

OFFICIAL STATEMENT DATED JUNE 5, 2025

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel, assuming continuing compliance by the County and RCSJ (each hereinafter defined) with certain tax covenants described herein, under existing law, interest on the 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, and will not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on such corporations. Interest on the Bonds and any gain from the sale thereof are 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.

\$17,985,000
COUNTY OF GLOUCESTER, NEW JERSEY
GENERAL OBLIGATION BONDS, SERIES 2025
Consisting of:
\$15,110,000 General Improvement Bonds
\$2,875,000 County College Bonds (Chapter 12)
(Callable)

Dated: Date of Delivery**Due: March 1, as shown on inside front cover**

The County of Gloucester, New Jersey ("County") is issuing \$17,985,000 aggregate principal amount of its General Obligation Bonds, Series 2025 ("Bonds"). The Bonds consist of: (i) \$15,110,000 aggregate principal amount of General Improvement Bonds; and (ii) \$2,875,000 aggregate principal amount of County College Bonds (Chapter 12) ("Chapter 12 Bonds"). The Bonds shall be issued in fully registered book-entry only form without coupons. The principal of the Bonds shall be paid on the respective maturity dates thereof upon presentation and surrender of the Bonds in the offices of the County Treasurer or its designated paying agent, if any. Interest on the Bonds is payable initially on March 1, 2026 and semiannually thereafter on September 1 and March 1 ("Interest Payment Dates") in each year until maturity or earlier redemption. The Bonds are subject to redemption prior to the stated maturity dates thereof as further described herein.

Upon initial issuance, the 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 Bonds. So long as Cede & Co. is the registered owner of the Bonds, payments of principal of and interest on the Bonds will be made by the County or its 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 Bonds. Purchasers will not receive certificates representing their ownership interest in the Bonds purchased. For so long as any purchaser is a Beneficial Owner of a 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 Bond.

The 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) bond ordinance 55758, duly and finally adopted by the Board of Commissioners of the County ("Board") and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the Board on May 14, 2025; and (iv) a Certificate of Determination and Award executed by the County Treasurer/Chief Financial Officer on June 5, 2025.

The Bonds are being issued by the County to provide funds which will be used to: (i) permanently finance the costs of certain general capital improvements and equipment for which obligations have been authorized, but not issued; (ii) permanently finance the costs of certain capital improvements for Rowan College of South Jersey ("RCSJ"), for which obligations have been authorized, but not issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

The full faith and credit of the County are irrevocably pledged for the payment of the principal of and interest on the Bonds. The 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.

The Chapter 12 Bonds are also entitled to the benefits of the County College Bond Act, constituting Chapter 12 of 1971 Laws of the State of New Jersey ("State") (*N.J.S.A. 18A:64A-22 et seq.*), as amended, which provides that an amount equal to one-half of the principal of and interest on the Chapter 12 Bonds will be paid by the State. However, bonds issued under the provisions of the County College Bond Act shall not be deemed to constitute a debt or liability of the State or a pledge of the faith and credit of the State, but are dependent for repayment upon appropriations provided by law from time to time.

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 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. Acacia Financial Group, Inc., Mount Laurel, New Jersey, has served as Municipal Advisor to the County in connection with the issuance of the Bonds. It is anticipated that the Bonds in definitive form will be available for delivery through DTC in Brooklyn, New York on or about June 18, 2025.



MATURITY SCHEDULE

\$17,985,000
COUNTY OF GLOUCESTER, NEW JERSEY
GENERAL OBLIGATION BONDS, SERIES 2025
 consisting of:
\$15,110,000 General Improvement Bonds
\$2,875,000 County College Bonds (Chapter 12)
(Callable)

<u>Year</u>	<u>General Improvement Bonds</u>	<u>County College Bonds (Chapter 12)</u>	<u>Total Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
2026	\$670,000	\$95,000	\$765,000	5.000%	2.700%	37969ABG2
2027	825,000	105,000	930,000	5.000	2.680	37969ABH0
2028	850,000	110,000	960,000	5.000	2.680	37969ABJ6
2029	880,000	110,000	990,000	5.000	2.690	37969ABK3
2030	905,000	115,000	1,020,000	5.000	2.750	37969ABL1
2031	935,000	120,000	1,055,000	5.000	2.830	37969ABM9
2032	965,000	120,000	1,085,000	5.000	2.910	37969ABN7
2033	995,000	125,000	1,120,000	4.000	3.000	37969ABP2
2034	1,030,000	130,000	1,160,000	4.000	3.070	37969ABQ0
2035	1,070,000	135,000	1,205,000	4.000	3.210	37969ABR8
2036	1,105,000	140,000	1,245,000	4.000	3.330*	37969ABS6
2037	1,150,000	145,000	1,295,000	4.000	3.500*	37969ABT4
2038	1,200,000	155,000	1,355,000	4.000	3.710*	37969ABU1
2039	1,260,000	160,000	1,420,000	4.000	3.850*	37969ABV9
2040	1,270,000	170,000	1,440,000	4.000	4.020	37969ABW7
2041	0	180,000	180,000	4.000	4.150	37969ABX5
2042	0	190,000	190,000	4.000	4.300	37969ABY3
2043	0	190,000	190,000	4.000	4.400	37969ABZ0
2044	0	190,000	190,000	4.250	4.450	37969ACA4
2045	0	190,000	190,000	4.375	4.500	37969ACB2

* Priced at the stated yield to the first optional redemption date of March 1, 2035 at a redemption price of 100%.

** 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 FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of holders of the Bonds only at the time of issuance of the 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 for a specific maturity of the Bonds is subject to being changed after the issuance of the 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 certain maturities of the Bonds.

COUNTY OF GLOUCESTER, NEW JERSEY

BOARD OF COUNTY COMMISSIONERS - DIRECTOR

Frank J. DiMarco

BOARD OF COUNTY COMMISSIONERS - DEPUTY DIRECTOR

Jim Jefferson

BOARD OF COUNTY COMMISSIONERS

**Denice DiCarlo
Nicholas DeSilvio
Joann Gattinelli
Matthew Weng
Christopher Konawel Jr.**

COUNTY ADMINISTRATOR

Chad M. Bruner

CLERK OF THE BOARD

Laurie J. Burns

COUNTY COUNSEL

Eric M. Campo, Esquire

COUNTY TREASURER/CHIEF FINANCIAL OFFICER

Tracey N. Giordano

BOND COUNSEL

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

COUNTY AUDITOR

**Bowman & Company LLP
Woodbury and 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 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 Underwriters to give any information or to make any representations with respect to the 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 Underwriters, 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 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 or 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 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.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 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.

TABLE OF CONTENTS

	PAGE
INTRODUCTION	1
AUTHORIZATION FOR THE BONDS.....	1
PURPOSE OF THE ISSUE	1
DESCRIPTION OF THE BONDS	2
General	2
Redemption Provisions.....	3
Book-Entry-Only System	4
Discontinuance of Book-Entry-Only System	6
SECURITY FOR THE BONDS	6
INFORMATION REGARDING THE COUNTY OF GLOUCESTER.....	7
General	7
Financial	7
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	9
Miscellaneous Revenues	10
Real Estate Taxes	11
Deferral of Current Expenses	11
Budget Transfers	11
Capital Budget.....	12
Related Constitutional and Statutory Provisions	12
Rights and Remedies of Owners of Bonds	12
Limitation of Remedies Under Federal Bankruptcy Code	13
LEGAL MATTERS.....	14
CERTAIN RISK FACTORS	14
Recent Healthcare Developments.....	14
Cyber Security	15
Climate Change	15
PREPARATION OF OFFICIAL STATEMENT	15
TAX MATTERS.....	16
Federal.....	16
New Jersey	17
Changes in Federal and State Tax Law	17
LEGALITY FOR INVESTMENT.....	17
LITIGATION.....	18
RATING	18
MUNICIPAL ADVISOR.....	18
CONTINUING DISCLOSURE	19
NO DEFAULT.....	19
UNDERWRITING	19
ADDITIONAL INFORMATION.....	19
APPENDIX A - General Information Concerning the County	
APPENDIX B - Unaudited and Audited Financial Statements of the County	
APPENDIX C - Form of Bond Counsel's Opinion	
APPENDIX D - Form of Continuing Disclosure Agreement	

OFFICIAL STATEMENT

RELATING TO

\$17,985,000

**COUNTY OF GLOUCESTER, NEW JERSEY
GENERAL OBLIGATION BONDS, SERIES 2025**

Consisting of:

\$15,110,000 General Improvement Bonds

**\$2,875,000 County College Bonds (Chapter 12)
(Callable)**

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 \$17,985,000 aggregate principal amount of its General Obligation Bonds, Series 2025 ("Bonds"). The Bonds consist of: (i) \$15,110,000 aggregate principal amount of General Improvement Bonds ("General Improvement Bonds"); and (ii) \$2,875,000 aggregate principal amount of County College Bonds (Chapter 12) ("Chapter 12 Bonds").

AUTHORIZATION FOR THE BONDS

The 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) bond ordinance 55758 of the County, duly and finally adopted by the Board of Commissioners ("Board") of the County and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the Board on May 14, 2025 ("Resolution"); and (iv) a Certificate of Determination and Award executed by the County Treasurer/Chief Financial Officer on June 5, 2025.

PURPOSE OF THE ISSUE

The Bonds are being issued by the County to provide funds which will be used to: (i) permanently finance the costs of certain general capital improvements and equipment for which obligations have been authorized, but not issued; (ii) permanently finance the costs of certain capital improvements for Rowan College of South Jersey ("RCSJ"), for which obligations have been authorized, but not issued; and (iii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds.

The improvements to be financed with the proceeds of the Bonds include the following:

General Improvement Bonds

Ordinance No. and Section	Purpose/Improvement	Amount Funded with Bond Proceeds
55758-7A	Improvements to various County Parks	\$402,705
55758-7B	Reconstruction and/or Renovation to various County Buildings	2,234,200
55758-7C	Construction, Reconstruction and/or Repair to various County Roadways	1,767,000
55758-7D	Construction, Reconstruction and/or Repair to various County Intersections	570,000
55758-7F	Acquisition of Information Technology Equipment	1,605,500
55758-7G	Acquisition of Communications Equipment	1,368,095
55758-7H	Acquisition of Emergency Medical Services Equipment	1,230,250
55758-7I	Acquisition of Ambulances	1,520,000
55758-7K	Additions and/or Substantial Renovations to the Rowan College of South Jersey Career and Technical Education Center	5,060,000
55758-7L	Acquisition of Various Equipment for the County Animal Shelter	52,250
55758-7M	Acquisition of Municipal Buses	95,000
	Total	\$15,905,000*

* Reflects the principal amount of General Improvement Bonds plus a premium of \$795,000

Chapter 12 Bonds

Ordinance No. and Section	Purpose/Improvement	Amount Funded with Bond Proceeds
55758-7J	Renovation and/or Reconstruction of Various Rowan College of South Jersey Buildings	\$2,941,000*

* Reflects the principal amount of Chapter 12 Bonds plus a premium of \$66,000

DESCRIPTION OF THE BONDS

General

The Bonds will be issued in the aggregate principal amounts and mature on the dates as shown on the inside front cover hereof. The Bonds will be dated the date of delivery thereof and bear interest from that date at the interest rates set forth on the inside front cover hereof. Interest on the Bonds will be payable semiannually commencing on March 1, 2026 and, thereafter, on

September 1 and March 1 in each year until maturity or earlier redemption (each an "Interest Payment Date"). Individual purchases may be made in the principal amount of \$5,000, or any integral multiple of \$5,000, and in integral multiples of \$1,000 in excess thereof, or in such amount necessary to issue the principal amount of the Bonds, through book-entries made on the books and the records of DTC (as hereinafter defined) and its participants. See "DESCRIPTION OF THE BONDS--Book-Entry-Only System" below. The Bonds will mature on March 1 in the years and in the principal amounts, all as shown on the inside front cover page of this Official Statement.

The Bonds will be issued in fully registered book-entry only form without coupons. The principal of the Bonds will be payable to the registered owners at maturity upon presentation and surrender of the Bonds at the offices of the County Treasurer/Chief Financial Officer or its designated paying agent, if any. Interest on each Bond shall be payable on each Interest Payment Date of such Bond to the registered owner of record thereof appearing on the registration books kept by the County for such purpose at the offices of the County Treasurer/Chief Financial Officer or its designated paying agent, if any, as of the close of business on the fifteenth (15th) day of the calendar month next preceding an Interest Payment Date.

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

Redemption Provisions

The Bonds maturing on and after March 1, 2036 shall be subject to redemption prior to their stated maturity dates at the option of the County, upon notice as set forth below, as a whole or in part (and, if in part, such maturities as the County shall determine and within any such maturity by lot) on any date on or after March 1, 2035, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, plus accrued interest to the redemption date.

Notice of redemption for the Bonds shall be given by mailing first class mail in a sealed envelope with postage pre-paid not less than thirty (30) days nor more than sixty (60) days prior to the redemption date to the owner of every Bond of which all or a portion is to be redeemed at his or her last address, if any, appearing on the registration books of the County or its hereinafter designated paying agent, if any. So long as the Bonds are issued in book-entry-only form, all notices of redemption will be sent only to the Securities Depository (hereinafter defined) and not be sent to the beneficial owners of the Bonds. Failure of an owner of the Bonds to receive such notice or of the Securities Depository to advise any participant or any failure of a participant to notify any beneficial owner of the Bonds shall not affect the validity of any proceedings for the redemption of the Bonds. Such notice shall specify: (i) the series and maturity of the Bonds to be redeemed; (ii) the redemption date and the place or places where amounts that are due and payable upon such redemption will be payable; (iii) if less than all of the Bonds are to be redeemed, the letters and numbers or other distinguishing marks of the Bonds to be redeemed; (iv) in the case of a Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed; (v) that on the redemption date there shall become due and payable with respect to each Bond or portion thereof to be redeemed the redemption price; and (vi) that from and after

the redemption date interest on such Bonds or portion thereof to be redeemed shall cease to accrue and be payable.

Book-Entry-Only System

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal and interest, and other payments on the Bonds to DTC Participants or Beneficial Owners (as such terms are defined or used herein), confirmation and transfer of beneficial ownership interests in the Bonds and other related transactions by and between DTC, DTC Participants and Beneficial Owners, is based on certain information furnished by DTC to the County. Accordingly, the County does not make any representations as to the completeness or accuracy of such information.

The DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such issue, 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 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.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct 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 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

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

Redemption proceeds and distributions on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or its hereafter designated 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, Paying Agent, if any, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and 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 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, 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, 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 neither the County nor the Underwriters (as hereinafter defined) take any responsibility for the accuracy thereof.

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

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE BONDS (OTHER THAN UNDER THE HEADING "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE 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 Bonds, the following provisions would apply: (i) the Bonds may be exchanged for an equal aggregate principal amount of Bonds in other authorized denominations and of the same maturity, upon surrender thereof at the offices of the County or its designated paying agent; (ii) the transfer of any Bonds may be registered on the books maintained by the County or its designated paying agent for such purpose only upon the surrender thereof to the County or its designated paying agent together with the duly executed assignment in form satisfactory to the County or its designated paying agent; and (iii) for every exchange or registration of transfer of Bonds, the County, or its designated paying agent, 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 Bonds. Interest on the 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 fifteenth (15th) day, whether or not a business day, of the calendar month next preceding an Interest Payment Date.

SECURITY FOR THE BONDS

The full faith and credit of the County are irrevocably pledged for the payment of the principal of and interest on the Bonds. The Bonds will be legal, valid and binding general

obligations of the County payable as to principal and interest from *ad valorem* taxes to be levied upon all the taxable real property within the County without limitation as to rate or amount.

The County may pledge only its own credit and taxing power in respect of the 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 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 Bonds.

In addition to the foregoing, the Chapter 12 Bonds are entitled to the benefits of the provisions of the County College Bond Act, P.L. 1971, c. 12 (*N.J.S.A. 18A:64A-22 et seq.*), as amended ("College Bond Act"), pursuant to which the State shall annually appropriate in its budget and pay on behalf of the County an amount equal to one-half the amount of principal of and interest due on the Chapter 12 Bonds. The amounts paid by the State pursuant to the College Bond Act are paid directly to the securities depository to be used for the payment of the principal of and interest on the Chapter 12 Bonds. The Chapter 12 Bonds are not a debt or liability of the State. Payment by the State pursuant to the College Bond Act is dependent upon appropriations provided by law from time to time.

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

The audited financial statements of the County for the years ended December 31, 2023 and 2022 as prepared by Bowman & Company LLP independent auditor of the County, Woodbury and Voorhees, New Jersey are set forth in Appendix "B" to this Official Statement. Also included in Appendix "B" are compiled financial statements for the year ended December 31, 2024.

