.00	675,982.00	386,677.92	193,152.54	96,151.54
Total Capital Improvements	1,520,982.00	1,520,982.00	1,231,677.92	193,152.54	96,151.54

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended		
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved
<b>COUNTY DEBT SERVICE</b>					
Payment of Bond Principal					
Other Bonds	19,712,000.00	19,712,000.00	19,712,000.00		
Interest on Bonds					
State Aid - County College Bonds	4,575,695.00	4,575,695.00	4,575,695.00		
Loan Repayments for Principal and Interest					
NJ Environmental Infrastructure Trust Loan	650,914.00	650,914.00	650,914.00		
Justice Complex Loan - Principal	2,595,000.00	2,595,000.00	2,595,000.00		
Justice Complex Loan - Interest	2,849,875.00	2,849,875.00	2,849,875.00		
Capital Lease Obligations - Principal and Interest	3,495,000.00	3,495,000.00	3,495,000.00		
Infrastructure Loan - Principal and Interest	1,109,631.00	1,109,631.00	1,109,631.00		
<b>Total County Debt Service</b>	<b>34,988,115.00</b>	<b>34,988,115.00</b>	<b>34,988,115.00</b>		
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES</b>					
Deferred Charges					
Prior Year Bills	10,873.00	10,873.00	872.50		10,000.50
Statutory Expenditures					
Contributions to:					
Public Employees' Retirement System	7,236,132.00	7,236,132.00	7,236,132.00		
Social Security System	5,850,000.00	5,850,000.00	5,561,818.17		288,181.83
Police & Fire Retirement System	4,306,517.00	4,306,517.00	4,306,517.00		
Defined Contribution Retirement Plan	100,000.00	100,000.00	66,464.82		33,535.18
<b>Total Deferred Charges and Statutory Expenditures</b>	<b>17,503,522.00</b>	<b>17,503,522.00</b>	<b>17,171,804.49</b>		<b>331,717.51</b>
<b>TOTAL GENERAL APPROPRIATIONS</b>	<b>\$ 225,333,122.00</b>	<b>\$ 254,196,026.00</b>	<b>\$ 230,069,850.44</b>	<b>\$ 3,911,134.53</b>	<b>\$ 20,215,041.03</b>
Ref.	A-2			A-17	A
Appropriation by 40A:4-87	Ref.				
Emergency Appropriation	A-2	\$ 26,762,904.00			
Budget	A-3	2,100,000.00			
		225,333,122.00			
		<u>\$ 254,196,026.00</u>			
Reserve for Federal Grants Appropriated	A-14		\$ 16,846,085.00		
Reserve for State Grants Appropriated	A-15		13,271,168.00		
Reserve for Local Grants Appropriated	A-10		421,412.00		
Disbursed	A-4		199,531,185.44		
			<u>\$ 230,069,850.44</u>		

The accompanying notes to the financial statements are an integral part of this statement.

**TRUST FUND**

## EXHIBIT B

## COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

	Ref.	Balance Dec. 31, 2020	Balance Dec. 31, 2019
<b>ASSETS</b>			
Cash - Chief Financial Officer	B-1	\$ 30,760,741.20	\$ 28,099,196.02
		<u>\$ 30,760,741.20</u>	<u>\$ 28,099,196.02</u>
<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>			
Encumbrances Payable	B-2	\$ 1,158,943.80	\$ 1,614,205.11
Reserves for:			
Environmental Quality and Enforcement	B-3	60,366.70	67,266.08
County Clerk's Improvement Fund	B-4	231,164.37	167,584.71
Road Permit Funds	B-5	627,657.00	658,152.00
Weights and Measures	B-6	27,391.53	47,794.35
Motor Vehicle Fines	B-7	830,529.42	1,226,835.67
Fair Share/Developers Escrow	B-8	1,238,880.79	957,205.20
Unemployment Insurance	B-9	1,598.46	15,633.14
Tax Appeals	B-10	53,511.30	48,998.50
Surrogate's Improvement Fund	B-11	115,062.89	102,360.58
Federal Forfeited Funds	B-12	30,969.95	41,846.79
Forfeited Funds	B-13	61,591.65	18,385.59
Seized Assets	B-14	347,997.07	217,796.52
Asset Maintenance Account	B-15	2,703.34	2,104.26
Farmland Preservation	B-16	25,219,045.10	22,080,172.50
Sheriff's Improvement Fund	B-17	27,859.08	20,285.35
Accumulated Absences	B-18	73,409.93	132,002.37
Solid Waste Fees	B-19	62,581.89	17,182.91
Uniform Fire Safety	B-20	7,820.01	9,320.01
Snow Removal/Salt Regionalization	B-21	205,506.20	337,515.12
Parks & Recreation Donations	B-22	16,935.29	16,106.29
Animal Shelter Donations	B-23	243,830.51	214,518.64
Health & Senior Services Donations	B-24	57,464.90	37,165.30
Human Services Transportation Donations	B-25	13,552.23	13,196.12
Veterans Affairs Donations	B-26	30,563.54	22,640.17
Disability Services Donations	B-27	5,002.59	5,002.59
Emergency Resp/EMS Donations	B-28	5,500.16	4,618.65
Sheriff's Forfeited Funds	B-29	1,081.50	1,081.50
Student Summit	B-30	70.00	70.00
Project Lifesaver	B-31	2,150.00	2,150.00
		<u>\$ 30,760,741.20</u>	<u>\$ 28,099,196.02</u>

The accompanying notes to the financial statements are an integral part of this statement.

**GENERAL CAPITAL FUND**

## EXHIBIT C

## COMPARATIVE BALANCE SHEET - GENERAL CAPITAL FUND - REGULATORY BASIS

	Ref.	Balance Dec. 31, 2020	Balance Dec. 31, 2019
<b>ASSETS</b>			
Cash - Chief Financial Officer	C-2	\$ 32,177,659.11	\$ 52,071,860.27
Grants Receivable	C-4	18,016,964.22	6,887,875.00
Due from Current Fund	A	9,317.00	
Amount to be Provided by Lease Payments	C-16	25,135,000.00	28,630,000.00
Deferred Charges to Future Taxation:			
Funded	C-5	249,011,187.27	228,985,380.89
Unfunded	C-6	7,000,800.00	
Deferred Charges - State of New Jersey	C-7	9,847,500.00	11,012,500.00
		<u>\$ 341,198,427.60</u>	<u>\$ 327,587,616.16</u>
<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>			
General Serial Bonds Payable	C-13	\$ 166,037,000.00	\$ 171,837,000.00
Contracts Payable	C-10	9,571,787.23	10,832,536.81
Obligations Under Capital Lease	C-16	25,135,000.00	28,630,000.00
New Jersey Infrastructure Loans Payable	C-15	631,687.27	1,250,880.89
Gloucester County Improvement Authority Loan Payable	C-17	92,190,000.00	66,910,000.00
Improvement Authorizations:			
Funded	C-9	38,272,036.27	45,257,573.13
Unfunded	C-9	7,000,800.00	
Capital Improvement Fund	C-8	47,040.31	8,923.31
Reserve for Debt Service	C-12	2,308,320.13	2,855,945.63
Fund Balance	C-1	4,756.39	4,756.39
		<u>\$ 341,198,427.60</u>	<u>\$ 327,587,616.16</u>

The accompanying notes to the financial statements are an integral part of this statement.

## SCHEDULE OF FUND BALANCE - GENERAL CAPITAL FUND - REGULATORY BASIS

Balance December 31, 2019	Ref. C	<u>\$ 4,756.39</u>
Balance December 31, 2020	C	<u>\$ 4,756.39</u>

The accompanying notes to the financial statements are an integral part of this statement.

## **GENERAL FIXED ASSETS**



## EXHIBIT D

## COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS

	Balance Dec. 31, 2020	Balance Dec. 31, 2019
General Fixed Assets:		
Land	\$ 32,501,005.20	\$ 32,501,005.20
Buildings	59,910,832.18	59,387,584.00
Other Improvements	3,069.79	3,069.79
Equipment	15,930,420.40	15,894,917.53
Motor Vehicles	19,828,242.56	19,054,429.83
	<u>\$ 128,173,570.13</u>	<u>\$ 126,841,006.35</u>
Investment in General Fixed Assets	<u>\$ 128,173,570.13</u>	<u>\$ 126,841,006.35</u>

The accompanying notes to the financial statements are an integral part of this statement.

## **NOTES TO FINANCIAL STATEMENTS**

**COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

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

**A. Reporting Entity**

Except as noted below, the financial statements of the County of Gloucester included every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the County of Gloucester, as required by NJSA 40A:5-5.

