

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Authority (as hereinafter defined), assuming continuing compliance by the Authority with certain tax covenants described herein, under existing law, interest on the 2025 Bonds (as hereinafter defined) is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended ("Code"), and will not constitute a tax preference item for purposes of the alternative minimum tax 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. In addition, interest on the 2025 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 presently enacted and construed. See "TAX MATTERS" herein.

\$16,695,000

THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY
(Gloucester County, New Jersey)
COUNTY GUARANTEED SOLID WASTE REVENUE BONDS
(CELL EXPANSION PROJECTS), SERIES 2025
(NON-CALLABLE)

Dated: Date of Delivery**Due: September 1, as shown on the inside cover**

The \$16,695,000 aggregate principal amount of County Guaranteed Solid Waste Revenue Bonds (Cell Expansion Projects), Series 2025 ("2025 Bonds") are being issued by The Gloucester County Improvement Authority ("Authority"), a political subdivision and public body corporate and politic of the State of New Jersey ("State"), pursuant to: (i) the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State, and the acts amendatory thereof and supplemental thereto ("Act"); and (ii) a bond resolution of the Authority duly adopted on July 8, 1992, as amended and supplemented by supplemental bond resolutions of the Authority, duly adopted on September 9, 1992, January 16, 2003, April 17, 2008, September 17, 2009, February 16, 2012, March 20, 2014, May 19, 2016, February 16, 2017, February 20, 2020, March 18, 2021, December 15, 2022, and January 16, 2025, respectively, and as further amended and supplemented by a Certificate of Authority Officer, to be dated the date of sale of the 2025 Bonds, duly executed by the Executive Director of the Authority (collectively, and as amended and supplemented to date, the "Bond Resolution"). The 2025 Bonds are subject to optional redemption prior to maturity as described herein.

The 2025 Bonds will be issued in fully registered form and, when issued, will be registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, Brooklyn, New York ("DTC"), an automated depository for securities and a clearinghouse for securities transactions. Individual purchases of the 2025 Bonds will be made in book-entry form (without certificates) in denominations of \$5,000 or any integral multiple thereof. The principal of the 2025 Bonds is payable on their respective maturity dates, in the years and in the amounts set forth on the inside front cover page hereof. Interest on the 2025 Bonds is payable semi-annually on the first day of March and September of each year until maturity or earlier redemption thereof, commencing on September 1, 2025, at the rates set forth on the inside front cover page hereof. The principal or Redemption Price (as hereinafter defined) of the 2025 Bonds will be payable upon presentation and surrender thereof at the corporate trust office of TD Bank, National Association, Mount Laurel, New Jersey ("Trustee", "Paying Agent" and "Registrar").

So long as Cede & Co. is the registered owner of the 2025 Bonds, payments of principal or Redemption Price of and interest on the 2025 Bonds will be made directly to DTC or its nominee, Cede & Co., which will remit such payments to Direct Participants (as hereinafter defined) which will, in turn, remit such payments to Beneficial Owners (as hereinafter defined) of the 2025 Bonds. Purchasers will not receive certificates representing their beneficial ownership interest in the 2025 Bonds purchased. For so long as any purchaser is a Beneficial Owner of the 2025 Bonds, such purchaser must maintain an account with a broker or dealer who is, or acts through, a Direct Participant to receive payment of the principal or Redemption Price of and interest on such 2025 Bonds.

The 2025 Bonds are being issued by the Authority to provide funds which will be used to finance: (i) the costs of acquisition, design, construction and equipping of new landfill cells (Cell 17 and 18) at the Authority-owned solid waste landfill ("Landfill") located at the Gloucester County Solid Waste Complex ("Complex") in the Township of South Harrison, in the County of Gloucester, New Jersey ("County"), to increase the waste disposal capacity of the Landfill; (ii) the costs of acquisition, design, and construction of other related capital improvements at the Complex; and (iii) the costs of issuance of the 2025 Bonds (collectively, the "2025 Project").

The 2025 Bonds are direct and special obligations of the Authority payable solely from the Revenues (as defined in the Bond Resolution) and all moneys, investment income and securities and funds established pursuant to and held by the Trustee under the Bond Resolution (collectively, the "Pledged Property"). The lien and pledge of the Pledged Property is subject to the prior right of the Authority to apply moneys to pay Operating Expenses (as defined in the Bond Resolution) of the Project (as defined in the Bond Resolution). The 2025 Bonds are also secured by the provisions of a Guaranty of the County ("County Guaranty"), pursuant to which the County has unconditionally guaranteed the payment, when due, of the principal of and interest on the 2025 Bonds, and will be unconditionally and irrevocably obligated to levy *ad valorem* taxes upon all taxable real property within the jurisdiction of the County for the payment, when due, of the principal of and interest on the 2025 Bonds without limitation as to rate or amount when required under the provisions of applicable law and the County Guaranty.

THE 2025 BONDS ARE NOT AND SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE AUTHORITY, SOLELY TO THE EXTENT OF THE PLEDGED PROPERTY, AND THE COUNTY, SOLELY TO THE EXTENT OF THE COUNTY GUARANTY), AND DO NOT AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF SAID STATE OR ANY SUCH SUBDIVISION THEREOF (EXCEPT THE AUTHORITY, SOLELY TO THE EXTENT OF THE PLEDGED PROPERTY, AND THE COUNTY, SOLELY TO THE EXTENT OF THE COUNTY GUARANTY) EITHER LEGAL, MORAL OR OTHERWISE. THE AUTHORITY HAS NO TAXING POWER.

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

The 2025 Bonds are offered when, as and if issued by the Authority, subject to the approval of certain legal matters by Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Authority, and certain other conditions. Certain matters will be passed upon for the Authority by its counsel, Angelini, Vinjar & Freedman, L.L.P., Woodbury, New Jersey; for the County by County Counsel, Eric M. Campo, Esquire, Woodbury, New Jersey; and for the Underwriter by its counsel, Gibbons, P.C., Newark, New Jersey. Acacia Financial Group, Inc., Mount Laurel, New Jersey has acted as Municipal Advisor to the Authority in connection with the issuance of the 2025 Bonds. It is expected that the 2025 Bonds will be available for delivery to the Trustee on behalf of DTC under the DTC FAST system of registration, against payment therefor, on or about July 16, 2025.

STIFEL

Dated: July 1, 2025

\$16,695,000
THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY
(Gloucester County, New Jersey)
COUNTY GUARANTEED SOLID WASTE REVENUE BONDS
(CELL EXPANSION PROJECTS), SERIES 2025

MATURITY SCHEDULE

<u>Maturity</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP*</u>
2025	\$1,950,000	5.000%	2.840%	100.262	37970MFK0
2026	1,340,000	5.000	2.640	102.596	37970MFL8
2027	1,405,000	5.000	2.640	104.842	37970MFM6
2028	1,475,000	5.000	2.640	107.031	37970MFN4
2029	1,550,000	5.000	2.650	109.122	37970MFP9
2030	1,630,000	5.000	2.710	110.885	37970MFQ7
2031	1,710,000	5.000	2.820	112.181	37970MFR5
2032	1,795,000	5.000	2.940	113.152	37970MFS3
2033	1,885,000	3.750	3.010	105.295	37970MFT1
2034	1,955,000	5.000	3.130	114.740	37970MFU8

** CUSIP is a registered trademark of the American Bankers Association. CUSIP numbers are provided by CUSIP Global Services, which is managed on behalf of American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of holders only at the time of issuance of the 2025 Bonds and neither the Authority nor the County makes 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 is subject to being changed after the issuance of the 2025 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 2025 Bonds.*

The information which is set forth herein has been provided by The Gloucester County Improvement Authority ("Authority"), the County of Gloucester, New Jersey ("County"), The Depository Trust Company, Brooklyn, New York ("DTC") and by other sources which are believed to be reliable by the Authority, but the information provided by such sources is not guaranteed as to accuracy or completeness by the Authority. 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. The Authority has not confirmed the accuracy or completeness of information relating to the County (except in those limited instances in which the Authority has provided information to the County which the County has included in APPENDIX A) and the Authority disclaims any responsibility for the accuracy or completeness thereof (except in those limited instances in which the Authority has provided information to the County which the County has included in APPENDIX A).

TD Bank, National Association, Mount Laurel, New Jersey, by acceptance of its duties as Trustee, Registrar, and Paying Agent under the Bond Resolution, has not reviewed this Official Statement and has made no representations as to the information contained herein including, but not limited to, any representations as to financial feasibility or related activities.

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

Where the Constitution or statutes of the State of New Jersey are referred to in this Official Statement, reference should be made to such Constitution or statutes for a complete statement of the matters referred to.

No dealer, broker, salesman or any other person has been authorized by the Authority to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the 2025 Bonds; and if given or made, such other information or representations must not be relied upon as having been authorized by the Authority. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the 2025 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the County since the date hereof.

Upon issuance, the 2025 Bonds will not be registered under the Securities Act of 1933, as amended, will not be listed on any stock or other securities exchange, and neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity, other than the Authority (subject to the limitations set forth above), will have passed upon the accuracy or adequacy of this Official Statement.

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

This Official Statement is not to be construed as a contract or agreement between the Authority, the Underwriter and the purchasers or the holders of any of the 2025 Bonds.

This Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced, copied, or used, in whole or in part, for any other purpose.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SECURITIES OFFERED HEREBY AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE AUTHORITY, THE COUNTY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE 2025 BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY
109 Budd Boulevard
Woodbury, New Jersey 08096

AUTHORITY MEMBERS

<u>Name</u>	<u>Position</u>
Charles Fentress	Chairperson
Paul Medany	Vice Chairperson
Gregory C. Ferretti.....	Secretary/Treasurer
Charles Della Vecchia.....	Asst. Secretary/Treasurer
B.J. Heinz.....	Commissioner

EXECUTIVE DIRECTOR

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TD Bank, National Association
Mount Laurel, New Jersey

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COMMISSION DIRECTOR

Frank J. DiMarco

COMMISSION DEPUTY DIRECTOR

Jim Jefferson

BOARD OF COUNTY COMMISSIONERS

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

COUNTY ADMINISTRATOR

Chad M. Bruner

COUNTY TREASURER/CFO

Tracey N. Giordano

CLERK OF THE BOARD OF COUNTY COMMISSIONERS

Laurie J. Burns

COUNTY COUNSEL

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COUNTY AUDITOR

Bowman & Company LLP
Woodbury and Voorhees, New Jersey

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OFFICIAL STATEMENT

Relating to

\$16,695,000 THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY (Gloucester County, New Jersey) COUNTY GUARANTEED SOLID WASTE REVENUE BONDS (CELL EXPANSION PROJECTS), SERIES 2025

INTRODUCTION

This Official Statement, which includes the cover page hereof and the Appendices attached hereto, is furnished by The Gloucester County Improvement Authority ("Authority"), a political subdivision and public body corporate and politic of the State of New Jersey ("State"), to provide certain information relating to: (i) the Authority; (ii) the Authority's Landfill (as hereinafter defined); (iii) the 2025 Project (as hereinafter defined); (iv) the County of Gloucester, New Jersey ("County"); and (v) the \$16,695,000 aggregate principal amount of County Guaranteed Solid Waste Revenue Bonds (Cell Expansion Projects), Series 2025 ("2025 Bonds") to be issued by the Authority. Capitalized words and terms which are used herein which are not ordinarily capitalized and which are not otherwise defined herein shall have the meanings which are assigned to such words and terms in the Bond Resolution (as hereinafter defined) as summarized in APPENDIX C attached hereto.

The 2025 Bonds are issued pursuant to: (i) the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State (*N.J.S.A. 40:37A-44 et seq.*), and the acts amendatory thereof and supplemental thereto ("Act"); and (ii) a bond resolution of the Authority, duly adopted on July 8, 1992, as amended and supplemented by supplemental bond resolutions of the Authority, duly adopted on September 9, 1992, January 16, 2003, April 17, 2008, September 17, 2009, February 16, 2012, March 20, 2014, May 19, 2016, February 16, 2017, February 20, 2020, March 18, 2021, December 15, 2022, and January 16, 2025, respectively, and as further amended and supplemented by a Certificate of Authority Officer duly executed by the Executive Director of the Authority to be dated the sale date of the 2025 Bonds (collectively, and as amended and supplemented to date, the "Bond Resolution").

The 2025 Bonds are being issued by the Authority to provide funds which will be used to finance: (i) the costs of acquisition, design, construction and equipping of new landfill cells (Cell 17 and 18) at the Authority-owned solid waste landfill ("Landfill") located at the Gloucester County Solid Waste Complex ("Complex") in the Township of South Harrison, in the County, to increase the waste disposal capacity of the Landfill; (ii) the costs of acquisition, design, and construction of other related capital improvements at the Complex; and (iii) the costs of issuance of the 2025 Bonds (collectively, the "2025 Project"). See "PURPOSE OF THE 2025 BOND ISSUE" herein for a description of the 2025 Project.

TD Bank, National Association, Mount Laurel, New Jersey, has been appointed by the Authority pursuant to the Bond Resolution to serve as trustee, paying agent and registrar ("Trustee", "Paying Agent" and "Registrar") for the 2025 Bonds.

The 2025 Bonds are direct and special obligations of the Authority payable solely from the Revenues generated in connection with the ownership and operation by the Authority of the Project (as defined in the Bond Resolution), and all moneys, investment income, securities and funds which are held

or set aside pursuant to the terms of the Bond Resolution or which are held in any funds which are established under the Bond Resolution (other than amounts on deposit in the Rebate Fund) (collectively, the "Pledged Property"). The 2025 Bonds are equally and ratably secured on a parity with the Authority's Outstanding County Guaranteed Solid Waste Revenue Bonds (Landfill Project, Series 2012) ("2012 Bonds"), the Authority's Outstanding County Guaranteed Solid Waste Revenue Bonds (Landfill Project, Series 2014) ("2014 Bonds"), the Authority's Outstanding County Guaranteed Solid Waste Revenue Refunding Bonds (Landfill Project, Series 2016) ("2016 Bonds"), the Authority's Outstanding County Guaranteed Solid Waste Revenue Bonds (Landfill Project, NJEIT Series 2017A-2) ("2017A-2 Bonds"), the Authority's Outstanding County Guaranteed Solid Waste Revenue Bonds (Landfill Project, NJIB Series 2020A-1) ("2020A-1 Bonds"), the Authority's Outstanding County Guaranteed Solid Waste Revenue Bonds (Landfill Project, NJIB Series 2021A-1) ("2021A-1 Bonds"), the Authority's Outstanding County Guaranteed Solid Waste Revenue Bonds (Landfill Expansion Project - Cell 16), Series 2023 ("2023 Bonds"), and any other Series of Additional Bonds (as defined in the Bond Resolution) to be issued pursuant to the Bond Resolution, by a pledge of the Pledged Property. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS – Outstanding Authority Solid Waste Revenue Bonds" herein. The lien and pledge of the Pledged Property is subject to the prior right of the Authority to apply moneys to: (i) pay Operating Expenses (as defined in the Bond Resolution) of the Project; and/or (ii) use any moneys, securities or funds held under the terms of the Bond Resolution for purposes which are authorized therein.

The 2025 Bonds are also secured by the provisions of the County Guaranty (as defined in the Bond Resolution), pursuant to which the County has unconditionally and irrevocably guaranteed the payment, when due, of the principal of and interest on the Outstanding 2012 Bonds, the Outstanding 2014 Bonds, the Outstanding 2016 Bonds, the Outstanding 2017A-2 Bonds, the Outstanding 2020A-1 Bonds, the Outstanding 2021A-1 Bonds, the Outstanding 2023 Bonds and the 2025 Bonds. The County, upon endorsement of the 2025 Bonds by the Commissioner-Director of the County, will be unconditionally and irrevocably obligated to levy *ad valorem* taxes upon all taxable real property within the jurisdiction of the County without limitation as to rate or amount when required under the provisions of applicable law and the County Guaranty for the payment, when due, of the principal of and interest on the 2025 Bonds.

Copies of the Bond Resolution and the County Guaranty are on file at the offices of the Authority in Woodbury, New Jersey and at the corporate trust office of the Trustee in Mount Laurel, New Jersey, and reference is made to such documents for the provisions relating to, among other things, the terms of and the security for the 2025 Bonds, the custody and application of the proceeds of the 2025 Bonds, the rights and remedies of the Holders of the 2025 Bonds, and the rights, duties and obligations of the Authority, the County and the Trustee.

There follows in this Official Statement brief descriptions of the 2025 Bonds, the Bond Resolution, the County Guaranty, the Authority, the Landfill, the Complex, and the 2025 Project. A description of the County is attached to this Official Statement as APPENDIX A. An Excerpt of Report of Audit of 2024 Financial Statements of the County of Gloucester, New Jersey is attached to this Official Statement as APPENDIX B. The Authority has not confirmed the accuracy or completeness of the information relating to the County (except in those limited instances in which the Authority has provided information to the County, which information the County has included in APPENDIX A), and the Authority disclaims any responsibility for the accuracy or completeness thereof (except in those limited instances in which the Authority has provided information to the County, which the County has included in APPENDIX A).

The summaries of and references to all documents, statutes, reports and other instruments which are referred to herein do not purport to be complete, comprehensive or definitive, and each such summary and reference is qualified in its entirety by reference to such document, statute, report or instrument.

AUTHORIZATION FOR THE 2025 BONDS

The 2025 Bonds are issued under and authorized pursuant to the Constitution and laws of the State including, particularly, the Act and the Bond Resolution.

The financing plan of the Authority regarding the 2025 Bonds was reviewed by the Local Finance Board of the Division of Local Government Services within the State Department of Community Affairs ("Local Finance Board") at a meeting held on December 11, 2024. On said date, the Local Finance Board passed separate resolutions: (i) providing positive findings as to the method for the proposed funding of the costs of the 2025 Project and the terms of the financing; and (ii) positive findings for the final adoption by the County of an ordinance authorizing and approving the provision by the County of the County Guaranty by amendment to an existing guaranty ordinance of the County (as further described herein). The Authority will confirm the findings of the Local Finance Board by resolution to be adopted on or around July 17, 2025.

In addition, in accordance with the provisions of the New Jersey Solid Waste Utility Control Act, *N.J.S.A. 48:3-9* and the regulations promulgated pursuant thereto, the Authority submitted a petition with the State Department of Environmental Protection ("NJDEP") requesting approval to issue the 2025 Bonds and a waiver from the NJDEP's policy requiring competitive sale of the 2025 Bonds ("Petition"). The NJDEP issued its Solid Waste Order, dated February 21, 2025, approving the Petition, including the issuance of the 2025 Bonds.

PURPOSE OF THE 2025 BOND ISSUE

General – The 2025 Project

The 2025 Bonds are being issued by the Authority to provide funds which will be used to finance: (i) the costs of acquisition, design, construction and equipping of new landfill cells (Cell 17 and 18) at the Authority-owned Landfill located at the Complex in the Township of South Harrison, in the County, to increase the waste disposal capacity of the Landfill; (ii) the costs of acquisition, design, and construction of other related capital improvements at the Complex; and (iii) the costs of issuance of the 2025 Bonds. The Authority anticipates that it will need to issue other Series of Additional Bonds in order to finance the costs of construction of the continued expansion of the Landfill and other capital improvements to the Complex as and when deemed necessary. See "THE AUTHORITY – The Landfill" herein.

DESCRIPTION OF THE 2025 BONDS

General

The 2025 Bonds are issuable as fully registered bonds. The 2025 Bonds will mature on the dates and bear interest at the rates set forth on the inside front cover page of this Official Statement and will be issued in book-entry form. Interest on the 2025 Bonds, calculated on the basis of a 360-day year of twelve 30-day months, is payable on the first day of March and September of each year, commencing on September 1, 2025, until maturity or earlier redemption. So long as The Depository Trust Company,

Brooklyn, New York ("DTC"), or its nominee, Cede & Co., is the registered owner of the 2025 Bonds, payments of the principal or redemption price of, and interest on, the 2025 Bonds will be made directly to Cede & Co., as nominee for DTC.

Disbursement of such payments to the participants of DTC ("Direct Participants") is the responsibility of DTC and the disbursement of such payments to the Beneficial Owners (as defined herein) of the 2025 Bonds is the responsibility of the Direct Participants and not the Authority or the Paying Agent. See "DESCRIPTION OF THE 2025 BONDS – Book-Entry-Only System" below.

Optional Redemption

The 2025 Bonds are not subject to optional redemption prior to maturity.

Book-Entry-Only System

The information contained in this section concerning DTC and the DTC Book-Entry Only System has been obtained from sources that the Authority and the Underwriter believe to be reliable. However, the Authority and the Underwriter take no responsibility for the accuracy thereof. The Beneficial Owners should confirm the information with DTC or the DTC Participants, as the case may be.

DTC will act as securities depository for the 2025 Bonds. The 2025 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 2025 Bonds, in the aggregate principal amount of such maturity of the 2025 Bonds, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 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 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2025 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 2025 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 the 2025 Bonds, except in the event that use of the book-entry only system for the 2025 Bonds is discontinued.

To facilitate subsequent transfers, all 2025 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 2025 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 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2025 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 2025 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2025 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 Authority or the Trustee 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 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption premium, if any, and interest payments on the 2025 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 Authority or the Trustee, on the 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 nor its nominee, the Authority or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any, or interest payments to Cede & Co. (or such other nominee as may be requested by an authorized

representative of DTC) is the responsibility of the Authority or the Trustee, 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 securities depository with respect to the 2025 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, 2025 Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, 2025 Bond certificates will be printed and delivered to DTC.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE 2025 BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE 2025 BONDS (EXCLUDING ALL REFERENCES THERETO UNDER THE HEADING "TAX MATTERS" HEREIN) MEANS CEDE & CO., NOT THE BENEFICIAL OWNERS OF THE 2025 BONDS.