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 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 New Jersey State Board of Accountancy. 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, 2023 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 January 26th or later if an extension is granted. The Compiled Financial Statement for the year ended December 31, 2024 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 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.

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 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 Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit." 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 a municipal tax levy required to balance the municipal budget so that when the percentage of the prior year's tax collection for such municipality is applied to the combined total, the product will be at least equal to the tax levy required to balance the municipal 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 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 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 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 Bonds and provide, *inter alia*, that the 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 Bonds and interest thereon. The enforceability of rights or remedies with respect to such 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.

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 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

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level.

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 on March 12, 2021 and provided \$1.9 trillion in financial assistance to businesses, individuals and governmental entities. The Plan provided 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 received \$56,646,874 in funding ("Plan Funds"). The deadline to obligate the Plan Funds was December 31, 2024 and to spend the Plan Funds is December 31, 2026. Such Plan Funds were received in two (2) equal payments; one (1) received within 60 days of enactment of the Plan, and the balance was received no earlier than 12 months from the initial payment.

While the effects of COVID-19 have abated significantly, the County cannot predict, and does not predict, whether or if the Coronavirus or any similar viral disease (including any variants or sub-variants thereof) may reemerge in the future and, if such reemergence occurs, what the effects thereof may have upon global, State-wide and local economies and operations, including that of the County.

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.

Climate Change

The State of New Jersey is naturally susceptible to the effects of extreme weather events and natural disasters, including floods and hurricanes, which could result in negative economic impacts on communities. Such effects can be exacerbated by a longer term shift in the climate over several decades (commonly referred to as "climate change"), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage local infrastructure that provides essential services to the County, as well as resulting in economic impacts such as loss of ad valorem tax revenue, interruption of municipal services, and escalated recovery costs. No assurance can be given as to whether future extreme weather events will occur that could materially adversely affect the financial condition of the County.

PREPARATION OF OFFICIAL STATEMENT

Bowman & Company LLP assisted in the preparation of information contained in Appendix "A" to the Official Statement and has reviewed certain financial and statistical information contained in the Official Statement and compared it to the County's compiled and audited financial statements, as applicable. They have not verified the accuracy of other information or the completeness and fairness of that and other information contained herein, and accordingly express no opinion with respect thereto. However, they take responsibility for the compiled and audited financial statements to the extent specified in the Independent Accountant's Compilation Report and Independent Auditor's Report appearing in Appendix "B".

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.

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 and RCSJ with certain tax covenants described below, under existing law, interest on the 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; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on such corporations.

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 Bonds received or accrued by a foreign corporation subject to the branch profits tax may be included in computing the "dividend equivalent amount" of such corporation.

In addition, passive investment income, including interest on the 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 its opinion, Bond Counsel has relied on the covenants contained in the Resolution and in the Certificate as to Non-Arbitrage, that it will comply with the applicable requirements of the Code, relating to, *inter alia*, the use and investment of proceeds of the Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure to comply with such covenants could result in the interest on the Bonds being subject to federal income tax from the date of issue. Bond Counsel has not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date of issuance of the Bonds that may affect the tax-exempt status of the interest on the Bonds.

Ownership of the 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, controlled foreign corporations, property and casualty insurance companies, 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 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 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 the 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 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 Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(1) of the Code.

Owners of the Bonds should consult their own tax advisors 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 Bonds and any gain from the sale thereof are not included in the gross income of the owners thereof under the State 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 the states that, if enacted, could alter or amend the Federal and State tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposals might be enacted or whether, if enacted, it would apply to bonds or notes 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 Bonds.

PROSPECTIVE PURCHASERS OF THE 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 REFUNDING 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 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 Bonds, and such Bonds are authorized security for any and all public deposits.

LITIGATION

Upon delivery of the Bonds, the County shall furnish an opinion of its Counsel, dated the date of delivery of the Bonds, to the effect that there is no litigation of any nature, pending or threatened, to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Bonds. In addition such 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 Bonds, which has not been disclosed in this Official Statement.

RATING

Moody's Investors Service, Inc. ("Moody's"), has assigned a rating of "Aa1" to the Bonds.

The rating reflects only the views of Moody's and an explanation of the significance of such rating may only be obtained from Moody's. The County furnished to Moody's certain information and materials concerning the Bonds and the County. There can be no assurance that the ratings will be maintained for any given period of time or that it may not be raised, lowered or withdrawn entirely if, in Moody's judgment, circumstances so warrant. Any downward change in or withdrawal of such a rating may have an adverse effect on the marketability or market price of the Bonds.

MUNICIPAL ADVISOR

Acacia Financial Group, Inc., Mount Laurel, New Jersey, has served as municipal advisor ("Municipal Advisor") to the County with respect to the issuance of the Bonds. 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 a municipal advisor and consulting organization and is not engaged in the business of underwriting, marketing or trading municipal securities or any other negotiable instruments.

CONTINUING DISCLOSURE

In accordance with the provisions of Rule 15c2-12, as amended, promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, the County will, prior to the issuance of the Bonds, enter into an agreement 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. The Gloucester County Improvement Authority issued certain revenue bonds ("GCIA Bonds") to evidence a loan provided by the New Jersey Infrastructure Bank as well as stand alone issuances for which the County provided its guaranty for the payment of principal and interest. In some instances, the County did not timely file a notice on EMMA of its guaranty of a financial obligation in connection with the GCIA Bonds; however, the GCIA Bonds were publicly-offered and an offering document can be found on EMMA under the Authority's CUSIPs. 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 bonds or notes of the County.

UNDERWRITING

The Bonds have been purchased from the County at a public sale by Janney Montgomery Scott, LLC ("Underwriter"). The Underwriter has purchased the Bonds in accordance with the Notice of Sale and the Official Form of Proposal. The Bonds are being offered for sale at the yields or prices set forth on the inside cover page of this Official Statement. The Underwriter is obligated to purchase all of the Bonds if any of the Bonds are purchased.

The Underwriter intends to offer the Bonds to the public initially at the offering yields set forth on the inside 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 Bonds to the public. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing bonds into investment trusts) at yields higher than the public offering yields set forth on the inside front cover page of this Official Statement, and such yields may be changed, from time to time, by the Underwriter without prior notice.

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 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: /s/ Tracey N. Giordano

TRACEY N. GIORDANO,

County Treasurer/Chief Financial Officer

Dated: June 5, 2025

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 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, Deptford, Wenonah, Woodbury Heights, Woodbury, Westville, Brooklawn, Gloucester City, and Camden.

The South Jersey Port Corporation ("SJPC") and the Gloucester County Improvement Authority have developed 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 200-acre development with a 40-foot-deep water berth and 21,000 feet of rail track which opened March 2, 2017. The terminal provides over 300 jobs.

In early 2023, Gloucester County finished construction of a \$375 million facility to manufacture monopile components for the entire U.S. wind industry at the Port of Paulsboro, N.J. This project is America's Largest Offshore Wind Manufacturing Hub at this time. Ocean Wind, a joint venture between Ørsted and PSEG, and steel pipe manufacturer EEW, started construction in early 2021 for the EEW monopile manufacturing facility at the Port of Paulsboro Marine Terminal. The completion of this project marks a significant milestone in delivering the largest industrial offshore wind manufacturing facility in the U.S. to date. This facility was built 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. There was also 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. 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.

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 holds a total of 244 beds. This facility created about 400-500 new employment opportunities for the County. On site amenities for the facility include aquatic therapy pool, salon/massage parlor, handicap accessible theater, a physical/occupational and speech therapy office.

The Nemours-duPont Pediatric Center opened a location in the Township of Deptford which has created 60 professional healthcare jobs and employs 120 individuals to staff the facility.

Recreation and Open Space

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, 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 (5) 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.

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 3,477.5 acres of open space.

Farming

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 19,187 acres of farmland, encompassing more than 200 individual farms in fourteen (14) different municipalities.

EDUCATION

Rowan College of South Jersey

Rowan College of South Jersey ("College"), 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 Gloucester County College took the Rowan name, the community college maintains its independence with its own Board of Trustees and administration.

Total enrollment for the fall 2024¹ semester was 5,217 students. In addition, the College's Division of Career and Technical Education provides various educational, career training and personal enrichment courses, as well as outreach programs, to community residents.

The College offers more than 120 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

¹ Represents the latest data available. (Unaudited)

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.

In September 2024, the 15,216 square foot addition to the Nursing and Health Professions Center was opened.

In November 2024, the 3,900 square foot addition to the Steven M. Sweeney Center for Neurodiversity was opened.

The College constructed a 27,390 square-foot Health Science Center with classes beginning in September of 2023.

Located on 250 acres in Deptford Township, New Jersey, the College's main campus also houses the Career and Technical Education Center that will provide wind turbine technician training for employers in the off-shore wind industry.

In 2021, projects completed 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. The Health Sciences Center was also completed.

Rowan University

Today, Rowan is a selective, medium-sized national public research university located primarily 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 nearly 23,000 students an outstanding education at an exceptional value.

The University's approved degree programs as of June 30, 2024, include 101 bachelor's degrees, 60 master's degrees, 16 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.). A Doctor of Veterinary Medicine degree has also been approved and the University plans to admit its first class of students in Fall 2025.

Rowan is continually recognized for excellence by top organizations including *U.S. News & World Report*, *Forbes*, the *Chronicle of Higher Education* and the website *College Factual*.

For 2025, *U.S. News & World Report* ranked Rowan #171 among national research universities and #92 among public research universities. Rowan was also recognized in the following categories:

- Best Value Schools – National Universities, #98
- Best Colleges for Veterans – National Universities, #120
- Social Mobility – National Universities, #211

The Chronicle of Higher Education recognized Rowan as the nation's 3rd fastest-growing research university in the U.S. in August of 2024. The Princeton Review ranked Rowan's entrepreneurship program #1 in New Jersey and #4 in the Northeast.

LOCATIONS

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.



Beyond Glassboro, the University has a campus in Camden, one of its two medical schools with facilities in both Stratford and Sewell, and Rowan Medicine, as defined herein, also has practice sites in the New Jersey counties of Atlantic, Burlington, Camden, Cumberland and Gloucester.

Rowan 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 (SJTP) 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 which opened in December 2019. It currently employs 1,400 workers and provides Rowan with a wide range of educational opportunities. It also attracts health-care providers, researchers, and businesses to the area. The Rowan University Shreiber School of Veterinary Medicine (“Shreiber SVM”) building will also be located on the West Campus. Designed as a multipurpose learning environment, the envisioned 167,000 square foot complex will include a veterinary hospital, academic building, and research space housing the School of Translational Biomedical Sciences.

Glassboro: The Glassboro campus has transformed over the last decade, with more than 815,600 square feet of expansion and new development since the fall of 2015. This transformation has increased the Glassboro campus infrastructure to 78 buildings, ranging from Bunce Hall, the first building on campus, which houses a theater, classroom space, administrative offices, as well as the College of Humanities and Social Sciences, to approximately 6,450 beds in 7 residence halls and 9 apartment communities owned by the University or privately owned and operated through public-private partnership or affiliation agreements.

West Campus: The West Campus houses the SJTP and CREATES Hanger. The Schreiber School of Veterinary Medicine “Shreiber SVM” and the Rowan-Virtua Rita & Larry Salva School of Nursing & Health Professions building are currently under construction which will bring the total number of buildings on the West Campus to four. The Shreiber SVM will be the first school of veterinary medicine in New Jersey when it opens for the Fall of 2025.

Camden: Since the acquisition of the historic First National Bank and Trust Company building in 2009, the Camden campus has enabled the University to offer new degree programs that are relevant to the urban mission of the campus, including Law and Justice Studies, Human Services, Sociology, and Disaster Preparedness and Emergency Management. Camden also houses the Intensive English Language Program and dual credit programs with the Camden City School District and the LEAP Academy Charter School. Also on the Camden campus is the Medical Education Building (“MEB”), which houses CMSRU. The MEB is located adjacent to the school’s primary clinical affiliate, Cooper University Hospital, on the health campus in Camden. The facility features Active Learning Rooms, a large auditorium, a Learning Commons, a Clinical Simulation Center, and multiple floors of instructional and research lab space.

Stratford: The Rowan-Virtua SOM Campus contains four major buildings, spanning 400,000 square feet: the 120,000 square foot Academic Center, the 100,000 square foot Science Center, the 120,000 square foot University Doctors Pavilion, and the 60,000 square foot University Education Center. These buildings house the Rowan University School of Osteopathic Medicine, a Graduate School of Biomedical Sciences, and portions of Rowan-Virtua SOM’s faculty practice plan (“Rowan Medicine”).

Mantua Township: The Jean & Ric Edelman Fossil Park (“Fossil Park”), a 44,000 square foot museum and dig site that opened in March 2025 provides researchers with the best window, east of the Mississippi, into the Cretaceous Period – the heyday of dinosaurs. The Fossil Park is five miles from Main Campus and will be part of the University’s School of Earth & Environment. In addition to the Fossil Park, the Rowan Medical Center in Sewell is located on the Gloucester County campus of RCSJ and is the home for the Rowan Integrated Special Needs (“RISN”) Center. In September 2024, construction began on 12,389 square foot addition that will expand degree offerings to meet the health care needs of the region and nation with a new Master of Physician Assistant (PA) Studies program. The new building will feature a state-of-the-art simulation center, a clinical skills lab, and a fully equipped modern cadaver anatomy lab.

Cumberland County: The Rowan Medicine Building – Cumberland houses the NeuroMusculoskeletal Institute (“NMI”), the Child Abuse Research Education and Service (“CARES”) Institute and the RISN Center Clinical Practices.

Gloucester County Institute of Technology

The Gloucester County Institute of Technology (GCIT) is a four-year public vocational-technical high school located at 1360 Tanyard Road in Deptford Township, New Jersey. Established in 1971, GCIT operates under the Gloucester County Vocational-Technical School District and serves students in grades 9-12 across Gloucester County. GCIT is recognized as one of the top public high schools in New Jersey and the Philadelphia area.

GCIT offers a diverse range of Career and Technical Education (CTE) and academic programs designed to prepare students for both higher education and immediate entry into the workforce. As of the 2024-2025 school year, the school provides 18 full-time programs of study (www.gcit.org). Admission to GCIT is competitive, with approximately 450 students accepted each year, and the selection process considers academic performance from 7th – 8th graders, and standardized test scores. As of the 2023-2024 school year, GCIT had an enrollment of 1,639 students with a student-to-teacher ratio of 15:1.

In addition to high school secondary programs, GCIT offers post-secondary and apprenticeship programs for adult learners and high school graduates seeking advanced education and career training. These programs are designed to help adult learners acquire industry-recognized credentials and prepare for successful careers. As an official recognized, registered apprenticeship site with the United States Department of Labor (USDOL), in collaboration with local labor unions and businesses, GCIT offers apprenticeship programs in Electrical, HVAC, and Plumbing. These programs combine classroom instruction with on-the-job training, providing a comprehensive pathway to skilled trades careers.

GCIT actively engages with the community by offering various services to the local community through its specialized programs. Automotive and Cosmetology services, the Fresh Start Bakery, the school's fitness center, and the pool are services offered to all Gloucester County residents. GCIT students actively participate in several community-focused events and organizations, including City of Hope Walk, Style-A Thon, Out of the Darkness Suicide Prevention Walk, Love Our Vets, and HOSA Blood Drive. The School Based Youth Services (SBYS) program at GCIT offers counseling to GCIT students, addressing issues like stress, depression, and family problems. For more information, visit the official website at www.gcit.org.

Schools for Neurodiversity at Gloucester County Special Services School District

The Schools for Neurodiversity provides a wide range of educational services to the families of the County. The Schools for Neurodiversity serves children with special needs from birth to age 21. The enrollment for the 28-acre Bankbridge complex in Deptford, as of May 15, 2025, was 515 neurodivergent students. It is the mission of the Gloucester County Special Services School District (GCSSSD) to enable students to become:

- Life-long learners
- Positive contributors to the community
- Problem solvers
- Productive workers
- Ethical decision-makers
- It is the expectation of the Gloucester County Special Services School District that all pupils achieve the NJCCCS at all grade levels.

Bankbridge Regional School opened its doors in September 2000 and serves secondary level students who have special needs. In September 2002, The School for Neurodiversity 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 that campus. 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, the Schools for Neurodiversity provide 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.