Component units are legally separate organization for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provided financial support to the organization; or the County is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the County in that the County approves the budget, the issuance of debt or the levying of taxes. The County has component units. They are as follows:

- Gloucester County Improvement Authority
- Gloucester County Utilities Authority
- Rowan College at Gloucester County
- Gloucester County Institute of Technology
- Gloucester County Special Services School District
- Gloucester County Housing Authority
- Gloucester County Insurance Commission
- Gloucester County Library Commission
- Pollution Control Financing Authority of Gloucester County

These component units are not included in the County financial statements. These component units have independent audits of their individual financial statements.

**B. Description of Funds and Account Groups**

The accounting policies of the County of Gloucester conform to the accounting principles applicable to counties, which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 of Gloucester accounts for its transactions through the following separate funds, which differ from the funds required by GAAP.

**Current Fund** - Resources and expenditures for governmental operations of a general nature, including Federal and State Grant Funds.

**Trust Fund** - Receipts, custodianship, and disbursement of funds in accordance with the purpose for which each reserve was created.

**COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

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

**B. Description of Funds and Account Groups (Continued)**

**General Capital Fund** - Receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund. In addition, the fund is used to track the status of debt authorized for capital projects.

**Payroll/Payroll Agency Account** - Receipt and disbursement of funds to meet obligations to employees and payroll tax liabilities.

**General Fixed Assets** - To account for fixed assets used in governmental operations (General Fixed Assets) are accounted for in the General Fixed Assets Account Group, rather than in Governmental Funds.

**C. Basis of Accounting**

The accounting principles and practices prescribed for counties in the State of New Jersey differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. The more significant policies in New Jersey follow.

A modified accrual basis of accounting is followed with minor exceptions. The more significant accounting principles are as follows:

**Revenues** - are recorded when received in cash except for certain amounts which are due from other governmental units. Receipts from federal and state grants are realized as revenue when anticipated in the County budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the County's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the County, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenue when received. Fund balance utilized to balance the budget is recorded as revenue and budgeted transfers from other funds are also recorded as revenue when anticipated in the budget. This method of revenue recognition differs from accounting principles generally accepted in the United States of America which recognizes revenue in the accounting period in which it is earned, net of allowances for doubtful accounts.

**Expenditures** - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods and services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the County's statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31<sup>st</sup> of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Grant appropriations are charged upon budget adoption to create separate spending reserves. Budgeted transfers to other funds are recorded as expenditures when the budget is adopted to the extent permitted or required by law. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the

**COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

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

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

**Expenditures (Continued)** - cash basis. This method differs from accounting principles generally accepted in the United States of America which requires that expenditures be recorded when services are rendered or goods are received. Under accounting principles generally accepted in the United States of America, appropriation reserves do not exist and encumbrances do not constitute expenditures.

**Interfunds** - Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. Under accounting principles generally accepted in the United States of America, interfunds are not reserved.

**Inventories of Supplies** - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. Under accounting principles generally accepted in the United States of America, inventory would be recorded as an asset on the balance sheet.

**Insurance** - Cost of insurance for all funds are recorded as expenditures at the time of payment. Insurance costs chargeable to future periods are not carried as prepayments.

**General Fixed Assets** - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the County has developed a fixed assets accounting and reporting.

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

All fixed assets are recorded at historical cost or estimated historical cost if actual historical cost is not available, in accordance with the State of New Jersey's Administrative Code. However, land and improvements are recorded at its assessed value, which is a departure from the aforementioned directive. The County capitalizes fixed assets with an original cost in excess of \$2,500.00.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Fund 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.

**General Long-Term Debt** - General Long-Term Debt is accounted for in the General Capital Fund. Accounting principles generally accepted in the United States of America require General Long-Term Debt to be accounted for in the General Long-Term Debt Account Group.

**COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

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

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

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America or the regulatory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**D. Comparative Data**

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the County's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the Statement of Revenues - Regulatory Basis and the Statement of Expenditures - Regulatory Basis since their inclusion would make the statements unduly complex and difficult to read.

**E. Accounting Pronouncements Adopted**

Statement No. 83, "Certain Asset Retirement Obligations." This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO's). This Statement, originally effective for period's beginning after June 15, 2018, was postponed until June 15, 2019. This Statement did not have any significant impact on the financial reporting.

In April 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements." This Statement, originally effective for periods beginning after June 15, 2018, was postponed until June 15, 2019. This Statement did not have any significant impact on the financial reporting.

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90, "Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61." This Statement, originally effective for periods beginning after December 15, 2018, was postponed until December 15, 2019. This Statement did not have any significant impact on the financial reporting.

**F. Recent Effective Accounting Pronouncements Postponed by Statement No. 95**

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance." The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. As a result of GASB 95, the effective dates of the following statements are postponed by one year:

In January 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 92, "Omnibus 2020." This Statement, originally effective for periods beginning after December 15, 2020, is postponed until December 15, 2021. Management has not yet determined the impact of this Statement on the financial Statements.

**COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

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

**F. Recent Effective Accounting Pronouncements Postponed by Statement No. 95 (Continued)**

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 93, "Replacement of Interbank Offered Rate." This Statement, except for paragraph 11b originally effective for periods beginning after June 15, 2020, is postponed until June 15, 2021. The requirement in paragraph 11b originally effective for periods beginning after December 31, 2021, is postponed until December 31, 2022. Management has not yet determined the impact of this Statement on the financial statements.

**G. Recent Accounting Pronouncements Not Yet Effective**

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, "Leases." The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by Governments. This Statement, originally effective for periods beginning after December 15, 2019, is postponed until June 15, 2021, due to the issuance of Statement No. 95. Management does not expect this Statement will have an impact on the financial statements.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Costs Incurred Before the End of a Construction Period." The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement, originally effective for periods beginning after December 15, 2019, is postponed until December 15, 2020, due to the issuance of Statement No. 95. Management does not expect this Statement will have an impact on the financial statements.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, "Conduit Debt Obligations." The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. This Statement, originally effective for periods beginning after December 15, 2020, is postponed until December 15, 2021, due to the issuance of Statement No. 95. Management does not expect this Statement will have an impact on the financial statements.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements." The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement is effective for periods beginning after June 15, 2022. Management does not expect this Statement will have an impact on the financial statements.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, "Subscription-Based Information Technology Arrangements." This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement is effective for periods beginning after June 15, 2022. Management does not expect this Statement will have an impact on the financial statements.

**COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

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

**G. Recent Accounting Pronouncements Not Yet Effective (Continued)**

In June 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84 and supersession of GASB Statement No. 32." The primary objectives of this Statement are to increase consistency and comparability related to the reporting of fiduciary component. This Statement is effective for periods beginning after June 15, 2021. Management does not expect this Statement will have a significant impact on the financial statements.

**NOTE 2: BUDGETARY INFORMATION**

The County adopts an annual budget in accordance with NJSA 40A:4, et seq. This budget is required to be a balanced cash basis document. Once approved, the County may make emergency appropriations for a purpose which is not foreseen at the time the budget was adopted per NJSA 40A:4-46 and 54. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety or welfare prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budget of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. Budget transfers between appropriation accounts are prohibited until the last two months of the year. Budget transfers during the year were not significant. After approval from the Director, the County can also make amendments for any special item of revenue made available by any public or private funding source as per NJSA 40A:4-87.

The County amended the budget during the year by the insertion of Special Items of Revenue in the amount of \$26,762,904.00 for various grants as detailed on Exhibit A-2.

The County also amended the budget during the year by the insertion of Emergency Appropriations in the amount of \$2,100,000.00 for various grants as detailed on Exhibit A-3.

**NOTE 3: CASH AND CASH EQUIVALENTS**

**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 able to recover the value of its deposits or investments. Deposits are considered to be exposed to custodial credit risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. The County's policy is based on New Jersey Statutes requiring cash to be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in NJSA 40A:5-15.1(a) that are treated as cash equivalents. At December 31, 2020 and 2019, the carrying amount of the County's deposits was \$149,427,824.87 and \$153,990,573.01, respectively. As of December 31, 2020 and 2019, \$0 of the County's bank balance of \$153,486,603.22 and \$151,917,968.97, respectively, was exposed to Custodial Credit Risk.



**COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 4: INVESTMENTS**

As of December 31, 2020, the County did not have any investments.

**Interest Rate Risk** - The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, NJSA 40A:5-15.1(a) limits the length of time for most investments to 397 days.