THE AUTHORITY, THE TRUSTEE, THE REGISTRAR, THE PAYING AGENT AND THE UNDERWRITER CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO ITS PARTICIPANTS OR THAT DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO BENEFICIAL OWNERS OF THE 2025 BONDS (1) PAYMENTS OF THE PRINCIPAL OF, REDEMPTION PREMIUM, IF ANY, OR INTEREST ON THE 2025 BONDS, OR (2) CONFIRMATION OF OWNERSHIP INTERESTS IN THE 2025 BONDS, OR (3) REDEMPTION OR OTHER NOTICES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SEC AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH ITS PARTICIPANTS ARE ON FILE WITH DTC.

NONE OF THE AUTHORITY, THE TRUSTEE, THE REGISTRAR, THE PAYING AGENT OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC, DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OF THE 2025 BONDS WITH RESPECT TO: (1) THE 2025 BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ITS NOMINEE, OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC TO ANY DIRECT PARTICIPANT OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF, REDEMPTION PREMIUM, IF ANY, OR INTEREST ON ANY 2025 BONDS; (4) THE DELIVERY BY DTC, ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE BOND RESOLUTION TO BE GIVEN TO THE BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE 2025 BONDS; OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT.

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 2025 Bonds, the following provisions would apply: (i) the 2025 Bonds may be exchanged for an equal aggregate principal amount of 2025 Bonds in other authorized denominations and of the same maturity, upon surrender thereof at the offices of the Authority or its designated paying agent; (ii) the transfer of any 2025 Bonds may be registered on the books maintained by the Authority or its designated paying agent for such purpose only upon the surrender thereof to the Authority or its designated paying agent together with the duly executed assignment in form satisfactory to the Authority or its designated paying agent; and (iii) for every exchange or registration of transfer of 2025 Bonds, the Authority, 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 2025 Bonds. Interest on the 2025 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 AND SOURCES OF PAYMENT FOR THE 2025 BONDS

General

The 2025 Bonds constitute direct and special obligations of the Authority. Under the terms of the Bond Resolution, the Authority has pledged the Pledged Property to the repayment of the principal or Redemption Price of and interest on the Outstanding 2012 Bonds, the Outstanding 2014 Bonds, the Outstanding 2016 Bonds, the Outstanding 2017A-2 Bonds, the Outstanding 2020A-1 Bonds, the Outstanding 2021A-1 Bonds, the Outstanding 2023 Bonds, the 2025 Bonds and any other Additional Bonds issued pursuant thereto. Such pledge is, however, in accordance with the provisions of the Bond Resolution, subject to the prior right of the Authority to apply the Pledged Property to the payment of Operating Expenses of the Project and/or the right to use any moneys, securities or funds held under the terms of the Bond Resolution for purposes authorized pursuant to the Bond Resolution.

The term "Revenues" includes: (i) all revenues, income and receipts derived or to be derived by the Authority from or attributable to the ownership or use of the Project; (ii) the proceeds of any insurance covering a loss due to an interruption in the operation of the Project; and (iii) any investment income derived from the investment of any funds which are held by the Trustee and which are deposited in the Revenue Fund pursuant to the terms of the Bond Resolution. See "THE AUTHORITY – Revenues" below.

No recourse shall be had by the Trustee or any Bondholder for any claim based on the 2025 Bonds or the Bond Resolution against any director, commissioner, member, officer, agent or employee, past, present, future, of, as the case may be, the Authority or the County, either directly or through the Authority or the County, as the case may be, or any such successor body, under any constitutional provision, statute or rule of law or by assessment or penalty or by any legal or equitable proceeding or otherwise unless such claim is based upon the willful dishonesty of or intentional violation of law by such person. No covenant stipulation, obligation or agreement of the Authority or the County contained in the 2025 Bonds or the Bond Resolution or in any document to which the Authority or the County is a party shall be deemed to be a stipulation, obligation or agreement of any present or future director, commissioner, member, officer, agent or employee of, as the case may be, the Authority or the County in his or her individual capacity,

and any director, commissioner, member, officer, agent or employee of, as the case may be, the Authority or the County executing the 2025 Bonds shall not be liable personally thereon or subject to any personal liability or accountability by reason of the issuance thereof.

THE 2025 BONDS ARE NOT AND SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE AUTHORITY, SOLELY TO THE EXTENT OF THE PLEDGED PROPERTY, AND THE COUNTY, SOLELY TO THE EXTENT OF THE COUNTY GUARANTY), AND DO NOT AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF SAID STATE OR ANY SUCH SUBDIVISION THEREOF (EXCEPT THE AUTHORITY, SOLELY TO THE EXTENT OF THE PLEDGED PROPERTY, AND THE COUNTY, SOLELY TO THE EXTENT OF THE COUNTY GUARANTY) EITHER LEGAL, MORAL OR OTHERWISE. THE AUTHORITY HAS NO TAXING POWER.

Bond Reserve Fund, Renewal and Replacement Fund and Rate Stabilization Fund

The Bond Resolution establishes the Bond Reserve Fund, the Renewal and Replacement Fund and the Rate Stabilization Fund. The Bond Reserve Fund is required to be funded from Bond proceeds in an amount specified in the Supplemental Resolution for a particular Series of Bonds that is equal to the Bond Reserve Requirement for each Series of Bonds. There is no Bond Reserve Requirement with respect to either the Outstanding 2012 Bonds, the Outstanding 2014 Bonds, the Outstanding 2016 Bonds, the Outstanding 2017A-2 Bonds, the Outstanding 2020A-1 Bonds, the Outstanding 2021A-1 Bonds, the Outstanding 2023 Bonds or the 2025 Bonds. The Renewal and Replacement Fund is required to be funded from Revenues in an amount that is equal to the Project Reserve Requirement. The Project Reserve Requirement is equal to the amount that, as certified (at least annually or upon the issuance of any Series of Bonds) by the Consulting Engineer or an Authorized Officer of the Authority and filed with the Trustee, is reasonably necessary to be held as a reserve for expenses with respect to the Project for major repairs, renewals, replacements or maintenance items of a type not recurring annually or at shorter intervals. In connection with the issuance and delivery of the 2025 Bonds, the Consulting Engineer has certified that the Project Reserve Requirement for Fiscal Year 2025 is \$250,000 (funded from general funds of the Authority currently held by the Trustee in the Renewal and Replacement Fund). The Rate Stabilization Fund is required to be funded only to the extent of money available at the time of such deposit, in an amount that is equal to the Rate Stabilization Requirement. The Rate Stabilization Requirement is the amount, established at least annually, which does not exceed 33% of the rates and charges charged, imposed and collected pursuant to the Bond Resolution. The Rate Stabilization Requirement currently is set at zero for each of the Outstanding 2012 Bonds, Outstanding 2014 Bonds, Outstanding 2016 Bonds, Outstanding 2017A-2 Bonds, Outstanding 2020A-1 Bonds, Outstanding 2021A-1 Bonds, Outstanding 2023 Bonds and the 2025 Bonds.

General Fund; Release of Revenues

The Bond Resolution establishes a General Fund. Upon the fulfillment of certain conditions, Revenues may be transferred to the General Fund and thereafter applied to any lawful purpose of the Authority, free and clear of the lien of the Bond Resolution. See "APPENDIX C – DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION--Application and Investment of General Fund (Section 512)" hereto.

Bond Resolution to Constitute Contract

In consideration of the purchase and acceptance of the 2025 Bonds by those who shall hold the same from time to time, the provisions of the Bond Resolution shall be deemed to be and shall constitute contracts between the Authority, the Trustee, the issuer of any Credit Facility or Liquidity Facility and the Holders from time to time of the Outstanding 2012 Bonds, the Outstanding 2014 Bonds, the Outstanding 2016 Bonds, the Outstanding 2017A-2 Bonds, the Outstanding 2020A-1 Bonds, the Outstanding 2021A-1 Bonds, the Outstanding 2023 Bonds, the 2025 Bonds and any other Additional Bonds. Any pledge which is made in the Bond Resolution for the benefit of the Holders of the 2025 Bonds and the covenants and agreements which are set forth therein and which are to be performed by or on behalf of the Authority are for the equal benefit, protection and security of: (i) the Holders of such Outstanding 2012 Bonds, Outstanding 2014 Bonds, Outstanding 2016 Bonds, Outstanding 2017A-2 Bonds, Outstanding 2020A-1 Bonds, Outstanding 2021A-1 Bonds, the Outstanding 2023 Bonds, the 2025 Bonds and any other Additional Bonds all of which, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction as to lien of any of the Outstanding 2012 Bonds, the Outstanding 2014 Bonds, the Outstanding 2016 Bonds, Outstanding 2017A-2 Bonds, Outstanding 2020A-1 Bonds, Outstanding 2021A-1 Bonds, Outstanding 2023 Bonds, the 2025 Bonds and any other Additional Bonds over any other thereof except as expressly provided in or pursuant to the terms of the Bond Resolution; and (ii) the issuer of any Credit Facility or Liquidity Facility for any Additional Bonds.

County Guaranty

The Board of County Commissioners ("Board") of the County duly and finally adopted in accordance with the provisions of Chapter 169 of the Pamphlet Laws of 1960 of the State, as amended and supplemented ("Local Bond Law"), a Guaranty Ordinance on December 27, 2024, further amending the County Guaranty as theretofore previously amended to date, authorizing the guaranty by the County of the 2025 Bonds in an amount not-to-exceed \$37,000,000. Upon the endorsement of the 2025 Bonds by the County, the County will be unconditionally and irrevocably obligated to pay the principal of and interest on the Outstanding 2012 Bonds, the Outstanding 2014 Bonds, the Outstanding 2016 Bonds, Outstanding 2017A-2 Bonds, Outstanding 2020A-1 Bonds, Outstanding 2021A-1 Bonds, Outstanding 2023 Bonds and the 2025 Bonds, when due, to the extent not otherwise paid by the Authority. Furthermore, the County, upon its endorsement of the 2025 Bonds, will be unconditionally and irrevocably obligated to levy *ad valorem* taxes upon all taxable real property within the jurisdiction of the County without limitation as to rate or amount when required under the provisions of applicable law and the County Guaranty for the payment, when due, of the principal of and interest on the Outstanding 2012 Bonds, the Outstanding 2014 Bonds, the Outstanding 2016 Bonds, the Outstanding 2017A-2 Bonds, the Outstanding 2020A-1 Bonds, the Outstanding 2021A-1 Bonds, the Outstanding 2023 Bonds and the 2025 Bonds.

Outstanding Authority Solid Waste Revenue Bonds

As of December 31, 2024, the 2012 Bonds were Outstanding in the principal amount of \$550,000. See "DEBT SERVICE REQUIREMENTS" herein for the debt service due on the Outstanding 2012 Bonds.

As of December 31, 2024, the 2014 Bonds were Outstanding in the principal amount of \$2,835,000. See "DEBT SERVICE REQUIREMENTS" herein for the debt service due on the Outstanding 2014 Bonds.

As of December 31, 2024, the 2016 Bonds were Outstanding in the principal amount of \$5,900,000. See "DEBT SERVICE REQUIREMENTS" herein for the debt service due on the Outstanding 2016 Bonds.

As of December 31, 2024, the 2017A-2 Bonds were Outstanding in the principal amount of \$2,916,850. See "DEBT SERVICE REQUIREMENTS" herein for the debt service due on the Outstanding 2017A-2 Bonds.

As of December 31, 2024, the 2020A-1 Bonds were Outstanding in the principal amount of \$2,618,859. See "DEBT SERVICE REQUIREMENTS" herein for the debt service due on the Outstanding 2020A-1 Bonds.

As of December 31, 2024, the 2021A-1 Bonds were Outstanding in the principal amount of \$4,479,480. See "DEBT SERVICE REQUIREMENTS" herein for the debt service due on the Outstanding 2021A-1 Bonds.

As of December 31, 2024, the 2023 Bonds were Outstanding in the principal amount of \$8,915,000. See "DEBT SERVICE REQUIREMENTS" herein for the debt service due on the Outstanding 2023 Bonds.

For a listing of the other obligations of the Authority issued and outstanding under other bond resolutions which are secured by the full faith and credit of the County in the form of a guaranty by the County, see "APPENDIX A – CERTAIN INFORMATION CONCERNING THE COUNTY OF GLOUCESTER, NEW JERSEY--CONTINGENT DEBT LIABILITY—The Gloucester County Improvement Authority" hereto.

Additional Bonds

Pursuant to the Bond Resolution, the Authority may issue one or more Series of Additional Bonds for the purposes further described in the Bond Resolution. See "APPENDIX C – DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION--Purposes, Authorization and Description of Additional Bonds (Section 317)" hereto. Each Series of Additional Bonds is entitled to the benefit and security of the Bond Resolution on a parity with the Outstanding 2012 Bonds, the Outstanding 2014 Bonds, the Outstanding 2016 Bonds, the Outstanding 2017A-2 Bonds, the Outstanding 2020A-1 Bonds, the Outstanding 2021A-1 Bonds, the Outstanding 2023 Bonds, the 2025 Bonds and any other Series of Additional Bonds issued within the limitations and provisions of the Bond Resolution.

IMPACT OF COVID-19 AND OTHER SIMILAR HEALTH EMERGENCIES

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 new strain of coronavirus ("Coronavirus" or "COVID-19"). A national emergency was declared by the President of the United States ("President") (which has since been terminated), to provide federal intervention for the mitigation of the Coronavirus

as a public health emergency and to unlock federal funds and assistance to help states and local governments manage the pandemic. On March 9, 2020, the Governor of the State of New Jersey ("Governor") issued Executive Order 103, pursuant to which the Governor declared a State of Emergency and a Public Health Emergency, thereby allowing State agencies and departments to utilize State resources to assist affected communities in response to the COVID-19 outbreak.

The federal Public Health Emergency was terminated on May 11, 2023, but the State of Emergency for the State remains in effect as of the date hereof. Other Executive Orders (some of which have since been modified or rescinded) limited various activities and undertook measures in an attempt to slow the spread of COVID-19 throughout the State. These measures, impacted the behavior of businesses and individuals, had significant impacts on regional, state, and local economies. See <https://covid19.nj.gov> for further detail regarding the impact of COVID-19 on the State and the Governor's various executive orders.

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

The COVID-19 pandemic has not had a material adverse impact on the finances of the Authority or the County through the end of fiscal year 2024.

While the effects of COVID-19 have abated significantly in the State, the Authority and the County cannot predict, and do not predict, whether or if COVID-19, or any similar health emergencies, may reemerge or emerge in the future and, if such event occurs, what the effects thereof may have upon global, State-wide and local economies and operations, including that of the Authority and the County.

CLIMATE

The State 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 Authority and the County as well as resulting in economic impacts such as loss of revenues, interruption of 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 operations or financial condition of the Authority or the County.

CYBER SECURITY

The Authority and the County each rely on a complex technology environment to conduct their various operations. As a result, both the Authority and the County face 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, each of the Authority and the County has invested in multiple forms of cybersecurity and operational safeguards.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds in connection with the issuance of the 2025 Bonds:

Sources of Funds:

Principal Amount of 2025 Bonds	\$16,695,000.00
Original Issue Premium.	1,362,800.50
TOTAL SOURCES OF	\$18,057,800.50

Uses of Funds:

Deposit to 2025 Landfill Project Account	\$17,841,801.75
Costs of Issuance ⁽¹⁾	215,998.75
TOTAL USES OF FUNDS.....	\$18,057,800.50

⁽¹⁾ Includes Underwriter’s discount, legal, printing, financial advisory, credit rating, Trustee, Paying Agent, Registrar, Dissemination Agent, County and Authority fees, contingency and other fees and expenses.

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DEBT SERVICE REQUIREMENTS

The following table details the principal and interest payments required during the term of the 2025 Bonds, together with the required debt service on the remaining Outstanding 2012 Bonds, the Outstanding 2014 Bonds, the Outstanding 2016 Bonds, the Outstanding 2017A-2 Bonds, the Outstanding 2020A-1 Bonds, the Outstanding 2021A-1 Bonds, the Outstanding 2023 Bonds, and 2025 Bonds, with interest and total debt service rounded to the nearest dollar⁽¹⁾:

<u>Bond Year</u> <u>Ending</u> <u>Dec. 31</u>	<u>SERIES 2012 BONDS</u>		<u>SERIES 2014 BONDS</u>		<u>SERIES 2016 BONDS</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$550,000	\$8,250	\$365,000	\$89,613	\$885,000	\$229,250
2026	-	-	380,000	74,788	920,000	186,800
2027	-	-	390,000	62,994	965,000	144,500
2028	-	-	405,000	50,319	1,005,000	105,100
2029	-	-	420,000	36,913	1,040,000	64,200
2030	-	-	430,000	22,831	1,085,000	21,700
2031	-	-	445,000	7,788	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
2034	-	-	-	-	-	-
TOTAL:	<u>\$550,000</u>	<u>\$8,250</u>	<u>\$2,835,000</u>	<u>\$345,243</u>	<u>\$5,900,000</u>	<u>\$751,550</u>

<u>Bond Year</u> <u>Ending</u> <u>Dec. 31</u>	<u>SERIES 2017A-2 BONDS</u>			<u>SERIES 2020A-1 BONDS</u>			<u>SERIES 2021A-1 BONDS</u>		
	<u>Trust</u> <u>Principal</u>	<u>Fund</u> <u>Principal</u>	<u>Interest</u>	<u>Trust</u> <u>Principal</u>	<u>Fund</u> <u>Principal</u>	<u>Interest</u>	<u>Trust</u> <u>Principal</u>	<u>Fund</u> <u>Principal</u>	<u>Interest</u>
2025	\$105,000	\$315,531	\$30,135	\$120,000	\$391,772	\$36,270	\$520,000	\$557,370	\$123,510
2026	110,000	315,531	24,885	125,000	391,772	30,270	550,000	557,370	97,510
2027	115,000	315,531	19,385	130,000	391,772	24,020	575,000	557,370	70,010
2028	120,000	315,531	16,941	140,000	391,772	17,520	605,000	557,370	41,260
2029	125,000	315,531	14,091	145,000	391,772	10,520	-	-	-
2030	125,000	315,531	10,966	-	-	-	-	-	-
2031	130,000	193,667	7,685	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-
TOTAL:	<u>\$830,000</u>	<u>\$2,086,849</u>	<u>\$124,089</u>	<u>\$660,000</u>	<u>\$1,958,860</u>	<u>\$118,600</u>	<u>\$2,250,000</u>	<u>\$2,229,481</u>	<u>\$332,290</u>

<u>Bond Year</u> <u>Ending</u> <u>Dec. 31</u>	<u>SERIES 2023 BONDS</u>			<u>SERIES 2025 BONDS</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
2025	\$705,000	\$428,125	\$5,459,825	2025	\$1,950,000	\$101,398.44
2026	740,000	392,000	4,895,925	2026	1,340,000	713,687.50
2027	780,000	354,000	4,894,581	2027	1,405,000	646,687.50
2028	820,000	314,000	4,904,813	2028	1,475,000	576,437.50
2029	860,000	272,000	3,695,026	2029	1,550,000	502,687.50
2030	905,000	227,875	3,143,903	2030	1,630,000	425,187.50
2031	950,000	181,500	1,915,639	2031	1,710,000	343,687.50
2032	1,000,000	132,750	1,132,750	2032	1,795,000	258,187.50
2033	1,050,000	81,500	1,131,500	2033	1,885,000	168,437.50
2034	1,105,000	27,625	1,132,625	2034	1,955,000	97,750.00
TOTAL	<u>\$8,660,000</u>	<u>\$1,983,250</u>	<u>\$32,306,588</u>	TOTAL	<u>\$16,695,000</u>	<u>\$3,834,148.44</u>

⁽¹⁾ Includes the Outstanding 2012 Bonds, the Outstanding 2014 Bonds, the Outstanding 2016 Bonds, the Outstanding 2017A-2 Bonds, the Outstanding 2020A1 Bonds, the Outstanding 2021A-1 Bonds, the Outstanding 2023 Bonds and 2025 Bonds only; the County and the Authority have other outstanding indebtedness. See APPENDICES A and B hereto for additional debt and other financial information related to the County and the Authority. Totals may not add due to rounding. Bond year 2025 totals includes the full fiscal year payments.

THE AUTHORITY

Creation and Powers

The Authority is a public body corporate and politic of the State and was created by a resolution of the Board pursuant to the Act.

The Authority has broad powers under the Act including, among others, the following: to sue and be sued; to enter into leases and contracts; to acquire property by any lawful means, including the exercise of the power of eminent domain; to hold, operate and administer its property; to issue its negotiable bonds and to secure their payment and the rights of holders thereof under a bond resolution; to enter into contracts; to charge and collect charges for use of its facilities and to revise such charges which the Act requires to be charged such that the revenues of the Authority will at all times be adequate to pay all administrative expenses, to pay punctually the principal of and interest on any bonds, to maintain reserves and sinking funds therefor, as may be required by the terms of any contracts with Bondholders, and to make and enforce rules and regulations for the management of its business and affairs.