The Schools for Neurodiversity also provides support to nonpublic students through their schools including remedial programs, speech-language therapy and curriculum purchasing. The Schools for Neurodiversity'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:

<u>MUNICIPALITY</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020</u>
Clayton Borough	6,013	6,155	7,139	8,179	8,807
Deptford Township	23,473	24,137	26,763	30,561	31,977
East Greenwich Township	4,144	5,258	5,430	9,555	11,706
Elk Township	3,187	3,806	3,514	4,216	4,424
Franklin Township	12,938	14,482	15,466	16,820	16,380
Glassboro Borough	14,574	15,614	19,068	18,579	23,149
Greenwich Township	5,404	5,102	4,879	4,899	4,917
Harrison Township	3,585	4,715	8,788	12,417	13,641
Logan Township	3,078	5,147	6,032	6,042	6,000
Mantua Township	9,193	10,074	14,217	15,217	15,235
Monroe Township	21,639	26,703	28,967	36,129	37,117
National Park Borough	3,552	3,413	3,205	3,036	3,026
Newfield Borough	1,563	1,592	1,616	1,553	1,774
Paulsboro Borough	6,944	6,577	6,160	6,097	6,196
Pitman Borough	9,744	9,365	9,331	9,011	8,780
South Harrison Township	1,486	1,919	2,417	3,126	3,395
Swedesboro Borough	2,031	2,024	2,055	2,584	2,711
Washington Township	27,878	41,960	47,114	48,559	48,677
Wenonah Borough	2,303	2,331	2,317	2,278	2,283
West Deptford Township	18,002	19,380	19,368	21,677	22,197
Westville Borough	4,786	4,573	4,500	4,288	4,264
Woodbury City	10,453	10,904	10,307	10,174	9,963
Woodbury Heights Borough	3,460	3,392	2,988	3,055	3,098
Woolwich Township	<u>1,129</u>	<u>1,459</u>	<u>3,032</u>	<u>10,200</u>	<u>12,577</u>
GLOUCESTER COUNTY	200,559	230,082	254,673	288,288	302,294
STATE OF NEW JERSEY	7,380,000	7,730,000	8,414,350	8,791,894	9,288,994

[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>
2024	166,130	158,789	7,341	4.4%
2023	161,341	155,427	5,914	3.7
2022	160,867	155,275	5,600	3.5
2021	158,300	148,800	9,500	6.0
2020 ¹	149,600	139,200	10,500	7.0
2019	149,700	144,200	5,500	3.7
2018	151,800	146,200	5,600	3.7
2017	151,600	144,400	7,200	4.7
2016	150,100	142,500	7,600	5.1
2015	149,700	140,800	8,900	5.9

<u>State</u>	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployment</u>	<u>Unemployment Rate</u>
2024	4,898,008	4,676,064	221,944	4.5%
2023	4,739,800	4,564,100	175,700	3.7
2022	4,676,875	4,507,725	169,158	3.6
2021	4,661,100	4,365,400	295,700	6.3
2020 ¹	4,444,500	4,114,800	329,800	7.4
2019	4,547,100	4,382,900	164,200	3.6
2018	4,500,500	4,337,800	162,700	3.6
2017	4,518,800	4,309,700	209,100	4.6
2016	4,524,300	4,299,900	224,300	5.0
2015	4,543,800	4,288,800	255,000	5.6

(1) The Department of Labor website. As a result of the COVID-19 Pandemic, unemployment rates were elevated.

Major Employers¹

The 10 largest employers in the County are shown below, as of 2023:

<u>Employer</u>	<u>Number of Employees</u>	<u>Type of Business</u>	<u>Location</u>
Rowan University	3,500	Education	Glassboro
Inspira Medical Center	1,222	Healthcare	Woodbury
Walmart Supercenter	800	Retail	Turnersville
Jefferson Health	670	Healthcare	Washington Twp.
Aryzta LA Brea Bakery Inc.	500	International Bakery	Logan Twp.
Keller Williams Realty	500	Real Estate Company	Sewell
Honda of Turnersville	499	Car Dealership	Turnersville
Paulsboro Refinery LLC Ap	402	Oil Refinery	Paulsboro
Washington Township HS	400	Education	Washington Twp.
Johnson Matthey Inc.	379	Specialty Chemicals	West Deptford

¹County Website

County Labor Relations

The County employs approximately 1,253 employees, including 108 part-time personnel. Approximately 80% 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	725	Supervisory and Non-Supervisory Personnel
CWA Social Services Local 1085	127	Supervisory & Rank-and-File Social Services
Fraternal Order of Police (FOP Local #97)	16	Corrections Officers
Sheriffs Officers Association (PBA Local #122)	79	Sheriff Officers: Sergeants
Fraternal Order of Police (FOP Local 165)	5	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	26	Prosecutors
FOP Lodge # 199	6	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/financial-reports.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

The Public Employees' Retirement System includes approximately 800 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 paid by April 1, 2025 was \$9,949,956 equal to the County's required contribution for such year.

Police and Firemen's Retirement System

Approximately 135 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 paid by April 1, 2025 was \$5,292,572, 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 1st) 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, 2024, 2023 and 2022 were \$47,991, \$54,407 and \$55,045 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, 2024, was \$26,458,497 which equaled the required contributions for the year.

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>
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	0.6457	27,054,614,423
2020	0.6572	27,618,671,833
2021	0.6464	28,247,906,406
2022	0.6025	30,319,419,435
2023	0.5303	34,487,655,178
2024	0.4711	38,842,076,365
2025	0.4273	42,704,979,148

[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:

<u>MUNICIPALITY</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Clayton Borough	\$470,251,879	\$473,155,767	\$473,189,900	\$801,516,000	\$799,445,500
Deptford Township	2,838,348,378	2,849,254,255	2,851,637,498	2,797,878,600	2,808,176,000
East Greenwich Township	1,229,802,600	1,251,892,500	1,273,439,300	1,285,077,525	1,295,740,000
Elk Township	378,382,373	380,759,041	384,584,500	388,878,500	391,086,900
Franklin Township	1,234,106,285	1,239,774,554	1,244,641,300	1,253,913,000	1,259,276,400
Glassboro Borough	1,283,858,451	1,325,217,974	1,337,916,600	1,355,811,602	1,363,459,802
Greenwich Township	722,521,165	723,625,142	722,056,426	718,572,241	708,037,506
Harrison Township	1,549,432,832	1,540,516,947	1,552,968,900	1,560,600,700	1,578,644,900
Logan Township	1,511,604,340	1,649,740,340	1,815,851,040	2,961,544,340	3,052,812,540
Mantua Township	1,358,528,699	1,374,129,000	2,002,009,200	1,999,936,800	2,000,002,100
Monroe Township	2,753,359,000	2,777,194,100	2,814,545,900	2,848,401,300	2,871,858,300
National Park Borough	159,806,193	160,741,151	161,442,630	162,056,300	162,343,300
Newfield Borough	133,654,400	134,192,900	135,393,400	135,028,000	137,129,500
Paulsboro Borough	339,529,900	341,013,200	342,251,800	342,265,700	336,395,900
Pitman Borough	569,401,700	789,681,200	789,305,400	792,018,500	794,224,660
South Harrison Township	390,287,800	395,866,900	401,526,500	411,191,900	414,228,400
Swedesboro Borough	171,070,300	172,831,100	173,175,400	174,308,500	177,148,200
Washington Township	4,725,112,369	4,738,268,675	4,722,105,100	4,723,988,900	4,716,661,500
Wenonah Borough	218,135,500	216,925,400	217,736,900	217,346,700	217,362,700
West Deptford Township	2,213,939,203	2,226,297,128	2,239,679,130	2,307,572,500	2,325,944,400
Westville Borough	232,439,207	233,627,002	234,434,932	234,700,450	235,304,850
Woodbury City	628,848,585	629,711,957	631,488,369	628,489,865	628,080,865
Woodbury Heights Borough	250,767,491	249,697,411	251,566,457	251,214,200	248,022,200
Woolwich Township	<u>1,370,899,410</u>	<u>1,420,257,010</u>	<u>1,462,961,510</u>	<u>1,521,692,810</u>	<u>1,575,568,110</u>
TOTAL COUNTY	\$26,734,088,060	\$27,294,370,654	\$28,235,908,092	\$29,874,004,933	\$30,096,954,533

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.

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>2025 Assessed Value</u>	<u>Percent of County Total Assessed Valuation</u>
Paulsboro Refinery Co LLC	Oil Refinery (951 Billingsport Rd.)	\$265,028,500	0.88%
Liberty Venture I LP	Real Estate/Industrial Properties	215,348,075	0.72%
Logan Flow Center Property Owner	Target Distribution Center	151,957,100	0.51%
Route 322 NJ LLC	Industrial	137,395,100	0.46%
Deptford Mall	Retail Property (Deptford)	124,999,700	0.42%
SVF Oldmans Creek Logan LLC	Developer	98,138,000	0.33%
BEL Data NJ LLC	Tech Data Distribution Center	73,566,500	0.24%
WRG Deptford LLC & CS Hold	Strip Center/Walmart Supercenter	57,819,600	0.19%
Sunoco c/o KE Andrews	Oil Refinery	57,734,500	0.19%
MEPT 1150 Commerce c/o Altus	Warehouse	<u>57,157,300</u>	<u>0.19%</u>
Total:		\$1,283,110,575	4.27%
Total Assessed Valuation (Real Property) in the County (2025):		\$30,078,430,013	

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 2025 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>2025 Aggregate Assessed Value</u>	<u>Ratio of Aggregate Assessed Value to True Value</u>	<u>2025 Aggregate True Value</u>
Clayton Borough	\$799,445,500	100.92%	\$792,157,650
Deptford Township	2,808,176,000	67.24%	4,176,347,412
East Greenwich Township	1,295,740,000	67.61%	1,916,491,643
Elk Township	391,086,900	64.10%	610,119,969
Franklin Township	1,259,276,400	62.31%	2,020,986,038
Glassboro Borough	1,363,459,802	65.01%	2,097,307,802
Greenwich Township	689,512,986	65.90%	1,046,301,951
Harrison Township	1,578,644,900	64.94%	2,430,928,395
Logan Township	3,052,812,540	103.08%	2,961,595,402
Mantua Township	2,000,002,100	91.01%	2,197,563,015
Monroe Township	2,871,858,300	65.78%	4,365,853,299
National Park Borough	162,343,300	65.10%	249,375,269
Newfield Borough	137,129,500	65.45%	209,517,953
Paulsboro Borough	336,395,900	66.90%	502,833,931
Pitman Borough	794,224,660	78.68%	1,009,436,528
South Harrison Township	414,228,400	62.07%	667,356,855
Swedesboro Borough	177,148,200	61.94%	285,999,677
Washington Township	4,716,661,500	65.88%	7,159,474,044
Wenonah Borough	217,362,700	67.42%	322,400,920
West Deptford Township	2,325,944,400	65.76%	3,537,020,073
Westville Borough	235,304,850	59.03%	398,619,092
Woodbury City	628,080,865	67.22%	934,366,059
Woodbury Heights Borough	248,022,200	66.81%	371,235,144
Woolwich Township	<u>1,575,568,110</u>	<u>68.61%</u>	<u>2,296,411,762</u>
TOTAL COUNTY	\$30,078,430,013	70.67%	\$42,559,699,883

Source: New Jersey Division of Taxation Table of Equalized Valuation 2025

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/Chief Financial Officer 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/Chief Financial Officer. The Committee reviews the requests, evaluates financial factors affecting the County, then 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) 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 Local Government Services "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, 2023 is on file with the Clerk of the Board and is available for review during business hours. The 2023 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 2025 is \$182,500,000, which is equal to what was budgeted in 2024 and 2023.

	2025	2024	2023
<u>APPROPRIATIONS</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>BUDGET</u>
General Government	\$15,062,790.00	\$14,230,379.00	\$14,864,559.00
Health & Human Services	33,712,240.00	29,308,599.00	29,581,144.00
Educational	21,167,856.00	20,716,783.00	20,701,383.00
Parks and Recreation	1,528,236.00	1,747,655.00	1,712,345.00
Land Use Administration	455,867.00	356,037.00	448,912.00
Code Enforcement & Administrator			84,338.00
Insurance	34,871,395.00	31,568,500.00	31,418,500.00
Public Safety Functions	75,126,384.00	64,323,482.00	62,895,543.00
Public Works	10,733,786.00	9,366,271.00	9,455,777.00
Utilities & Bulk Purchases	6,733,148.00	3,587,700.00	3,491,000.00
Landfill/Solid Waste Disposal		2,956,198.00	2,955,874.00
Unclassified	450,000.00	450,000.00	450,000.00
State and Federal Programs			
Offset w/ Revenues	5,438,582.00	5,267,175.00	5,052,354.00
Contingency	400,000.00	400,000.00	400,000.00
Capital Improvements	1,355,597.00	1,291,877.00	733,772.00
Debt Service	34,641,412.00	34,039,623.00	35,774,151.00
Deferred Charges and			
Statutory Expenditures	\$21,792,528.00	\$21,709,131.00	\$24,084,938.00
TOTAL GENERAL APPROPRIATIONS	\$263,469,821.00	\$241,319,410.00	\$244,104,590.00
ANTICIPATED REVENUES			
Miscellaneous Revenues:			
State Aid	\$1,816,010.00	\$2,089,352.00	\$1,988,715.00
Local Revenues	31,492,856.00	27,917,801.00	20,764,555.00
Other Special Items	23,080,998.00	19,900,889.00	30,787,842.00
State Assumption of Costs of County Social/Welfare Serv.	508,183.00	494,576.00	457,786.00
Special Items of General Revenue Anticipated w/Prior Consent	5,166,792.00	5,166,792.00	4,957,092.00
Total Miscellaneous Revenues	62,237,714.00	55,569,410.00	58,955,990.00
Surplus Anticipated	18,732,107.00	3,250,000.00	2,648,600.00
Amount to be Raised by Taxation	182,500,000.00	182,500,000.00	182,500,000.00
TOTAL GENERAL REVENUES	\$263,469,821.00	\$241,319,410.00	\$244,104,590.00

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 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 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 BUDGET REVENUES AND TAX RECEIPTS

<u>Year</u>	<u>Total Revenues</u>	<u>County Purpose Tax</u>	<u>Taxes as a % of Revenues</u>	<u>Other Revenue</u>
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
2022	249,517,554	182,500,000	73.14	67,017,554
2023	244,104,590	182,500,000	74.76	61,604,590
2024	241,319,410	182,500,000	75.63	58,819,410
2025	263,469,821	182,500,000	69.27	80,969,821

MUNICIPAL INDEBTEDNESS¹

The following table shows the indebtedness of the twenty-four (24) municipalities in the County as of December 31, 2024.