**Credit Risk** - NJSA 40A:5-15.1(a) limits county investments to those specified in the statutes. The type of allowable investments are Bonds or other obligations of the United States or obligations guaranteed by the United States, Bonds or other obligations of the County, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of Treasury for investment by local units, government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk** - The County places no limit on the amount the County may invest in any one issuer.

**NOTE 5: FUND BALANCES APPROPRIATED**

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2020	\$ 61,822,777.34	\$ 7,024,000.00
2019	52,254,183.18	2,698,000.00
2018	41,508,416.35	2,376,225.00
2017	32,224,722.29	2,685,000.00
2016	25,085,099.80	6,213,072.00

**NOTE 6: ACCUMULATED ABSENCE BENEFITS**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. The liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the County and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the County and its employees, are accounted for in the period in which such services are rendered or in which such events take place. Employees of the County are entitled to paid vacation and paid sick days depending on job classification, length of service, and other factors. Employees are represented by a number of labor unions, and each contract contains different provisions for such employee-compensated absences.

The total value of compensated absences owed to employees as of December 31, 2020, was \$4,882,005.00. There was no appropriation in the 2021 adopted budget to fund a reserve for accumulated absences. The accumulated absence trust has a reserve balance of \$73,409.93.

**COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 7: PROPERTY, PLANT, AND EQUIPMENT**

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2020:

	Balance Dec. 31, 2019	Additions	Deletions	Balance Dec. 31, 2020
Land	\$ 32,501,005.20			\$ 32,501,005.20
Buildings	59,387,584.00	\$ 523,248.18		59,910,832.18
Other Improvements	3,069.79			3,069.79
Equipment	15,894,917.53	791,979.28	\$ 756,476.41	15,930,420.40
Motor Vehicles	19,054,429.83	1,869,816.73	1,096,004.00	19,828,242.56
	<u>\$ 126,841,006.35</u>	<u>\$ 3,185,044.19</u>	<u>\$ 1,852,480.41</u>	<u>\$ 128,173,570.13</u>

**NOTE 8: ECONOMIC DEPENDENCY**

The County of Gloucester is not economically dependent on any one business or industry within the County.

**NOTE 9: PENSION FUNDS**

**Description of Plans** - Substantially all eligible employees of the County are covered by either the Public Employees' Retirement System or Police and Firemen's Retirement System, a cost-sharing, multiple-employer defined benefit pension plan which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the retirement systems. The reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or can be accessed on the internet at: <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**Public Employees' Retirement System (PERS)** - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of NJSA 43:15A to provide retirement, death, disability, and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing, multiple-employer plan. Membership is generally required for substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another state-administered retirement system or other state or local jurisdiction.

**Police and Firemen's Retirement System (PFRS)** - The Police and Firemen's Retirement System was established in July 1944 under the provisions of NJSA 43:16A to provide coverage to substantially all full-time county or municipal police and fire-fighters and State fire-fighters appointed after June 30, 1944. Plan members and employer contributions may be amended by State of New Jersey legislation.

**COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 9: PENSION FUNDS (CONTINUED)**

**Defined Contribution Retirement Program (DCRP)** - The County established Defined Contribution Retirement Program by resolution on June 18, 2008, as required by Chapter 92 of the Laws of 2007 and NJSA 43:15C-1 et seq. DCRP provides for employee contributions of 5.5% of employees' annual base salary. Employers are required to contribute 3% of the employees' base salary.

**Funding Policy** - The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS provide for employee contributions of 7.50% of employees' annual compensation. The PFRS provides for employee contributions of 10% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in the PERS and PFRS. The PERS and PFRS rates in effect for 2020 are 13.69% and 29.80%, respectively, of covered payroll, as reported on June 30, 2019. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The County's contributions to the PERS for the years ending December 31, 2020, 2019, and 2018, were \$7,236,132.00, \$7,459,867.00, and \$6,881,498.00, respectively, equal to the required contributions for each year. The County's contributions to the PFRS for the years ending December 31, 2020, 2019, and 2018, were \$4,306,517.00, \$4,084,010.00, and \$3,610,165.00, respectively, equal to the required contributions for each year. The County's contributions to DCRP for the years ending December 31, 2020, 2019, and 2018, were \$66,464.82, \$57,447.44, and \$57,917.82, respectively, equal to the required contributions for each year.

**Significant Legislation** - Chapter 78, P.L. 2011, effective June 28, 2011, made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011, (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011, (Tier 3 members), will be 60% instead of 65% of the member's final compensation, plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

**COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 9: PENSION FUNDS (CONTINUED)**

**Significant Legislation (Continued)**

- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of the PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of the PERS to 1/60th from 1/55th, and it provided that new members of the PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of the PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for Social Security and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined at 1/7th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program (DCRP).

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006, report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

**COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 10: POSTEMPLOYMENT HEALTHCARE PLAN**

**Plan Description** - The County of Gloucester contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. The SHBP was established in 1961 under NJSA 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2012, the County of Gloucester authorized participation in the SHBP's post-retirement benefit program and prescription drug program through resolution adopted January 18, 2012, effective May 1, 2012. The County's policies provide for health insurance and prescription coverage, to eligible retirees and their spouses that participate in the SHBP's post-retirement benefit program with the local unit.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issue a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at: [www.state.nj.us/treasury/pensions/hb-employers.shtml](http://www.state.nj.us/treasury/pensions/hb-employers.shtml).

**Funding Policy** - Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the County of Gloucester on a monthly basis. Plan members receiving benefits are not required to make contributions.

The County of Gloucester's contributions to the SHBP for healthcare of employees and retirees for the years ended December 31, 2020, 2019, and 2018, were \$17,116,668.75, \$21,020,800.64, and \$20,358,011.81. The amounts paid for retirees for the years ended December 31, 2020, 2019, and 2018, were \$7,248,222.13, \$7,094,904.22, and \$10,723,966.99, respectively, which equaled the required contributions for each year.

**NOTE 11: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS**

New Jersey municipalities do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, NJAC 5:30-6.1(c)(2) requires municipalities and counties to disclose GASB 68 & GASB 71 information in the Notes to the Financial Statements. The following disclosures meet the requirements of GASB 68 & GASB 71 for the PERS and PFRS retirement systems.

**COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 11: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Public Employee's Retirement System** - At December 31, 2020, the County's proportionate share of net pension liability was \$115,660,004. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020 and 2019, the County's allocation percentage was 0.7092492435% and 0.7414752435%, respectively.

For the year ended December 31, 2020, the County's pension expense would have been \$(9,169,059) if New Jersey municipalities followed GAAP accounting principles. The County's deferred outflows of resources and deferred inflows of resources (which are not recorded) related to the PERS are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions		\$ 43,778,323
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 2,502,620	
Changes in Proportion and Differences Between the County's Contributions and Proportionate Share of Contributions		4,951,107
Difference Between Expected and Actual Experience		1,410,009
	\$ 2,502,620	\$ 50,139,439

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are not recognized in pension expense since New Jersey municipalities do not follow GAAP accounting principles.

If GAAP accounting principles were followed, the other amounts reported as deferred outflows of resources and deferred inflows of resources would have been recognized in pension expense as follows:

Year Ended December 31,	Amount
2021	\$ (19,502,709)
2022	(15,490,403)
2023	(8,736,069)
2024	(3,241,300)
2025	(666,339)
	\$ (47,636,820)

**COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 11: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Public Employee's Retirement System (Continued)**

Additional information – Collective balances at June 30, 2020 and 2019, are as follows:

	June 30, 2020	June 30, 2019
Collective Deferred Outflows of Resources	\$ 2,347,583,337	\$ 3,149,522,616
Collective Deferred Inflows of Resources	7,849,949,467	7,645,087,574
Collective Net Pension Liability	16,307,384,832	18,018,482,972
 County's Proportion	 0.7092492435%	 0.7414752435%

**Contributions** - The contribution policy for the PERS is set by NJSA 15A and requires contributions by active members and contributing employers. The County's contribution amount was based on an actuarially determined rate which includes the normal cost and unfunded accrued liability.

**Actuarial Assumptions**

The total pension liability for the June 30, 2020, measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% Based on Age
Thereafter	3.00 – 7.00% Based on Age
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 11: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Actuarial Assumptions (Continued)**

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pension and Benefits financial report at: <http://www.state.nj.us/treasury/pensions/gasb-notice.shtml>.

**Police and Firemen's Retirement System** - The County has two separate retirement systems one for sheriffs and one for prosecutors.