The Authority was established for, among other purposes, the purpose of providing for the construction of public buildings, transportation facilities, the acquisition of equipment and the acquisition of property owned by the federal government. Subsequent amendments to the Act permit the Authority to provide for the construction of convention halls, solid waste disposal facilities, recreational/entertainment centers, low and moderate income housing, to plan, initiate and carry out redevelopment projects and to provide financing on behalf of certain non-profit entities.

The Authority's mailing address is 109 Budd Boulevard, Woodbury, New Jersey 08096.

Management

The governing body of the Authority consists of five members appointed by the Board. There is currently one vacancy on the governing body of the Authority. The Authority's staff is supervised by the Executive Director. George D. Strachan was appointed as Executive Director of the Authority on February 17, 2017. The present members of the governing body of the Authority, their offices and the expiration dates of their terms as members are as follows:

<u>Name</u>	<u>Office</u>	<u>Expiration of Term</u>
Charles Fentress	Chairperson	February 1, 2030
Paul Medany	Vice Chairperson	February 1, 2028
Gregory C. Ferretti	Secretary/Treasurer	February 1, 2026
Charles Della Vecchia	Asst. Sec/Treasurer	February 1, 2027
B.J. Heinz	Commissioner	February 1, 2030

County Solid Waste System

Pursuant to the Solid Waste Management Act, constituting Chapter 39 of the Pamphlet Laws of 1970 of the State of New Jersey, as amended and supplemented, and the regulations promulgated thereunder (collectively, the "Solid Waste Management Act"), a County-wide solid waste management system has been implemented by the Authority in accordance with the County Solid Waste Management

Plan ("Plan") and consists of two primary components: (i) a mass burn waste-to-energy facility located in West Deptford, New Jersey ("Resource Recovery Facility") whose construction was approved by the Board of Chosen Freeholders (currently known as the Board of County Commissioners) on July 24, 1985; and (ii) the Landfill. The Landfill was opened and began to receive solid waste generated from within the County on February 9, 1987.

The Resource Recovery Facility

The Resource Recovery Facility was constructed and is owned and operated by Wheelabrator Gloucester Company, L.P., a subsidiary of WTI Energy, Inc. ("Company"). A solid waste franchise was granted by NJDEP (as successor to the Board of Public Utilities) to the Company, which franchise required the disposal and processing of the municipal solid waste generated within the County, other than non-processible waste and bypass waste, to occur at the Resource Recovery Facility. The Landfill is owned and operated by the Authority. A solid waste franchise was granted by NJDEP to the Authority, which franchise required that all non-processible waste and bypass waste and all ash residue from the Resource Recovery Facility be disposed of at the Landfill.

The aforesaid County-wide solid waste management system was determined to be unconstitutional based upon the decision in *Atlantic Coast Demolition & Recycling, Inc. v. Board of Chosen Freeholders of Atlantic County*, 112 F.3d 652 (3d Cir. 1997). In response thereto, the County made certain amendments to its solid waste management system in accordance with the findings of the court in the *Atlantic Coast* case and the requirements of the Solid Waste Management Act and related statutes. The first Plan Amendment occurred in October 1997. It set forth a plan for the Authority to procure voluntary contracts for the disposal of solid waste to ensure sufficient revenues to meet its financial obligations. Shortly thereafter, the County and Authority determined to alter this solid waste plan and on February 18, 1998, the County adopted a further amendment to its solid waste management plan which provided for the non-discriminatory procurement of solid waste disposal services in accordance with the *Atlantic Coast* decision requirements and the relevant State statutes. On March 24, 1998, the NJDEP certified this Plan Amendment approving the County's procurement plan, subject to receipt of a subsequent filing by the County identifying the name of the entity with whom it contracts for the disposal services.

The Authority originally procured solid waste disposal services pursuant to the McEnroe Act, *N.J.S.A. 13-1E-136 et seq.* ("McEnroe Act"), and negotiated a ten (10) year agreement with the Company ("Original Agreement") which expired on December 31, 2009 and subsequent 10 year agreement which expired December 31, 2019. The Authority re-procured solid waste disposal services for a third ten-year period under terms similar to the Original Agreement in accordance with the provisions of the McEnroe Act pursuant to the terms of an Agreement for Provision of Resource Recovery Services, dated December 21, 2019 ("Current Agreement"), between the Authority and the Company. The term of the Current Agreement commenced on January 1, 2020 and expires on December 31, 2029, unless extended or earlier terminated. The Current Agreement provides that the Authority 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 Current Agreement contractually obligates the Company to dispose of its residual ash waste at the Landfill, and authorizes the Authority to accept, at the Landfill for a disposal fee, construction and demolition waste and non-processible waste (collectively, the "New System"). The County's Solid Waste System is further described in APPENDIX A attached hereto under "SOLID WASTE MATTERS."

The Landfill

The Authority has constructed and operates the Landfill in accordance with the Plan. The Landfill is located on an approximately five hundred seventy-three (573) acre site ("Landfill Site") in South Harrison Township, in the County, and includes approximately one hundred twenty (120) acres of additional land ("Expansion Parcel") acquired by the Authority in 2008 in connection with a planned lateral expansion of the Landfill.

Approximately eighty-six (86) acres of the Landfill Site are currently subject to NJDEP permit approval and used for solid waste disposal. Approximately fifty-two (52) acres of the Expansion Parcel received NJDEP permit approval on April 20, 2012, increasing the Landfill disposal area to approximately 138 acres and providing for approximately 7.6 million cubic yards of additional air space for solid waste disposal. Ancillary structures, such as a scale house and maintenance garage, occupy approximately sixteen (16) acres of the Landfill Site. The remainder of the Landfill Site consists of various Landfill Site improvements (e.g. access roads, storm water management swales and basins, leachate collection and storage facilities) and buffer for the surrounding area.

The Authority's planned cell expansion of the Landfill for which it has received NJDEP permits extends the useful life of the Landfill to 2034.

Revenues

The operation of the Landfill is the Authority's main source of income. The Revenues are derived primarily from (1) ash waste residue delivered from the Resource Recovery Facility, (2) bypassed Acceptable Waste (as defined in the Current Agreement) and (3) nonperishable waste delivered to the Landfill. The Current Agreement provides for the establishment of a tipping fee for Acceptable Waste delivered to the Resource Recovery Facility pursuant to a formula that escalates annually as a function of, among other things, the Producer Price Index for Commodities. Pursuant to the Current Agreement, the tipping fee in effect for the year 2025 is \$86.74 per ton of bypassed Acceptable Waste (as defined in the Current Agreement).

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Landfill Financial Highlights
(Fiscal Year Ended, December 31)

	2020	2021	2022	2023	Unaudited 2024
Operating Revenues					
Tipping Fees	\$31,709,000	\$36,836,611	\$35,093,925	\$32,822,857	\$33,135,540
Miscellaneous	2,961,000	988,674	922,822	3,756,184	1,560,196
Total Revenues	\$34,670,000	\$37,825,286	\$36,016,747	\$36,579,041	\$34,695,736
Operating Expenses					
General & Admin.	\$24,844,163	\$19,737,621	\$21,627,694	\$22,468,207	\$26,150,255
Taxes	1,898,000	1,886,564	1,977,346	1,690,927	1,476,900
Total Expenses	\$26,742,163	\$21,624,185	\$23,605,041	\$24,159,135	\$27,627,155
Operating Income/ (Loss)	\$7,927,837	\$16,201,100	\$12,411,707	\$12,419,906	\$7,068,582

Source: Authority records and Audited Financial Statements of the Authority for years ended December 31, 2020 through 2023. See "APPENDIX B – EXCERPT OF REPORT OF AUDIT OF 2024 FINANCIAL STATEMENTS OF THE COUNTY OF GLOUCESTER, NEW JERSEY" hereto.

Pursuant to the Current Agreement, the Company is required to deliver and the Authority is required to accept at the Landfill the ash waste residue generated from the processing of Acceptable Waste. The Current Agreement provides that the Company operating the Resource Recovery Facility shall pay to the Authority for the disposal of ash waste residue at the Landfill according to a schedule described therein which escalates annually and is a function of, among other things, the annual amount of Acceptable Waste delivered to the Resource Recovery Facility from within the County. The Current Agreement further provides that the Acceptable Waste bypassed at the Resource Recovery Facility shall be delivered to the Landfill and the tipping fee therefor payable to the Authority shall be equivalent to the then effective tipping fee for Acceptable Waste delivered to the Resource Recovery Facility.

Pursuant to the 1999 Plan Amendment and the Current Agreement, the Authority is prohibited from accepting Acceptable Waste at the Landfill that has not otherwise been bypassed by the Resource Recovery Facility. The Authority is not prohibited from accepting non-processible waste at the Landfill and may enter into contracts for the receipt of such waste at tipping fee rates determined by the Authority. The following table details the top revenue customers of the Landfill for fiscal year ending December 31, 2024:

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Top Revenue Customers of the Landfill

<u>Firm</u>	<u>Revenue</u>
Covanta	\$8,939,480.80
Eastern Metal Recycling	6,411,490.34
Wheelabrator	4,904,793.00
Clean Earth	1,664,160.36
R&B Debris	1,412,754.66
Alpha Shredding Group	1,033,307.35
Waste Management of NJ, Inc	1,026,788.88
Giordano's Solid Waste	754,797.93
Green Guys Recycling	608,434.24
Bull Waste & Recycling	421,157.80

Source: Authority records.

Closure and Post-Closure Costs

State and Federal laws and regulations require the Authority to place a final cover on the Landfill when it stops accepting waste and to provide a post-closure plan for thirty years after closure. Although closure and post-closure costs will be paid only near or after the date that the Landfill stops accepting waste, the Authority provides a portion of these closure and post closure costs as an operating expense in each period based on Landfill capacity used as of each balance sheet date. The Authority is required by State and Federal laws and regulations to make annual contributions to escrow accounts to finance closure and post-closure costs; the Authority is in compliance with these requirements based on its financial plan most recently updated in March 2014. The Authority expects that future inflation costs will be paid from interest earnings on amounts held in these escrow accounts; however, if interest earnings are inadequate or additional post-closure requirements are determined, these costs may need to be covered by charges to future users or other sources of funds.

LITIGATION

Authority

In the opinion of Angelini, Viniar & Freedman, L.L.P., Woodbury, New Jersey, General Counsel to the Authority, there is no litigation pending or, to the best of its knowledge, threatened which would restrain or enjoin the issuance or sale of the 2025 Bonds or in any way contesting the validity or affecting the authority for the issuance of the 2025 Bonds, the 2025 Project, the adoption of the Bond Resolution, or the authorization, execution and delivery by the Authority of any of the financing documents to which the Authority is a party, or the existence or powers of the Authority.

County

In the opinion of the Eric Campo, Esq., Woodbury, New Jersey, County Counsel, there is no litigation pending or, to the best knowledge of the Office of the County Counsel, threatened to restrain or

enjoin the County from entering into or delivering the County Guaranty or in any way contesting or affecting the 2025 Project. Also, there is no litigation pending or, to the best knowledge of the Office of the County Counsel, threatened that would have a material and adverse impact on the financial condition of the County, if adversely decided.

TAX MATTERS

Federal

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Authority ("Bond Counsel"), assuming continuing compliance by the Authority with its tax covenants described below, under existing law, interest on the 2025 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 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 2025 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 2025 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 Authority's covenants contained in the Bond Resolution and in the Certificate as to Nonarbitrage and Other Tax Matters ("Nonarbitrage Certificate") that it will comply with the applicable requirements of the Code. These covenants relate to, *inter alia*, the use and investment of proceeds of the 2025 Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the Authority to comply with such covenants could result in the interest on the 2025 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 2025 Bonds that may affect the tax-exempt status of the interest thereon.

Ownership of the 2025 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 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 2025 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 2025 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 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 2025 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 2025 Bonds are *not* "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Owners of the 2025 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 2025 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 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 or marketability of the 2025 Bonds. It cannot be predicted whether or in what form any such proposals might be enacted or whether, if enacted, it would apply to obligations 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 or marketability of the 2025 Bonds.

PROSPECTIVE PURCHASERS OF THE 2025 BONDS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING ANY FEDERAL AND STATE INCOME TAX LEGISLATION, WHETHER CURRENTLY PENDING OR PROPOSED, REGULATORY INITIATIVES OR LITIGATION. THE OPINIONS EXPRESSED BY BOND COUNSEL ARE BASED UPON EXISTING LEGISLATION AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY AUTHORITIES AS OF THE DATE OF ISSUANCE AND DELIVERY OF THE 2025 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.

PLEDGE OF THE STATE NOT TO LIMIT POWERS OF AUTHORITY OR RIGHTS OF BONDHOLDERS

The Act sets forth the pledge and agreement that the State will not limit or alter the rights vested by the Act in the authorities organized thereunder to fix, establish, charge and collect service charges and to fulfill the terms of any agreements made with holders of obligations of authorities or in any way impair the rights and remedies of such holders, until such obligations, together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of such holders, are fully met and discharged.

NEGOTIABILITY OF THE 2025 BONDS

Section 24 of the Act, *N.J.S.A. 40:37A-67*, provides that any bond or obligation issued pursuant to the Act shall be fully negotiable within the meaning and for all purposes of the negotiable instruments law of the State and each holder or owner of such bond or other obligation, or of any coupon appurtenant thereto, by accepting such bond or coupon shall be conclusively deemed to have agreed that such bond, obligation or coupon is and shall be fully negotiable within the meaning and for all purposes of said negotiable instruments law.

THE 2025 BONDS NOT A DEBT OF THE STATE

The 2025 Bonds shall not in any way be a debt or liability of the State or any political subdivision thereof or create or constitute any indebtedness, liability or obligation of the State or any political subdivision thereof other than the obligation of: (i) the Authority, which has no taxing power, the obligation of which is limited to the Pledged Property; and (ii) the County to the extent of the County Guaranty pursuant to which the County has pledged its full faith and credit and will be obligated to levy *ad valorem* taxes on all taxable real property within the jurisdiction of the County in an amount sufficient to provide for payment as is needed to pay, when due, the principal of and interest on the Outstanding 2012 Bonds, the Outstanding 2014 Bonds, the Outstanding 2016 Bonds, the Outstanding 2017A-2 Bonds, the Outstanding 2020A-1 Bonds, the Outstanding 2021A- 1 Bonds, the Outstanding 2023 Bonds and the 2025 Bonds.

CONTINUING DISCLOSURE

In accordance with the provisions of Rule 15c2-12, as amended (the “Rule”), promulgated by the Securities Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, each of the Authority and the County will, prior to the issuance of Series 2025 Bonds, enter into a Continuing Disclosure Agreement with Acacia Financial Group, Inc. (“Acacia”), as dissemination agent, substantially in the forms set forth in APPENDIX E and APPENDIX F hereto.

County

In accordance with the Rule, the County has previously entered into continuing disclosure undertakings with respect to various other bond issued for which it was an "obligated party" (as such term is defined in the Rule). During the prior five (5) years, the County's 2022 budget was not filed timely. Notice citing the late filing was subsequently posted on EMMA, together with the appropriate budget information.

In addition to the foregoing, in connection with certain bond issuances of the Authority for which the County provided its unconditional payment guaranty ("County Guaranteed Bonds"), the County did not independently file on EMMA a notice of the incurrence of a financial obligation in connection with the issuance of such County Guaranteed Bonds and the provision of such guaranty by the County. Notwithstanding the foregoing, each series of the County Guaranteed Bonds were publicly offered pursuant to which an offering document was posted and can be found on EMMA under the Authority's CUSIPs describing the guaranty of the County for such County Guaranteed Bonds in satisfaction of the Rule.

Authority

The Authority has previously entered into continuing disclosure undertakings in connection with certain other bond issues for which it was an "obligated party". During the prior five (5) years, the Authority's audited financial statements were not filed timely for the years 2020 through 2023. A failure to file notice was subsequently posted to EMMA, together with the required financial statements. In addition, certain operating data regarding the Solid Waste Complex and Shady Lane Nursing Home was not filed timely for years 2022 and 2023. A failure to file notice was subsequently posted on EMMA, together with the required operating data.

The foregoing descriptions of instances of non-compliance by the County and the Authority with its respective continuing disclosure obligations should not be construed as an acknowledgement by the County or the Authority that any such instances were material. Each of the County and the Authority has since retained Acacia as dissemination agent to ensure future timely filings.

MUNICIPAL BANKRUPTCY

The undertakings of the Authority and the County should be considered with reference to Chapter 9 of the United States Bankruptcy Code ("Bankruptcy Code"), 11 U.S.C. §§901 to 946. Under Chapter 9 of the Bankruptcy Code, a municipality, which is a political subdivision or public agency or instrumentality of the State, that is insolvent or unable to meet its debts may file a petition in a United States Bankruptcy Court ("Bankruptcy Court") to adjust the debt of the municipality. Chapter 9 of the Bankruptcy Code does not permit the municipality to liquidate its assets and distribute the proceeds of its assets to its creditors. Chapter 9 of the Bankruptcy Code permits a financially distressed municipality to seek protection from its creditors by staying the commencement or continuation of certain actions against the municipality while it formulates and negotiates a plan of adjustment of its debts which can be binding on a dissenting minority of creditors if it is acceptable to the majority of creditors. Should the Authority or the County file a petition in the Bankruptcy Court under Chapter 9 of the Bankruptcy Code prior to the payment in full of the principal of and interest on the 2025 Bonds, the holders of the 2025 Bonds would be considered creditors and would be bound by the municipality's plan of adjustment of its debt.

Reference should also be made to *N.J.S.A. 52:27-40 et seq.* which provides that any "political subdivision" of the State as defined therein, which includes the Authority and the County, has the power to file a petition with the Bankruptcy Court under Chapter 9 of the Bankruptcy Code provided the "political subdivision" has obtained approval of the Local Finance Board. Section 903 of the Bankruptcy Code, 11 U.S.C. §903, specially provides that Chapter 9 of the Bankruptcy Code does not limit or impair the power of a state to control, by legislation or otherwise, a municipality of or in such state in the exercise of the political or governmental powers of such municipality; provided, however, that a state law prescribing a

method of composition of indebtedness of the municipality may not bind any creditor that does not consent to such composition and that a judgment entered under such state law may not bind a creditor that does not consent to such composition.

THE ABOVE REFERENCES TO THE BANKRUPTCY CODE ARE NOT TO BE CONSTRUED AS AN INDICATION THAT THE AUTHORITY OR THE COUNTY EXPECTS TO RESORT TO THE PROVISIONS OF SUCH BANKRUPTCY CODE OR THAT, IF IT DID, SUCH ACTION WOULD BE APPROVED BY THE LOCAL FINANCE BOARD, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCES OF PAYMENT OF AND SECURITY FOR THE 2025 BONDS.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters incident to the authorization and the issuance by the Authority of the 2025 Bonds are subject to the approval of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Authority. Certain legal matters will be passed on for the Authority by its General Counsel, Angelini, Viniar & Freedman, L.L.P., Woodbury, New Jersey; for the County by Eric M. Campo, Esquire, Woodbury, New Jersey, County Counsel. Certain legal matters will be passed upon by the Underwriter by its counsel, Gibbons, P.C., Newark, New Jersey.

The various legal opinions and/or certifications to be delivered concurrently with the delivery of the 2025 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion and/or certification, 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 and/or certification guarantee the outcome of any legal dispute that may arise out of the transaction.

LEGALITY FOR INVESTMENT

The Act provides that: (i) the State and all public officers, municipalities, counties, political subdivisions and public bodies and agencies thereof; (ii) all banks, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking or investment business; (iii) all insurance companies, insurance associations, and other persons carrying on an insurance business; and (iv) all executors, administrators, guardians, trustees and other fiduciaries in the State may legally invest any sinking funds, moneys or other funds belonging to them or within their control in the obligations of authorities organized thereunder, including the 2025 Bonds, and that such obligations are authorized security for any and all public deposits.

RATING

Moody's Ratings ("Moody's"), has assigned a rating of "Aaa" to the 2025 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 Authority furnished to Moody's certain information and materials concerning the 2025 Bonds and the Authority. 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 2025 Bonds.

INDEPENDENT AUDITORS

The Excerpt of Report of Audit of 2024 Financial Statements of the County of Gloucester, New Jersey prepared by Bowman & Company LLP, Woodbury, New Jersey, independent certified public accountants ("County Auditor"), are included in APPENDIX B to this Official Statement. Such financial statements have been included in this Official Statement in reliance on the reports of the County Auditor given upon the authority of such firm.

UNDERWRITING

2025 Bonds

The 2025 Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated, Philadelphia, Pennsylvania ("Underwriter") pursuant to a Bond Purchase Contract, dated July 1, 2025 ("Purchase Contract"), between the Underwriter and the Authority and approved by the County. The Purchase Contract provides that the purchase price for the 2025 Bonds is \$17,991,020.50. The purchase price reflects an Underwriter's discount of \$66,780.00 and an original issue premium of \$1,362,800.50. The Purchase Contract also provides that the Underwriter will purchase all of the 2025 Bonds if any 2025 Bonds are purchased. However, the obligation to make such purchase is subject to certain terms and conditions set forth in the Purchase Contract, to the approval of certain legal matters by counsel and to certain other conditions. The initial public offering prices or yields may be changed from time to time by the Underwriter without prior notice.

The Underwriter intends to offer the 2025 Bonds to the public initially at the offering prices and 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 2025 Bonds to the public. The Underwriter may offer and sell the 2025 Bonds to certain dealers (including dealers depositing 2025 Bonds into investment trusts) at prices lower than or yields higher than the public offering prices and yields set forth on the inside front cover page, and such public offering prices and yields may be changed, from time to time, by the Underwriter without prior notice.