<u>Municipality</u>	<u>Total Gross Debt</u>	<u>Total Deductions</u>	<u>Total Net Debt December 31, 2024</u>
Clayton Borough	\$24,836,598.54	\$19,344,786.54	\$5,491,812.00
Deptford Township	71,091,451.21	35,205,000.00	35,886,451.21
East Greenwich Township	38,964,644.17	28,939,636.43	10,025,007.74
Elk Township	3,156,083.01	1,603,276.01	1,552,807.00
Franklin Township	13,224,723.99	7,052,495.22	6,172,228.77
Glassboro Borough	89,631,600.00	58,529,950.00	31,101,650.00
Greenwich Township	15,335,775.33	5,465,000.00	9,870,775.33
Harrison Township	66,903,800.58	44,712,890.58	22,190,910.00
Logan Township	32,864,000.00	6,675,000.00	26,189,000.00
Mantua Township	36,469,686.42	27,899,686.42	8,570,000.00
Monroe Township	70,791,996.27	28,250,000.00	42,541,996.27
National Park Borough	4,828,021.80	4,628,021.80	200,000.00
Newfield Borough	1,462,499.34	789,384.34	673,115.00
Paulsboro Borough	30,301,123.62	21,709,501.48	8,591,622.14
Pitman Borough	11,167,283.72	4,633,951.72	6,533,332.00
South Harrison Township	8,446,726.62	8,446,726.62	0.00
Swedesboro Borough	11,504,231.88	10,019,231.88	1,485,000.00
Washington Township	57,415,510.47	6,445,000.00	50,970,510.47
Wenonah Borough	11,580,232.47	9,626,395.97	1,953,836.50
West Deptford Township	90,750,456.50	41,639,349.98	49,111,106.52
Westville Borough	10,575,569.53	6,710,751.15	3,864,818.38
Woodbury City	54,012,121.46	33,011,347.44	21,000,774.02
Woodbury Heights Borough	11,148,798.29	7,533,698.29	3,615,100.00
Woolwich Township	<u>67,151,329.05</u>	<u>27,123,183.71</u>	<u>40,028,145.34</u>
TOTAL	\$833,614,264.27	\$445,994,265.58	\$387,619,998.69

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, 2024

Bonded Debt	\$140,088,000.00
Bonds Authorized but Not Issued	-
Miscellaneous Bonds, Notes and Loans Issued	99,180,000.00
Bonds Guar. By County Issued by Another Public Body	<u>100,041,911.00</u>
Total Gross Debt	<u>\$339,309,911.00</u>
Less Deductions:	
Reserve for Debt Service	\$ 3,757,039.00
Capital Projects for County Colleges	15,374,000.00
Bonds Guar. by County Issued by Another Public Body	<u>100,041,911.00</u>
Total Deductions from Gross Debt	<u>\$119,172,950.00</u>
Statutory Net Debt	\$220,136,961.00

DEBT LIMIT

Three-Year Average Equalized Valuation (2022-2024)	\$38,088,874,557.00
Statutory Borrowing Capacity (2% of Average Equalized Valuation)	\$761,777,491.00
Statutory Net Debt	\$220,136,961.00
Remaining Borrowing Capacity	\$541,640,530.00
Percentage Statutory Net Debt to Average Equalized Valuation	0.578%
Percentage Statutory Net Debt to 2024 Equalized Valuation (\$42,255,109,559.00)	0.521%
Net Debt per Capita	\$728.22

OUTSTANDING BONDED INDEBTEDNESS

The outstanding general obligation indebtedness (bonded debt only) of the County as of December 31, 2024 is shown in the following table:

<u>Issue</u>	<u>Interest Rates</u>	<u>Dated Date</u>	<u>Final Maturity</u>	<u>Amount Outstanding</u>
2013 General Obligation Bonds	2.00 to 3.00%	6/28/2013	3/1/2028	\$6,000,000.00
2015 General Obligation Bonds	2.00 to 3.00%	6/25/2015	3/1/2025	480,000.00
2015 County College Bonds	2.00 to 3.25%	6/25/2015	3/1/2030	715,000.00
2015 County College Bonds-Chapter 12	2.00 to 3.25%	6/25/2015	3/1/2030	715,000.00
2016 General Obligation Bonds	1.00 to 2.00%	5/24/2016	3/1/2027	1,640,000.00
2016 County College Bonds	2.00 to 2.38%	5/24/2016	3/1/2031	775,000.00
2016 County College Bonds-Chapter 12	2.00 to 2.38%	5/24/2016	3/1/2031	775,000.00
2017 General Obligation Bonds	2.00 to 3.13%	5/31/2017	3/1/2028	3,395,000.00
2017 County College Bonds	2.00 to 3.13%	5/31/2017	3/1/2032	867,500.00
2017 County College Bonds-Chapter 12	2.00 to 3.13%	5/31/2017	3/1/2032	867,500.00
2017 Building Our Future Bonds	2.00 to 3.13%	5/31/2017	3/1/2027	815,000.00
2017 General Obligation Bonds Refinance	3.00 to 5.00%	8/9/2017	10/15/2029	10,975,000.00
2018 General Obligation Bonds	3.00 to 3.25%	5/16/2018	4/1/2033	11,475,000.00
2018 County College Bonds	3.00 to 3.375%	5/16/2018	4/1/2033	1,055,000.00
2018 County College Bonds-Chapter 12	3.00 to 3.375%	5/16/2018	4/1/2033	1,055,000.00
2019 General Obligation Bonds	2.50 to 2.75%	5/2/2019	3/1/2034	21,805,000.00
2019 County College Bonds	2.00 to 3.00%	5/2/2019	3/1/2034	2,322,500.00
2019 County College Bonds-Chapter 12	2.00 to 3.00%	5/2/2019	3/1/2034	2,322,500.00
2019 General Obligation Bonds Refinance	2.00 to 5.00%	9/18/2019	9/15/2025	2,815,000.00
2020 General Obligation Bonds	0.05 to 3.00%	6/25/2020	3/1/2029	9,000,000.00
2021 General Obligation Bonds	2.00%	5/13/2021	3/1/2031	11,880,000.00
2021 County College Bonds	2.00 to 3.00%	5/13/2021	3/1/2036	3,545,000.00
2021 County College Bonds-Chapter 12	2.00 to 3.00%	5/13/2021	3/1/2036	3,545,000.00
2021 General Obligation Refinance	5.00%	12/2/2021	3/1/2027	2,625,000.00
2022 General Obligation Bonds	4.00 to 5.00%	6/10/2022	3/1/2034	3,345,000.00
2022 County College Bonds	3.875 to 5.00%	6/10/2022	3/1/2042	7,360,000.00
2022 County College Bonds	3.875 to 5.00%	5/17/2022	3/1/2042	2,312,500.00
2022 County College Bonds-Chapter 12	3.875 to 5.00%	5/17/2022	3/1/2042	2,312,500.00
2023 General Obligation Bonds	3.00 to 4.00%	5/10/2023	3/1/2032	2,930,000.00
2023 County College Bonds	3.00 to 4.00%	5/10/2023	3/1/2038	1,802,500.00
2023 County College Bonds-Chapter 12	3.00 to 4.00%	5/10/2023	3/1/2038	1,802,500.00
2024 General Obligation Bonds	4.00%	5/8/2024	3/1/2033	12,800,000.00
2024 County College Bonds	1.00-4.00%	5/8/2024	3/1/2039	1,979,000.00
2024 County College Bonds-Chapter 12	1.00-4.00%	5/8/2024	3/1/2039	<u>1,979,000.00</u>
TOTAL				<u>\$140,088,000.00</u>

SCHEDULE OF GENERAL OBLIGATION DEBT SERVICE (As of December 31, 2024)

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$20,043,000.00	\$4,384,761.85	\$24,427,761.85
2026-2028	51,680,000.00	9,160,843.78	60,840,843.78
2029-2033	52,900,000.00	6,596,081.39	59,496,081.39
2034-2038	11,845,000.00	1,475,271.99	13,320,271.99
2039-2042	<u>3,620,000.00</u>	<u>286,184.39</u>	<u>3,906,184.39</u>
Total	<u>\$140,088,000.00</u>	<u>\$21,903,143.40</u>	<u>\$161,991,143.40</u>

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, 2024) ⁽¹⁾

<u>Issue</u>	<u>Interest Rates</u>	<u>Dated Date</u>	<u>Final Maturity</u>	<u>Amount Outstanding</u>
Included in Gross Debt:				
2012 Refunding Bonds	2.625% to 4.000%	2/28/12	12/1/29	\$3,380,000
2012 Solid Waste Revenue Bonds	3.000% to 5.000%	7/10/12	3/1/25	550,000
2013 Refunding Bonds	3.130% to 5.000%	4/17/13	9/1/30	11,690,000
2014 Solid Waste Revenue Bonds	2.000% to 5.000%	7/31/14	3/1/31	2,835,000
2015 Refunding Bonds	4.000% to 5.000%	9/24/15	4/1/33	30,255,000
2016 Refunding Bonds	1.477%	9/2/16	9/1/26	22,770,000
2016 Refunding Bonds	4.000%	7/12/16	4/1/38	925,000
2016 Refunding Bonds	4.000 to 5.000%	11/15/16	3/1/30	5,900,000
2017 NJIB Trust Share	1.370%	11/21/17	9/1/31	830,000
2017 NJIB Fund Share	n/a	11/21/17	9/1/31	2,086,850
2020 NJIB Trust Share	5.000%	5/13/20	8/1/29	660,000
2020 NJIB Fund Share	n/a	5/13/20	8/1/29	1,958,860
2020 County GO Bonds	3.000 to 5.000%	6/17/20	5/15/35	22,095,000
2021 NJIB Trust Share	5.000%	6/10/21	8/1/28	2,250,000
2021 NJIB Fund Share	n/a	6/10/21	8/1/28	2,229,480
2023 Solid Waste Revenue Bonds	5.00%	3/22/23	3/1/34	<u>8,915,000</u>
TOTAL				<u>\$119,330,190</u>

(1) unaudited

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, 2024, 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>
2008 NJIB Trust Share	\$495,000.00
2008 NJIB Fund Share	97,983.20
2010 NJIB Trust Share	110,000.00
2010 NJIB Fund Share	251,802.72
2010 ARRA Trust Share	38,602.66
2010 ARRA Fund Share	30,000.00
2010 NJIB Trust Share – Series B	450,000.00
2010 NJIB Fund Share – Series B	352,894.86
2013 NJIB Trust Share	465,000.00
2013 NJIB Fund Share	1,024,111.28
2015 NJIB Trust Share	640,000.00
2015 NJIB Fund Share	1,288,419.10
2017 Refunding Bonds	1,920,000.00
2018 NJIB Trust Share	380,000.00
2018 NJIB Fund Share	989,987.94
2019 NJIB Trust Share	9,340,000.00
2019 NJIB Fund Share	24,109,815.60
NJ I-Bank Project Note	<u>13,848,103.00</u>
TOTAL	<u>\$55,831,720.36</u>

SIX YEAR CAPITAL PROGRAM

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

SIX YEAR CAPITAL PROGRAM -2025-2030 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>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
County Land/Parks	1	\$7,813,900	2030	\$423,900	\$2,775,000	\$1,650,000	\$1,120,000	\$195,000	\$1,650,000
Building New/Renewal	2	10,796,791	2030	2,351,790	3,580,000	1,068,000	1,571,000	1,149,000	1,077,000
Highways	3	62,801,329	2030	11,302,517	9,907,517	10,118,793	10,341,406	10,565,548	10,565,548
Intersections	4	3,600,000	2030	600,000	600,000	600,000	600,000	600,000	600,000
Bridges, Dams and Drainage	5	7,616,670	2030	1,241,670	1,275,000	1,275,000	1,275,000	1,275,000	1,275,000
Computer Equipment	6	4,902,000	2030	1,690,000	471,000	471,000	1,126,000	487,000	657,000
Communications Equipment	7	13,223,845	2030	1,440,452	6,254,404	1,319,190	1,427,540	1,375,860	1,406,400
EMS Equipment	8	18,722,250	2030	2,895,000	4,314,500	2,696,500	2,816,000	2,873,000	3,127,250
Other Equipment	9	8,656,723	2030	8,156,723	100,000	100,000	100,000	100,000	100,000
Miscellaneous Capital Purchases	10	<u>784,790</u>		<u>784,790</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total-All Projects		\$138,918,298		\$30,886,842	\$29,277,421	\$19,298,483	\$20,376,946	\$18,620,408	\$20,458,198

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

Unaudited and Audited Financial Statements of the County

FOR THE YEAR ENDED 2024

COMPILED FINANCIAL STATEMENTS



INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

The Honorable Director and
Members of the Board of Commissioners
County of Gloucester
Woodbury, New Jersey 08096

Management is responsible for the accompanying financial statements of the County of Gloucester, New Jersey, which comprise the statement of assets, liabilities, reserves and fund balance--regulatory basis of the various funds as of December 31, 2024 and the related statements of operations and changes in fund balances--regulatory basis for the year then ended, in accordance with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and for determining that this regulatory basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements to have been prepared in conformity with accounting practices 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.

Management has elected to omit substantially all of the disclosures required by these regulatory accounting practices. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the County's assets, liabilities, reserves, fund balance, revenues and expenditures. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Respectfully submitted,

/s/ BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

/s/ Fred S. Caltabiano
Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
February 19, 2025

COUNTY OF GLOUCESTER**CURRENT FUND****Statement of Assets, Liabilities, Reserves, and Fund Balance -- Regulatory Basis****As of December 31, 2024**

Assets

Regular Fund:	
Cash	\$ 110,104,251.30
Receivables with Full Reserves:	
Added and Omitted Taxes Receivable	1,160,354.58
Accounts Receivable	156.13
	<hr/>
Total Regular Fund	111,264,762.01
	<hr/>
Federal and State Grant Fund:	
Cash	19,071,280.84
Grants Receivable	66,530,940.36
	<hr/>
Total Federal and State Grant Fund	85,602,221.20
	<hr/>
	\$ 196,866,983.21
	<hr/>

Liabilities, Reserves, and Fund Balance

Regular Fund:	
Liabilities:	
Appropriation Reserves	\$ 6,566,253.70
Reserve for Encumbrances	2,402,334.37
Payroll Deductions Payable	1,161,552.24
Reserve for Local Grants	20,624.87
	<hr/>
Total Liabilities	10,150,765.18
Reserve for Receivables	1,160,510.71
Fund Balance	99,953,486.12
	<hr/>
Total Regular Fund	111,264,762.01
	<hr/>
Federal and State Grant Fund:	
Federal and State Funds:	
Appropriated	54,210,734.54
Reserve for Encumbrances	31,391,486.66
	<hr/>
Total Federal and State Grant Fund	85,602,221.20
	<hr/>
	\$ 196,866,983.21
	<hr/>

See Independent Accountant's Compilation Report and selected notes.

COUNTY OF GLOUCESTER**CURRENT FUND****Statement of Operations and Changes in Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2024**

Revenue Realized:

Current Tax Collections	\$ 182,500,000.00
Miscellaneous Revenue Anticipated	95,858,870.02
Non Budget Revenue	2,499,222.10
Other Credits to Income	4,346,141.78
Fund Balance Utilized	<u>3,250,000.00</u>

Total Income	<u>288,454,233.90</u>
--------------	-----------------------

Expenditures:

Operations	220,537,818.00
Capital Improvements	1,291,877.00
Debt Service	34,039,623.00
Deferred Charges and Statutory Expenditures	<u>21,659,131.00</u>

Total Expenditures	<u>277,528,449.00</u>
--------------------	-----------------------

Excess in Revenue	10,925,784.90
-------------------	---------------

Fund Balance, January 1	<u>92,277,701.22</u>
-------------------------	----------------------

103,203,486.12

Decreased by:

Utilized as Revenue	<u>3,250,000.00</u>
---------------------	---------------------

Fund Balance, December 31	<u><u>\$ 99,953,486.12</u></u>
---------------------------	--------------------------------

See Independent Accountant's Compilation Report and selected notes.

COUNTY OF GLOUCESTER
TRUST FUND
Statement of Assets, Liabilities, and Reserves -- Regulatory Basis
As of December 31, 2024

Assets

Trust Fund:	
Cash	\$ 42,510,259.80
	<u>\$ 42,510,259.80</u>

Liabilities, and Reserves

Trust Fund:	
Reserve for Encumbrances	\$ 1,811,695.10
Reserve for Special Funds and Receivables	<u>40,698,564.70</u>
	<u>\$ 42,510,259.80</u>

See Independent Accountant's Compilation Report and selected notes.

COUNTY OF GLOUCESTER**GENERAL CAPITAL FUND****Statement of Assets, Liabilities, Reserves, and Fund Balance -- Regulatory Basis****As of December 31, 2024**

Assets

Cash	\$ 30,752,600.16
Federal and State Grants Receivable	15,681,526.96
Deferred Charges to Future Taxation:	
Funded	223,894,000.00
Funded - State of New Jersey	15,374,000.00
Amounts to be Provided for Retirement of Obligations Under GCIA Financing	12,615,000.00
	<hr/>
	\$ 298,317,127.12

Liabilities, Reserves, and Fund Balance

Bonds Payable	\$ 140,088,000.00
Obligation Under GCIA Financing	12,615,000.00
Loans Payable	99,180,000.00
Improvement Authorizations:	
Funded	26,149,635.75
Contracts Payable	15,292,157.54
Capital Improvement Fund	47,040.31
Reserve for Payment of Debt Service	3,757,039.64
Fund Balance	1,188,253.88
	<hr/>
	\$ 298,317,127.12

See Independent Accountant's Compilation Report and selected notes.

COUNTY OF GLOUCESTER

Selected Information – Substantially All Disclosures Required
By the Regulatory Basis of Accounting Have Been Omitted
For the Year Ended December 31, 2024

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The County of Gloucester (hereafter referred to as the "County") is located in South New Jersey. Woodbury, the County seat, is approximately 13 miles from downtown Philadelphia and is approximately 100 miles from New York City. The County has twenty-four political subdivisions, and the population of the County of according to the 2020 census was 302,294.

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

Component Units - The financial statements of the component units of the County are not presented in accordance with Governmental Accounting Standards Board (GASB) Statements No. 14, *The Financial Reporting Entity*, as amended. If the provisions of the aforementioned GASB Statements had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the County, the primary government:

Gloucester County Improvement Authority 109 Budd Blvd Woodbury, New Jersey 08096	Gloucester County Utilities Authority 2 Paradise Road West Deptford, New Jersey 08066
Rowan College of South Jersey 1400 Tanyard Road Sewell, New Jersey 08080	Gloucester County Institute of Technology 1360 Tanyard Road Sewell, New Jersey 08080
Gloucester County Special Services School District 1340 Tanyard Road Sewell, New Jersey 08080	Gloucester County Housing Authority 100 Pop Moylan Blvd Deptford, New Jersey 08096
Gloucester County Insurance Commission 9 Campus Drive, Suite 216 Parsippany, New Jersey 07054	Gloucester County Library Commission 389 Wolfert Station Road Mullica Hill, New Jersey 08062
Pollution Control Financing Authority of Gloucester County 2 South Broad Street, PO Box 337 Woodbury, New Jersey 08096	Gloucester County Board of Social Services 2 South Broad Street Woodbury, New Jersey 08096

Annual financial reports may be inspected directly at the offices of these component units during regular business hours.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

In accordance with the *Requirements*, the County accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

Current Fund - The current fund accounts for resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds - The various trust funds account for receipts, custodianship, and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - The general capital fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the current fund.