At December 31, 2020, the County's proportionate share of net pension liability for Sheriff (number 70800) was \$39,371,136. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020 and 2019, the County's proportion was 0.3046990519% and 0.3178719254%, respectively.

For the year ended December 31, 2020, the County's pension expense would have been \$(2,192,419) if New Jersey municipalities followed GAAP accounting principles. The County's deferred outflows of resources and deferred inflows of resources (which are not recorded) related to the PFRS are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions		\$ 9,207,911
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 1,219,423	
Changes in Proportion and Differences Between the County's Contributions and Proportionate Share of Contributions	5,193,057	
Difference Between Expected and Actual Experience	320,248	
	\$ 6,732,728	\$ 9,207,911

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are not recognized in pension expense since New Jersey municipalities do not follow GAAP accounting principles.

If GAAP accounting principles were followed, the other amounts reported as deferred outflows of resources and deferred inflows of resources would have been recognized in pension expense as follows:



**COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 11: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Police and Firemen’s Retirement System (Continued)**

Year Ended December 31,	Amount
2021	\$ (2,470,940)
2022	(1,115,484)
2023	282,529
2024	737,044
2025	91,668
	<u>\$ (2,475,183)</u>

Additional information – Collective balances at June 30, 2020 and 2019, are as follows:

	June 30, 2020	June 30, 2019
Collective Deferred Outflows of Resources	\$ 1,601,195,680	\$ 1,198,936,924
Collective Deferred Inflows of Resources	4,191,274,402	4,874,748,912
Collective Net Pension Liability	<u>12,921,318,904</u>	<u>12,231,818,793</u>
County's Proportion	0.3046990519%	0.3178719254%

At December 31, 2020, the County’s proportionate share of net pension liability for Prosecutors (number 70803) was \$14,150,428. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County’s proportion of the net pension liability was based on a projection of the County’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020 and 2019, the County’s proportion was 0.1095122555% and 0.1084692116%, respectively.

For the year ended December 31, 2020, the County’s pension expense would have been \$197,606 if New Jersey municipalities followed GAAP accounting principles. The County’s deferred outflows of resources and deferred inflows of resources (which are not recorded) related to the PFRS are from the following sources:

**COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 11: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Police and Firemen's Retirement System (Continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions		\$ 3,205,158
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 515,995	
Changes in Proportion and Differences Between the County's Contributions and Proportionate Share of Contributions	793,149	
Difference Between Expected and Actual Experience	107,725	
	\$ 1,416,869	\$ 3,205,158

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are not recognized in pension expense since New Jersey municipalities do not follow GAAP accounting principles.

If GAAP accounting principles were followed, the other amounts reported as deferred outflows of resources and deferred inflows of resources would have been recognized in pension expense as follows:

Year Ended December 31	Amount
2021	\$ (1,209,639)
2022	(605,958)
2023	(216,319)
2024	(93,839)
2025	(13,130)
	\$ (2,138,885)

Additional information – Collective balances at June 30, 2020 and 2019, are as follows:

	June 30, 2020	June 30, 2019
Collective Deferred Outflows of Resources	\$ 1,601,195,680	\$ 1,198,936,924
Collective Deferred Inflows of Resources	4,191,274,402	4,874,748,912
Collective Net Pension Liability	12,921,318,904	12,231,818,793
County's Proportion	0.1095122555%	0.1084692116%

**COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 11: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Contributions**

The contribution policy for the PFRS is set by NJSA 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The County's contribution amount was based on an actuarially determined rate which includes the normal cost and unfunded accrued liability.

**Actuarial Assumptions**

The total pension liability for the June 30, 2020, measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all Future Years	3.25 – 15.25% Based on Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pension and Benefits financial report at: <http://www.state.nj.us/treasury/pensions/gasb-notices.shtml>.

**COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 11: FINANCIAL INFORMATION RELATED TO GASB 68 & GASB 71 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Actuarial Assumptions (Continued)**

A special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993, and Chapter 201, P.L. 2001. The June 30, 2020 and June 30, 2019, special funding situation net pension liability amounts of \$6,110,221 and \$6,142,477 for Sheriff and \$2,196,082 and \$2,096,032 for Prosecutors are the accumulated differences between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date.

**NOTE 12: FINANCIAL INFORMATION RELATED TO GASB 75 FOR PUBLIC RETIREMENT SYSTEMS**

New Jersey municipalities do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net other postemployment benefit (OPEB) liability as a liability on their balance sheets. However, NJAC 5:30-6.1(c)(2) requires municipalities and counties to disclose GASB 75 information in the Notes to the Financial Statements. The following OPEB liability note information is reported at the State’s level and is not specific to the municipality. The following disclosures meet the requirements of GASB 75 for the PERS and PFRS retirement systems.

**Actuarial Assumptions**

The total OPEB liability as of June 30, 2019, was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases (PERS):	
Through 2026	2.00 – 6.00% Based on Age
Thereafter	3.00 – 7.00% Based on Age
Salary Increases (PFRS):	
All Future Years	3.25 – 15.25% Based on Age
Discount Rate	3.50%

Pre-retirement mortality rates were based on the (PERS): PUB-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2019 and (PFRS): PUB-2010 “Safety” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2019.

Post-retirement health mortality rates were based on (Chapter 330 Retirees): PUB-2010 “Safety” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2019. Other Retirees: PUB-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2019.

**COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 12: FINANCIAL INFORMATION RELATED TO GASB 75 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Actuarial Assumptions (Continued)**

Disability mortality was based on the PUB-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2019 for PERS Future Disabled Retirees and Other Current Retirees. PFRS Future Disabled Retirees and Chapter 330 Current Retirees was based on PUB-2010 “Safety” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2019.

Certain actuarial assumptions used in the June 30, 2018, valuation were based on the results of the pension plans’ experience studies for which the members are eligible for coverage under this Plan – The Police and Firemen Retirement System (PFRS) and the Public Employees Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond index.

Detailed information about the pension plan’s fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at: <http://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

**COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 12: FINANCIAL INFORMATION RELATED TO GASB 75 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Actuarial Assumptions (Continued)**

Changes in the Total Net OPEB Liability reported by the State of New Jersey:

**Total OPEB Liability**

Service Cost	\$ 666,574,660
Interest	636,082,461
Changes of Benefit Terms	(1903958)
Differences Between Expected and Actual Experience	(1,399,921,930)
Changes in Assumptions or Other Inputs	(1,635,760,217)
Benefit Payments	(470,179,613)
Contributions - Members	43,249,952
Net Change in OPEB Liability	<u>(2,161,858,645)</u>
Total OPEB Liability Beginning	<u>15,981,103,227</u>
Total OPEB Liability Ending	<u><u>\$ 13,819,244,582</u></u>

**Plan Fiduciary Net Position**

Contributions - Employer	\$ 346,415,056
Contributions - Non-Employer Contributing Entities	43,854,500
Contributions - Members	43,249,952
Net Investment Income	4,826,936
Benefit Payments	(470,179,613)
Administrative Expense	(9,478,435)
Net Change in Plan Fiduciary Net Position	<u>(41,311,604)</u>
Plan Fiduciary Net Position Beginning	<u>314,485,086</u>
Plan Fiduciary Net Position Ending	<u><u>\$ 273,173,482</u></u>

Net OPEB Liability Ending	<u><u>\$ 13,546,071,100</u></u>
---------------------------	---------------------------------

There were no changes in benefit terms during the year.

Differences Between Expected and Actual Experiences: The decrease in the liability from June 30, 2018 to June 30, 2019, is due to changes in the census, claims, and premiums experience.

Changes in Assumptions: The decrease in the liability from June 30, 2018 to June 30, 2019, is due to the combined effect of the decrease in the assumed discount rate from 3.87% as of June 30, 2018, to 3.50% as of June 30, 2019, and changes in the trend, excise tax, updated decrements, PPO/HMO future retiree elections, salary scale, and mortality assumptions.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate: The following represents the collective net OPEB liability of the participating employers as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percent-point lower or 1-percent-point higher than the current rate.

**COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 12: FINANCIAL INFORMATION RELATED TO GASB 75 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**Actuarial Assumptions (Continued)**

	1% Decrease 2.50%	Current Rate 3.50%	1% Increase 4.50%
Net OPEB Liability	<u>\$ 15,662,704,137</u>	<u>\$ 13,546,071,100</u>	<u>\$ 11,826,026,995</u>

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate: The following presents the net OPEB liability as of June 30, 2019, as well as what the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease	Health Care Costs Trend Rate	1% Increase
Net OPEB Liability	<u>\$ 11,431,214,644</u>	<u>\$ 13,546,071,100</u>	<u>\$ 16,243,926,531</u>

**OPEB Liability, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At December 31, 2019, the County would have reported a liability of \$169,581,503 for its proportionate share of the net OPEB liability if New Jersey municipalities followed GAAP accounting principles. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The County's proportion of the net OPEB liability was based on a projection of the County's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2019 and 2018, the County's proportion was 1.251887% and 1.347969%, respectively.