Other Matters

The Underwriter has provided the information in the following three paragraphs for inclusion in this Official Statement.

The Underwriter and its affiliates comprise a full-service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the Authority and to persons and entities with relationships with the Authority, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Authority (directly, as

collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Authority.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority.

MUNICIPAL ADVISOR

Acacia Financial Group, Inc., Mount Laurel, New Jersey has served as municipal advisor to the Authority with respect to this transaction ("Municipal Advisor"). The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement and the Appendices hereto. The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

CERTAIN RELATIONSHIPS

Parker McCay P.A., Mount Laurel, New Jersey, from time to time, provides legal services to the Underwriter in various matters unrelated to the 2025 Bonds or the transaction described in this Official Statement.

APPENDICES

APPENDIX A to this Official Statement consists of General Information Concerning the County which has been provided by the County from public documents of the County and from other public or official documents or publications (including, in some limited instances, official documents or publications of the Authority) which are referred to therein. The Authority (except in those limited instances in which the Authority has provided information) has not confirmed the accuracy or completeness of said information, and the Authority (except in those limited instances in which the Authority has provided information) disclaims any responsibility for the accuracy or completeness thereof. In any instance in which the Authority has provided information included by the County in APPENDIX A, the Authority is identified as the source.

APPENDIX B to this Official Statement consists of an Excerpt of Report of Audit of 2024 Financial Statements of the County ("Excerpt of Report of Audit") which has been provided by the County from public documents of the County and from other public or official documents or publications which are referred to therein. A copy of the complete Report of Audit may be obtained upon request to the office of the County Treasurer. Neither the Authority nor the Underwriter has confirmed the accuracy or completeness of said information, and the Authority and the Underwriter disclaim any responsibility for the accuracy and completeness thereof.

APPENDIX C to this Official Statement contains definitions of certain terms and a summary of certain provisions of the Bond Resolution.

APPENDIX D to this Official Statement consists of the Proposed Form of Opinion of Bond Counsel to the Authority.

APPENDIX E to this Official Statement consists of the Form of the Continuing Disclosure Agreement for the County.

APPENDIX F to this Official Statement consists of the Form of the Continuing Disclosure Agreement for the Authority.

MISCELLANEOUS

The execution and delivery of this Official Statement has been duly authorized by the Authority. Concurrently with the delivery of the 2025 Bonds, the Authority will furnish a certificate to the effect that nothing has come to the Authority's attention that would lead the Authority to believe that the Official Statement, in final form, contains any untrue statement of a material fact or omits to state any information necessary to make the statements herein, in light of the circumstances under which they were made, not misleading. Certain information contained in the Official Statement has been obtained from sources other than the Authority. All quotations from and summaries and explanations of provisions of laws, statutes, resolutions and agreements herein do not purport to be complete and reference should be made to said laws, statutes, resolutions and agreements for a full and complete statement of their provisions.

This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or holders of any of the 2025 Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County or the Authority since the date hereof.

The execution and the delivery of this Official Statement has been duly authorized by the Authority.

THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY

By: /s/ Charles Fentress
CHARLES FENTRESS, Chairperson

Dated: July 1, 2025

APPENDIX A

**CERTAIN INFORMATION CONCERNING THE
COUNTY OF GLOUCESTER, NEW JERSEY**

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.

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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

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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

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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

**EXCERPT OF REPORT OF AUDIT OF 2024 FINANCIAL STATEMENTS
OF THE COUNTY OF GLOUCESTER, NEW JERSEY**

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, 2024 and 2023, 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, 2024 and 2023, 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, 2024 and 2023, 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.

Emphasis of Matter

Change in Accounting Principle

As discussed in note 1 to the financial statements, during the year ended December 31, 2024, the County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The adoption of this new accounting principle resulted in an updated measurement of compensated absences in accordance with the Statement (note 6). As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this Statement only impacted financial statement disclosures. Our opinions are not modified with respect to this matter.

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 16, 2025

COUNTY OF GLOUCESTER
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2024 and 2023

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
ASSETS			
Regular Fund:			
Cash	SA-1	\$ 110,103,051.30	\$ 109,219,442.72
Cash--Change Funds	A	1,200.00	1,200.00
		<u>110,104,251.30</u>	<u>109,220,642.72</u>
Receivables with Full Reserves:			
Accounts Receivable	SA-3	1,089,247.92	1,526,223.78
Total Regular Fund		<u>111,193,499.22</u>	<u>110,746,866.50</u>
Federal and State Grant Fund:			
Cash	SA-1	19,071,280.84	4,923,815.61
Grants Receivable	SA-5	66,530,940.36	85,192,512.63
Total Federal and State Grant Fund		<u>85,602,221.20</u>	<u>90,116,328.24</u>
		<u>\$ 196,795,720.42</u>	<u>\$ 200,863,194.74</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Regular Fund:			
Appropriation Reserves	A-3,SA-4	\$ 6,566,253.70	\$ 12,753,444.70
Reserve for Encumbrances	A-3,SA-4	2,402,334.37	2,905,182.31
Reserve for Atlantic City Electric Funding Program	SA-1,6	20,624.87	
Payroll Taxes Payable	SA-1	1,161,552.00	1,284,314.49
Sub-Total		10,150,764.94	16,942,941.50
Reserve for Receivables	A	1,089,247.92	1,526,223.78
Fund Balance	A-1	99,953,486.36	92,277,701.22
Total Regular Fund		<u>111,193,499.22</u>	<u>110,746,866.50</u>
Federal and State Grant Fund:			
Reserve for:			
Encumbrances	SA-6	31,391,487.34	32,913,681.76
Appropriated Grants	SA-6	54,210,733.86	57,175,032.48
Unappropriated Grants	SA-7		27,614.00
Total Federal and State Grant Fund		<u>85,602,221.20</u>	<u>90,116,328.24</u>
		<u>\$ 196,795,720.42</u>	<u>\$ 200,863,194.74</u>

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, 2024 and 2023

	<u>2024</u>	<u>2023</u>
REVENUE AND OTHER INCOME REALIZED		
Fund Balance Realized	\$ 3,250,000.00	\$ 2,648,600.00
Miscellaneous Revenue Anticipated	95,848,917.40	88,719,180.31
Receipts from Current Taxes	182,500,000.00	182,500,000.00
Non-Budget Revenues	2,499,222.84	3,174,789.49
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	4,346,141.28	5,438,174.74
Canceled Reserves		1,312,976.66
Total Income	<u>288,444,281.52</u>	<u>283,793,721.20</u>
EXPENDITURES		
Budget Appropriations:		
Operations:		
Salaries and Wages	87,526,093.00	86,681,513.00
Other Expenses	133,011,725.00	119,438,108.00
Capital Improvement Fund	1,291,877.00	733,772.00
Debt Service	34,029,670.38	35,760,379.05
Deferred Charges and Statutory Expenditures	<u>21,659,131.00</u>	<u>24,084,938.00</u>
Total Expenditures	<u>277,518,496.38</u>	<u>266,698,710.05</u>
Excess in Revenue	10,925,785.14	17,095,011.15
Fund Balance January 1	<u>92,277,701.22</u>	<u>77,831,290.07</u>
	103,203,486.36	94,926,301.22
Decreased by:		
Utilized as Anticipated Revenue	<u>3,250,000.00</u>	<u>2,648,600.00</u>
Fund Balance December 31	<u>\$ 99,953,486.36</u>	<u>\$ 92,277,701.22</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, 2024 and 2023

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
ASSETS			
Cash	SB-1	<u>\$ 42,510,259.80</u>	<u>\$ 40,750,667.18</u>
		<u>\$ 42,510,259.80</u>	<u>\$ 40,750,667.18</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Reserve for:			
Encumbrances	SB-2	\$ 1,811,695.10	\$ 1,847,136.12
Miscellaneous Trust Funds:			
County Clerk's Improvement Fund	SB-2	255,888.20	217,612.22
Road Opening Permits	SB-2	629,105.50	674,557.25
Storm Recovery	SB-2	24,471.48	160,098.86
Storm Recovery - COVID19 Pandemic	SB-2	1,543.83	1,543.83
Weights and Measures	SB-2	23,303.60	20,352.03
Environmental Quality and Enforcement	SB-2	158,703.11	112,793.65
Bequests/Donations - EMS	SB-2	1,275.00	1,275.00
Motor Vehicle Fines	SB-2	1,173,453.89	951,558.18
Open Space, Recreation, Farmland & Historical Preservation	SB-2	36,303,382.25	34,968,265.43
Sheriff's Improvement Fund	SB-2	47,475.15	31,175.15
Accumulated Absences	SB-2	13,323.18	13,323.18
Fair Share/Developers Escrow	SB-2	465,711.39	116,362.31
Unemployment Insurance	SB-2	343,355.98	405,497.42
Tax Appeals	SB-2	52,666.77	53,496.24
Surrogate's Improvement Fund	SB-2	199,589.97	176,669.37
Solid Waste Fees	SB-2	57,743.20	21,435.78
Federal Forfeited Funds	SB-2	13,308.81	12,708.23
Forfeited Funds	SB-2	114,838.08	45,283.28
Forfeited Funds - Auto Theft	SB-2	179.10	60.11
Seized Assets	SB-2	642,547.16	730,554.76
Asset Maintenance Account	SB-2	47,985.08	24,636.32
Uniform Fire Safety	SB-2	18,054.01	15,154.01
Project Lifesaver	SB-2	1.38	1.38
Parks & Recreation Donations	SB-2	16,869.46	27,008.23
Animal Shelter Donations	SB-2	16,723.58	24,504.73
Health & Senior Services Donations	SB-2	30,827.17	48,752.61
Human Services Transportation Donations	SB-2	15,698.23	15,698.23
Veterans Affairs Donations	SB-2	15,591.61	20,626.65
Disability Services Donations	SB-2	5,102.59	5,102.59
Emergency Response/EMS Donations	SB-2	9,541.85	5,001.33
Sheriff's Forfeited Funds	SB-2	304.09	2,422.70
		<u>\$ 42,510,259.80</u>	<u>\$ 40,750,667.18</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, 2024 and 2023

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
ASSETS			
Cash	SC-1	\$ 30,752,600.16	\$ 32,047,014.84
Grants Receivable	SC-3	15,681,526.96	27,945,325.26
Amount to be Provided for GCIA Financing	SC-10	12,615,000.00	14,835,000.00
Deferred Charges to Future Taxation:			
Funded	SC-4	223,894,000.00	209,842,500.00
Funded - Due from State of New Jersey	SC-4	15,374,000.00	14,687,500.00
		<u>\$ 298,317,127.12</u>	<u>\$ 299,357,340.10</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Bonds Payable	SC-9	\$ 140,088,000.00	\$ 145,090,000.00
Obligations Under GCIA Financing	SC-10	12,615,000.00	14,835,000.00
GCIA Loans Payable	SC-11	99,180,000.00	79,440,000.00
Improvement Authorizations:			
Funded	SC-8	26,149,635.75	34,634,015.91
Reserve for:			
Contracts/Encumbrances Payable	SC-8	15,292,157.54	20,769,765.36
Debt Service	SC-7	3,757,039.64	3,353,264.64
Capital Improvement Fund	SC-6	47,040.31	47,040.31
Fund Balance	C	1,188,253.88	1,188,253.88
		<u>\$ 298,317,127.12</u>	<u>\$ 299,357,340.10</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, 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 thirteen miles from downtown Philadelphia and is approximately one hundred 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
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 Uniform Guidance. 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 paid time off (PTO), sick leave, vacation leave, compensatory time, and certain types of sabbatical 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 and Adopted Accounting Pronouncements

The County implemented the following GASB Statement for the year ended December 31, 2024:

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. As a result of the regulatory basis of accounting previously described in note 1, the implementation of this Statement only impacted financial statement disclosures. There exists no impact on the financial statements of the County.

Because of the implementation of GASB Statement No. 101, the County has updated the measurement of compensated absences in accordance with the Statement (note 6).

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, 2024, the County had bank balances of \$104,788,212.08 that were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 104,009,407.90
Uninsured and Uncollateralized	<u>778,804.18</u>
Total	<u>\$ 104,788,212.08</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, 2024, the County's deposits with the New Jersey Asset & Rebate Management Program were \$104,788,212.08.

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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
County Tax Rate	\$ 0.470	\$ 0.529	\$ 0.602	\$ 0.646	\$ 0.645
County Open Space, Recreation, Farmland and Historic Preservation Tax Rate	\$ 0.031	\$ 0.033	\$ 0.036	\$ 0.040	\$ 0.040

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2024	\$ 38,842,076,365
2023	34,487,655,178
2022	30,319,419,435
2021	28,247,906,460
2020	27,613,666,461

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>
2024	\$ 182,500,000	\$ 11,975,766	\$ 194,475,766	100.00%
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%

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>
2024	\$ 99,953,486	\$ 18,732,107	18.74%
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, 2024, was not available; therefore, the information from the measurement period June 30, 2023, 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 Township 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. As a local participation employer of these pension plans, the County is referred to as "Employer" throughout this note. 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>

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, and disability benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Employer, 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.

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

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, and disability benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firefighters of the Employer. 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 state or local officials who are elected or appointed on or after July 1, 2007; 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

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.

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

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.

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.

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

Public Employees' Retirement System (Cont'd) - Special Funding Situation Component (Cont'd) - 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 Employer's contractually required contribution rate for the year ended December 31, 2023, was 17.67% of the Employer'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, 2023, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2023, is \$10,134,091.00, and is payable by April 1, 2024. 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, 2022, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2022, was \$9,743,744.00, which was paid on April 1, 2023.

Employee contributions to the Plan for the year ended December 31, 2023, were \$4,435,033.96.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, under Chapter 133, P.L. 2001, for the year ended December 31, 2023, was .60% of the Employer's covered payroll.

Based on the most recent PERS measurement date of June 30, 2023, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2023, was \$342,507.00. For the prior year measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2022, was \$245,345.00.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, under Chapter 366, P.L. 2001, for the year ended December 31, 2023, was 1.20% of the Employer's covered payroll.

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

Public Employees' Retirement System (Cont'd) - Based on the most recent PERS measurement date of June 30, 2023, the State's contractually required contribution, under Chapter 366, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2023, was \$688,131.00. For the prior year measurement date of June 30, 2022, the State's contractually required contribution, on-behalf of the Employer, under Chapter 366, P.L. 2001, to the pension plan for the year ended December 31, 2022, was \$707,134.00.

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 Employer's contractually required contribution rate for the year ended December 31, 2023, was 36.71% of the Employer'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.

Based on the most recent PFRS measurement date of June 30, 2023, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2023, is \$5,175,032.00, and is payable by April 1, 2024. 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, 2022, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2022, was \$5,091,194.00, which was paid on April 1, 2023.

Employee contributions to the Plan for the year ended December 31, 2023, were \$1,429,039.92.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, for the year ended December 31, 2023, was 6.42% of the Employer's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2023, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2023, was \$905,104.00, and is payable by April 1, 2024. For the prior year measurement date of June 30, 2022, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2022, was \$992,795.00, which was paid on April 1, 2023.

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

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 Employer contributes 3% of the employees' base salary, for each pay period.

For the year ended December 31, 2023, employee contributions totaled \$103,407.65, and the Employer's contributions were \$56,755.26. 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, 2023, 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 Employer's and State of New Jersey's proportionate share of the PERS net pension liability, under Chapter 366, P.L. 2001, were as follows:

Proportionate Share of Net Pension Liability	\$109,826,391.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer (C.366, P.L. 2001)	<u>5,134,634.00</u>
	<u>\$114,961,025.00</u>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2023. The Employer's proportion of the net pension liability was based on a projection of the Employer'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, 2023, measurement date, the Employer's proportion was .7582405021%, which was a decrease of .0144298348% from its proportion measured as of June 30, 2022. Likewise, at June 30, 2023, the State of New Jersey's proportion, under Chapter 366, P.L. 2001, on-behalf of the Employer, was 4.2047521131%, which was an increase of .0519387148% from its proportion, on-behalf of the Employer, measured as of June 30, 2022.

Pension (Benefit) Expense - For the year ended December 31, 2023, the Employer's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2023, measurement date was \$(499,237.00). This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2023, the Employer's contribution to PERS was \$9,743,744.00, and was paid on April 1, 2023.

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 (Benefit) Expense (Cont'd) - For the year ended December 31, 2023, the State's proportionate shares of the PERS pension (benefit) expense, associated with the Employer, under Chapter 133, P.L. 2001 and Chapter 366, P.L. 2001, calculated by the Plan as of the June 30, 2023 measurement date, were \$342,507.00 and \$448,743.00, respectively. These on-behalf (benefits) expenses are not recognized by the Employer because of the regulatory basis of accounting as described in note 1.

Police and Firemen's Retirement System

Pension Liability - As of December 31, 2023, the Employer's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Proportionate Share of Net Pension Liability	\$ 42,952,042.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	<u>7,914,414.00</u>
	<u><u>\$ 50,866,456.00</u></u>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2023. The Employer's proportion of the net pension liability was based on a projection of the Employer'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, 2023, measurement date, the Employer's proportion was .3887490900%, which was a decrease of .0027146000% from its proportion measured as of June 30, 2022. Likewise, at June 30, 2023, the State of New Jersey's proportion, on-behalf of the Employer, was .3887490800%, which was a decrease of .0027146100% from its proportion, on-behalf of the Employer, measured as of June 30, 2022.

Pension (Benefit) Expense - For the year ended December 31, 2023, the Employer's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2023, measurement date was \$2,075,421.00. This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2023, the Employer's contribution to PFRS was \$5,091,194.00, and was paid on April 1, 2023.

For the year ended December 31, 2023, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Employer, calculated by the Plan as of the June 30, 2023, measurement date, was \$900,248.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1.

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 - As of December 31, 2023, the Employer 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	\$ 1,050,081.00	\$ 1,839,121.00	\$ 2,889,202.00	\$ 448,935.00	\$ 2,048,431.00	\$ 2,497,366.00
Changes of Assumptions	241,266.00	92,705.00	333,971.00	6,655,950.00	2,900,292.00	9,556,242.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	505,765.00	2,187,466.00	2,693,231.00	-	-	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	7,771,532.00	1,778,274.00	9,549,806.00	4,008,106.00	4,316,198.00	8,324,304.00
Contributions Subsequent to the Measurement Date	5,067,046.00	2,587,516.00	7,654,562.00	-	-	-
	<u>\$ 14,635,690.00</u>	<u>\$ 8,485,082.00</u>	<u>\$ 23,120,772.00</u>	<u>\$ 11,112,991.00</u>	<u>\$ 9,264,921.00</u>	<u>\$ 20,377,912.00</u>

Deferred outflows of resources in the amounts of \$5,067,046.00 and \$2,587,516.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2024. These amounts were based on an estimated April 1, 2025, contractually required contribution, prorated from the pension plans' measurement date of June 30, 2023, to the Employer's year end of December 31, 2023.