General Fixed Asset Group of Accounts - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

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

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

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

Cash, Cash Equivalents, and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

Inventories of Supplies - The 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 statements of assets, liabilities, reserves, and fund balance.

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The County has adopted a capitalization threshold of \$5,000, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The County is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the County's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that include accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Fund Balance - Fund Balances included in the current fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants are realized when anticipated as such in the County's budget. Other amounts that are due to the County which are susceptible to accrual are recorded as receivables with offsetting reserves and recorded as revenue when received.

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

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

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

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be 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 year. Lapsed appropriation reserves are recorded as income.

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital and utility capital funds.

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

FOR THE YEARS ENDED 2023 AND 2022

AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Director and
Members of the County Board of Commissioners
County of Gloucester
Woodbury, New Jersey 08096

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the County of Gloucester, State of New Jersey, as of December 31, 2023 and 2022, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the County of Gloucester, State of New Jersey, as of December 31, 2023 and 2022, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the County of Gloucester, State of New Jersey, as of December 31, 2023 and 2022, or the results of its operations and changes in fund balance for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions on Regulatory Basis of Accounting

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and in compliance with audit requirements as 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 the State of New Jersey. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Accounting Principles Generally Accepted in the United States of America

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Respectfully submitted,

/s/ BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

/s/ Fred S. Caltabiano
Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
June 18, 2024

COUNTY OF GLOUCESTER
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2023 and 2022

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
ASSETS			
Regular Fund:			
Cash	SA-1	\$ 109,219,442.72	\$ 95,292,918.35
Cash--Change Funds	A	<u>1,200.00</u>	<u>1,200.00</u>
		<u>109,220,642.72</u>	<u>95,294,118.35</u>
Receivables with Full Reserves:			
Accounts Receivable	SA-3	<u>1,526,223.78</u>	<u>1,337,946.30</u>
		<u>1,526,223.78</u>	<u>1,337,946.30</u>
Deferred Charges:			
Special Emergency Authorizations	SA-7	<u></u>	<u>3,000,000.00</u>
		<u>-</u>	<u>3,000,000.00</u>
Total Regular Fund		<u>110,746,866.50</u>	<u>99,632,064.65</u>
Federal and State Grant Fund:			
Cash	SA-1	4,923,815.61	45,855,155.94
Grants Receivable	SA-8	<u>85,192,512.63</u>	<u>89,427,280.56</u>
Total Federal and State Grant Fund		<u>90,116,328.24</u>	<u>135,282,436.50</u>
		<u>\$ 200,863,194.74</u>	<u>\$ 234,914,501.15</u>

(Continued)

COUNTY OF GLOUCESTER

CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis

As of December 31, 2023 and 2022

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Regular Fund:			
Appropriation Reserves	A-3,SA-4	\$ 12,753,444.70	\$ 13,423,528.58
Reserve for Encumbrances	A-3,SA-4	2,905,182.31	2,214,584.76
Payroll Taxes Payable	SA-1	1,284,314.49	1,213,485.28
Reserve for FEMA	A-2		2,298,253.00
Reserve for COVID19 Gloucester County Megasite	SA-5		7,620.76
Reserve for Tropical Storm Ida Tornado	SA-6		1,305,355.90
Sub-Total		16,942,941.50	20,462,828.28
Reserve for Receivables	A	1,526,223.78	1,337,946.30
Fund Balance	A-1	92,277,701.22	77,831,290.07
Total Regular Fund		110,746,866.50	99,632,064.65
Federal and State Grant Fund:			
Reserve for:			
Encumbrances	SA-9	32,913,681.76	32,804,923.52
Appropriated Grants	SA-9	57,175,032.48	95,360,076.19
Unappropriated Grants	SA-10	27,614.00	7,117,436.79
Total Federal and State Grant Fund		90,116,328.24	135,282,436.50
		\$ 200,863,194.74	\$ 234,914,501.15

The accompanying Notes to Financial Statements are an integral part of these statements.

COUNTY OF GLOUCESTER

CURRENT FUND

Statements of Operations and Changes in Fund Balance--Regulatory Basis
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
REVENUE AND OTHER INCOME REALIZED		
Fund Balance Realized	\$ 2,648,600.00	\$ 8,450,270.00
Miscellaneous Revenue Anticipated	88,719,180.31	133,747,469.09
Receipts from Current Taxes	182,500,000.00	182,500,000.00
Non-Budget Revenues	3,174,789.49	5,261,278.80
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	5,438,174.74	6,026,163.45
Canceled Reserves	<u>1,312,976.66</u>	
Total Income	<u>283,793,721.20</u>	<u>335,985,181.34</u>
EXPENDITURES		
Budget Appropriations:		
Operations:		
Salaries and Wages	86,681,513.00	86,497,388.00
Other Expenses	119,438,108.00	177,912,139.00
Capital Improvement Fund	733,772.00	859,942.00
Debt Service	35,760,379.05	38,851,698.46
Deferred Charges and Statutory Expenditures	<u>24,084,938.00</u>	<u>21,188,326.97</u>
Total Expenditures	<u>266,698,710.05</u>	<u>325,309,494.43</u>
Excess in Revenue	17,095,011.15	10,675,686.91
Fund Balance January 1	<u>77,831,290.07</u>	<u>75,605,873.16</u>
	94,926,301.22	86,281,560.07
Decreased by:		
Utilized as Anticipated Revenue	<u>2,648,600.00</u>	<u>8,450,270.00</u>
Fund Balance December 31	<u>\$ 92,277,701.22</u>	<u>\$ 77,831,290.07</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

COUNTY OF GLOUCESTER
TRUST FUND

Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2023 and 2022

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
ASSETS			
Cash	SB-1	\$ 40,750,667.18	\$ 39,932,653.22
		<u>\$ 40,750,667.18</u>	<u>\$ 39,932,653.22</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Reserve for:			
Encumbrances	SB-2	\$ 1,847,136.12	\$ 2,179,110.58
Miscellaneous Trust Funds:			
County Clerk's Improvement Fund	SB-2	217,612.22	286,093.49
Road Opening Permits	SB-2	674,557.25	877,798.63
Storm Recovery	SB-2	160,098.86	140,760.88
Storm Recovery - COVID19 Pandemic	SB-2	1,543.83	1,926.36
Weights and Measures	SB-2	20,352.03	17,814.53
Environmental Quality and Enforcement	SB-2	112,793.65	97,095.39
Bequests/Donations - EMS	SB-2	1,275.00	500.00
Motor Vehicle Fines	SB-2	951,558.18	638,655.82
Open Space, Recreation, Farmland & Historical Preservation	SB-2	34,968,265.43	34,105,879.90
Sheriff's Improvement Fund	SB-2	31,175.15	14,868.54
Accumulated Absences	SB-2	13,323.18	13,323.18
Fair Share/Developers Escrow	SB-2	116,362.31	82,379.91
Unemployment Insurance	SB-2	405,497.42	226,003.57
Tax Appeals	SB-2	53,496.24	57,534.40
Surrogate's Improvement Fund	SB-2	176,669.37	151,524.37
Solid Waste Fees	SB-2	21,435.78	33,454.10
Federal Forfeited Funds	SB-2	12,708.23	67,653.65
Forfeited Funds	SB-2	45,283.28	24,970.39
Forfeited Funds - Auto Theft	SB-2	60.11	7,980.08
Seized Assets	SB-2	730,554.76	567,287.50
Asset Maintenance Account	SB-2	24,636.32	4,618.88
Uniform Fire Safety	SB-2	15,154.01	10,645.01
Project Lifesaver	SB-2	1.38	1.38
Parks & Recreation Donations	SB-2	27,008.23	32,050.94
Animal Shelter Donations	SB-2	24,504.73	203,535.82
Health & Senior Services Donations	SB-2	48,752.61	28,405.20
Human Services Transportation Donations	SB-2	15,698.23	15,591.23
Veterans Affairs Donations	SB-2	20,626.65	32,064.87
Disability Services Donations	SB-2	5,102.59	5,102.59
Emergency Response/EMS Donations	SB-2	5,001.33	6,851.33
Sheriff's Forfeited Funds	SB-2	2,422.70	1,170.70
		<u>\$ 40,750,667.18</u>	<u>\$ 39,932,653.22</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

COUNTY OF GLOUCESTER
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2023 and 2022

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
ASSETS			
Cash	SC-1	\$ 32,047,014.84	\$ 37,047,485.25
Grants Receivable	SC-3	27,945,325.26	31,154,975.49
Amount to be Provided for GCIA Financing	SC-10	14,835,000.00	18,235,000.00
Deferred Charges to Future Taxation:			
Funded	SC-4	209,842,500.00	229,353,500.00
Funded - Due from State of New Jersey	SC-4	14,687,500.00	13,983,500.00
Unfunded	SC-5		125.00
		<u>\$ 299,357,340.10</u>	<u>\$ 329,774,585.74</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Bonds Payable	SC-9	\$ 145,090,000.00	\$ 159,307,000.00
Obligations Under GCIA Financing	SC-10	14,835,000.00	18,235,000.00
GCIA Loans Payable	SC-11	79,440,000.00	84,030,000.00
Improvement Authorizations:			
Funded	SC-8	34,634,015.91	37,605,879.94
Unfunded	SC-8		125.00
Reserve for:			
Contracts/Encumbrances Payable	SC-8	20,769,765.36	26,067,031.48
Debt Service	SC-7	3,353,264.64	3,294,255.13
Capital Improvement Fund	SC-6	47,040.31	47,040.31
Fund Balance	C	<u>1,188,253.88</u>	<u>1,188,253.88</u>
		<u>\$ 299,357,340.10</u>	<u>\$ 329,774,585.74</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

COUNTY OF GLOUCESTER
Notes to Financial Statements
For the Year Ended December 31, 2023

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The County of Gloucester (hereafter referred to as the "County") is located in South New Jersey. Woodbury, the County seat, is approximately 13 miles from downtown Philadelphia and is approximately 100 miles from New York City. The County has twenty-four political subdivisions, and the population of the County according to the 2020 census was 302,294.

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

Component Units - The financial statements of the component units of the County are not presented in accordance with Governmental Accounting Standards Board (GASB) Statements No. 14, *The Financial Reporting Entity*, as amended. If the provisions of the aforementioned GASB Statements had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the County, the primary government:

Gloucester County Improvement Authority 109 Budd Blvd Woodbury, New Jersey 08096	Gloucester County Utilities Authority 2 Paradise Road West Deptford, New Jersey 08066
Rowan College of South Jersey 1400 Tanyard Road Sewell, New Jersey 08080	Gloucester County Institute of Technology 1360 Tanyard Road Sewell, New Jersey 08080
Schools for Neurodiversity at Gloucester County Special Services School District 1340 Tanyard Road Sewell, New Jersey 08080	Gloucester County Housing Authority 100 Pop Moylan Blvd Deptford, New Jersey 08096
Gloucester County Insurance Commission 9 Campus Drive, Suite 216 Parsippany, New Jersey 07054	Gloucester County Library Commission 389 Wolfert Station Road Mullica Hill, New Jersey 08062
Pollution Control Financing Authority of Gloucester County 2 South Broad Street Woodbury, New Jersey 08096	Gloucester County Board of Social Services 2 South Broad Street Woodbury, New Jersey 08096

Annual financial reports may be inspected directly at the offices of these component units during regular business hours.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

In accordance with the *Requirements*, the County accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

Current Fund - The current fund accounts for resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds - The various trust funds account for receipts, custodianship, and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - The general capital fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the current fund.

General Fixed Asset Group of Accounts - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

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

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

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

Cash, Cash Equivalents, and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

Inventories of Supplies - The 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 statements of assets, liabilities, reserves, and fund balance.

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR Part 225), except that the useful life of such property is at least five years. The County has adopted a capitalization threshold of \$5,000, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The County is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the County's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that include accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Fund Balance - Fund Balance included in the current fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants are realized when anticipated as such in the County's budget. Other amounts that are due to the County which are susceptible to accrual are recorded as receivables with offsetting reserves and recorded as revenue when received.

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

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

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

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be 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 year. Lapsed appropriation reserves are recorded as income.

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital and utility capital funds.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impact of Recently Issued Accounting Principles

Recently Issued Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following statements that have effective dates that may affect future financial presentations:

Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the County in the year ending December 31, 2024. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the County, however management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the County.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits might not be recovered. Although the County does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the County in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the County relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2023, the County had bank balances of \$124,526,660.43 that were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 123,837,588.49
Uninsured and Uncollateralized	<u>689,071.94</u>
Total	<u>\$ 124,526,660.43</u>

New Jersey Asset & Rebate Management Program - During the year, the County participated in the New Jersey Asset & Rebate Management Program. The Program has an Advisory Board that is comprised of up to seven officials representing local governments that are investors in the Program. Deposits with the New Jersey Asset & Rebate Management Program are not subject to custodial credit risk as defined above. At December 31, 2023, the County's deposits with the New Jersey Asset & Rebate Management Program were \$69,414,746.45.

Note 3: PROPERTY TAXES

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years:

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
County Tax Rate	<u>\$ 0.529</u>	<u>\$ 0.602</u>	<u>\$ 0.646</u>	<u>\$ 0.645</u>	<u>\$ 0.643</u>
County Open Space, Recreation, Farmland and Historic Preservation Tax Rate	<u>\$ 0.033</u>	<u>\$ 0.036</u>	<u>\$ 0.040</u>	<u>\$ 0.040</u>	<u>\$ 0.040</u>

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2023	\$ 34,487,655,178
2022	30,319,419,435
2021	28,247,906,460
2020	27,613,666,461
2019	27,054,614,423

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Regular Tax Levy</u>	<u>Open Space, Recreation, Farmland, Historic Preservation Tax Levy</u>	<u>Total Collections</u>	<u>Percentage of Collections</u>
2023	\$ 182,500,000	\$ 11,302,836	\$ 193,802,836	100.00%
2022	182,500,000	10,809,044	193,309,044	100.00%
2021	182,500,000	11,155,921	193,655,921	100.00%
2020	178,000,000	10,931,146	188,931,146	100.00%
2019	174,000,000	10,720,964	184,720,964	100.00%

Note 4: FUND BALANCES APPROPRIATED

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets.

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2023	\$ 92,277,701	\$ 3,250,000	3.52%
2022	77,831,290	2,648,600	3.40%
2021	75,605,873	8,450,270	11.18%
2020	61,822,777	7,024,000	11.36%
2019	52,254,183	2,698,000	5.16%

Note 5: PENSION PLANS

N.J.A.C. 5:30-6.1 allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASB No. 68, *Accounting and Financial Reporting for Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2023 was not available; therefore, the information from the measurement period June 30, 2022 is disclosed below.

A substantial number of the County's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, several County employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Empower (formerly Prudential Financial) for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS and PFRS plans' fiduciary net position which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

Note 5: PENSION PLANS (CONT'D)**General Information about the Pension Plans****Plan Descriptions**

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan, which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability, and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the County, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

Police and Firemen's Retirement System - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan, which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the County. The PFRS' Board of Trustees is primarily responsible for the administration of the PFRS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq. and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

Tier Definition

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

Note 5: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)****Public Employees' Retirement System (Cont'd) -**

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

Police and Firemen's Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier Definition

- 1 Members who were enrolled prior to May 22, 2010
- 2 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 3 Members who were eligible to enroll on or after June 28, 2011

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

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Note 5: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions**

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 7.50% of base salary, effective July 1, 2018. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:15A, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. One of such legislations, which legally obligate the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers.

Another legislation, which legally obligates the State, is Chapter 366, P.L. 2001. This legislation established the Prosecutors Part of the PERS which provides enhanced retirement benefits for Prosecutors enrolled in the PERS. The State is liable for the increased pension costs to a County that resulted from the enrollment of Prosecutors in the Prosecutors Part. The amounts contributed on behalf of the local participating employers under these legislations are considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The County's contractually required contribution rate for the year ended December 31, 2022 was 17.98% of the County's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2022, the County's contractually required contribution to the pension plan for the year ended December 31, 2022 is \$9,743,744.00 and is payable by April 1, 2023. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2021, the County's contractually required contribution to the pension plan for the year ended December 31, 2021 was \$8,255,576.00, which was paid on April 1, 2022.

Note 5: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)****Public Employees' Retirement System (Cont'd) -**

Employee contributions to the Plan for the year ended December 31, 2022 were \$4,113,489.74.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the County, under Chapter 133, P.L. 2001, for the year ended December 31, 2022 was .45% of the County's covered payroll.