For the year ended December 31, 2019, the County would have recognized net OPEB expense of \$6,738,609 if New Jersey municipalities followed GAAP accounting principles. The County's deferred outflows of resources and deferred inflows of resources (which are not recorded) are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience		\$ 49,592,241
Differences Between Projected and Actual Investment Earnings	\$ 139,688	
Changes in Assumptions		60,095,913
Changes in Proportions		30,790,492
	<u>\$ 139,688</u>	<u>\$ 140,478,646</u>

**COUNTY OF GLOUCESTER  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 12: FINANCIAL INFORMATION RELATED TO GASB 75 FOR PUBLIC RETIREMENT SYSTEMS (CONTINUED)**

**OPEB Liability, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending</u>		
2020	\$	(23,165,375)
2021		(23,165,377)
2022		(23,176,971)
2023		(23,196,177)
2024		(23,210,897)
Thereafter		(24,424,161)
	<u>\$</u>	<u>(140,338,958)</u>

**Special Funding Situation**

A special funding situation exists for some local employers of the Police and Firefighters Retirement System who do not pay for health benefits coverage for their retired employees. Under Chapter 330, P.L. 1997, certain retired local police officers and firefighters are eligible for enrollment in the State Health Benefits Program with part of the cost paid by the State. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989. The State is treated as a nonemployer contributing entity. Since the local participating employer does not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report. At December 31, 2019 and 2018, the County's proportion was .499799% and .541948%, respectively. The County's proportionate share of the State's collective net OPEB liability at December 31, 2019 and 2018, was \$366,077 and \$1,019,406, respectively.

**NOTE 13: DEFERRED COMPENSATION PLAN**

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation is not available to the employees until termination, retirement, death, or unforeseeable emergency. The administrators of the plans are Lincoln Financial Group, Brighthouse Life Insurance Company, Mass Mutual, Valic, and MetLife.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights have been removed from the books and accounts of the County as they are no longer the property or rights of the County.



**COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 14: CONTINGENCIES**

The County participates in federal and state assisted grant programs. The County is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs.

Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

In the normal course of business, the County may be periodically named as a defendant in litigation. There are several actions that have been instituted against the County which are either in the discovery stage or whose financial outcome cannot be determined at this time. In the opinion of the County Administration, supported by legal counsel, the amount of ultimate liability with respect to these actions is unknown, but could be material.

**NOTE 15: RISK MANAGEMENT**

The County is exposed to various risks or loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The County of Gloucester and its departments, boards, agencies, and commissions presently purchase insurance or self-insures against risks of damage to persons or property of third parties, workers' compensation claims, and for dental coverage for employees through the Gloucester County Insurance Fund Commission ("The Commission") established on October 7, 2009, by resolution of the Board of Chosen Freeholders pursuant to NJSA 40A:10-6. The Commission is governed by three County officials who serve as commissioners and are appointed by the Board. Excess insurance is managed by the New Jersey Counties Excess Joint Insurance Fund.

The Gloucester County Insurance Fund Commissioners retain the services of an actuary to establish the amount of reserves deemed necessary to pay claims. The estimated liability is established by the third party administrator, for claims incurred and reported for the Self-Insurance Fund. The County of Gloucester's 2020 assessment for property and casualty insurance and workmen's compensation insurance was \$3,369,644.69.

**NOTE 16: LONG-TERM DEBT**

**Summary of County Debt Service**

Long-Term Debt as of December 31, 2020, consisted of the following:

	Year 2020	Year 2019	Year 2018
Bonds, Notes, and Loans Issued	\$ 258,858,687.27	\$ 239,997,880.89	\$ 229,089,538.89

**COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 16: LONG-TERM DEBT (CONTINUED)**

**Summary of County Debt Service (Continued)**

	Balance 12/31/2019	Increased	Retired/ Reduction	Balance 12/31/2020	Due Within One Year
Issued					
General:					
Serial Bonds Payable	\$ 171,837,000.00	\$ 15,507,000.00	\$ 21,307,000.00	\$ 166,037,000.00	\$ 23,592,000.00
NJ Infrastructure Loans Payable	1,250,880.89		619,193.62	631,687.27	631,687.27
Gloucester County Improvement Authority Loan Payable	66,910,000.00	27,875,000.00	2,595,000.00	92,190,000.00	3,775,000.00
	<u>\$ 239,997,880.89</u>	<u>\$ 43,382,000.00</u>	<u>\$ 24,521,193.62</u>	<u>\$ 258,858,687.27</u>	<u>\$ 27,998,687.27</u>
Authorized But Not Issued		Increased	Retired/ Reduction	Balance 12/31/2020	
General:					
Bonds		<u>\$ 22,507,800.00</u>	<u>\$ 15,507,000.00</u>	<u>\$ 7,000,800.00</u>	

\$16,495,000.00 General Obligation Refunding Bonds dated October 1, 2011, payable in annual installments through October 2024. Interest is paid semiannually at a rate of 4.00% - 5.00% per annum. The balance remaining at December 31, 2020, was \$6,680,000.00.

\$12,986,000.00 General Obligation Bonds dated June 28, 2012, payable in annual installments through March 2027. Interest is paid semiannually at a rate of 2.50% - 3.00% per annum. The balance remaining at December 31, 2020, was \$6,800,000.00.

\$3,775,500.00 County College Bonds County share dated June 28, 2012, payable in annual installments through March 2022. Interest is paid semiannually at a rate of 2.25% - 2.50% per annum. The balance remaining at December 31, 2020, was \$800,000.00.

\$3,775,500.00 County College Bonds State share dated June 28, 2012, payable in annual installments through March 2022. Interest is paid semiannually at a rate of 2.25% - 2.50% per annum. The balance remaining at December 31, 2020, was \$800,000.00.

\$25,580,000.00 General Obligation Refunding Bonds dated June 28, 2013, payable in annual installments through March 2028. Interest is paid semiannually at a rate of 3.00% per annum. The balance remaining at December 31, 2020, was \$14,120,000.00.

\$4,974,000.00 General Obligation Bonds dated June 11, 2014, payable in annual installments through March 2023. Interest is paid semiannually at a rate of 2.00% - 2.375% per annum. The balance remaining at December 31, 2020, was \$1,875,000.00.

\$2,125,000.00 County College Bonds - County share dated June 11, 2014, payable in annual installments through March 2024. Interest is paid semiannually at a rate of 2.00% - 2.50% per annum. The balance remaining at December 31, 2020, was \$1,000,000.00.

**COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 16: LONG-TERM DEBT (CONTINUED)**

**Summary of County Debt Service (Continued)**

\$2,125,000.00 County College Bonds - State share dated June 11, 2014, payable in annual installments through March 2024. Interest is paid semiannually at a rate of 2.00% - 2.50% per annum. The balance remaining at December 31, 2020, was \$1,000,000.00.

\$4,997,000.00 2014 County College Bonds - Building our Future dated June 11, 2014, payable in annual installments through March 2024. Interest is paid semiannually at a rate of 2.13% - 2.50% per annum. The balance remaining at December 31, 2020, was \$2,400,000.00.

\$4,301,000.00 General Obligation Bonds dated June 25, 2015, payable in annual installments through March 2025. Interest is paid semiannually at a rate of 2.00% - 3.00% per annum. The balance remaining at December 31, 2020, was \$2,285,000.00.

\$1,600,000.00 County College Bonds - State share dated June 25, 2015, payable in annual installments through March 2030. Interest is paid semiannually at a rate of 3.00% - 3.25% per annum. The balance remaining at December 31, 2020, was \$1,130,000.00.

\$1,600,000.00 County College Bonds - State share dated June 25, 2015, payable in annual installments through March 2030. Interest is paid semiannually at a rate of 3.00% - 3.25% per annum. The balance remaining at December 31, 2020, was \$1,130,000.00.

\$24,585,000.00 General Obligation Refunding Bonds dated May 24, 2016, payable in annual installments through January 2023. Interest is paid semiannually at a rate of 1.330% - 1.410% per annum. The balance remaining at December 31, 2020, was \$7,560,000.00.