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 Employer 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, 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	-
June 30, 2023	5.08	-	6.16	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
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, 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	-
June 30, 2023	5.00	-	5.00	-
Changes in Proportion				
Year of Pension Plan Deferral:				
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
June 30, 2023	5.08	5.08	6.16	6.16

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>
2024	\$ (5,359,581.00)	\$ (2,397,718.00)	\$ (7,757,299.00)
2025	(1,561,964.00)	(2,509,237.00)	(4,071,201.00)
2026	6,581,871.00	1,970,260.00	8,552,131.00
2027	(1,180,561.00)	(438,452.00)	(1,619,013.00)
2028	(24,112.00)	8,146.00	(15,966.00)
Thereafter	-	(354.00)	(354.00)
	<u>\$ (1,544,347.00)</u>	<u>\$ (3,367,355.00)</u>	<u>\$ (4,911,702.00)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2023. 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, 2023) 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, 2023, 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	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<u>100.00%</u>	

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

For both PERS and PFRS, the discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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 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) - The following presents the Employer's proportionate share of the net pension liability as of the June 30, 2023 measurement date, calculated using a discount rate of 7.00%, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	<u>\$ 142,970,593.00</u>	<u>\$ 109,826,391.00</u>	<u>\$ 81,616,292.00</u>

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 Employer's annual required contribution. As such, the net pension liability as of the June 30, 2023 measurement date, for the Employer 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	\$ 142,970,593.00	\$ 109,826,391.00	\$ 81,616,292.00
State of New Jersey's Proportionate Share of Net Pension Liability associated the Employer (C.366, P.L. 2001)	<u>6,684,201.00</u>	<u>5,134,634.00</u>	<u>3,815,747.00</u>
	<u>\$ 149,654,794.00</u>	<u>\$ 114,961,025.00</u>	<u>\$ 85,432,039.00</u>

Note 5: PENSION PLANS (CONT'D)**Sensitivity of 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 Employer's annual required contribution. As such, the net pension liability as of the June 30, 2023 measurement date, for the Employer 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	\$ 59,846,150.00	\$ 42,952,043.00	\$ 28,883,287.00
State of New Jersey's Proportionate Share of Net Pension Liability	<u>11,027,349.00</u>	<u>7,914,413.00</u>	<u>5,322,082.00</u>
	<u>\$ 70,873,499.00</u>	<u>\$ 50,866,456.00</u>	<u>\$ 34,205,369.00</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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Proportion of the Net Pension Liability	0.7582405021%	0.7726703369%	0.7049322538%	0.7092492435%	0.7414752435%
Proportionate Share of the Net Pension Liability	\$ 109,826,391.00	\$ 116,606,591.00	\$ 83,509,794.00	\$ 115,660,004.00	\$ 133,602,590.00
Covered Payroll (Plan Measurement Period)	\$ 54,227,624.00	\$ 54,914,084.00	\$ 49,179,792.00	\$ 49,769,500.00	\$ 51,219,540.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	202.53%	212.34%	169.81%	232.39%	260.84%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%
	Measurement Date Ended June 30,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the Net Pension Liability	0.7474496350%	0.7360797761%	0.7195062772%	0.7568953445%	0.7606011283%
Proportionate Share of the Net Pension Liability	\$ 147,169,107.00	\$ 171,347,606.00	\$ 213,097,122.00	\$ 169,907,838.00	\$ 142,405,334.00
Covered Payroll (Plan Measurement Period)	\$ 50,301,512.00	\$ 48,859,912.00	\$ 47,685,268.00	\$ 50,057,860.00	\$ 50,600,300.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	292.57%	350.69%	446.88%	339.42%	281.43%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%	47.93%	52.08%

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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$10,134,091.00	\$ 9,743,744.00	\$ 8,255,576.00	\$ 7,758,829.00	\$ 7,212,370.00
Contribution in Relation to the Contractually Required Contribution	(10,134,091.00)	(9,743,744.00)	(8,255,576.00)	(7,758,829.00)	(7,212,370.00)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$57,339,164.00	\$54,179,843.00	\$ 54,706,135.00	\$51,247,300.00	\$49,489,036.00
Contributions as a Percentage of Covered Payroll	17.67%	17.98%	15.09%	15.14%	14.57%
	Year Ended December 31,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 7,434,709.00	\$ 6,818,993.00	\$ 6,391,991.00	\$ 6,507,270.00	\$ 6,270,286.00
Contribution in Relation to the Contractually Required Contribution	(7,434,709.00)	(6,818,993.00)	(6,391,991.00)	(6,507,270.00)	(6,270,286.00)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$50,993,128.00	\$50,301,180.00	\$ 48,595,668.00	\$47,569,851.00	\$49,554,213.00
Contributions as a Percentage of Covered Payroll	14.58%	13.56%	13.15%	13.68%	12.65%

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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Proportion of the Net Pension Liability	0.3887490900%	0.3914636900%	0.3953212419%	0.4142113074%	0.4263411370%
Proportionate Share of the Net Pension Liability	\$42,952,042.00	\$44,808,328.00	\$28,894,631.00	\$53,521,564.00	\$52,174,856.00
State's Proportionate Share of the Net Pension Liability	7,914,414.00	7,974,569.00	8,126,609.00	8,306,303.00	8,238,509.00
Total	<u>\$50,866,456.00</u>	<u>\$52,782,897.00</u>	<u>\$37,021,240.00</u>	<u>\$61,827,867.00</u>	<u>\$60,413,365.00</u>
Covered Payroll (Plan Measurement Period)	\$14,113,108.00	\$13,941,636.00	\$13,790,488.00	\$14,196,812.00	\$14,131,028.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	304.34%	321.40%	209.53%	377.00%	369.22%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.16%	68.33%	77.26%	63.52%	65.00%
	Measurement Date Ended June 30,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the Net Pension Liability	0.4177385712%	0.4079197408%	0.4053644609%	0.4132599510%	0.5138781354%
Proportionate Share of the Net Pension Liability	\$56,526,915.00	\$62,974,922.00	\$77,434,981.00	\$68,834,702.00	\$64,641,103.00
State's Proportionate Share of the Net Pension Liability	7,678,247.00	7,053,722.00	6,502,618.00	6,036,572.00	6,960,761.00
Total	<u>\$64,205,162.00</u>	<u>\$70,028,644.00</u>	<u>\$83,937,599.00</u>	<u>\$74,871,274.00</u>	<u>\$71,601,864.00</u>
Covered Payroll (Plan Measurement Period)	\$13,667,096.00	\$13,249,284.00	\$12,745,580.00	\$13,217,456.00	\$16,486,436.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	413.60%	475.31%	607.54%	520.79%	392.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.48%	58.60%	52.01%	56.31%	62.41%

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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 5,175,032.00	\$ 5,091,194.00	\$ 4,607,328.00	\$ 4,627,448.00	\$ 4,306,517.00
Contribution in Relation to the Contractually Required Contribution	(5,175,032.00)	(5,091,194.00)	(4,607,328.00)	(4,627,448.00)	(4,306,517.00)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$14,097,542.00	\$13,983,874.00	\$13,746,322.00	\$14,036,370.00	\$14,000,022.00
Contributions as a Percentage of Covered Payroll	36.71%	36.41%	33.52%	32.97%	30.76%
	Year Ended December 31,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 4,084,010.00	\$ 3,610,165.00	\$ 3,305,101.00	\$ 3,359,187.00	\$ 3,946,939.00
Contribution in Relation to the Contractually Required Contribution	(4,084,010.00)	(3,610,165.00)	(3,305,101.00)	(3,359,187.00)	(3,946,939.00)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$14,138,530.00	\$13,681,569.00	\$13,211,921.00	\$12,916,511.00	\$13,315,299.00
Contributions as a Percentage of Covered Payroll	28.89%	26.39%	25.02%	26.01%	29.64%

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 Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

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>
2023	7.00%	2018	5.66%	2023	7.00%	2018	7.00%
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%

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

The June 30, 2023 measurement date include the following plan amendment: Chapter 92, P.L. 2023 establishing an extension of the previous plan amendment Chapter 52, P.L. 2021, allowing members enrolled between January 18, 2000 and April 19, 2021 to retire prior to age 55 if they have attained 20 years of creditable service and retire by May 1, 2026.

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>
2023	7.00%	2018	6.51%	2023	7.00%	2018	7.00%
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%

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, 2024, the accrued unused sick and vacation time payable are approximately valued at \$4,240,002 under New Jersey regulations and \$14,984,349 under GASB 101.

The County has established a Compensated Absences Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2024, the balance of the fund was \$13,323.

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, 2024.

<u>General Capital Fund</u>	<u>Amount</u>
Year Ending December 31,	
2025	\$ 2,681,131
2026	2,677,737
2027	2,205,069
2028	2,200,225
2029	2,201,200
2030	<u>2,204,800</u>
Total minimum GCIA Financing payments	14,170,162
Less amount representing interest	<u>1,555,162</u>
Present value of net minimum GCIA Financing payments	<u>\$ 12,615,000</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.

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.

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.

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

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.

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.

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

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.

General Obligation Bonds Series 2024 – On May 8, 2024, the County issued \$12,800,000.00 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, 2033.

County College Bonds Series 2024 – On May 8, 2024, the County issued \$1,979,000.00 of County College bonds with interest rates ranging from 1.00% 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, 2039.

County College Bonds Series 2024 State Share – On May 8, 2024, the County issued \$1,979,000.00 of County College bonds with interest rates ranging from 1.00% 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, 2039.

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>
2025	\$ 20,043,000	\$ 4,384,762	\$ 24,427,762
2026	17,365,000	3,554,975	20,919,975
2027	17,815,000	3,058,106	20,873,106
2028	16,500,000	2,547,763	19,047,763
2029	14,505,000	2,057,872	16,562,872
2030-2034	43,640,000	4,991,347	48,631,347
2035-2039	7,705,000	1,145,728	8,850,728
2040-2042	2,515,000	162,591	2,677,591
	<u>\$ 140,088,000</u>	<u>\$ 21,903,143</u>	<u>\$ 161,991,143</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.

In 2024, the County entered into a \$24,060,000.00 loan agreement through the Gloucester County Improvement Authority (GCIA) with interest rates of 5.00%. The purpose of the loan was to fund capital projects at Rowan College of South Jersey. The final maturity of the loan is March 1, 2039.

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>
2025	\$ 5,750,000	\$ 4,236,517	\$ 9,986,517
2026	5,915,000	4,071,875	9,986,875
2027	6,190,000	3,800,050	9,990,050
2028	6,440,000	3,546,850	9,986,850
2029	6,740,000	3,249,100	9,989,100
2030-2034	37,435,000	11,027,225	48,462,225
2035-2039	30,710,000	2,869,775	33,579,775
	<u>\$ 99,180,000</u>	<u>\$ 32,801,392</u>	<u>\$ 131,981,392</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>2024</u>	<u>2023</u>	<u>2022</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 239,268,000	\$ 224,530,000	\$ 243,337,000
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes			125
Total Issued and Authorized but not Issued	<u>239,268,000</u>	<u>224,530,000</u>	<u>243,337,125</u>
<u>Deductions</u>			
General:			
Accounts Receivable Chapter 12	15,374,000	14,687,500	13,983,500
Funds Temporarily Held to Pay Bonds and Notes	<u>3,757,039</u>	<u>3,353,265</u>	<u>3,294,255</u>
Total Deductions	<u>19,131,039</u>	<u>18,040,765</u>	<u>17,277,755</u>
Net Debt	<u>\$ 220,136,961</u>	<u>\$ 206,489,235</u>	<u>\$ 226,059,370</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 .578%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Debt Guaranteed by the County	\$ 100,041,911	\$ 100,041,911	
General Debt	<u>239,268,000</u>	<u>19,131,039</u>	<u>\$ 220,136,961</u>
	<u>\$ 339,309,911</u>	<u>\$ 119,172,950</u>	<u>\$ 220,136,961</u>

Net debt \$220,136,961 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$38,088,874,557, equals .578%.

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

2% of Equalized Valuation Basis (County)	\$ 761,777,491
Less: Net Debt	<u>220,136,961</u>
Remaining Borrowing Power	<u>\$ 541,640,530</u>

Note 10: DEBT SERVICE AGREEMENTS

The County guarantees the Gloucester County Utilities Authority and Gloucester County Improvement Authority Debt. At December 31, 2024, guaranteed debt is as follows:

Gloucester County Utilities Authority		\$	55,831,720
Gloucester County Improvement Authority:			
County of Gloucester GCIA Financing Payable	\$	12,615,000	
Nurising Home		3,380,000	
Landfill		28,215,190	
			<u>44,210,190</u>
Total		\$	<u>100,041,911</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 2024 County budget proposed a tax levy not to exceed 3.1 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, 2024, was not available; therefore, the information from the measurement period June 30, 2023, 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>. As a local participating employer of the Plan, the County is referred to as "Employer" throughout this note.

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 Employer was billed monthly by the Plan and paid \$9,533,753.23, for the year ended December 31, 2023, representing 13.35% of the Employer's covered payroll. During the year ended December 31, 2023, retirees were required to contribute \$323,948.06 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 Employer, is not known; however, under the special funding situation, the State's OPEB expense, on-behalf of the Employer, is \$(64,264.00) for the year ended December 31, 2023, representing -0.09% of the Employer'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, 2023, the Employer's and State's proportionate share of the net OPEB liability were as follows:

Proportionate Share of Net OPEB Liability	\$ 258,600,942.00
State of New Jersey's Proportionate Share of Net OPEB Liability Associated with the Employer	<u>354,422.00</u>
	<u><u>\$ 258,955,364.00</u></u>

The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023.

The Employer'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, 2022, through June 30, 2023. For the June 30, 2023, measurement date, the Employer's proportion was 1.723255%, which was an increase of .242849% from its proportion measured as of the June 30, 2022, measurement date.

The State's proportion of the net OPEB liability, on-behalf of the Employer 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, 2022, through June 30, 2023. For the June 30, 2023, measurement date, the State's proportion on-behalf of the Employer was .010158%, which was a decrease of .002007% from its proportion measured as of the June 30, 2022, measurement date.

OPEB (Benefit) Expense - At December 31, 2023, the Employer's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2023, measurement date, is \$(364,313.00). This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2023, the Employer made contributions to the Plan totaling \$9,533,753.23.

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, 2023, the Employer 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	\$ 11,925,341.00	\$ 70,227,565.00
Changes of Assumptions	33,498,524.00	73,098,207.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	-	42,670.00
Changes in Proportion	75,499,382.00	11,479,361.00
Contributions Subsequent to the Measurement Date	<u>4,763,766.79</u>	<u>-</u>
	<u>\$ 125,687,013.79</u>	<u>\$ 154,847,803.00</u>

Deferred outflows of resources in the amount of \$4,763,766.79 will be included as a reduction of the Employer's net OPEB liability during the year ending December 31, 2024. The Employer 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	-
June 30, 2023	-	7.89	June 30, 2023	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
June 30, 2023	7.89	-	June 30, 2023	7.89	7.89

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 <u>Dec. 31,</u>	
2024	\$ (21,402,233.00)
2025	(13,163,591.00)
2026	(2,542,266.00)
2027	6,406,108.00
2028	(3,140,741.00)
Thereafter	<u>(81,833.00)</u>
	<u><u>\$ (33,924,556.00)</u></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, 2022, which was rolled forward to June 30, 2023, 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 pay interest to participants on a monthly basis.

Discount Rate - The discount rate used to measure the OPEB liability at June 30, 2023, was 3.65%. 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:

Fiscal Year Ending	Annual Rate of Increase					
	Medical Trend			Prescription Drug Trend		
	Pre-65	PPO Post-65	HMO Post-65	Pre-65	Post-65	EGWP
2024	6.50%	-5.63%	-6.04%	14.00%	9.50%	14.28%
2025	6.25%	8.22%	8.33%	10.00%	8.75%	11.21%
2026	6.00%	16.85%	17.28%	7.50%	7.50%	7.50%
2027	5.75%	14.31%	14.65%	6.75%	6.75%	6.75%
2028	5.50%	12.43%	12.71%	6.00%	6.00%	6.00%
2029	5.25%	11.02%	11.24%	5.25%	5.25%	5.25%
2030	5.00%	9.91%	10.09%	4.50%	4.50%	4.50%
2031	4.75%	8.98%	9.14%	4.50%	4.50%	4.50%
2032	4.50%	6.46%	6.53%	4.50%	4.50%	4.50%
2033 and Later	4.50%	4.50%	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 3.65%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Proportionate Share of the Net OPEB Liability	\$ 299,542,319.00	\$ 258,600,942.00	\$ 225,669,919.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	410,534.00	354,422.00	309,289.00
	<u>\$ 299,952,853.00</u>	<u>\$ 258,955,364.00</u>	<u>\$ 225,979,208.00</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	\$ 219,780,372.00	\$ 258,600,942.00	\$ 308,303,135.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>301,217.00</u>	<u>354,422.00</u>	<u>422,541.00</u>
	<u>\$ 220,081,589.00</u>	<u>\$ 258,955,364.00</u>	<u>\$ 308,725,676.00</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 Seven Plan Years)

	Measurement Date Ended June 30,			
	<u>2023</u>	<u>2022</u>	<u>2021 (a)</u>	<u>2020</u>
Proportion of the Net OPEB Liability	1.723255%	1.480406%	1.465243%	1.376205%
Proportionate Share of the Net OPEB Liability	\$ 258,600,942.00	\$ 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	354,422.00	410,424.00	462,243.00	33,276,569.00
Total	<u>\$ 258,955,364.00</u>	<u>\$ 239,490,004.00</u>	<u>\$ 264,202,958.00</u>	<u>\$ 280,258,754.00</u>
Covered Payroll (Plan Measurement Period)	\$ 69,292,404.00	\$ 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	373.20%	348.57%	385.82%	392.54%
Plan Fiduciary Net Position (Deficit) as a Percentage of the Total OPEB Liability	-0.79%	-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	27,617,487.00	33,675,806.00	47,171,051.00	
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 Contributions (Last Seven Years)***

	<u>Year Ended December 31,</u>			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Required Contributions	\$ 9,533,753.23	\$ 8,434,631.20	\$ 6,835,127.85	\$ 6,006,772.78
Actual Contributions in Relation to the Required Contribution	<u>(9,533,753.23)</u>	<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>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$71,436,706.00	\$68,163,717.00	\$68,452,457.00	\$ 65,283,670.00
Contributions as a Percentage of Covered Payroll	13.35%	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, 2022, which was rolled forward to June 30, 2023, 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>
2023	3.65%	2019	3.50%
2022	3.54%	2018	3.87%
2021	2.16%	2017	3.58%
2020	2.21%		

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 update.

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 \$76,336.44 of lease payments during the year ended December 31, 2024.

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 \$113,197.26 of lease payments during the year ended December 31, 2024.

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 \$184,718.11 of lease payments during the year ended December 31, 2024.

Under the provisions of GASB 87, as of December 31, 2024, the total balance of the lease liability is \$1,151,432.70, and the total balance of the related right to use leased assets are \$1,074,907.64. The leases are summarized as follows:

<u>Description</u>	<u>2024</u>	
	<u>Lease Liability</u>	<u>Lease Asset</u>
Building	\$ 208,782.64	\$ 200,865.89
Equipment - Copiers	105,429.06	109,251.29
Building	726,568.00	655,440.38
Equipment - Golf Carts	110,653.00	109,350.08
	<u>\$ 1,151,432.70</u>	<u>\$ 1,074,907.64</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>
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>\$ 1,151,432.70</u>	<u>\$ 96,034.98</u>	<u>\$ 1,247,467.68</u>

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

Under the provision of GASB 87, for the year ended December 31, 2024, the County would have recognized \$328,077.41 in amortization of total lease liability and \$46,174.40 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, 2024, rental payments of approximately \$374,251.81 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 & COMMITMENTS

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. Commitments - The County had contract costs associated with Salem County of \$3,879,815 at year end that were appropriated in the County's 2025 budget. 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	2/19/2025	\$ 18,847,057

APPENDIX C

DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

The General Bond Resolution, duly adopted by the Authority on July 8, 1992 as amended and supplemented from time to time, including by Supplemental Resolutions of the Authority duly adopted on September 9, 1992 ("1992 Supplemental Bond Resolution"), January 16, 2003 ("2003 Supplemental Bond Resolution"), April 17, 2008 ("2008 Supplemental Bond Resolution"), September 17, 2009 ("2009 Supplemental Bond Resolution"), February 16, 2012 ("2012 Supplemental Bond Resolution"), March 20, 2014 ("2014 Supplemental Bond Resolution"), May 19, 2016 ("2016 Supplemental Bond Resolution"), February 16, 2017 ("2017 Supplemental Bond Resolution"), February 20, 2020 ("2020 Supplemental Bond Resolution") and March 18, 2021 ("2021 Supplemental Bond Resolution"), December 15, 2022 ("2022 Supplemental Bond Resolution"), and January 16, 2025 ("2025 Supplemental Bond Resolution"), and as shall be further amended and supplemented by a Certificate of Authority Officer on the date of the sale of the 2025 Bonds (the General Bond Resolution as so amended and supplemented, collectively, the "Resolution"), contains various covenants and security provisions, certain of which are summarized below. The following summary does not purport to be a full and complete statement of the provisions of the Resolution, and the Resolution should be read in full for a complete understanding of all of the provisions thereof.

For convenience of reference, the number of the relevant section of the Resolution appears following the respective caption in the summary. Whenever particular provisions of the Resolution are referred to, such provisions are incorporated by reference as part of the statements made, and the statements made are qualified in their entirety by reference to the Resolution. Capitalized terms which are used in the Resolution and which are not defined in the Resolution will have the same meanings which are assigned to such terms in the Resolution. "Bonds" will mean all "Bonds", as such term is defined in the Resolution, and will include the 2025 Bonds.

Definitions (Section 101)

"Accountant" means any registered municipal accountant who is also a certified public accountant of the State of New Jersey (who may be the accountant or a member of the firm of accountants who regularly audit the books and accounts of the Authority) selected by the Authority from time to time.

"Act" means the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960, of the State of New Jersey, and the acts amendatory thereof and supplemental thereto.

"Additional Bond" means any of the bonds of the Authority which are authorized and issued under and pursuant to the terms of Sections 317 and 318 of the Resolution in order to provide funds for, among other things, payment of the Costs of any Additional Project and payment of the Costs of completing the Initial Project.

"Additional Project" means the acquisition, construction or improvement of part or parts of the Initial Project, including without limitation, extensions, renewals, replacements, equipment, alterations or improvements thereof or thereto, including the 2003 Project, the 2012 Project, the 2014 Project, the 2017 Project, the 2020 Project, the 2021 Project, the 2023 Project, the 2025

Project and of all or any property, rights, easements, and franchises which are deemed by the Authority to be necessary or useful and convenient therefor provided, however, that "Additional Project" shall not include any facilities which constitute part of the Resource Recovery Facility (as defined herein).

"Annual Budget" means the budget or the amended budget for a Fiscal Year, as adopted by the Authority in accordance with the provisions of Section 611 of the Resolution and the provisions of the Local Authorities Law, and as may be in effect from time to time.

"Authority" means The Gloucester County Improvement Authority, a public body corporate and politic of the State of New Jersey organized and existing under the Act and created by virtue of a resolution of the Board of County Commissioners of the County, duly adopted December 19, 1963.

"Authority Officer" means the Chairperson, the Vice Chairperson, the Treasurer, the Secretary, Assistant Secretary or the Executive Director of the Authority and, when used with reference to an act or a document, also means any other person who shall be authorized by resolution of the Authority to perform such act or to execute such document.

"Authorized County Representative" means the Commissioner Director of the County and any person or persons who shall be authorized to act on behalf of the County by virtue of a written certificate, duly executed on behalf of the County by the Commissioner Director, which sets forth such authorization and which contains the specimen signature of each such person.