Based on the most recent PERS measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the County, to the pension plan for the year ended December 31, 2022 was \$245,345.00 and is payable by April 1, 2023.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the County, under Chapter 366, P.L. 2001, for the year ended December 31, 2022 was 1.31% of the County's covered payroll.

Based on the most recent PERS measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 366, P.L. 2001, on-behalf of the County, to the pension plan for the year ended December 31, 2022 was \$707,134.00 and is payable by April 1, 2023. For the prior year measurement date of June 30, 2021, the State's contractually required contribution, on-behalf of the County, under Chapter 366, P.L. 2001, to the pension plan for the year ended December 31, 2021 was \$500,629.00, which was paid on April 1, 2022.

Police and Firemen's Retirement System - The contribution policy for PFRS is set by N.J.S.A 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 10.0% of base salary. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability.

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

The County's contractually required contribution rate for the year ended December 31, 2022 was 36.41% of the County's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Note 5: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)****Police and Firemen's Retirement System (Cont'd) -**

Based on the most recent PFRS measurement date of June 30, 2022, the County's contractually required contribution to the pension plan for the year ended December 31, 2022 is \$5,091,194.00 and is payable by April 1, 2023. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2021, the County's contractually required contribution to the pension plan for the year ended December 31, 2021 was \$4,607,328.00, which was paid on April 1, 2022.

Employee contributions to the Plan for the year ended December 31, 2022 were \$1,423,558.40.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the County, for the year ended December 31, 2022 was 7.10% of the County's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2022, the State's contractually required contribution, on-behalf of the County, to the pension plan for the year ended December 31, 2022 was \$992,795.00 and is payable by April 1, 2023. For the prior year measurement date of June 30, 2021, the State's contractually required contribution, on-behalf of the County, to the pension plan for the year ended December 31, 2021 was \$705,952.00, which was paid on April 1, 2022.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the County contributes 3% of the employees' base salary, for each pay period.

For the year ended December 31, 2023, employee contributions totaled \$98,578.77, and the County's contributions were \$57,406.85. There were no forfeitures during the year.

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**Public Employees' Retirement System**

Pension Liability - At December 31, 2022, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The County's and State of New Jersey's proportionate share of the PERS net pension liability, under Chapter 366, P.L. 2001, were as follows:

County's Proportionate Share of Net Pension Liability	\$116,606,591.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the County (C.366, P.L. 2001)	<u>5,307,641.00</u>
	<u>\$121,914,232.00</u>

Note 5: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd) -**

Pension Liability (Cont'd) - The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. 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 and the State of New Jersey, actuarially determined. For the June 30, 2022 measurement date, the County's proportion was .7726703369%, which was an increase of .0677380831% from its proportion measured as of June 30, 2021. Likewise, at June 30, 2022, the State of New Jersey's proportion, under Chapter 366, P.L. 2001, on-behalf of the County, was 4.1528133983%, which was an increase of .3253508276% from its proportion, on-behalf of the County, measured as of June 30, 2021.

Pension (Benefit) Expense - For the year ended December 31, 2022, the County's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date was \$(6,931,077.00). This (benefit) expense is not recognized by the County because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2022, the County's contribution to PERS was \$8,255,576.00, and was paid on April 1, 2022.

For the year ended December 31, 2022, the State's proportionate shares of the PERS pension (benefit) expense, associated with the County, under Chapter 133, P.L. 2001 and Chapter 366, P.L. 2001, calculated by the Plan as of the June 30, 2022 measurement date, were \$245,345.00 and \$770,448.00, respectively. These on-behalf (benefits) expenses are not recognized by the County because of the regulatory basis of accounting as described in note 1.

Police and Firemen's Retirement System

Pension Liability - As of December 31, 2022, the County's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Proportionate Share of Net Pension Liability	\$ 44,808,328.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	<u>7,974,569.00</u>
	<u>\$ 52,782,897.00</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. 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 and the State of New Jersey, actuarially determined. For the June 30, 2022 measurement date, the County's proportion was .3914636900%, which was a decrease of .0038575519% from its proportion measured as of June 30, 2021. Likewise, at June 30, 2022, the State of New Jersey's proportion, on-behalf of the County, was .03914636900%, which was a decrease of .0038570960% from its proportion, on-behalf of the County, measured as of June 30, 2021.

Note 5: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Police and Firemen's Retirement System Cont'd) -**

Pension (Benefit) Expense - For the year ended December 31, 2022, the County's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date was \$(617,824.00). This (benefit) expense is not recognized by the County because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2022, the County's contribution to PFRS was \$4,607,328.00, and was paid on April 1, 2022.

For the year ended December 31, 2022, the State's proportionate share of the PFRS pension (benefit) expense, associated with the County, calculated by the Plan as of the June 30, 2022 measurement date, was \$920,054.00. This on-behalf (benefit) expense is not recognized by the County because of the regulatory basis of accounting as described in note 1.

Deferred Outflows of Resources and Deferred Inflows of Resources - As of December 31, 2022, the County had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 841,613.00	\$ 2,028,145.00	\$ 2,869,758.00	\$ 742,183.00	\$ 2,745,120.00	\$ 3,487,303.00
Changes of Assumptions	361,284.00	122,802.00	484,086.00	17,460,623.00	5,640,483.00	23,101,106.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	4,826,241.00	4,103,126.00	8,929,367.00	-	-	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	10,614,919.00	2,465,124.00	13,080,043.00	3,925,887.00	5,188,193.00	9,114,080.00
Contributions Subsequent to the Measurement Date	4,871,872.00	2,545,597.00	7,417,469.00	-	-	-
	<u>\$ 21,515,929.00</u>	<u>\$ 11,264,794.00</u>	<u>\$ 32,780,723.00</u>	<u>\$ 22,128,693.00</u>	<u>\$ 13,573,796.00</u>	<u>\$ 35,702,489.00</u>

Deferred outflows of resources in the amounts of \$4,871,872.00 and \$2,545,597.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2023. These amounts were based on an estimated April 1, 2024 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2022 to the County's year end of December 31, 2022.

Note 5: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The County will amortize the other deferred outflows of resources and deferred inflows of resources related to pensions over the following number of years:

	<u>PERS</u>		<u>PFRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2017	5.48	-	5.59	-
June 30, 2018	-	5.63	5.73	-
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
June 30, 2021	-	5.13	-	6.17
June 30, 2022	-	5.04	6.22	
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2017	-	5.48	-	5.59
June 30, 2018	-	5.63	-	5.73
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
June 30, 2021	5.13	-	6.17	-
June 30, 2022	-	5.04		6.22
Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2018	5.00	-	5.00	-
June 30, 2019	5.00	-	5.00	-
June 30, 2020	5.00	-	5.00	-
June 30, 2021	5.00	-	5.00	-
June 30, 2022	5.00	-	5.00	-
Changes in Proportion				
Year of Pension Plan Deferral:				
June 30, 2017	5.48	5.48	5.59	5.59
June 30, 2018	5.63	5.63	5.73	5.73
June 30, 2019	5.21	5.21	5.92	5.92
June 30, 2020	5.16	5.16	5.90	5.90
June 30, 2021	5.13	5.13	6.17	6.17
June 30, 2022	5.04	5.04	6.22	6.22

Note 5: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

<u>Year Ending Dec 31,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2023	\$ (9,008,372.00)	\$ (2,698,936.00)	\$(11,707,308.00)
2024	(4,183,618.00)	(2,105,557.00)	(6,289,175.00)
2025	(337,245.00)	(2,216,604.00)	(2,553,849.00)
2026	7,954,253.00	2,292,116.00	10,246,369.00
2027	90,346.00	(136,168.00)	(45,822.00)
Thereafter	-	10,550.00	10,550.00
	<u>\$ (5,484,636.00)</u>	<u>\$ (4,854,599.00)</u>	<u>\$(10,339,235.00)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:	2.75% - 6.55%	3.25% - 16.25%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2018 - June 30, 2021

Note 5: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Public Employees' Retirement System**

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-2021.

Police and Firemen's Retirement System

Pre-retirement mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

For both PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' and PFRS' target asset allocation as of June 30, 2022 are summarized in the table that follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Note 5: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Discount Rate -**

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Police and Firemen's Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Public Employees' Retirement System (PERS) - As previously mentioned, PERS has a special funding situation, under Chapter 366, P.L. 2001, where the State of New Jersey pays a portion of the County's annual required contribution. As such, the net pension liability as of the June 30, 2022 measurement date, for the County and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's Proportionate Share of the Net Pension Liability	\$ 149,805,312.00	\$ 116,606,591.00	\$ 88,353,142.00
State of New Jersey's Proportionate Share of Net Pension Liability associated the County (C.366, P.L. 2001)	6,818,763.00	5,307,641.00	4,021,614.00
	<u>\$ 156,624,075.00</u>	<u>\$ 121,914,232.00</u>	<u>\$ 92,374,756.00</u>

Note 5: PENSION PLANS (CONT'D)**Sensitivity of County's Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the County's annual required contribution. As such, the net pension liability as of the June 30, 2022 measurement date, for the County and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	\$ 61,481,866.00	\$ 44,808,328.00	\$ 30,927,527.00
State of New Jersey's Proportionate Share of Net Pension Liability	10,941,970.00	7,974,569.00	5,504,193.00
	<u>\$ 72,423,836.00</u>	<u>\$ 52,782,897.00</u>	<u>\$ 36,431,720.00</u>

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension (benefit) expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 5: PENSION PLANS (CONT'D)**Supplementary Pension Information**

In accordance with GASBS 68, the following information is also presented for the PERS and PFRS pension plans. These schedules are presented to illustrate the requirements to show information for 10 years.

Schedule of the Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Ten Plan Years)

	Measurement Date Ended June 30,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
County's Proportion of the Net Pension Liability	0.7726703369%	0.7049322538%	0.7092492435%	0.7414752435%	0.7474496350%
County's Proportionate Share of the Net Pension Liability	\$ 116,606,591.00	\$ 83,509,794.00	\$ 115,660,004.00	\$ 133,602,590.00	\$ 147,169,107.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the County (C.366, P.L. 2001)	5,307,641.00	4,833,462.00	4,940,892.00	5,017,112.00	-
	<u>\$ 121,914,232.00</u>	<u>\$ 88,343,256.00</u>	<u>\$ 120,600,896.00</u>	<u>\$ 138,619,702.00</u>	<u>\$ 147,169,107.00</u>
County's Covered Payroll (Plan Measurement Period)	\$ 54,914,084.00	\$ 49,179,792.00	\$ 49,769,500.00	\$ 51,219,540.00	\$ 50,301,512.00
County's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	222.01%	179.63%	242.32%	270.64%	292.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%
	Measurement Date Ended June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
County's Proportion of the Net Pension Liability	0.7360797761%	0.7195062772%	0.7568953445%	0.7606011283%	0.7384607605%
County's Proportionate Share of the Net Pension Liability	\$ 171,347,606.00	\$ 213,097,122.00	\$ 169,907,838.00	\$ 142,405,334.00	\$ 141,134,524.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the County (C.366, P.L. 2001)	-	-	-	-	-
	<u>\$ 171,347,606.00</u>	<u>\$ 213,097,122.00</u>	<u>\$ 169,907,838.00</u>	<u>\$ 142,405,334.00</u>	<u>\$ 141,134,524.00</u>
County's Covered Payroll (Plan Measurement Period)	\$ 48,859,912.00	\$ 47,685,268.00	\$ 50,057,860.00	\$ 50,600,300.00	\$ 49,003,020.00
County's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	350.69%	446.88%	339.42%	281.43%	288.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%	52.08%	48.72%

Note 5: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Public Employees' Retirement System (PERS) (Last Ten Years)***

	Year Ended December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 9,743,744.00	\$ 8,255,576.00	\$ 7,758,829.00	\$ 7,212,370.00	\$ 7,434,709.00
Contribution in Relation to the Contractually Required Contribution	<u>(9,743,744.00)</u>	<u>(8,255,576.00)</u>	<u>(7,758,829.00)</u>	<u>(7,212,370.00)</u>	<u>(7,434,709.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 54,179,843.00	\$ 54,706,135.00	\$ 51,247,300.00	\$ 49,489,036.00	\$ 50,993,128.00
Contributions as a Percentage of Covered Payroll	17.98%	15.09%	15.14%	14.57%	14.58%
	Year Ended December 31,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 6,818,993.00	\$ 6,391,991.00	\$ 6,507,270.00	\$ 6,270,286.00	\$ 5,564,151.00
Contribution in Relation to the Contractually Required Contribution	<u>(6,818,993.00)</u>	<u>(6,391,991.00)</u>	<u>(6,507,270.00)</u>	<u>(6,270,286.00)</u>	<u>(5,564,151.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 50,301,180.00	\$ 48,595,668.00	\$ 47,569,851.00	\$ 49,554,213.00	\$ 49,754,210.00
Contributions as a Percentage of Covered Payroll	13.56%	13.15%	13.68%	12.65%	11.18%

Note 5: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Ten Plan Years)***

	Measurement Date Ended June 30,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the Net Pension Liability	0.3914636900%	0.3953212419%	0.4142113074%	0.4263411370%	0.4177385712%
Proportionate Share of the Net Pension Liability	\$ 44,808,328.00	\$ 28,894,631.00	\$ 53,521,564.00	\$ 52,174,856.00	\$ 56,526,915.00
State's Proportionate Share of the Net Pension Liability	7,974,569.00	8,126,609.00	8,306,303.00	8,238,509.00	7,678,247.00
Total	<u>\$ 52,782,897.00</u>	<u>\$ 37,021,240.00</u>	<u>\$ 61,827,867.00</u>	<u>\$ 60,413,365.00</u>	<u>\$ 64,205,162.00</u>
Covered Payroll (Plan Measurement Period)	\$ 13,941,636.00	\$ 13,790,488.00	\$ 14,196,812.00	\$ 14,131,028.00	\$ 13,667,096.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	321.40%	209.53%	377.00%	369.22%	413.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.33%	77.26%	63.52%	65.00%	62.48%
	Measurement Date Ended June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Proportion of the Net Pension Liability	0.4079197408%	0.4053644609%	0.4132599510%	0.5138781354%	0.5174218952%
Proportionate Share of the Net Pension Liability	\$ 62,974,922.00	\$ 77,434,981.00	\$ 68,834,702.00	\$ 64,641,103.00	\$ 68,786,572.00
State's Proportionate Share of the Net Pension Liability	7,053,722.00	6,502,618.00	6,036,572.00	6,960,761.00	6,411,744.00
Total	<u>\$ 70,028,644.00</u>	<u>\$ 83,937,599.00</u>	<u>\$ 74,871,274.00</u>	<u>\$ 71,601,864.00</u>	<u>\$ 75,198,316.00</u>
Covered Payroll (Plan Measurement Period)	\$ 13,249,284.00	\$ 12,745,580.00	\$ 13,217,456.00	\$ 16,486,436.00	\$ 16,106,772.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	475.31%	607.54%	520.79%	392.09%	427.07%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.60%	52.01%	56.31%	62.41%	58.70%

Note 5: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Police and Firemen's Retirement System (PFRS) (Last Ten Years)***

	Year Ended December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 5,091,194.00	\$ 4,607,328.00	\$ 4,627,448.00	\$ 4,306,517.00	\$ 4,084,010.00
Contribution in Relation to the Contractually Required Contribution	(5,091,194.00)	(4,607,328.00)	(4,627,448.00)	(4,306,517.00)	(4,084,010.00)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$ 13,983,874.00	\$ 13,746,322.00	\$ 14,036,370.00	\$ 14,000,022.00	\$ 14,138,530.00
Contributions as a Percentage of Covered Payroll	36.41%	33.52%	32.97%	30.76%	28.89%
	Year Ended December 31,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 3,610,165.00	\$ 3,305,101.00	\$ 3,359,187.00	\$ 3,946,939.00	\$ 3,774,995.00
Contribution in Relation to the Contractually Required Contribution	(3,610,165.00)	(3,305,101.00)	(3,359,187.00)	(3,946,939.00)	(3,774,995.00)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$ 13,681,569.00	\$ 13,211,921.00	\$ 12,916,511.00	\$ 13,315,299.00	\$ 14,683,811.00
Contributions as a Percentage of Covered Payroll	26.39%	25.02%	26.01%	29.64%	25.71%

Note 5: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)*****Changes in Benefit Terms**

The June 30, 2022 measurement date included three changes to the plan provisions, only one of which had an impact on the Total Pension Liability (TPL). Chapter 226, P.L. 2021 reopened the Prosecutors Part of PERS and made membership in the Prosecutors Part of PERS mandatory for all prosecutors.