\$5,445,000.00 General Obligation Bonds dated May 24, 2016, payable in annual installments through March 2027. Interest is paid semiannually at a rate of 1.50% - 2.00% per annum. The balance remaining at December 31, 2020, was \$3,635,000.00.

\$1,500,000.00 County College Bonds - dated May 24, 2016, payable in annual installments through March 2031. Interest is paid semiannually at a rate of 2.00% - 2.375% per annum. The balance remaining at December 31, 2020, was \$1,160,000.00.

\$1,500,000.00 County College Bonds – State share dated May 24, 2016, payable in annual installments through March 2031. Interest is paid semiannually at a rate of 2.00% - 2.375% per annum. The balance remaining at December 31, 2020, was \$1,160,000.00.

\$8,377,000.00 General Obligation Refunding Bonds dated May 31, 2017, payable in annual installments through March 2028. Interest is paid semiannually at a rate of 2.00% - 2.50% per annum. The balance remaining at December 31, 2020, was \$6,385,000.00.

\$1,450,000.00 County College Bonds - dated May 31, 2017, payable in annual installments through March 2032. Interest is paid semiannually at a rate of 2.00% - 3.125% per annum. The balance remaining at December 31, 2020, was \$1,222,500.00.

\$1,450,000.00 County College Bonds – State share dated May 31, 2017, payable in annual installments through March 2032. Interest is paid semiannually at a rate of 2.00% - 3.125% per annum. The balance remaining at December 31, 2020, was \$1,222,500.00.

**COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 16: LONG-TERM DEBT (CONTINUED)**

**Summary of County Debt Service (Continued)**

\$2,500,000.00 County College Bonds - dated May 31, 2017, payable in annual installments through March 2032. Interest is paid semiannually at a rate of 2.00% - 2.50% per annum. The balance remaining at December 31, 2020, was \$1,810,000.00.

\$7,380,000.00 General Obligation Refunding Bonds dated April 11, 2017, payable in annual installments through July 2021. Interest is paid semiannually at a rate of 1.63% per annum. The balance remaining at December 31, 2020, was \$1,845,000.00.

\$19,915,000.00 General Obligation Refunding Bonds dated August 9, 2017, payable in annual installments through October 2029. Interest is paid semiannually at a rate of 3.00% - 4.00% per annum. The balance remaining at December 31, 2020, was \$18,135,000.00.

\$17,427,000.00 General Obligation Bonds dated May 16, 2018, payable in annual installments through April 2033. Interest is paid semiannually at a rate of 3.00% - 3.25% per annum. The balance remaining at December 31, 2020, was \$15,670,000.00.

\$1,600,000.00 County College Bonds - dated May 16, 2018, payable in annual installments through April 2033. Interest is paid semiannually at a rate of 3.00% - 3.375% per annum. The balance remaining at December 31, 2020, was \$1,440,000.00.

\$1,600,000.00 County College Bonds - State share dated May 16, 2018, payable in annual installments through April 2033. Interest is paid semiannually at a rate of 3.00% - 3.375% per annum. The balance remaining at December 31, 2020, was \$1,440,000.00.

\$30,492,000.00 General Obligation Bonds dated May 2, 2019, payable in annual installments through March 2034. Interest is paid semiannually at a rate of 2.50% - 2.75% per annum. The balance remaining at December 31, 2020, was \$29,045,000.00.

\$3,250,000.00 County College Bonds - dated May 2, 2019, payable in annual installments through March 2034. Interest is paid semiannually at a rate of 2.00% - 3.00% per annum. The balance remaining at December 31, 2020, was \$3,095,000.00.

\$3,250,000.00 County College Bonds - State share dated May 2, 2019, payable in annual installments through March 2034. Interest is paid semiannually at a rate of 2.00% - 3.00% per annum. The balance remaining at December 31, 2020, was \$3,095,000.00.

\$14,880,000.00 General Obligation Refunding Bonds dated September 18, 2019, payable in annual installments through September 2025. Interest is paid semiannually at a rate of 5.00% per annum. The balance remaining at December 31, 2020, was \$12,590,000.00.

\$15,507,000.00 General Obligation Bonds dated June 25, 2020, payable in annual installments through March 2029. Interest is paid semiannually at a rate of .05% - 3.00% per annum. The balance remaining at December 31, 2020, was \$15,507,000.00.

**COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 16: LONG-TERM DEBT (CONTINUED)**

**Summary of County Debt Service (Continued)**

\$4,105,000.00 New Jersey Environmental Infrastructure Trust Loan dated November 10, 2005, payable in semiannual installments through March 2021. Interest is paid semiannually at rates of 4.00% to 5.00% per annum. The balance remaining at December 31, 2020, was \$365,000.00.

\$4,125,895.00 New Jersey Environmental Infrastructure Fund Loan dated November 10, 2005, payable in semiannual installments through March 2021. There is no interest charged on this loan. The balance remaining at December 31, 2019, was \$266,686.60.

\$86,650,000.00 County Guaranteed Loan Revenue Bonds dated April 1, 2009, payable in annual installments through April 2038. Interest is paid semiannually at a rate of 4.00% - 5.00% per annum. The balance remaining at December 31, 2020, was \$64,315,000.00.

\$27,875,000.00 County Guaranteed Loan Revenue Bonds dated June 17, 2020, payable in annual installments through May 2035. Interest is paid semiannually at a rate of 3.00% - 5.00% per annum. The balance remaining at December 31, 2020, was \$27,875,000.00.

**Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding**

Year Ended	Principal	Interest	Total
2021	\$ 27,998,687.27	\$ 9,211,946.80	\$ 37,210,634.07
2022	26,920,000.00	7,787,006.25	34,707,006.25
2023	23,110,000.00	6,972,606.24	30,082,606.24
2024	22,840,000.00	6,203,843.73	29,043,843.73
2025	19,930,000.00	5,433,131.24	25,363,131.24
2026-2030	76,135,000.00	18,412,681.20	94,547,681.20
2031-2035	47,720,000.00	7,065,206.27	54,785,206.27
2036-2038	14,205,000.00	867,300.00	15,072,300.00
	<u>\$ 258,858,687.27</u>	<u>\$ 61,953,721.73</u>	<u>\$ 320,812,409.00</u>

**Summary of Statutory Debt Condition – Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .902%.

	Gross Debt	Deductions	Net Debt
General Debt	<u>\$ 447,477,793.00</u>	<u>\$ 201,406,614.00</u>	<u>\$ 246,071,179.00</u>

Net Debt \$246,071,179.00/Equalized Valuation Basis per NJSA 40A:2-2 as amended  
\$27,281,367,058 = .902%.

**COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 16: LONG-TERM DEBT (CONTINUED)**

**Borrowing Power Under NJSA 40A:2-6 as Amended**

2% of Equalized Valuation Basis	\$ 545,627,341.16
Net Debt	246,071,179.00
Remaining Borrowing Power	<u>\$ 299,556,162.16</u>

**NOTE 17: CAPITAL LEASE OBLIGATIONS**

The County had lease agreements in effect at December 31, 2020, for various capital improvements.

Future minimum lease payments under capital lease agreements are as follows:

	<u>Total</u>	<u>Principal</u>	<u>Fees/Interest</u>
2021	\$ 4,618,364.64	\$ 3,645,000.00	\$ 973,364.64
2022	4,083,815.42	3,255,000.00	828,815.42
2023	4,082,016.62	3,400,000.00	682,016.62
2024	2,747,776.36	2,220,000.00	527,776.36
2025	2,683,131.02	2,250,000.00	433,131.02
2025-2029	11,491,030.58	10,365,000.00	1,126,030.58
	<u>\$ 29,706,134.64</u>	<u>\$ 25,135,000.00</u>	<u>\$ 4,571,134.64</u>

**NOTE 18: UNDERLYING DEBT AND OTHER OBLIGATIONS**

The County has adopted an ordinance which authorized the guaranty by the County of the payment of the principal of premium, if any, and interest on certain obligations, including the Landfill Bonds, issued by the Gloucester County Improvement Authority. The obligation of the County pursuant to the provisions of the guaranty constitutes a valid and binding direct and general obligation of the County. The balance of County Guaranteed Bonds at December 31, 2020, is \$122,851,607.16, of which \$87,376,687.27 is included in the County's obligations, leaving a net amount of debt guaranteed by the County in the amount of \$35,474,919.89.