"Available Moneys" means any moneys which are continuously on deposit with the Trustee for the benefit of the Bondholders which are (a) proceeds of the sale of Bonds, including any refunding bonds, (b) moneys which have been on deposit with the Trustee for at least 123 consecutive days during which no petition in bankruptcy under the United States Bankruptcy Code has been filed by or against the Authority; provided however, the Trustee may request that a Certificate of Authority Officer be delivered evidencing the matters set forth in this clause (b), (c) any moneys with respect to which the Trustee receives an unqualified Counsel's Opinion which is acceptable to the Trustee that payments of such amounts to the Bondholders would not constitute voidable preferences under Section 547 of the United States Bankruptcy Code or similar state or federal laws (including federal and state laws governing the insolvency of banks, insurance companies, savings and loan associations or other specific types of institutions) with voidable preference provisions in the event of the filing of a petition for relief under the United States Bankruptcy Code or such similar state or federal laws with voidable preference provisions, by or against the Authority and (d) any investment of moneys referred to in clause (a), (b) or (c) above and the proceeds from the investment of such moneys.

"Average Annual Debt Service" means an amount equal to the total of interest on Outstanding Bonds and Principal Installments on Outstanding Bonds for the current and all future Fiscal Years during which Bonds will be Outstanding divided by the number of such Fiscal Years.

"Bond" or "Bonds" means any of the bonds (whether Variable Rate Bonds or Fixed Rate Bonds) of the Authority which shall be authenticated and delineated in one or more Series under and pursuant to the terms of the Resolution, including the 1992 Bonds, the 2003 Bonds, the 2008

Bonds, the 2012 Bonds, the 2014 Bonds, the 2016 Bonds, the 2017 Bonds, the 2020 Bonds, the 2021 Bonds, the 2023 Bonds, the 2025 Bonds and any other Series of Additional Bonds or any Bonds issued in lieu of or in substitution for such Bonds pursuant to the terms of the Resolution.

"Bond Counsel" means an attorney or firm of attorneys with experience and nationally recognized expertise in the area of municipal finance as may be appointed by the Authority from time to time.

"Bondholder" or the term "Holder" or any similar term when used with reference to a Bond or Bonds, means the Registered Owner.

"Bond Reserve Fund" means the fund so designated, established and created pursuant to Section 501 of the Resolution.

"Bond Reserve Credit Facility" means any letter of credit, surety bond, loan agreement or other credit agreement, facility, insurance or guarantee arrangement issued by a financial institution, insurance company or association which is obtained by the Authority, in satisfaction of all or any portion of the Bond Reserve Requirement.

"Bond Reserve Requirement" means, as of any date of calculation, an amount equal to the aggregate of the amounts specified in each and every Supplemental Resolution authorizing the issuance of a Series of Bonds (or in a Certificate of Authority Officer duly executed in connection with the sale of such Series of Bonds) as the amount required, if any, to be deposited in the Bond Reserve Fund with respect to such Series of Bonds, determined in accordance with the limitations imposed pursuant to the Code. Pursuant to the Certificate of Authority Officer executed in connection with: (i) the sale of the 2008 Bonds, the Bond Reserve Requirement for the 2008 Bonds is \$-0-; (ii) the sale of the 2012 Bonds, the Bond Reserve Requirement for the 2012 Bonds is \$-0-; (iii) the sale of the 2014 Bonds, the Bond Reserve Requirement for the 2014 Bonds is \$-0-; (iv) the sale of the 2016 Bonds, the Bond Reserve Requirement for the 2016 Bonds is \$-0-; (v) the sale of the 2017 Bonds, the Bond Reserve Requirement for the 2017 Bonds is \$-0-; (vi) the sale of the 2020 Bonds, the Bond Reserve Requirement for the 2020 Bonds is \$-0-; (vii) the sale of the 2021 Bonds, the Bond Reserve Requirement for the 2021 Bonds is \$-0-; (viii) the sale of the 2023 Bonds, the Bond Reserve Requirement for the 2023 Bonds is \$-0-; and (ix) the sale of the 2025 Bonds, the Bond Reserve Requirement for the 2025 Bonds is \$-0-.

"Bond Service" for any period means, as of any date of calculation, and with respect to any Series of Bonds, an amount equal to the sum of (i) the amount of interest accruing during such period on Outstanding Bonds of such Series except to the extent that such interest is to be paid from deposits into the Bond Service Fund out of Bond proceeds or by payment of investment income which is permitted to be transferred into the Revenue Fund or the Bond Service Fund, and (ii) that portion of each Principal Installment for such Series of Bonds that would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such Series of Bonds or, if there shall be no preceding Principal Installment due date, from a date one year (or such lesser period as shall be appropriate if Principal Installments shall become due more frequently than annually) preceding the due date of such Principal Installment or from the date of issuance of the Bonds of such Series, whichever is later; provided however, that in the case of Variable Rate Bonds, with respect to a particular period and date of calculation, the interest rate thereon

shall equal the Maximum Interest Rate, except that, if on such date of calculation, the interest rate on such Variable Rate Bonds shall then be fixed for a specified period, the interest rate on such Variable Rate Bonds (for the purpose of the foregoing calculation) shall be the actual interest rate on the Variable Rate Bonds during such period.

"Bond Service Account" means the account so designated which is established and created by the Authority pursuant to Section 501 of the Resolution.

"Bond Service Fund" means the fund so designated, established and created pursuant to Section 501 of the Resolution.

"Bond Service Requirement" means, as of any particular date of computation in a particular Fiscal Year and with respect to the Bonds Outstanding on such date, an amount which is equal to any unpaid interest or principal then due, plus, all interest which is payable on the interest payment dates during such Fiscal Year and all principal which is payable on the date established for the payment of such principal during such Fiscal Year; less any amounts which are held by the Trustee and which are available for such purpose; provided however, that interest for Variable Rate Bonds shall be computed in accordance with the requirements which are set forth therefor in the definition of "Bond Service" above.

"Book-Entry Bonds" means any Bonds which are issued in book-entry form as evidenced by a single certificate for each stated principal maturity of the Bonds, which Bonds are in registered form and delivered to a Securities Depository.

"Business Day" means any Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which either State or federally chartered banking institutions in the City of New York or the State of New Jersey are authorized or obligated by law or executive order to close.

"Certificate of Authority Officer" means any certificate which is executed (a) prior to the authentication and delivery of any Series of Bonds by an Authority Officer who has been authorized by the Authority in order to determine the time and manner (public or private) of sale of the Bonds, the maturities and rate or rates of interest (which may be fixed or which may change at such time or times in accordance with a specified formula or method of determination), and in order to determine such other terms and conditions of the Bonds, including without limitation, the appointment of any Fiduciary, as are appropriate and which are not otherwise inconsistent with the terms of the Resolution or the terms of any Supplemental Resolution of the Authority, or (b) by an Authority Officer for any purpose which is provided in the Resolution or in any Supplemental Resolution of the Authority, other than as provided in (a) above.

"Code" means the Internal Revenue Code of 1986, as the same may be amended from time to time, and the regulations promulgated thereunder and any regulations promulgated under the Internal Revenue Code of 1954, as amended, to the extent applicable to the Bonds.

"Complex" means the Gloucester County Solid Waste Complex located in the Township of South Harrison, in the County, owned and operated by the Authority.

"Construction Fund" means the fund so designated, established and created pursuant to Section 401 of the Resolution.

"Consulting Engineer" means an independent engineer or engineering firm or corporation, with a reputation for skill and experience with respect to the construction and operation of sanitary landfills similar or related facilities as may be retained by the Authority from time to time.

"Cost" or "Costs of the Project" means and shall be deemed to include, together with any other proper item of cost which is not specifically mentioned in the Resolution but which is provided under the definition of "cost" or "costs", as set forth in the Act, whether incurred prior to or after the date of adoption of the Resolution (a) costs and expenses of the Authority which are incurred for labor and materials and payments to any contractors, builders and materialmen in connection with the acquisition, construction and installation of all or any portion of the Project; (b) the cost of any letter of credit or any surety or similar bonds issued in lieu of or in addition to such surety bond and the cost of insurance of any kind that may be required or that may be necessary during the course of construction of the Project which is not paid by any contractor or contractors or which is otherwise provided for; (c) the costs and expenses of the Authority for test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction, as well as for the performance of all other duties which are required by or which are consequent to the proper construction of the Project; (d) compensation and expenses of the Trustee, Tender Agent, Paying Agent, Registrar, Remarketing Agent, and/or other fiduciaries, any financial advisory, legal accounting, financial and printing expenses, and any fees and all other expenses incurred in connection with the (i) issuance of the Bonds, and (ii) obtaining and maintaining a Liquidity Facility for any Variable Rate Bonds or a Credit Facility or Bond Reserve Credit Facility for any Bonds; (e) all other costs which the Authority shall be required to pay for the development, acquisition, construction or installation of the Project; (f) any sums which are required to reimburse the County or the Authority for advances made by either or both of them for any of the above items, or for any other costs which are properly incurred and for work done by either or both of them, which are properly chargeable to the Project; (g) deposits into the Bond Service Fund for payment of the principal or redemption price of or interest on the Bonds and deposits in the Bond Reserve Fund or any other fund or account established and created under the Resolution, all as shall be provided in the Resolution; (h) the payment of the principal or redemption price of and interest on any Project Notes or similar evidences of indebtedness of the Authority which have been issued to temporarily finance the payment of any item or items of Cost of the Project; (i) the administrative expenses of the Authority incurred in connection with any financing of the Project; (j) County Guaranty Costs; (k) such other expenses which are not specified in the Resolution as may be necessary or incidental to the construction, acquisition and installation of the Project, the financing thereof and the placing of the same in use and operation.

"Counsel's Opinion" means an opinion which shall be signed by an attorney or firm of attorneys of recognized standing (who may be counsel to or of counsel to the Authority) which shall be selected by the Authority, which opinion shall be satisfactory in form and content to the Authority, and, if such opinion is required to be delivered to the Trustee, which opinion shall be satisfactory in form and content to the Trustee.

"County" means the County of Gloucester, a municipal corporation of the State of New Jersey.

"County Guaranty" means, the guaranty of the County adopted pursuant to *N.J.S.A.* 40:37A-80, securing the timely payment of the principal of and interest on Bonds or Project Notes of a particular Series issued by the Authority for or with respect to all or a portion of the Project, as approved by ordinance of the Board finally adopted April 24, 1985 with respect to the 1987 Bonds, as amended and supplemented from time to time including by the guaranty ordinance duly adopted by the Board on June 1, 1988 with respect to the 1988 Bonds, the guaranty ordinance duly adopted by the Board on January 23, 1991 with respect to the 1991 Bonds, the guaranty ordinance duly adopted by the Board on July 22, 1992 with respect to the 1992 Bonds, the guaranty ordinance duly adopted by the Board on January 29, 2003 with respect to the 2003 Bonds, the guaranty ordinance duly adopted by the Board on April 16, 2008 with respect to the 2008 Bonds, the guaranty ordinance duly adopted by the Board on February 1, 2012 with respect to the 2012 Bonds, the guaranty ordinance duly adopted by the Board on February 19, 2014 with respect to the 2014 Bonds, the guaranty ordinance duly adopted by the Board on May 25, 2016 with respect to the 2016 Bonds, the guaranty ordinance duly adopted by the Board on May 25, 2016 with respect to the 2017 Bonds, the guaranty ordinance duly adopted by the Board on March 28, 2018 with respect to the 2020 Bonds, the guaranty ordinance duly adopted by the Board on July 8, 2020 with respect to the 2021 Bonds, the guaranty ordinance duly adopted by the Board on November 9, 2022 with respect to the 2023 Bonds, the guaranty ordinance duly adopted by the Board on December 27, 2024 with respect to the 2025 Bonds, and any further amendment, supplement or restatement thereof, duly adopted by the Board with respect to any other additional Series of Bonds.

"County Guaranty Agreement" means the Guaranty Agreement dated the date of issuance of the 2025 Bonds, between the Authority and the County wherein the County has irrevocably and unconditionally guaranteed the punctual payment of the principal of and interest on the 2025 Bonds and setting forth the terms and conditions of the County Guaranty with respect to the 2025 Bonds, as amended and supplemented.

"County Guaranty Costs" means all direct and indirect costs and expenses of the County incurred or paid pursuant to the provisions of the County Guaranty or the County Guaranty Agreement, including all amounts paid by the County pursuant to the Resolution and the initial County Guaranty fee, as set forth in a certificate of an Authorized County Representative to the Authority and the Trustee together with interest on such amounts at an interest rate equal to the County's cost of obtaining funds required to make such payments (including, but not limited to, lost earnings on the investment of available funds used to make such payment) or the net interest cost of the Bonds, whichever is higher, as shall be determined by the County, reasonable attorneys' fees and other costs arising out of the required payment or expenses for the collection, enforcement and repayment pursuant to the County Guaranty, together with interest accrued on such sum until the time of repayment to the County.

"Credit Facility" means any letter of credit, surety bond, loan agreement or other credit agreement, facility, insurance or guarantee arrangement issued by a financial institution, insurance company or association pursuant to which the Authority is entitled to obtain funds to pay the principal of and accrued interest on Bonds.

"Fiduciary" means the Trustee, the Registrar, the Paying Agent, the Tender Agent, the Remarketing Agent, or any or all of them, as the case may be; provided however, that such

defined term shall be used for ease of reference and is not intended to define the duties or responsibilities of any Fiduciary.

"Fiscal Year" means the period of twelve consecutive months, as shall be determined from time to time by a resolution duly adopted by the Authority.

"General Bond Resolution" means the resolution of the Authority adopted July 8, 1992 entitled, "RESOLUTION AUTHORIZING THE ISSUANCE OF SOLID WASTE REVENUE BONDS (LANDFILL PROJECT) OF THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY".

"General Fund" means the fund so designated, established and created pursuant to Section 501 of the Resolution.

"Initial Project" means the project which was financed by the Prior Bonds, including the planning, design, construction, acquisition and improvement of the sanitary landfill, together with all necessary and incidental equipment, apparatus, structures and appurtenances and including all real property and rights-of-way, easements and other interest and all personal property which is necessary or which is desirable for the efficient operation of such facilities, including, without limitation, all real and personal property and rights therein and any appurtenances which are necessary or useful and convenient therefor provided however, that "Initial Project" shall not include any facilities which constitute part of the Resource Recovery Facility.

"Investment Obligations" means, to the extent permitted by law, (a) any direct and general obligation of, or any obligation fully and unconditionally guaranteed by the United States of America; (b) any bond, debenture, note or participation certificate or other evidence of indebtedness issued by any of the following: Bank for Cooperatives, Federal Intermediate Credit Banks, Federal Home Loan Bank Systems, Federal Land Banks, Export-Import Bank, Tennessee Valley Authority, Federal National Mortgage Association, Government National Mortgage Association, Farmers Home Administration, Federal Financing Bank, Student Loan Marketing Association and the U.S. Postal Service; (c) negotiable or non-negotiable certificates of deposit which are issued by any bank, savings and loan association, trust company, national banking association or other banking institution (which may include any Fiduciary), which certificates of deposit, except in the case of certificates of deposit issued by a bank, savings and loan association, trust company, national banking association or any other banking institution that is located in the State of New Jersey or that has a capital stock and surplus of more than \$50,000,000, shall be continuously secured by obligations described in subparagraphs (a), (b) or (d) of this definition, which shall have a market value (exclusive of accrued interest) which is at all times at least equal to the principal amount of such certificates of deposit and such collateral shall be lodged with the Trustee, as custodian, by the bank, savings and loan association, trust company, national banking association or other banking institution issuing such certificates of deposit; (d) full faith and credit obligations of any State, provided that at the time of purchase such obligations are rated in either of the two highest rating categories by a nationally recognized bond rating agency; (e) deposits in interest bearing accounts in any bank, savings and loan association, trust company, national banking association or other banking institution (which may include any Fiduciary) that is located in the State of New Jersey or that has a capital stock and surplus of more than \$50,000,000; (f) shares or beneficial interests in an investment fund or trust

whose assets consist of obligations which are described in subparagraphs (a) or (b) of this definition (as to which fund or trust any fiduciary or any affiliate thereof may provide and be compensated for managerial, custodial and/or investment services); (g) interests in the State of New Jersey Cash Management Fund or other similar common trust fund for which the New Jersey State Treasurer is the custodian; (h) investment agreements with any bank, trust company or national banking association having a capital stock or surplus of more than \$200,000,000 or investment agreements with any government bond dealer which reports to, trades with and is recognized as a primary dealer by the Federal Reserve Bank of New York or Philadelphia for the purchase of securities described in subparagraphs (a) or (b) above; provided however, that such investment agreements shall be continuously secured by obligations described in subparagraphs (a) or (b) of this definition which have a market value (exclusive of accrued interest) at all times which is at least equal to the principal amount invested in such investment agreement; and provided further, that such security or collateral is transferred to the Trustee, or is held in trust for its account, as titleholder, and is held in a segregated account by a bank, trust company or national banking association having a capital stock and surplus of more than \$200,000,000; or (i) certificates that evidence ownership of the right to receive payments of principal or interest on obligations described in a subparagraph (a), provided however, that such obligations shall be transferred to the Trustee, or held in trust for its account, as titleholder, and held in a segregated account by a bank, trust company or national banking association having a capital stock and surplus of more than \$200,000,000. However, only the obligations described in subparagraph (a) shall be considered to be an Investment Obligation for purposes of Section 1201 of the Resolution.

As of the date of adoption of the 2025 Supplemental Bond Resolution, the following investments are currently permitted investments under the laws of the State of New Jersey for investment of the Authority's funds when authorized by a cash management plan approved pursuant to *N.J.S.A. 40A:5-14*:

a. (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

(2) Government money market mutual funds;

(3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

(4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;

(5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the State Department of the Treasury for investment by local units;

(6) Local government investment pools;

(7) Deposits with the State Cash Management Fund established pursuant to Section 1 of P.L. 1977, c. 281 (*N.J.S.A. 52:18A-90.4*); or

(8) Agreements for the repurchase of fully collateralized securities, if:

(a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of subsection a.;

(b) the custody of collateral is transferred to a third party;

(c) the maturity of the agreement is not more than thirty (30) days;

(d) the underlying securities are purchased through a public depository as defined in Section 1 of P.L. 1970, c. 236 (*N.J.S.A. 17:9-41*); and

(e) a master repurchase agreement providing for the custody and security of collateral is executed.

b. Any investment instruments in which the security is not physically held by the local unit shall be covered by a third party custodial agreement which shall provide for the designation of such investments in the name of the local unit and prevent unauthorized use of such investments.

c. Purchase of investment securities shall be executed by the "delivery versus payment" method to ensure that securities are either received by the local unit or a third party custodian prior to or upon the release of the local unit's funds.

d. Any investments not purchased and redeemed from the issuer, government money market mutual fund, local government investment pool or the State Cash Management Fund, shall be purchased and redeemed through the use of a national or State bank located within the State or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years pursuant to Section 9 of P.L. 1967, c.93 (*N.J.S.A. 49:3-56*) and has at least \$25 million in capital stock (or equivalent capitalization if not a corporation), surplus reserves for contingencies and undivided profits, or through a securities dealer who makes primary markets in U.S. Government securities and reports daily to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government securities.

e. For the purposes of this definition:

(1) a "government money market mutual fund" means an investment company or investment trust:

(a) which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940", 15 *U.S.C.* §80a-1 *et seq.*, and operated in accordance with 17 *C.F.R.* §270.2a-7;

(b) the portfolio of which is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 *C.F.R.* §270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of subsection a.; and

(c) which is rated by a nationally recognized statistical rating organization.

(2) a "local government investment pool" means an investment pool:

(a) which is managed in accordance with 17 *C.F.R.* §270.2a-7;

(b) which is rated in the highest category by a nationally recognized statistical rating organization;

(c) which is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 *C.F.R.* §270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of subsection a.;

(d) which is in compliance with rules adopted pursuant to the "Administrative Procedure Act", P.L. 1968, c. 410 (*N.J.S.A.* 52:14B-1 *et seq.*) by the Local Finance Board, which rules shall provide for disclosure and reporting requirements, and other provisions deemed necessary by the board to provide for the safety, liquidity and yield of the investments;

(e) which does not permit investments that: are subject to high price volatility with changing market conditions; cannot reasonably be expected, at the time of interest rate adjustment, to have a market value that approximates their par value; or utilize an index that does not support a stable net asset value; and

(f) which purchases and redeems investments directly from the issuer, government money market mutual fund, or the State Cash Management Fund, or through the use of a national or State bank located within the State, or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years pursuant to Section 9 of P.L. 1967, c. 93 (*N.J.S.A.* 49:3-56) and has at least \$25 million in capital stock (or equivalent capitalization if not a corporation), surplus reserves for contingencies and undivided profits, or through a securities dealer who makes primary markets in U.S. Government securities and reports daily to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government securities.

f. Investments in, or deposits or purchases of financial instruments made pursuant to the Resolution shall not be subject to the requirements of the "Local Public Contracts Law", P.L. 1971, c. 198 (*N.J.S.A. 40A:11-1 et seq.*).

"Liquidity Facility" means an insurance policy, letter of credit or agreement or facility issued by a financial institution, insurance company or association pursuant to which the Authority may obtain funds for payment of the principal of and accrued interest on Bonds upon the tender of such Bonds for purchase by the Holder thereof or upon the redemption of such Bonds by the Authority.