Changes in Assumptions

The discount rate and long-term expected rate of return used as of June 30 measurement date are as follows:

<u>Discount Rate</u>				<u>Long-term Expected Rate of Return</u>			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	5.00%	2022	7.00%	2017	7.00%
2021	7.00%	2016	3.98%	2021	7.00%	2016	7.65%
2020	7.00%	2015	4.90%	2020	7.00%	2015	7.90%
2019	6.28%	2014	5.39%	2019	7.00%	2014	7.90%
2018	5.66%			2018	7.00%		

The underlying demographic and economic assumptions were updated as a result of the Experience Study covering the period of July 1, 2018 - June 30, 2021.

Police and Firemen's Retirement System (PFRS)**Changes in Benefit Terms**

None.

Changes in Assumptions

The discount rate and long-term expected rate of return used as of June 30 measurement date are as follows:

<u>Discount Rate</u>				<u>Long-term Expected Rate of Return</u>			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	6.14%	2022	7.00%	2017	7.00%
2021	7.00%	2016	5.55%	2021	7.00%	2016	7.65%
2020	7.00%	2015	5.79%	2020	7.00%	2015	7.90%
2019	6.85%	2014	6.32%	2019	7.00%	2014	7.90%
2018	6.51%			2018	7.00%		

The underlying demographic and economic assumptions were updated as a result of the Experience Study covering the period of July 1, 2018 - June 30, 2021.

Note 6: COMPENSATED ABSENCES

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 provisions for such employee compensated absences.

The accumulated cost of unused sick and vacation time has not been recorded in the financial statements as presented, however at December 31, 2023, it is calculated that accrued unused sick and vacation time payable are valued at \$3,554,995.00.

The County has established a Compensated Absences Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2023, the balance of the fund was \$13,323.18.

Note 7: DEFERRED COMPENSATION SALARY ACCOUNT

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

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

Note 8: OBLIGATIONS UNDER GCIA FINANCING

The County acquired certain equipment and improvements under Gloucester County Improvement Authority (GCIA) Financing. Financing is for terms of ten to twenty years and interest rates ranging from 1.48% to 5.00%. The following is a schedule of the future minimum payments under GCIA Financing, and the present value of the net minimum payments at December 31, 2023.

<u>General Capital Fund</u>	<u>Amount</u>
Year Ending December 31,	
2024	\$ 2,745,776
2025	2,681,131
2026	2,677,737
2027	2,205,069
2028	2,200,225
2029-2030	<u>4,406,000</u>
Total minimum GCIA Financing payments	16,915,938
Less amount representing interest	<u>2,080,938</u>
Present value of net minimum GCIA Financing payments	<u>\$ 14,835,000</u>

Note 9: CAPITAL DEBT**General Debt – Serial Bonds**

General Obligation Bonds Series 2013 – On June 28, 2013, the County issued \$25,580,000.00 of General Obligation bonds with interest rates ranging from 1.00% to 3.00%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is March 1, 2028.

County College Bonds Series 2014 – On June 27, 2014, the County issued \$2,125,000.00 of County College bonds with interest rates ranging from 1.50% to 2.50%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2024.

County College Bonds Series 2014 State Share – On June 27, 2014, the County issued \$2,125,000.00 of County College bonds with interest rates ranging from 1.50% to 2.50%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2024.

County College Bonds Series 2014 Building our Future – On June 27, 2014, the County issued \$4,997,000.00 of County College bonds with interest rates ranging from 1.50% to 2.50%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2024.

General Obligation Bonds Series 2015 – On June 25, 2015, the County issued \$4,301,000.00 of General Obligation bonds with interest rates ranging from 2.00% to 3.00%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is March 1, 2025.

County College Bonds Series 2015 – On June 25, 2015, the County issued \$1,600,000.00 of County College bonds with interest rates ranging from 1.00% to 3.25%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2030.

County College Bonds Series 2015 State Share – On June 25, 2015, the County issued \$1,600,000.00 of County College bonds with interest rates ranging from 1.00% to 3.25%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2030.

General Obligation Bonds Series 2016 – On May 24, 2016, the County issued \$5,445,000.00 of General Obligation bonds with interest rates ranging from 1.00% to 2.00%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is March 1, 2027.

County College Bonds Series 2016 – On May 24, 2016, the County issued \$1,500,000.00 of County College bonds with interest rates ranging from 2.00% to 2.375%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2031.

County College Bonds Series 2016 State Share – On May 24, 2016, the County issued \$1,500,000.00 of County College bonds with interest rates ranging from 2.00% to 2.375%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2031.

General Obligation Bonds Series 2017 – On May 31, 2017, the County issued \$8,377,000.00 of General Obligation bonds with interest rates ranging from 2.00% to 2.50%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is March 1, 2028.

County College Bonds Series 2017 – On May 31, 2017, the County issued \$1,450,000.00 of County College bonds with interest rates ranging from 2.00% to 3.125%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2032.

County College Bonds Series 2017 State Share – On May 31, 2017, the County issued \$1,450,000.00 of County College bonds with interest rates ranging from 2.00% to 3.125%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2032.

Note 9: CAPITAL DEBT (CONT'D)**General Debt – Serial Bonds (Cont'd)**

County College Bonds Series 2017 Building our Future – On May 31, 2017, the County issued \$2,500,000.00 of County College bonds with interest rates ranging from 1.00% to 2.50%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2027.

General Obligation Refunding Bonds Series 2017B Open Space – On August 9, 2017, the County issued \$19,915,000.00 of General Obligation Refunding Bonds with interest rates ranging from 3.00% to 4.00%. The purpose of the bonds was to refund debt issued in a prior period. The final maturity of the bonds is October 15, 2029.

General Obligation Bonds Series 2018 – On May 16, 2018, the County issued \$17,427,000.00 of General Obligation bonds with interest rates ranging from 3.00% to 3.25%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is April 1, 2033.

County College Bonds Series 2018 – On May 16, 2018, the County issued \$1,600,000.00 of County College bonds with interest rates ranging from 3.00% to 3.375%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is April 1, 2033.

County College Bonds Series 2018 State Share – On May 16, 2018, the County issued \$1,600,000.00 of County College bonds with interest rates ranging from 3.00% to 3.375%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is April 1, 2033.

General Obligation Bonds Series 2019 – On May 2, 2019, the County issued \$30,492,000.00 of General Obligation bonds with interest rates ranging from 2.50% to 2.75%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is March 1, 2034.

County College Bonds Series 2019 – On May 2, 2019, the County issued \$3,250,000.00 of County College bonds with interest rates ranging from 2.00% to 3.00%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2034.

County College Bonds Series 2019 State Share – On May 2, 2019, the County issued \$3,250,000.00 of County College bonds with interest rates ranging from 2.00% to 3.00%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2034.

General Obligation Refunding Bonds Series 2019 – On September 18, 2019, the County issued \$14,880,000.00 of General Obligation Refunding Bonds with interest rates ranging from 4.00% to 5.00%. The purpose of the bonds was to refund debt issued in a prior period. The final maturity of the bonds is September 15, 2025.

General Obligation Bonds Series 2020 – On June 25, 2020, the County issued \$15,507,000.00 of General Obligation bonds with interest rates ranging from 0.25% to 3.00%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is March 1, 2029.

General Obligation Bonds Series 2021 – On May 13, 2021, the County issued \$16,495,000.00 of General Obligation bonds with an interest rate of 2.00%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is March 1, 2031.

County College Bonds Series 2021 – On May 13, 2021, the County issued \$4,300,000.00 of County College bonds with interest rates ranging from 2.00% to 3.00%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2036.

County College Bonds Series 2021 State Share – On May 13, 2021, the County issued \$4,300,000.00 of County College bonds with interest rates ranging from 2.00% to 3.00%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2036.

Note 9: CAPITAL DEBT (CONT'D)**General Debt – Serial Bonds (Cont'd)**

General Obligation Refunding Bonds Series 2021 – On December 2, 2021, the County issued \$9,470,000.00 of General Obligation Refunding Bonds with an interest rate of 5.00%. The purpose of the bonds was to refund debt issued in a prior period. The final maturity of the bonds is March 1, 2027.

General Obligation Bonds Series 2022 – On June 10, 2022, the County issued \$3,900,000.00 of General Obligation bonds with interest rates ranging from 4.00% to 5.00%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is March 1, 2034.

County College Bonds Series 2022 Building our Future – On June 10, 2022, the County issued \$7,960,000.00 of County College bonds with interest rates ranging from 4.00% to 5.00%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2042.

County College Bonds Series 2022 – On June 10, 2022, the County issued \$2,496,000.00 of County College bonds with interest rates ranging from 4.00% to 5.00%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2042.

County College Bonds Series 2022 State Share – On June 10, 2022, the County issued \$2,496,000.00 of County College bonds with interest rates ranging from 4.00% to 5.00%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2042.

General Obligation Bonds Series 2023 – On May 10, 2023, the County issued \$3,210,000.00 of General Obligation bonds with interest rates ranging from 3.00% to 4.00%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is March 1, 2032.

County College Bonds Series 2023 – On May 10, 2023, the County issued \$1,882,500.00 of County College bonds with interest rates ranging from 3.00% to 4.00%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2038.

County College Bonds Series 2023 State Share – On May 10, 2023, the County issued \$1,882,500.00 of County College bonds with interest rates ranging from 3.00% to 4.00%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2038.

The following schedule represents the remaining debt service, through maturity, for the general debt – serial bonds:

General Debt - Serial Bonds

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 21,760,000	\$ 4,245,597	\$ 26,005,597
2025	18,745,000	3,542,806	22,287,806
2026	15,840,000	2,976,825	18,816,825
2027	16,245,000	2,541,856	18,786,856
2028	14,875,000	2,095,413	16,970,413
2029-2033	43,980,000	5,367,831	49,347,831
2034-2038	10,350,000	1,305,522	11,655,522
2039-2043	3,295,000	284,559	3,579,559
	<u>\$ 145,090,000</u>	<u>\$ 22,360,409</u>	<u>\$ 167,450,409</u>

Note 9: CAPITAL DEBT (CONT'D)**General Debt – GCIA Loans Payable**

In 2015, the County entered into a \$46,610,000.00 loan agreement through the Gloucester County Improvement Authority (GCIA) with interest rates ranging from 3.00% to 5.00%. The purpose of the original loan from 2008 was to fund various capital projects in the County. The final maturity of the loan is April 1, 2033.

In 2016, the County entered into a \$22,770,000.00 loan agreement through the Gloucester County Improvement Authority (GCIA) with an interest rate 4.00%. The purpose of the original loan from 2008 was to fund various capital projects in the County. The final maturity of the loan is April 1, 2038.

In 2020, the County entered into a \$27,875,000.00 loan agreement through the Gloucester County Improvement Authority (GCIA) with interest rates ranging from 3.00% to 5.00%. The purpose of the loan was to fund various capital projects at the County's Special Services and Institute of Technology Schools. The final maturity of the loan is May 15, 2035.

The following schedule represents the remaining debt service, through maturity, for the GCIA loans payable:

General Debt - GCIA Loans Payable

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 4,320,000	\$ 3,404,050	\$ 7,724,050
2025	4,530,000	3,191,000	7,721,000
2026	4,760,000	2,958,750	7,718,750
2027	4,975,000	2,746,175	7,721,175
2028	5,165,000	2,555,225	7,720,225
2029-2033	28,720,000	8,861,175	37,581,175
2024-2038	26,970,000	2,528,300	29,498,300
	<u>\$ 79,440,000</u>	<u>\$ 26,244,675</u>	<u>\$ 105,684,675</u>

Note 9: CAPITAL DEBT (CONT'D)

The following schedule represents the County's summary of debt for the current and two previous years:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 224,530,000	\$ 243,337,000	\$ 255,305,000
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes		125	
Total Issued and Authorized but not Issued	<u>224,530,000</u>	<u>243,337,125</u>	<u>255,305,000</u>
<u>Deductions</u>			
General:			
Accounts Receivable Chapter 12	14,687,500	13,983,500	12,940,000
Funds Temporarily Held to Pay Bonds and Notes	<u>3,353,265</u>	<u>3,294,255</u>	<u>2,938,532</u>
Total Deductions	<u>18,040,765</u>	<u>17,277,755</u>	<u>15,878,532</u>
Net Debt	<u>\$ 206,489,235</u>	<u>\$ 226,059,370</u>	<u>\$ 239,426,468</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 indicated a statutory net debt of .609%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Debt Guaranteed by the County	\$ 110,308,418	\$ 110,308,418	
General Debt	<u>224,530,000</u>	<u>18,040,765</u>	<u>\$ 206,489,235</u>
	<u>\$ 334,838,418</u>	<u>\$ 128,349,183</u>	<u>\$ 206,489,235</u>

Net debt \$206,489,235 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$33,919,328,068, equals .609%.

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

2% of Equalized Valuation Basis (County)	\$ 678,386,561
Less: Net Debt	<u>206,489,235</u>
Remaining Borrowing Power	<u>\$ 471,897,326</u>

Note 10: DEBT SERVICE AGREEMENTS

The County guarantees the Gloucester County Utilities Authority and Gloucester County Improvement Authority Debt. At December 31, 2023, guaranteed debt is as follows:

Gloucester County Utilities Authority		\$	59,058,555
Gloucester County Improvement Authority:			
County of Gloucester GCIA Financing Payable	\$	14,835,000	
Nurising Home		4,005,000	
Landfill		32,379,863	
Other		30,000	
			<u>51,249,863</u>
Total		\$	<u>110,308,418</u>

Note 11: INSURANCE COMMISSION

The County is a member of the Gloucester County Insurance Commission. The Commission provides its members with the following coverage:

Workers' Compensation and Employer's Liability
 General Liability
 Auto Liability, Auto Physical Damage
 Property
 Employee Dishonesty

Contributions to the Commission, including a reserve for contingencies, are based on actuarial assumptions determined by the Commission's actuary. The Commission may order additional assessments to supplement the Commission's claim, loss retention or administrative accounts to assure the payment of the Commission's obligations.

The Commission purchases excess insurance for coverage in excess of the Commission's self-insured retention limits.

The Commission publishes its own financial report which can be obtained from:

Gloucester County Insurance Commission
 9 Campus Drive, Suite 216
 Parsippany, NJ 07054

Note 12: OPEN SPACE, RECREATION, FARMLAND & HISTORIC PRESERVATION TRUST FUND

In November 2004, pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of Gloucester County authorized the establishment of the Gloucester County Open Space, Recreation, Farmland & Historic Preservation Trust Fund, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. The County proposed to levy a tax not to exceed 3.3 cents per one hundred dollars of equalized valuation. Amounts raised by taxation are apportioned by the County Board of Taxation among the municipalities in accordance with N.J.S.A. 54:4-9 and are assessed, levied, and collected in the same manner and at the same time as other County taxes. All revenue received is accounted for in a Trust Fund dedicated by rider (N.J.S.A. 40A:4-39) for the purpose stated.

Note 13: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

N.J.A.C. 5:30-6.1 allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2023 was not available; therefore, the information from the measurement period June 30, 2022 is disclosed below.

General Information about the State Health Benefit Local Government Retired Employees Plan

Plan Description and Benefits Provided - The County contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which is a cost-sharing multiple-employer defined benefit other postemployment benefit ("OPEB") plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the "State"), Division of Pensions and Benefits' (the "Division") annual financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. 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.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Note 13: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)**

Contributions - The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members.

The County was billed monthly by the Plan and paid \$8,434,631.20, for the year ended December 31, 2022, representing 12.37% of the County's covered payroll. During the year ended December 31, 2022, retirees were required to contribute \$234,723.47 to the Plan.

Special Funding Situation Component - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis. Partially funded benefits are also available to local police officers and firefighters who retire with 25 years of service or on disability from an employer who does not provide coverage under the provisions of Chapter 330, P.L. 1997. Upon retirement, these individuals must enroll in the OPEB Plan.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80% of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. 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.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do 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 in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer. The participating employer is required to disclose in their respective notes to the financial statements, an expense and corresponding revenue, and their proportionate share of the OPEB expense allocated to the State under the special funding situation.

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the County, is not known; however, under the special funding situation, the State's OPEB expense, on-behalf of the County, is \$(67,318.00) for the year ended December 31, 2022, representing -0.10% of the County's covered payroll.

Note 13: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

OPEB Liability - At December 31, 2022, the County's and State's proportionate share of the net OPEB liability were as follows:

Proportionate Share of Net OPEB Liability	\$ 239,079,580.00
State of New Jersey's Proportionate Share of Net OPEB Liability Associated with the Employer	410,424.00
	<u>\$ 239,490,004.00</u>

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022.

The County's proportion of the net OPEB liability was based on the ratio of the Plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2021 through June 30, 2022. For the June 30, 2022 measurement date, the County's proportion was 1.480406%, which was an increase of .015163% from its proportion measured as of the June 30, 2021 measurement date, as adjusted.