Pursuant to the items of the Deficiency Advance Contract between the County and the Gloucester County Utilities Authority, the County is obligated to pay to the Gloucester County Utilities Authority any annual charges charged to and payable by the County for any deficits in revenues to pay or provide for (a) operation and maintenance expenses of the regional sewage system; (b) the principal and interest on the Gloucester County Utilities Authority's Bonds as the same become due; and (c) to maintain required reserves. The obligations of the County pursuant to the provisions of the Deficiency Advance Contract constitute a valid and binding direct and general obligation of the County. The balance of County Guaranteed Bonds, at December 31, 2020, is \$60,030,073.10.

**COUNTY OF GLOUCESTER  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 19: OPERATING LEASE**

The County entered into a several lease agreements:

Macerich Deptford LLC DBA Deptford Mall for use of facilities for the County Store. The lease term is for 5 years from August 1, 2018, through July 31, 2023. Payments are \$4,010.42 per month, plus utilities. Lease payments increase annually starting January 1, 2019.

47 Cooper Street Associates – Facility for the Child Advocacy Center June 1, 2019, through December 31, 2023, \$167,000.00 total.

Rowan College of South Jersey – Office space for the Gloucester County Workforce, September 23, 2020, through September 22, 2030. \$62,572.92 for years 1 through 5, \$68,837.76 for years 6 through 10.

Rowan College of South Jersey – Office space for the Gloucester County Workforce, September 23, 2020, through September 22, 2030. \$64,562.52 for years 1 through 5, \$71,026.56 for years 6 through 10.

Vehicle leasing, December 5, 2019, through December 4, 2021. Total amount of \$76,200.00.

The County entered into several lease agreement for copiers. The lease term is for 48 months with various commencement dates and payments.

The following is a schedule of the projected lease payments:

Year Ending December 31,	Amount
2021	\$ 455,671.23
2022	372,746.05
2023	295,215.49
2024	166,940.21
2025-2029	700,871.97
	<u>\$ 1,991,444.95</u>

**NOTE 20: SUBSEQUENT EVENTS**

On May 13, 2021, the Board of Commissioners issued General Obligation Bonds in the amount of \$16,495,000.00 and County College Bonds in the amount of \$8,600,000.00.

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2020 and July 26, 2021, the date that the financial statements were issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the collection of certain anticipated revenues, such as fees and permits. Other financial impact could occur though such potential impact is unknown at this time.

**APPENDIX C**

**Form of Bond Counsel Opinion**





December \_\_, 2021

Board of County Commissioners of  
the County of Gloucester  
2 South Broad Street  
Woodbury, New Jersey

RE:     \$\_\_\_\_\_ **COUNTY OF GLOUCESTER, NEW JERSEY,**  
**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021A**

Ladies and Gentlemen:

We have served as Bond Counsel to the County of Gloucester, New Jersey ("County") in connection with the authorization, issuance, sale and delivery of the above-referenced obligations ("Refunding Bonds").

The Refunding Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) a refunding bond ordinance ("Refunding Bond Ordinance"), duly and finally adopted by the Board of County Commissioners on September 15, 2021 and published in accordance with the requirements of the Local Bond Law; and (iii) a resolution duly adopted by the Board of County Commissioners on September 15, 2021 ("Resolution").

The Refunding Bonds are being issued to provide funds which will be used to: (i) current refund and redeem all of the County's outstanding callable General Obligation Refunding Bonds, Series 2011, maturing on October 1 in each of the years 2022 through 2024, both dates inclusive; (ii) current refund and redeem all of the County's outstanding callable General Obligation Bonds, Series 2012, maturing on March 1 in each of the years 2023 through 2027, both dates inclusive; and (iii) pay the costs and expenses related to the issuance, sale and delivery of the Refunding Bonds.

The Refunding Bonds are dated their date of issuance, mature on March 1 in each of the years and in the respective principal amounts set opposite each such year in the table below and bear interest at the rates per annum below, payable semi-annually on March 1 and September 1 ("Interest Payment Dates"), commencing March 1, 2022, in each year until maturity.

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2022	\$	%	2025	\$	%
2023			2026		
2024			2027		

**COUNSEL WHEN IT MATTERS.<sup>SM</sup>**



The Refunding Bonds are issued in fully registered book-entry-only form without coupons, and are not subject to redemption prior to their stated maturity dates.

As the basis for the opinion set forth below, we have examined such matters of law as we have deemed necessary including, inter alia, the Constitution of the State of New Jersey, the Internal Revenue Code of 1986, as amended ("Code"), and the Local Bond Law. We have also examined such documents, certifications and instruments as we have deemed necessary including, without limitation, the Refunding Bond Ordinance, the Resolution, a certification of officials of the County having the responsibility for issuing the Refunding Bonds given pursuant to the Code ("Nonarbitrage Certificate") and the other certifications, instruments, documents and opinions listed in the closing agenda prepared in connection with the settlement of the Refunding Bonds.

In rendering the following opinion, we have relied upon the authenticity, truthfulness and completeness of all documents, instruments and certifications examined including, without limiting the generality of the foregoing, the Nonarbitrage Certificate.

Based upon and subject to the foregoing, we are of the following opinion:

1. The Refunding Bonds are legal, valid and binding obligations of the County enforceable in accordance with the terms thereof, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency, moratorium or other laws or equitable principles affecting the enforcement of creditors' rights generally ("Creditors' Rights Limitations").
2. For the payment of principal of and interest on the Refunding Bonds, the County has the power and is obligated, to the extent payment is not otherwise provided, to levy ad valorem taxes upon all taxable real property within the County without limitation as to rate or amount, except to the extent that enforcement thereof may be affected by Creditors' Rights Limitations.
3. Interest on the Refunding Bonds is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Code and will not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals.

In addition, passive investment income, including interest on the Refunding Bonds, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter C earnings and profits at the close of the taxable year if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.

In rendering this opinion, we have assumed continuing compliance by the County that it will comply with the applicable requirements of the Code, including requirements relating to, inter alia, the use and investment of proceeds of the Refunding Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the County to comply with such covenants could result in the interest on the Refunding Bonds being subject to federal income tax from the date of issue. We have not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date hereof that may affect the tax-exempt status of the interest on the Refunding Bonds.



Ownership of the Refunding Bonds may result in collateral federal income tax consequences to certain taxpayers including, without limitation, certain holders of an interest in a financial asset securitization investment trust, property and casualty insurance companies, controlled foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and to individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the Refunding Bonds will constitute disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the Refunding Bonds is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by household income. Section 36B(d) of the Code provides that household income consists of the "modified adjusted gross income" of the taxpayer and certain other individuals. "Modified adjusted gross income" means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Refunding Bonds.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The County has not designated the Refunding Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Owners of the Refunding Bonds should consult their own tax advisers as to the applicability and effect on their federal income taxes of the alternative minimum tax, the branch profits tax and the tax on passive investment income of S corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

4. Interest on the Refunding Bonds and any gain from the sale thereof is not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof.

We express no opinion as to any matter not set forth in the numbered paragraphs above including, without limitation, any financial or other information which has been or may be supplied to purchasers of the Refunding Bonds.

In providing the opinion expressed in paragraph 3 above, we have relied upon the written report provided by Bowman & Company, LLC, Voorhees, New Jersey, certified public accountants, regarding the computation of the yield on the Refunding Bonds and certain investments made with the proceeds thereof.

The opinions expressed in the numbered paragraphs above are being rendered on the basis of federal law and the laws of the State of New Jersey, as presently enacted and construed, and we



assume no responsibility to advise any party as to any changes in law or fact subsequent to the date hereof.

This is only an opinion letter and not a warranty or guaranty of the matters discussed above.

This letter is being provided solely for the benefit of the County and may not be relied upon by any other person, party, firm or organization without our prior written consent.

Very truly yours,

## **APPENDIX D**

### **Form of Continuing Disclosure Agreement**

## CONTINUING DISCLOSURE AGREEMENT

**THIS CONTINUING DISCLOSURE AGREEMENT** ("Disclosure Agreement") is made on this \_\_\_ day of December, 2021 by and between the County of Gloucester, New Jersey ("County") and the Dissemination Agent (as hereinafter defined). This Disclosure Agreement is entered into in connection with the issuance and sale by the County of its General Obligation Refunding Bonds, Series 2021, in the aggregate principal amount of \$\_\_\_\_\_ ("Bonds").

**SECTION 1. Purpose of the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered for the benefit of the holders and beneficial owners of the Bonds (collectively, the "Bondholders") and in compliance with the provisions of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934 ("Exchange Act"), as it may be amended and supplemented from time to time, including administrative or judicial interpretations thereof, as it applies to the Bonds ("Rule").