"Local Authorities Law" means the Local Authorities Fiscal Control Law, constituting Chapter 313 of the Pamphlet Laws of 1983, of the State of New Jersey, and the acts amendatory thereof and supplemental thereto.

"Maximum Annual Debt Service" means an amount equal to the greatest interest on Outstanding Bonds and Principal Installments on Outstanding Bonds, in any single current or future Fiscal Year for Outstanding Bonds.

"Net Revenues" when used with respect to a period of time, means the excess (if any) of the Revenues for such period of time over the Operating Expenses for such period of time.

"Operating Expenses" means the Authority's reasonable and necessary current expense of maintaining, repairing and operating the Project, including without limitation, (a) all administrative, general commercial expenses, (b) insurance and surety bond premiums, (c) payments to others for the collection or disposal of solid waste, (d) engineering expenses, (e) legal expenses, (f) auditing expenses, (g) payments to pension, retirement, health and hospitalization funds, (h) any taxes that may be lawfully imposed on the Authority or its income or operations or the property under its control, (i) ordinary and current rentals of equipment or other costs which are not paid from the Construction Fund, (l) refunds or moneys which are lawfully due to others, (m) any other current expenses which are required or which are permitted to be paid by the Authority under the provisions of the Resolution or by law, all to the extent that such expenses are properly and directly attributable to the Project, (n) expenses which are incurred in connection with the authorization or issuance of the Bonds, and (o) the expenses, liabilities and compensation of any Fiduciary or other agent or consultant of the Authority which are required or which are permitted to be paid under the Resolution; provided however, that "Operating Expenses" shall not include any reserves for operation, maintenance or repair or any allowance for depreciation, amortization, interest on obligations of the Authority, including the Bonds, or other similar charges.

"Outstanding", when used with reference to a particular Series of Bonds and as of any particular date, describes all Bonds of such Series theretofore and thereupon being authenticated and delivered except (a) any Bond of such Series which has been cancelled by the Authority or by the Registrar on or prior to said date, (b) any Bond of such Series for the payment or redemption of which either (i) cash, in an amount which is equal to the principal amount and redemption premium, if any, thereof, as the case may be, together with interest accrued and unpaid and interest to accrue to the date of maturity or the redemption date, as the case may be, or (ii) moneys and/or Investment Obligations in the amounts, of the maturities and otherwise conforming with the provisions of Section 1201 of the Resolution, shall have theretofore been

deposited with the Trustee in trust whether upon or prior to the maturity date or the redemption date of such Bonds and, except in the case of a Bond of such Series to be paid at maturity, of which notice of redemption shall have been given or provided for in accordance with the terms of Article VII, (c) any Bond of such Series in lieu of or in substitution for which another Bond of such Series shall have been authenticated and delivered pursuant to the provisions of the Resolution, and (d) any Variable Rate Bond which shall be deemed to have been purchased by the Tender Agent in connection with (i) an event which requires that a Bondholder tender its Variable Rate Bond for purchase, or (ii) the presentation by a Bondholder of a Notice of Election to tender whether or not the Variable Rate Bonds which are the subject of such notice are delivered on the date required by the Resolution.

"Paying Agent" means any paying agent for the Bonds which shall be appointed by the Authority pursuant to the terms of Section 1102(a) of the Resolution, and its successor or successors, and any other corporation or association that may at any time be substituted in its place pursuant to the terms of the Resolution.

"Principal Installment" means, as of any particular date of calculation, an amount of money which is equal to the sum of (a) the principal amount of Outstanding Bonds that mature on a single future date, reduced by the aggregate principal amount of such Outstanding Bonds that would, on or prior to such future date, cease to be Outstanding by reason (but only by reason) of the payment when due and the application of Sinking Fund Installments which are payable on or prior to such future date toward the retirement of such Outstanding Bonds, and (b) the amount of any Sinking Fund Installment which is payable on such future date toward the retirement of any Outstanding Bonds, and such future date is deemed to be the date when such Principal Installment is payable. In the case of Capital Appreciation Bonds, the unsatisfied balance thereof shall be computed on the basis of the portion of the accredit value which is deemed to accrete for any period of time on the basis of the accredit values provided for such Capital Appreciation Bonds in the Supplemental Resolution of the Authority authorizing same or in the Certificate of Authority Officer providing for the issuance and sale of such Capital Appreciation Bonds.

"Prior General Bond Resolution" means the general bond resolution of the Authority adopted on March 19, 1987, as amended and supplemented pursuant to which the Prior Bonds were issued.

"Project" means the Initial Project, all Additional Projects, including, but not limited to, the 2003 Project, 2012 Project, the 2014 Project, the 2016 Refunding Project, the 2017 Project, the 2018 Project, the 2020 Project, the 2021 Project, the 2023 Project, the 2025 Project and all additions, extensions and improvements thereto or any part of the foregoing and any renewals or replacements thereof.

"Project Reserve Requirement" means, as of any particular date of computation, the amount which is reasonably necessary as a reserve for expenses with respect to the Project for major repairs, renewals, replacements or maintenance items of a type not recurring annually or at shorter intervals, as stated in a certificate executed by the Consulting Engineer or an Authorized Officer and filed with the Trustee by the Authority (a) prior to or simultaneously with the authentication and delivery of any Series of Bonds, and (b) at least annually beginning on a date which is not more than twelve months subsequent to the date such first certificate has been

executed by the Consulting Engineer. Pursuant to the Certificate of Authority Officer executed in connection with the sale of: (i) the 2008 Bonds, the Project Reserve Requirement for the 2008 Bonds is \$250,000.00, to be funded from existing funds currently on deposit in the Renewal and Replacement Fund; (ii) the 2012 Bonds, the Project Reserve Requirement for the 2012 Bonds is \$250,000.00, to be funded from existing funds currently on deposit in the Renewal and Replacement Fund; (iii) the 2014 Bonds, the Project Reserve Requirement for the 2014 Bonds is \$250,000.00, to be funded from existing funds currently on deposit in the Renewal and Replacement Fund; (iv) the 2016 Bonds, the Project Reserve Requirement for the 2016 Bonds is \$250,000.00, to be funded from existing funds currently on deposit in the Renewal and Replacement Fund; (v) the 2017 Bonds, the Project Reserve Requirement for the 2017 Bonds is \$250,000.00; (vi) the 2020 Bonds, the Project Reserve Requirement for the 2020 Bonds is \$250,000.00; (vii) the 2021 Bonds, the Project Reserve Requirement for the 2021 Bonds is \$250,000, to be funded from existing funds currently on deposit in the Renewal and Replacement Fund; (viii) the 2023 Bonds, the Project Reserve Requirement for the 2023 Bonds is \$250,000, to be funded from existing funds currently on deposit in the Renewal and Replacement Fund; and (ix) the 2025 Bonds, the Project Reserve Requirement for the 2025 Bonds is \$250,000, to be funded from existing funds currently on deposit in the Renewal and Replacement Fund.

"Rate Stabilization Requirement" means the amount, if any, established at least annually in accordance with Section 511 of the Resolution. Pursuant to the Certificate of Authority Officer executed in connection with: (i) the sale of the 2008 Bonds, the Rate Stabilization Requirement for the 2008 Bonds is \$-0-; (ii) the sale of the 2012 Bonds, the Rate Stabilization Requirement for the 2012 Bonds is \$-0-; (iii) the sale of the 2014 Bonds, the Rate Stabilization Requirement for the 2014 Bonds is \$-0-; (iv) the sale of the 2016 Bonds, the Rate Stabilization Requirement for the 2016 Bonds is \$-0-; (v) the sale of the 2017 Bonds, the Rate Stabilization Requirement for the 2017 Bonds is \$-0-; (vi) the sale of the 2020 Bonds, the Rate Stabilization Requirement for the 2020 Bonds is \$-0-; (vii) the sale of the 2021 Bonds, the Rate Stabilization Requirement for the 2021 Bonds is \$-0-; (viii) the sale of the 2023 Bonds, the Rate Stabilization Requirement for the 2023 Bonds is \$-0-; and (ix) the sale of the 2025 Bonds, the Rate Stabilization Requirement for the 2025 Bonds is \$-0-.

"Rebate Fund" means the fund so designated, established and created pursuant to Section 501 of the Resolution.

"Record Date" means, with respect to a particular Series of Bonds, (a) the fifteenth (15th) day (whether or not a Business Day) of the calendar month next preceding each interest payment date, in the event that the interest payment date is the first (1st) day of a month, (b) the first (1st) day (whether or not a Business Day) of the calendar month next preceding each interest payment date in the event that the interest payment date is the fifteenth (15th) day of the month or, (c) as otherwise provided for a Series of Bonds in a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Series of Bonds, or, as determined in a Certificate of Authority Officer which is duly executed in connection with the issuance of the Bonds.

"Redemption Price" means, when used with respect to any Bond or a portion thereof, the principal amount (or, if applicable, the accredit value of a Capital Appreciation Bond) of such Bond (or portion thereof) plus the applicable redemption premium, if any, which is payable upon redemption thereof in the manner contemplated in accordance with its terms and in accordance

with the terms of the Resolution, together with interest accrued thereon to the date fixed for redemption.

"Registered Owner" means the owner of any Bond which is issued in fully registered form, as determined on the Record Date, and as reflected on the registration books of the Authority which shall be kept and maintained on behalf of the Authority by the Registrar.

"Registrar" means the registrar or bond registrar for the Bonds which shall be appointed by the Authority pursuant to the terms of Section 1102(b) of the Resolution, and its successor or successors, and any other corporation or association which may at any time be substituted in its place pursuant to the terms of the Resolution.

"Renewal and Replacement Fund" means the fund so designated, established and created pursuant to Section 501 of the Resolution.

"Resolution" means the General Bond Resolution, as amended and supplemented by the 1992 Supplemental Bond Resolution, the 2003 Supplemental Bond Resolution, the 2008 Supplemental Bond Resolution, the 2009 Supplemental Bond Resolution, the 2012 Supplemental Resolution, the 2014 Supplemental Bond Resolution, the 2016 Supplemental Bond Resolution, the 2017 Supplemental Bond Resolution, the 2020 Supplemental Bond Resolution, the 2021 Supplemental Bond Resolution, the 2022 Supplemental Bond Resolution, the 2025 Supplemental Bond Resolution and as the same may be further amended and supplemented from time to time.

"Resource Recovery Facility" means the mass-burn resource recovery facility consisting of a 575 ton-per-day solid waste disposal facility owned and operated by Wheelabrator Gloucester Company LP and located in West Deptford Township, New Jersey.

"Revenue Fund" means the fund so designated, established and created pursuant to Section 501 of the Resolution.

"Revenues" means (i) all revenues, income and receipts derived or to be derived by the Authority, from or attributable to the ownership or use of the Project, (ii) the proceeds of any insurance covering a loss due to an interruption in the operation of the Project, and (iii) any investment income which is derived from the investment of any funds which are held by the Trustee and which are deposited in the Revenue Fund pursuant to the terms of the Resolution.

"Securities Depository" means the depository for any Book-Entry Bonds which are issued under the Resolution and which shall be appointed by the Authority pursuant to the terms of Section 1102 of the Resolution, and its successor or successors and any corporation or financial or banking institution which may be substituted in its place pursuant to the terms of the Resolution.

"Series" when used with respect to less than all of the Bonds, means all of the Bonds which are authenticated and delivered on original issuance in a simultaneous transaction and which are so designated by the Supplemental Resolution of the Authority authorizing such Series of Bonds, regardless of variations in maturity, interest rate or other provisions, and any Bonds which are thereafter authenticated and delivered in lieu of or in substitution for any of such Bonds under and pursuant to the terms of Resolution; provided however, that notwithstanding

the foregoing to the contrary, any Bonds which are issued as Tax-Exempt Obligations shall in no event be treated as being part of the same Series as Bonds which are not Tax-Exempt Obligations.

"Sinking Fund" means the fund so designated, established and created by the Authority pursuant to the terms of Section 501 of the Resolution.

"Supplemental Resolution" means any resolution of the Authority amending or supplementing the Resolution which is duly adopted and which becomes effective in accordance with the terms of Article VIII of the Resolution, including the 1992 Supplemental Bond Resolution, the 2003 Supplemental Bond Resolution, the 2008 Supplemental Bond Resolution, the 2009 Supplemental Bond Resolution, the 2012 Supplemental Resolution, the 2014 Supplemental Bond Resolution, the 2016 Supplemental Bond Resolution, the 2017 Supplemental Resolution, the 2020 Supplemental Resolution, the 2021 Supplemental Resolution, the 2022 Supplemental Bond Resolution, and the 2025 Supplemental Bond Resolution.

"Tax-Exempt Obligations" means any Series of Bonds which are issued pursuant to the terms of the Resolution together with an opinion of Bond Counsel to the effect that the interest on such Bonds is excludable from gross income pursuant to the provisions of the Code (notwithstanding the application of the provisions of the Code relating to alternative minimum taxation).

"Township" means the Township of South Harrison, in the County.

"Trustee" means the trustee for the Bonds which shall be appointed by the Authority pursuant to the terms of Section 1101 of the Resolution, and its successor or successors, and any other corporation or association which may at any time be substituted in its place pursuant to the terms of the Resolution.

"2003 Bonds" means the \$9,645,000 aggregate principal amount of County Guaranteed Solid Waste Revenue Bonds (Landfill Project, 2003 Refunding Series A) issued by the Authority on May 14, 2003 pursuant to the 2003 Supplemental Bond Resolution.

"2008 Bonds" means the \$15,905,000 aggregate principal amount of County Guaranteed Solid Waste Revenue Bonds (Landfill Project, Series 2008) issued by the Authority on September 18, 2008 pursuant to the 2008 Supplemental Bond Resolution.

"2012 Bonds" means the \$5,300,000 aggregate principal amount of County Guaranteed Solid Waste Revenue Bonds (Landfill Project, Series 2012) issued by the Authority on July 10, 2012 pursuant to the 2012 Supplemental Bond Resolution.

"2014 Bonds" means the \$5,460,000 aggregate principal amount of County Guaranteed Solid Waste Revenue Bonds (Landfill Project, Series 2014) issued by the Authority on July 31, 2014 pursuant to the 2014 Supplemental Bond Resolution.

"2016 Bonds" means the \$10,585,000 aggregate principal amount of County Guaranteed Solid Waste Revenue Bonds (Landfill Project, 2016 Refunding Series A) issued pursuant to the 2016 Supplemental Bond Resolution.

"2017 Bonds" means the \$5,682,251 aggregate principal amount of County Guaranteed Solid Waste Revenue Bonds (Landfill Project, Series 2017) issued by the Authority on November 21, 2017 pursuant to the 2017 Supplemental Bond Resolution.

"2020 Bonds" means the \$4,877,129 aggregate principal amount of County Guaranteed Solid Waste Revenue Bonds (Landfill Project, Series 2020) issued by the Authority on May 12, 2020 pursuant to the 2020 Supplemental Bond Resolution.

"2021 Bonds" means the \$7,943,171 aggregate principal amount of County Guaranteed Solid Waste Revenue Bonds (Landfill Project, Series 2021) issued by the Authority on June 10, 2021 pursuant to the 2021 Supplemental Bond Resolution.

"2023 Bonds" means the not-to-exceed \$9,225,000 aggregate principal amount of County Guaranteed Solid Waste Revenue Bonds (Landfill Expansion Project – Cell 16), Series 2023 issued pursuant to the 2022 Supplemental Bond Resolution.

"2025 Bonds" means the not-to-exceed \$24,000,000 aggregate principal amount of County Guaranteed Solid Waste Revenue Bonds (Cell Expansion Projects), Series 2025 issued pursuant to the 2025 Supplemental Bond Resolution.

"2009 Land Acquisition Project" means the acquisition by the Authority of an approximately 36.9 acre portion of Block 9, Lot 4 on the Township Tax Maps (574 Harrisonville Road), from Sebastian and Jacqueline Marino, for the purpose of future expansion of the Complex.

"2003 Project" means the current refunding of all of the Outstanding 1992 Bonds and the payment of the costs of issuing the 2003 Bonds.

"2008 Project" means the (i) the acquisition, design, construction and equipping of an approximately fifty-two (52) acre lateral expansion of the Complex located in the Township, in the County to increase the waste disposal capacity of the Complex, consisting of, among other things, the acquisition of Lot 9, Block 9 located in the Township; preparation and submission of the New Jersey Department of Environmental Protection permit application for the lateral expansion; and design, construction and equipping of access roads, storm water management swales and basins, leachate collection and conveyance systems and new cell construction to accommodate the lateral expansion, payment of capitalized interest on the 2008 Bonds for a period of eighteen (18) months, and payment of the costs of issuing the 2008 Bonds; (ii) the Leachate Lift Station Rehabilitation Project; and (iii) the 2009 Land Acquisition Project financed with the proceeds of the 2008 Bonds. For purposes of the Resolution, the 2008 Project shall constitute an Additional Project.

"2012 Project" means the acquisition, design, construction and equipping of a new Cell 11B at the Complex to increase the waste disposal capacity of the Complex, consisting of, among other things, submission of the New Jersey Department of Environmental Protection permit application for new Cell 11B, and acquisition, design, and construction of other related capital improvements at the Complex consisting of, among other things, groundwater well installation, pump house maintenance, lockout on tanker loading pump station, leachate storage tank repairs, and gas collection system improvements, payment of capitalized interest on the 2012 Bonds for a period of approximately twelve (12) months, and payment of costs of issuing the 2012 Bonds financed with

the proceeds of the 2012 Bonds. For purposes of the Resolution, the 2012 Project shall constitute an Additional Project.

"2014 Project" means the acquisition, design, construction and equipping of a new Cell 12 at the Complex to increase the waste disposal capacity of the Complex, payment of capitalized interest on the 2014 Bonds for a period of approximately twelve (12) months, and payment of costs of issuing the 2014 Bonds financed with the proceeds of the 2014 Bonds. For purposes of the Resolution, the 2014 Project shall constitute an Additional Project.

"2016 Refunding Project" means: (i) the advance refunding of all of the Authority's Outstanding callable 2008 Bonds, maturing serially on March 1 in the years 2019 through 2023, both dates inclusive, and the term 2008 Bond maturing on March 1, 2030; and (ii) paying the costs of issuance with respect to the sale and delivery of the 2016 Bonds.

"2017 Project" means the acquisition, design, construction and equipping of a new Cell 13 at the Complex to increase the waste disposal capacity of the Complex, payment of capitalized interest on the 2017 Bonds for a period of approximately twelve (12) months, and payment of costs of issuing the 2017 Bonds financed with the proceeds of the 2017 Bonds. For purposes of the Resolution, the 2017 Project shall constitute an Additional Project.

"2020 Project" means the acquisition, design, construction and equipping of a new Cell 14 at the Complex to increase the waste disposal capacity of the Complex, payment of capitalized interest on the 2020 Bonds for a period of approximately twelve (12) months, and payment of costs of issuing the 2020 Bonds financed with the proceeds of the 2020 Bonds. For purposes of the Resolution, the 2020 Project shall constitute an Additional Project.

"2021 Project" means the acquisition, design, construction and equipping of a new Cell 15 at the Complex to increase the waste disposal capacity of the Complex, payment of capitalized interest on the 2021 Bonds for a period of approximately twelve (12) months, and payment of costs of issuing the 2021 Bonds financed with the proceeds of the 2021 Bonds. For purposes of the Resolution, the 2021 Project shall constitute an Additional Project.

"2023 Project" means the acquisition, design, construction and equipping of a new landfill cell (Cell 16) at the Complex to increase the waste disposal capacity of the Complex, the costs of acquisition, design, and construction of other related capital improvements at the Complex, and payment of costs of issuing the 2023 Bonds financed with the proceeds of the 2023 Bonds. For purposes of the Resolution, the 2023 Project shall constitute an Additional Project.

"2025 Project" means the acquisition, design, construction and equipping of two (2) new landfill cells (Cell 17 and Cell 18) at the Complex to increase the waste disposal capacity of the Complex, the costs of acquisition, design, and construction of other related capital improvements at the Complex, and payment of costs of issuing the 2025 Bonds financed with the proceeds of the 2025 Bonds. For purposes of the Resolution, the 2025 Project shall constitute an Additional Project.

"2003 Supplemental Bond Resolution" means the Supplemental Resolution, entitled "Supplemental Bond Resolution of The Gloucester County Improvement Authority: (I) Authorizing and Approving the Issuance of up to \$15,000,000 of the Authority's County

Guaranteed Solid Waste Revenue Bonds (Landfill Project, 2003 Refunding Series A); (II) Amending, Supplementing and Clarifying Certain Provisions of the Existing General Bond Resolution; (III) Authorizing and Approving the Preparation of Disclosure and Related Financing Documents; (IV) Authorizing and Delegating to the Executive Director the Power to Award and Sell Said Bonds; and (V) Determining Certain Other Matters in Connection Therewith", adopted January 16, 2003.

"2008 Supplemental Bond Resolution" means the Supplemental Resolution, entitled "Supplemental Bond Resolution to a General Bond Resolution of The Gloucester County Improvement Authority Adopted on July 8, 1992, as Amended and Supplemented on September 9, 1992 and January 16, 2003: (I) Authorizing and Approving the Issuance of up to \$16,000,000 of the Authority's County Guaranteed Solid Waste Revenue Bonds (Landfill Project, Series 2008); (II) Amending, Supplementing and Clarifying Certain Provisions of the Existing General Bond Resolution; (III) Authorizing and Approving the Preparation of Disclosure and Related Financing Documents; (IV) Authorizing and Delegating to the Executive Director the Power to Award and Sell Said Bonds; and (V) Determining Certain Other Matters in Connection Therewith", adopted April 17, 2008.