The State's proportion of the net OPEB liability, on-behalf of the County was based on the ratio of the Plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2021 through June 30, 2022. For the June 30, 2022 measurement date, the State's proportion on-behalf of the County was .012165%, which was an increase of .000194% from its proportion measured as of the June 30, 2021 measurement date, as adjusted.

OPEB (Benefit) Expense - At December 31, 2022, the County's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date, is \$3,541,928.00. This (benefit) expense is not recognized by the County because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2022, the County made contributions to the Plan totaling \$8,434,631.20.

Note 13: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2022, the County had deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 12,346,325.00	\$ 44,315,192.00
Changes of Assumptions	31,906,161.00	81,593,251.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	62,939.00	-
Changes in Proportion	36,645,173.00	17,254,657.00
Contributions Subsequent to the Measurement Date	4,251,807.05	-
	<u>\$ 85,212,405.05</u>	<u>\$143,163,100.00</u>

Deferred outflows of resources in the amount of \$4,251,807.05 will be included as a reduction of the County's net OPEB liability during the year ending December 31, 2023. The County will amortize the above other deferred outflows of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>		<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience			Net Difference between Projected and Actual Investment Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:			Year of OPEB Plan Deferral:		
June 30, 2018	-	8.14	June 30, 2018	5.00	-
June 30, 2019	-	8.05	June 30, 2019	5.00	-
June 30, 2020	7.87	-	June 30, 2020	5.00	-
June 30, 2021	-	7.82	June 30, 2021	5.00	-
June 30, 2022	7.82	-	June 30, 2022	5.00	-
Changes of Assumptions			Changes in Proportion		
Year of OPEB Plan Deferral:			Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04	June 30, 2017	8.04	8.04
June 30, 2018	-	8.14	June 30, 2018	8.14	8.14
June 30, 2019	-	8.05	June 30, 2019	8.05	8.05
June 30, 2020	7.87	-	June 30, 2020	7.87	7.87
June 30, 2021	7.82	-	June 30, 2021	7.82	7.82
June 30, 2022	-	7.82	June 30, 2022	7.82	7.82

Note 13: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to the OPEB liability will be recognized in future periods as follows:

Year Ending Dec. 31,	
2023	\$ (20,390,361.00)
2024	(20,409,486.00)
2025	(12,918,922.00)
2026	(3,852,007.00)
2027	4,123,157.00
Thereafter	<u>(8,754,883.00)</u>
	<u>\$ (62,202,502.00)</u>

Actuarial Assumptions

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022, used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases *

PERS - Rates for all future years	2.75% to 6.55% based on years of service
PFRS - Rates for all future years	3.25% to 16.25% based on years of service

Mortality:

PERS - Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
PFRS - Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

* salary increases are based on years of service within the respective Plan

Actuarial assumptions used in the valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

100% of active members are considered to participate in the Plan upon retirement.

Note 13: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Actuarial Assumptions (Cont'd)**

All of the Plan's investments are in the State of New Jersey Cash Management Fund (the "CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools*. The CMF invests in U.S. government and agency obligations, commercial paper, corporate obligations and certificates of deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) at the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pays interest to participants on a monthly basis.

Discount Rate - The discount rate used to measure the OPEB liability at June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Health Care Trend Assumptions - The health care trend assumptions used is as follows:

<u>Fiscal Year Ending</u>	<u>Annual Rate of Increase</u>			
	<u>Medical Trend</u>			<u>Prescription Drug Trend</u>
	<u>Pre-65</u>	<u>PPO Post-65</u>	<u>HMO Post-65</u>	
2023	6.25%	-1.89%	-1.99%	8.00%
2024	6.00%	-6.00%	-6.15%	7.50%
2025	5.75%	6.99%	7.02%	7.00%
2026	5.50%	15.04%	15.18%	6.50%
2027	5.25%	13.00%	13.11%	6.00%
2028	5.00%	11.47%	11.56%	5.50%
2029	4.75%	10.27%	10.35%	5.00%
2030	4.50%	9.29%	9.35%	4.50%
2031	4.50%	8.50%	8.55%	4.50%
2032	4.50%	6.25%	6.27%	4.50%
2033 and Later	4.50%	4.50%	4.50%	4.50%

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The net OPEB liability, calculated using a discount rate of 3.54%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Proportionate Share of the Net OPEB Liability	\$ 277,141,362.00	\$ 239,079,580.00	\$ 208,455,315.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	475,764.00	410,424.00	357,852.00
	<u>\$ 277,617,126.00</u>	<u>\$ 239,490,004.00</u>	<u>\$ 208,813,167.00</u>

Note 13: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate**

The net OPEB liability, using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Proportionate Share of the Net OPEB Liability	\$ 202,818,406.00	\$ 239,079,580.00	\$ 285,519,934.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	348,175.00	410,424.00	490,147.00
	<u>\$ 203,166,581.00</u>	<u>\$ 239,490,004.00</u>	<u>\$ 286,010,081.00</u>

OPEB Plan Fiduciary Net Position

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB (benefit) expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 13: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Supplementary OPEB Information**

In accordance with GASBS No. 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the Proportionate Share of the Net OPEB Liability (Last Six Plan Years)

	Measurement Date Ended June 30,		
	<u>2022</u>	<u>2021 (a)</u>	<u>2020</u>
Proportion of the Net OPEB Liability	1.480406%	1.465243%	1.376205%
Proportionate Share of the Net OPEB Liability	\$ 239,079,580.00	\$ 263,740,715.00	\$ 246,982,185.00
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>410,424.00</u>	<u>462,243.00</u>	<u>33,276,569.00</u>
Total	<u>\$ 239,490,004.00</u>	<u>\$ 264,202,958.00</u>	<u>\$ 280,258,754.00</u>
Covered Payroll (Plan Measurement Period)	\$ 68,588,011.00	\$ 68,357,713.00	\$ 62,919,142.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	348.57%	385.82%	392.54%
Plan Fiduciary Net Position (Deficit) as a Percentage of the Total OPEB Liability	-0.36%	0.28%	0.91%
	Measurement Date Ended June 30,		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Proportion of the Net OPEB Liability	1.251887%	1.347969%	1.325813%
Proportionate Share of the Net OPEB Liability	\$ 169,581,503.00	\$ 211,181,156.00	\$ 270,675,181.00
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>27,617,487.00</u>	<u>33,675,806.00</u>	<u>47,171,051.00</u>
Total	<u>\$ 197,198,990.00</u>	<u>\$ 244,856,962.00</u>	<u>\$ 317,846,232.00</u>
Covered Payroll (Plan Measurement Period)	\$ 64,389,231.00	\$ 64,880,115.00	\$ 62,841,972.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	263.37%	325.49%	430.72%
Plan Fiduciary Net Position (Deficit) as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

(a) The Proportionate Share of the June 30, 2021 Net OPEB Liability was adjusted within the June 30, 2022 Plan Audit.

Note 13: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Supplementary OPEB Information (Cont'd)****Schedule of the Contributions (Last Six Years)**

	<u>Year Ended December 31,</u>		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Required Contributions	\$ 8,434,631.20	\$ 6,835,127.85	\$ 6,006,772.78
Actual Contributions in Relation to the Required Contribution	<u>(8,434,631.20)</u>	<u>(6,835,127.85)</u>	<u>(6,006,772.78)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 68,163,717.00	\$ 68,452,457.00	\$ 65,283,670.00
Contributions as a Percentage of Covered Payroll	12.37%	9.99%	9.20%
	<u>Year Ended December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Required Contributions	\$ 6,013,097.26	\$ 9,197,921.79	\$ 9,299,877.15
Actual Contributions in Relation to the Required Contribution	<u>(6,013,097.26)</u>	<u>(9,197,921.79)</u>	<u>(9,299,877.15)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 63,489,058.00	\$ 65,131,658.00	\$ 63,982,749.00
Contributions as a Percentage of Covered Payroll	9.47%	14.12%	14.53%

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms - The actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022, included changes due to employers adopting and /or changing Chapter 48 provisions.

Changes in Assumptions - The discount rate used as of the June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	3.54%	2019	3.50%
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%

The expected investment rate of return is based on guidance provided by the State. These expected rates of return are the same as the discount rates listed above.

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in the trend and updated experience study.

There were no changes to mortality projections.

Note 14: LEASE LIABILITY AND LEASE ASSET

The County, as lessee, has entered into the following leases which meet the requirements of GASB 87:

Copiers - The County is leasing copiers with a total lease liability of \$301,458.36. The leases began in 2022 and 2023 and are for a term of four years. The implied interest rate is based on the County's estimated incremental borrowing rate of 3.50%. The leases are not expected to be renewed at the expiration of the lease agreements. Based on these leases, the County is making payments through November 30, 2026. The County paid \$74,716.69 of lease payments during the year ended December 31, 2023.

Equipment - The County is leasing golf carts with a total lease liability of \$336,756.78. The leases began in 2023 and are for a term of three years. The interest rate is 3.80%. The leases are not expected to be renewed at the expiration of the lease agreements. Based on these leases, the County is making payments through December 31, 2025. The County paid \$110,362.26 of lease payments during the year ended December 31, 2023.

Building Space - The County is leasing building space with a total lease liability of \$1,636,936.89. The leases began in 2020 and 2023 and are for a term of five and ten years. The implied interest rate is based on the County's estimated incremental borrowing rate of 3.00-3.50%. It is not known at this time if the leases will be renewed at the expiration of the lease agreements. Based on these leases, the County is making payments through October 31, 2030. The County paid \$183,374.36 of lease payments during the year ended December 31, 2023.

Under the provisions of GASB 87, as of December 31, 2023, the total balance of the lease liability is \$1,479,510.11, and the total balance of the related right to use leased assets are \$1,410,632.72. The leases are summarized as follows:

<u>Description</u>	<u>2023</u>	
	<u>Lease Liability</u>	<u>Lease Asset</u>
Building	\$ 259,274.62	\$ 256,921.49
Equipment - Copiers	176,680.88	167,209.37
Building	826,368.18	767,801.54
Equipment - Golf Carts	217,186.43	218,700.32
	<u>\$ 1,479,510.11</u>	<u>\$ 1,410,632.72</u>

As a result of the regulatory basis of accounting previously described in note 1, the County has not reported a lease liability or right to use leased assets.

Under the provision of GASB 87, annual requirements to amortize the total lease obligations and related interest are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 328,077.41	\$ 46,174.40	\$ 374,251.81
2025	343,711.52	34,389.89	378,101.41
2026	208,882.62	24,072.85	232,955.47
2027	185,124.95	17,663.96	202,788.91
2028	165,699.20	11,504.66	177,203.86
2029	133,308.80	6,555.52	139,864.32
2030	114,705.61	1,848.10	116,553.71
	<u>\$1,479,510.11</u>	<u>\$ 142,209.38</u>	<u>\$1,621,719.49</u>

Note 14: LEASE LIABILITY AND LEASE ASSET (CONT'D)

Under the provision of GASB 87, for the year ended December 31, 2023, the County would have recognized \$318,696.69 in amortization of total lease liability and \$49,756.62 in total interest on leases.

As a result of the regulatory basis of accounting previously described in note 1, for the year ended December 31, 2023, rental payments of approximately \$368,453.31 were paid.

Note 15: CONCENTRATIONS

The County depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the County is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 16: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the County expects such amount, if any, to be immaterial.

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

Note 17: SUBSEQUENT EVENTS

Authorization of Debt – Subsequent to December 31, the County authorized additional bonds or notes as follows:

<u>Purpose</u>	<u>Date</u>	<u>Authorization</u>
Various Capital Improvements/Chapter 12	2/21/2024	\$ 17,556,781

APPENDIX C

Form of Bond Counsel's Opinion



June 18, 2025

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

**RE: \$17,985,000 COUNTY OF GLOUCESTER, NEW JERSEY, GENERAL
OBLIGATION BONDS, SERIES 2025**

Members of the Board:

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 ("Bonds"). The Bonds consist of: (i) \$15,110,000 aggregate principal amount of General Improvement Bonds; (ii) \$2,875,000 aggregate principal amount of County College Bonds (Chapter 12).

The Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) bond ordinance 55758 ("Bond Ordinance"), duly and finally adopted by the Board of County Commissioners ("Board") and published in accordance with the requirements of the Local Bond Law; (iii) a resolution adopted by the Board on May 14, 2025 ("Resolution"); and (iv) a Certificate of Determination and Award executed by the County Treasurer on June 5, 2025 ("Award Certificate").

The Bonds are dated June 18, 2025, 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 interest rate per annum below, payable semi-annually on March 1 and September 1, commencing March 1, 2026, in each year until maturity or earlier redemption.

<u>Year</u>	<u>General Improvement Bonds</u>	<u>County College Bonds (Chapter 12)</u>	<u>Total Principal Amount</u>	<u>Interest Rate</u>
2026	\$670,000	\$95,000	\$765,000	5.000%
2027	825,000	105,000	930,000	5.000
2028	850,000	110,000	960,000	5.000
2029	880,000	110,000	990,000	5.000
2030	905,000	115,000	1,020,000	5.000
2031	935,000	120,000	1,055,000	5.000
2032	965,000	120,000	1,085,000	5.000
2033	995,000	125,000	1,120,000	4.000
2034	1,030,000	130,000	1,160,000	4.000
2035	1,070,000	135,000	1,205,000	4.000
2036	1,105,000	140,000	1,245,000	4.000
2037	1,150,000	145,000	1,295,000	4.000

COUNSEL WHEN IT MATTERS.SM



<u>Year</u>	<u>General Improvement Bonds</u>	<u>County College Bonds (Chapter 12)</u>	<u>Total Principal Amount</u>	<u>Interest Rate</u>
2038	\$1,200,000	\$155,000	\$1,355,000	4.000%
2039	1,260,000	160,000	1,420,000	4.000
2040	1,270,000	170,000	1,440,000	4.000
2041	0	180,000	180,000	4.000
2042	0	190,000	190,000	4.000
2043	0	190,000	190,000	4.000
2044	0	190,000	190,000	4.250
2045	0	190,000	190,000	4.375

The Bonds are issued in fully registered book-entry-only form without coupons. The Bonds are subject to redemption prior to their stated maturity dates on the terms and conditions set forth therein.

The Bonds are being issued to provide funds which will be used to finance or pay the costs of: (i) certain general capital improvements and equipment for which obligations have been authorized, but not issued; (ii) certain capital improvements for Rowan College of South Jersey ("RCSJ"), for which obligations have been authorized, but not issued; and (iii) certain costs and expenses related to the issuance and sale of such bonds.

As the basis for the opinions 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 Bond Ordinance, the Resolution, the Award Certificate, the representation of certain officials of the County and RCSJ having the responsibility for issuing the Bonds given pursuant to the Code as set forth in the Certificate as to Nonarbitrage and other Tax Matters ("Nonarbitrage Certificate"), and the other certifications, instruments, documents and opinions listed in the closing agenda prepared in connection with the settlement of the Bonds.

In rendering the following opinion, we have relied upon the authenticity, truthfulness and completeness of all documents, instruments, certifications and opinions 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 Bonds are legal, valid and binding obligations of the County enforceable in accordance with the respective 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 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 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, however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on such corporations.

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 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 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 and RCSJ with the applicable requirements of the Code, including requirements relating to, inter alia, the use and investment of proceeds of the 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 or RCSJ to comply with such covenants could result in the interest on the 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 Bonds.

Ownership of the 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 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 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 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 Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Owners of the 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 Bonds and any gain from the sale thereof are 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 Bonds.

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 18th day of June, 2025 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 Bonds, Series 2025, in the principal amount of \$17,985,000 ("Bonds"). The Bonds consist of: (i) \$15,110,000 aggregate principal amount of General Improvement Bonds; and (ii) \$2,875,000 aggregate principal amount of County College Bonds (Chapter 12).

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 June 5, 2025, 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, provided that the annual audited financial statements of the County may be submitted separately from the balance of the Annual Report and later than the date required in Section 3(a) hereof for the filing of the Annual Report if the annual audited financial statements are not available by that date, but only if the unaudited financial statements of the County are included in the Annual Report.

(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 obligation¹ 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 ten (10) 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.

¹ 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 Municipal Securities Rulemaking Board consistent with Rule 15c2-12.

(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 five (5) Business Days of the receipt of such instruction, with a copy of such notice provided by the Dissemination Agent to the County.

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 - 3rd 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 North
Mount Laurel, New Jersey 08054

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 11 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.

[Remainder of Page Intentionally Left Blank.]

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: \$15,110,000 General Improvement Bonds, Series 2025
\$2,875,000 County College Bonds (Ch. 12), Series 2025

Date of Issuance of the Affected Bond Issue: June 18, 2025

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 June 18, 2025, 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