**SECTION 2. Definitions.** Capitalized terms, not otherwise defined herein, shall, for purposes of this Disclosure Agreement, have the following meanings:

**"Annual Report"** shall mean the County's Annual Report provided pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

**"Business Day"** shall mean any day other than a Saturday, Sunday or a day on which the County or the Dissemination Agent is authorized by law or contract to remain closed.

**"Continuing Disclosure Information"** shall mean: (i) the Annual Report; (ii) any notice required to be filed with the National Repository pursuant to Section 5 hereof; and (iii) any notice of an event required to be filed with the National Repository pursuant to Section 3(c) hereof.

**"Dissemination Agent"** shall mean Acacia Financial Group, Inc., Mount Laurel, New Jersey, or any successor Dissemination Agent designated in writing by the County and which has filed with the County 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 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.

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

**"National Repository"** shall mean the MSRB, through the internet facilities of EMMA, or any other public or private repository or entity that shall hereafter be designated by the SEC as a repository for purposes of the Rule.

**"Opinion of Counsel"** shall mean a written opinion of counsel expert in federal securities law acceptable to the County.

**"SEC Release"** shall mean Release No. 34-59062, of the SEC, dated December 5, 2008.

### **SECTION 3. Provision of Annual Report.**

(a) The County shall not later than 270 days after the end of its fiscal year (currently December 31) during which any of the Bonds remain Outstanding provide to the Dissemination Agent the County's Annual Report prepared for the preceding fiscal year of the County. Each Annual Report provided to the Dissemination Agent by the County shall comply with the requirements of Section 4 of this Disclosure Agreement but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to the National Repository. 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) The Dissemination Agent, promptly (within fifteen (15) Business Days) after receiving the Annual Report from the County, shall submit the Annual Report received by it to the National Repository and thereafter shall file a written report with the County certifying that the Annual Report has been provided pursuant to this Agreement, stating the date it was provided to the National Repository.

(c) If the County fails to provide the Annual Report to the Dissemination Agent by the dates required in subsection (a) of this Section 3, the Dissemination Agent shall send a notice to the County advising of such failure. Whether or not such notice is given or received, if the County thereafter fails to submit the Annual Report to the Dissemination Agent within fifteen (15) Business Days after the Annual Report was due pursuant to the provisions of subsection (a) of this Section 3, the Dissemination Agent shall promptly send a notice to the National Repository in substantially the form attached as Exhibit "A" hereto.

### **SECTION 4. Contents of Annual Report.** Annual Report shall mean:

(a) (i) the general financial information and operating data of the County consistent with the information set forth in the Official Statement, dated October \_\_, 2021, prepared in connection with the sale of the Bonds ("Official Statement"); and (ii) the County's annual financial statements using the accounting standards set forth below in Subsection (b) of this Section 4 and audited by an independent certified public accountant, substantially in the form set forth in Appendix "B" to the Official Statement.

(b) The County's audited financial statements will be prepared in accordance with modified cash accounting as mandated by the State of New Jersey statutory principles or with generally accepted accounting principles as modified by governmental accounting standards if required by New Jersey law, as such principles, standards and requirements exist at the time of the filing of the particular annual audited financial statement.

### **SECTION 5. Reporting of Significant Events.**

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following listed events ("Listed Events"):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (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, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to the rights of Bondholders, if material;
- (8) Bond calls (excluding mandatory sinking fund redemptions), if material, or tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a financial obligation<sup>1</sup> of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) The County shall within seven (7) Business Days of the occurrence of any of the Listed Events, notify the Dissemination Agent in writing to report the event pursuant to subsection (c) of this Section 5. In determining the materiality of a Listed Event specified clauses (2), (7), (8), (10), (13), (14) or (15) of subsection (a) of this Section 5, the County may, but shall not be required to, rely conclusively on an Opinion of Counsel.

(c) If the Dissemination Agent has been instructed by the County to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the National Repository within three (3) Business Days of the receipt of such instruction, with a copy of such notice provided by the Dissemination Agent to the County.

---

<sup>1</sup> The term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.



**SECTION 6. Termination of Disclosure Agreement.** This Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds or when the County is no longer an Obligated Person (as defined in the Rule) with respect to the Bonds.

**SECTION 7. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the County and the Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver (supported by an Opinion of Counsel) is: (a) 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 the County, or type of business conducted; (b) the undertaking, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering 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 materially impair the interests of Bondholders. The County shall give notice of such amendment or waiver to this Disclosure Agreement to the Dissemination Agent and the Dissemination Agent shall file such notice with the National Repository.

**SECTION 8. Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the County 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 Agreement, it shall not have any obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

**SECTION 9. Default and Remedies.** In the event of a failure of the County to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Bondholder may (and, at the written request of Bondholders of at least twenty-five percent (25%) of the outstanding Bonds and provision of indemnity and security for expenses satisfactory to it, shall) take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the County to comply with its obligations under this Disclosure Agreement. The sole remedy under this Disclosure Agreement in the event of any failure of the County to comply with this Disclosure Agreement shall be an action to compel performance. A failure of the County to comply with any provision of this Disclosure Agreement shall not be deemed to be a default under the Bonds.

**SECTION 10. Notices.** All notices and other communications required or permitted under this Disclosure Agreement shall be in writing and shall be deemed to have been duly given, made and received only when delivered (personally, by recognized national or regional courier service, or by other messenger, for delivery to the intended addressee) or when deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

(i) If to the County:

County of Gloucester  
Gloucester County Treasurer Office - 3<sup>rd</sup> Floor  
2 South Broad, PO Box 337

Woodbury, New Jersey 08096  
Attention: Treasurer

(ii) If to the Dissemination Agent:

Acacia Financial Group, Inc.  
6000 Midlantic Drive, Suite 410  
Mount Laurel, New Jersey 08054  
Attention: Jennifer Edwards, Managing Director

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provision of this Section 10 for the giving of notice.

**SECTION 11. Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the County, the Dissemination Agent and the Bondholders and nothing herein contained shall confer any right upon any other person.

**SECTION 12. Submission of Information to MSRB.** Any Continuing Disclosure Information filed with the MSRB in accordance with this Disclosure Agreement shall be in electronic format as shall be prescribed by the MSRB or such other format as the Rule may require or permit, and shall be accompanied by such identifying information as shall be prescribed by the MSRB or as may otherwise be required by the Rule.

**SECTION 13. Compensation.** The County shall pay the Dissemination Agent from time to time reasonable compensation for all services rendered under this Disclosure Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this Disclosure Agreement.

**SECTION 14. Successors and Assigns.** All of the covenants, promises and agreements contained in this Disclosure Agreement by or on behalf of the County, or by or on behalf of the Dissemination Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

**SECTION 15. Headings for Convenience Only.** The descriptive headings in this Disclosure Agreement are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

**SECTION 16. Counterparts.** This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**SECTION 17. Severability.** If any provision of this Disclosure Agreement, or the application of any such provision in any jurisdiction or to any person or circumstance, shall be held invalid or unenforceable, the remaining provisions of this Disclosure Agreement, or the application of such provision as is held invalid or unenforceable in jurisdictions or to persons or circumstances other than those in or as to which it is held invalid or unenforceable, shall not be affected thereby.

**SECTION 18. Governing Law.** This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

**IN WITNESS WHEREOF**, the parties hereto have executed this Disclosure Agreement as of the date first above written.

**COUNTY OF GLOUCESTER, NEW JERSEY**

**By:** \_\_\_\_\_  
**TRACEY N. GIORDANO,**  
**Treasurer/Chief Financial Officer**

**ACACIA FINANCIAL GROUP, INC.,**  
**as Dissemination Agent**

**By:** \_\_\_\_\_  
**JENNIFER G. EDWARDS, Managing Director**

**EXHIBIT A**

**NOTICE TO THE NATIONAL REPOSITORY OF  
FAILURE TO FILE AN ANNUAL REPORT**

Name of Issuer: County of Gloucester, New Jersey

Name of Bond Issues Affected: \$                      General Obligation Refunding Bonds, Series 2021

Date of Issuance of the Affected Bond Issue: December , 2021

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above named Bond issue as required by Section 3 of the Continuing Disclosure Agreement, dated December \_\_, 2021, between the County and the Dissemination Agent. [TO BE INCLUDED ONLY IF THE DISSEMINATION AGENT HAS BEEN ADVISED OF THE EXPECTED FILING DATE - The Issuer anticipates that such Annual Report will be filed by \_\_\_\_\_].

Dated:

ACACIA FINANCIAL GROUP, INC.,  
Dissemination Agent

cc: County of Gloucester, New Jersey