"2009 Supplemental Bond Resolution" means the Supplemental Resolution, entitled "Supplemental Bond Resolution to a General Bond Resolution of The Gloucester County Improvement Authority Adopted on July 8, 1992, as Amended and Supplemented on September 9, 1992, January 16, 2003 and April 17, 2008 Amending, Supplementing and Clarifying Certain Provisions of the Existing General Bond Resolution in Connection With the 2008 Project", adopted September 17, 2009.

"2012 Supplemental Bond Resolution" means the Supplemental Resolution, entitled "Supplemental Bond Resolution to a General Bond Resolution of The Gloucester County Improvement Authority Adopted on July 8, 1992, as Amended and Supplemented on September 9, 1992, January 16, 2003, April 17, 2008, and September 17, 2009: (I) Authorizing and Approving the Issuance of up to \$5,750,000 of the Authority's County Guaranteed Solid Waste Revenue Bonds (Landfill Project, Series 2012); (II) Amending, Supplementing and Clarifying Certain Provisions of the Existing General Bond Resolution; (III) Authorizing and Approving the Preparation of Disclosure and Related Financing Documents; (IV) Authorizing and Delegating to the Executive Director or Acting Executive Director the Power to Award and Sell Said Bonds; and (V) Determining Certain Other Matters in Connection Therewith", adopted February 16, 2012.

"2014 Supplemental Bond Resolution" means the Supplemental Resolution, entitled "Supplemental Bond Resolution to a General Bond Resolution of The Gloucester County Improvement Authority Adopted on July 8, 1992, as Amended and Supplemented on September 9, 1992, January 16, 2003, April 17, 2008, September 17, 2009 and February 16, 2012: (I) Authorizing and Approving the Issuance of up to \$6,500,000 of the Authority's County Guaranteed Solid Waste Revenue Bonds (Landfill Project, Series 2014); (II) Amending, Supplementing and Clarifying Certain Provisions of the Existing General Bond Resolution; (III) Authorizing and Approving the Preparation of Disclosure and Related Financing Documents; (IV) Authorizing and Delegating to the Executive Director or Acting Executive Director the Power to Award and Sell Said Bonds; and (V) Determining Certain Other Matters in Connection Therewith", adopted March 20, 2014.

"2016 Supplemental Bond Resolution" means the Supplemental Resolution, entitled "Supplemental Bond Resolution to a General Bond Resolution of The Gloucester County Improvement Authority Adopted on July 8, 1992, as Amended and Supplemented on September 9, 1992, January 16, 2003, April 17, 2008, September 17, 2009, February 16, 2012 and March 20, 2014: (I) Authorizing and Approving the Issuance of up to \$12,250,000 of the Authority's County Guaranteed Solid Waste Revenue Bonds (Landfill Project, 2016 Refunding Series A); (II) Amending, Supplementing and Clarifying Certain Provisions of the Existing General Bond Resolution; (III) Authorizing and Approving the Preparation of Disclosure and Related Financing Documents; (IV) Authorizing and Delegating to the Executive Director or Acting Executive Director the Power to Award and Sell Said Bonds; and (V) Determining Certain Other Matters in Connection Therewith", adopted May 19, 2016.

"2017 Supplemental Bond Resolution" means the Supplemental Resolution, entitled "Supplemental Bond Resolution To A General Bond Resolution Of The Gloucester County Improvement Authority Adopted On July 8, 1992, As Amended And Supplemented On September 9, 1992, January 16, 2003, April 17, 2008, September 17, 2009, February 16, 2012, March 20, 2014 And May 19, 2016: (I) Authorizing And Approving The Issuance Of Up To \$6,500,000 Of The Authority's County Guaranteed Solid Waste Revenue Bonds (Landfill Project, Series 2017); (II) Amending, Supplementing And Clarifying Certain Provisions Of The Existing General Bond Resolution; (III) Authorizing And Approving The Preparation Of Related Financing Documents; (IV) Authorizing And Delegating To The Executive Director Or Acting Executive Director The Power To Award And Sell Said Bonds; And (V) Determining Certain Other Matters In Connection Therewith", adopted February 16, 2017.

"2020 Supplemental Bond Resolution" means the Supplemental Resolution, entitled "Supplemental Bond Resolution To A General Bond Resolution Of The Gloucester County Improvement Authority Adopted On July 8, 1992, As Amended And Supplemented On September 9, 1992, January 16, 2003, April 17, 2008, September 17, 2009, February 16, 2012, March 20, 2014, May 19, 2016 And February 16, 2017: (I) Authorizing And Approving The Issuance Of Up To \$5,250,000 Of The Authority's County Guaranteed Solid Waste Revenue Bonds (Landfill Project, Series 2020); (II) Amending, Supplementing And Clarifying Certain Provisions Of The Existing General Bond Resolution; (III) Authorizing And Approving The Preparation Of Related Financing Documents; (IV) Authorizing And Delegating To The Executive Director Or Acting Executive Director The Power To Award And Sell Said Bonds; And (V) Determining Certain Other Matters In Connection Therewith", adopted February 20, 2020.

"2021 Supplemental Bond Resolution" means the Supplemental Resolution, entitled "Supplemental Bond Resolution To A General Bond Resolution Of The Gloucester County Improvement Authority Adopted On July 8, 1992, As Amended And Supplemented On September 9, 1992, January 16, 2003, April 17, 2008, September 17, 2009, February 16, 2012, March 20, 2014, May 19, 2016, February 16, 2017 And February 20, 2020: (I) Authorizing And Approving The Issuance Of Up To \$10,000,000 Of The Authority's County Guaranteed Solid Waste Revenue Bonds (Landfill Project, Series 2021); (II) Amending, Supplementing And Clarifying Certain Provisions Of The Existing General Bond Resolution; (III) Authorizing And Approving The Preparation Of Related Financing Documents; (IV) Authorizing And Delegating To The Executive Director Or Acting Executive Director The Power To Award And Sell Said

Bonds; And (V) Determining Certain Other Matters In Connection Therewith", adopted March 18, 2021.

"2022 Supplemental Bond Resolution" means the Supplemental Resolution, entitled "Supplemental Bond Resolution To A General Bond Resolution Of The Gloucester County Improvement Authority Adopted On July 8, 1992, As Amended And Supplemented On September 9, 1992, January 16, 2003, April 17, 2008, September 17, 2009, February 16, 2012, March 20, 2014, May 19, 2016, February 16, 2017, February 20, 2020 And March 18, 2021: (I) Authorizing And Approving The Issuance Of Up To \$13,500,000 Of The Authority's County Guaranteed Solid Waste Revenue Bonds (Landfill Expansion Project – Cell 16), Series 2023; (II) Amending, Supplementing And Clarifying Certain Provisions Of The Existing General Bond Resolution; (III) Authorizing And Approving The Preparation Of Disclosure And Related Financing Documents; (IV) Authorizing And Delegating To The Executive Director Or Acting Executive Director The Power To Award And Sell Said Bonds; And (V) Determining Certain Other Matters In Connection Therewith", adopted December 15, 2022.

"2025 Supplemental Bond Resolution" means Supplemental Resolution, entitled "Supplemental Bond Resolution To A General Bond Resolution Of The Gloucester County Improvement Authority Adopted On July 8, 1992, As Amended And Supplemented On September 9, 1992, January 16, 2003, April 17, 2008, September 17, 2009, February 16, 2012, March 20, 2014, May 19, 2016, February 16, 2017, February 20, 2020, March 18, 2021 And December 15, 2022: (I) Authorizing And Approving The Issuance Of Up To \$24,000,000 Of The Authority's County Guaranteed Solid Waste Revenue Bonds (Cell Expansion Projects), Series 2025; (II) Amending, Supplementing And Clarifying Certain Provisions Of The Existing General Bond Resolution; (III) Authorizing And Approving The Preparation Of Disclosure And Related Financing Documents; (IV) Authorizing And Delegating To The Executive Director Or Acting Executive Director The Power To Award And Sell Said Bonds; And (V) Determining Certain Other Matters In Connection Therewith", adopted January 16, 2025.

Resolution to Constitute Contract (Section 202)

In consideration of the purchase and acceptance of the Bonds by those who will hold the same from time to time, the provisions of the Resolution will be deemed to be and will constitute contracts between the Authority, the Trustee, the issuer of any Credit Facility or Liquidity Facility and the Holders from time to time of the Bonds. Any pledge which is made in the Resolution and the covenants and agreements which are set forth in the Resolution and which are to be performed on behalf of the Authority will be for the equal benefit, protection and security of the issuer of any Credit Facility or Liquidity Facility (for as long as such Credit Facility or Liquidity Facility remains outstanding) and the Holders of any and all of the Bonds, all of which, regardless of the time or times of their issuance or maturity, will be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or pursuant to the terms of the Resolution.

Obligation of Bonds (Section 203)

The Bonds will be direct and special obligations of the Authority and the principal or Redemption Price of and interest on the Bonds will be payable from the moneys and accounts which are pledged, as and to the extent provided in Section 502 of the Resolution. All Bonds

and Bondholders and the issuer of any Credit Facility or Liquidity Facility (for as long as the Authority has a reimbursement obligation to the issuer of such Credit Facility or Liquidity Facility) will be entitled to the benefit of the continuing pledge and lien created by the Resolution to secure the full and final payment of the principal or Redemption Price of and interest on the Bonds and any fees and expenses which are payable by the Authority to the issuer of any Credit Facility or Liquidity Facility. However, the power and the obligation of the Authority to cause application of the Revenues or other funds to the payment of the principal or Redemption Price of and interest on the Bonds are subject to the prior obligation of the Authority to provide from such Revenues or other funds amounts for the payment of Operating Expenses.

Authorization for Guaranty of Bonds by County and Provision for Endorsement of County Guaranty on Bonds (Section 204)

The Authority may issue one or more Series of Bonds which are entitled to the benefits of the County Guaranty. Prior to the authentication and delivery of Bonds of any Series which purport to be entitled to the benefits of the County Guaranty upon original issuance, provision will have been made for the guaranty of the timely payment of the principal of and interest on the Bonds by the County. The County Guaranty will be printed on each of the Bonds of such Series (in order to differentiate the Bonds of such Series from Bonds which are not entitled to the benefits of the County Guaranty) and will be in substantially the form set forth in Section 1207 of the Resolution and will be duly executed by the manual or facsimile signature of the County Commissioner Director of the County, who, pursuant to the terms of an ordinance finally adopted by the Board of County Commissioners of the County, is authorized to execute same. Any payments which are made by the County pursuant to the terms of the Commissioner Director will be made to the Trustee and will thereafter be deposited by the Trustee in the Bond Service Fund and will be applied in accordance with the terms of Section 503 of the Resolution.

Conditions Precedent to Issuance of Each Series of Bonds (Section 316)

The Trustee will not deliver any Bonds of a particular Series pursuant to the terms of the Resolution unless theretofore or simultaneously therewith there will have been delivered or paid to the Trustee, among other things, the following:

An opinion of Bond Counsel stating, in the opinion of the signer, that (a) the General Bond Resolution, each Supplemental Resolution and each amending resolution have been duly and lawfully adopted by the Authority, and such Supplemental Resolution, and if applicable, any Certificate of Authority Officer, are duly executed in connection with the sale of such Series of Bonds are each in full force and effect and are valid and binding on the Authority, the Trustee and the Holders of the Series of Bonds in accordance with their respective terms, and that all conditions precedent to the authentication of such Series of Bonds by the Trustee upon original issuance have been satisfied and that the Trustee may lawfully authenticate such Series of Bonds; (b) the Resolution creates the valid pledge which it purports to create of the Revenues, moneys, securities and funds which are held or set aside under the terms of the Resolution, subject to the application thereof to the purposes and on the conditions permitted by the terms of the Resolution; and (c) the Bonds of such Series are valid and binding obligations of the Authority, as provided in the Resolution, and are entitled to the benefits of the Resolution and of the Act, and that such Bonds have been duly and validly authorized and issued in accordance with law, including the Act, and in accordance with the terms of the Resolution; provided however, that

such opinion may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization, or other laws affecting creditors' rights generally;

If such Series of Bonds are entitled to the benefits of the County Guaranty, a copy of the County Guaranty, certified by the Clerk of the Board of County Commissioners of the County, together with any consents which are required to be obtained from the County with respect to the assignment of the County Guaranty, as provided in Section 515 of the Resolution. In addition, in connection with the delivery of each such Series of Bonds, a certificate of an Authorized County Representative to the effect that the County Guaranty has been amended, if necessary, to insure that timely payment of the principal of and interest on such Series of Bonds is secured under the provisions of the County Guaranty. If no amendment is required, a counsel's opinion stating same will be delivered to the Trustee;

If such Series of Bonds are entitled to the benefits of the County Guaranty, an opinion of counsel to the County, stating, in the opinion of the signer, that (a) the County has the right and power to adopt the County Guaranty; (b) the County Guaranty has been duly and lawfully authorized by the County; and (c) the County Guaranty has been duly and lawfully executed by the County, is in full force and effect, is valid and binding upon the County and is enforceable in accordance with its terms; provided however, that such opinion may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization, or other laws affecting creditors' rights generally; and

In the event that such Series of Bonds are issued as Tax-Exempt Obligations, an opinion of Bond Counsel to the effect that the interest on such Series of Bonds is not includable as gross income under the provisions of the Code and that the issuance of such Additional Bonds will not cause the interest on any Outstanding Bonds which were issued as Tax-Exempt Obligations to be includable as gross income under the provisions of the Code.

Purposes, Authorization and Description of Additional Bonds (Section 317)

After the execution, authentication and delivery of the 1992 Bonds, Additional Bonds of the Authority may be authorized to be issued pursuant to and in accordance with the terms of the Act either (a) for the purpose of raising funds to pay the Cost of acquisition or construction of part or parts of an Additional Project, including any deposit or increase into any fund or account which has been established by the Resolution and which is incidental thereto or which is deemed by the Authority to be necessary in connection therewith, and including payment on or prior to maturity of Project Notes previously issued to pay the Costs of such acquisition or construction, (b) for the purpose of refunding any Bonds of the Authority, (c) to raise funds to complete any work for which Additional Bonds were issued pursuant to clause (a) above or for which the 1992 Bonds were issued.

Any Series of Additional Bonds of the Authority will be issued only after authorization thereof by a Supplemental Resolution of the Authority duly adopted prior to their authentication and delivery upon original issuance. Such Supplemental Resolution will state the purpose or purposes for which such Additional Bonds are being issued, will direct the application of the proceeds which are to be derived from the sale thereof to such purpose or purposes, and will direct the execution and authentication thereof.

Conditions Precedent to Issuance of Additional Bonds (Section 318)

The Trustee will not authenticate or deliver upon original issuance any Additional Bonds to or upon the order of the Authority, unless an Event of Default has not occurred and is continuing and unless theretofore or simultaneously therewith there has been delivered to the Trustee, among other things, in addition to the documents or amounts required to be delivered pursuant to the provisions of Section 316 of the Resolution, the following:

A copy of the Supplemental Resolution describing in brief and general terms the Project to be financed by the issuance of such Additional Bonds, each certified by the Secretary or Assistant Secretary of the Authority;

If such Additional Bonds are authorized for a purpose which is described in clause (a) of paragraph (1) of Section 317 of the Resolution, a certificate of the Consulting Engineer stating (a) the opinion that the improvement which is described in the Supplemental Resolution authorizing such Additional Bonds constitutes an Additional Project and is a part of the Project, (b) the opinion that the remainder of such proceeds after deducting the amounts referred to in clauses (a), (b), (c), (d), (e) and (f) of Section 315 of the Resolution will, together with any other funds of the Authority which are then available or which are expected to be available therefor, be sufficient to pay the Cost of the acquisition or construction of such improvement, and (c) the opinion as to the period of time which will be required for completion of the acquisition or construction of the improvement;

The amount of such proceeds which will remain after deducting the amount, if any, paid to the Trustee in accordance with the terms of subparagraphs (a), (b), (c), (d), (e) and (f) of Section 315 of the Resolution, which amount shall be paid to the Trustee and applied in accordance with the provisions of paragraph (2) or paragraph (3) of Section 318 of the Resolution;

If such Additional Bonds are authorized for the purpose described in clause (c) of paragraph (1) of Section 317 of the Resolution, a certificate of the Consulting Engineer stating (a) that the improvement for which the Additional Bonds are to be issued is one for which Bonds had theretofore been issued, (b) the amount of proceeds which are to be deposited in the Construction Fund, and that such proceeds, together with any other funds of the Authority which are then available or which are expected to be available therefor, will be sufficient, in his opinion, to pay the Cost of the completion of the acquisition or construction of said improvement;

An opinion of Bond Counsel approving the form of the Supplemental Resolution authorizing the issuance of the Additional Bonds and stating (a) that such Bonds are authorized to be issued for a purpose referred to in Section 317(1) of the Resolution, (b) that its terms and provisions conform to the requirements of the Act and the Resolution, (c) that the written order, certificates and amounts of money which are delivered or paid to the Trustee in accordance with the provisions of this Section 318 of the Resolution constitute compliance with the conditions stated in Section 318 of the Resolution for the authentication and delivery of such Additional Bonds, (d) that all of the conditions precedent to the authentication and delivery of the Additional Bonds have been satisfied and that the Trustee may lawfully authenticate the Additional Bonds upon original issuance, (e) that upon the execution, authentication and delivery

of the Additional Bonds, all Revenues thereafter to be derived for or with respect to the operation of the Project, including any Additional Project to be financed with such Additional Bonds, will be pledged under and subject to the lien and the pledge created by the Resolution free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to or of equal rank with the pledge created by the Resolution and (f) Additional Bonds will be tax-exempt and the issuance of Additional Bonds will not cause Outstanding Tax-Exempt Obligations to become taxable;

If such Additional Bonds are authorized for a purpose which is described in clause (a) or (c) of paragraph (1) of Section 317 of the Resolution, the Trustee shall deposit the proceeds which are derived from the sale thereof which are referred to in subparagraph (1) of paragraph (1) of Section 318 of the Resolution in the Construction Fund, and the moneys so deposited shall be applied by the Authority and by the Trustee to pay the Cost of the improvement which is described in the Supplemental Resolution of the Authority authorizing the issuance of such Additional Bonds; and

If such Additional Bonds are authorized for the purpose which is described in clause (b) of paragraph (1) of Section 317 of the Resolution, the Trustee will apply the remaining proceeds which are derived from the sale thereof and which are referred to in subparagraph (1) of paragraph (1) of Section 318 of the Resolution as follows: (a) an amount which is sufficient to pay the costs of issuance approved by an opinion of Bond Counsel, of such Additional Bonds will be deposited in the Construction Fund, and (b) the remaining amounts will be applied to the refunding of such Bonds in accordance with the terms of the Supplemental Resolution of the Authority authorizing the issuance of such Additional Bonds.

Establishment of Construction Fund (Section 401)

The Authority established and created pursuant to the Resolution a special fund, designated the "Construction Fund" which will be held by the Trustee and in which may be deposited any moneys which are received by the Authority from any source for payment of Costs related to the construction, acquisition or restoration of any part of the Project, including any Government Grants, any Government Loans (in each case, if related to the planning, design, acquisition or construction of all or any portion of the Project), the proceeds (or any portion thereof) derived from the issuance of any Bonds, the proceeds of any insurance or any condemnation award. Amounts which are deposited in the Construction Fund will be held by the Trustee in trust and will be applied (in accordance with and subject to the limitations of Article IV of the Resolution) to pay the Cost of the Project, and such moneys are pledged pursuant to the Resolution, pending application to the payment of such Cost, to secure the payment of the principal or Redemption Price of and interest on the Bonds and such moneys will at all times be subject to the lien of such pledge.

Disposition of Balance in Construction Fund (Section 406)

The Trustee, when directed in writing by an Authority Officer, will apply the balance which is on deposit in the Construction Fund as provided in, and upon the terms and conditions set forth in Section 406 of the Resolution. Before any such application will be made, the Authority will file a Certificate of Authority Officer with the Trustee and such certificate will state that the portion of the Project for which the funds were deposited in the Construction Fund

has been completed and that the sum stated in the certificate is sufficient to pay, and is required to be reserved in the Construction Fund to pay, all items of Cost of such portion of the Project which, as of the date of such certificate, remain unpaid, including an estimate of the amount of any such items which is not finally determined and all claims against the Authority arising out of the construction thereof.

Upon receipt of such Certificate of Authority Officer, the Trustee will apply the balance in the Construction Fund, in excess of the amount stated in the certificate referred to above, to either (a) payment of the Cost of any portion of the Project (other than the portion referred to in such certificate), (b) payment of the principal of or interest on the Bonds, (c) payment of any Sinking Fund Installment of any Series of Bonds issued for or with respect to such Project, or (d) payment of the Redemption Price of any Bonds, all in accordance with the Certificate of Authority Officer.

Establishment of Funds (Section 501)

In addition to the Construction Fund, the Authority established and created pursuant to the Resolution the following special funds and accounts: Revenue Fund; Bond Service Fund; Sinking Fund; Bond Reserve Fund; Renewal and Replacement Fund; General Fund; Rate Stabilization Fund; and Rebate Fund.

Pledge Securing Bonds (Section 502)

Subject only to (a) the rights of the Authority to apply amounts for the payment of Operating Expenses of the Project and/or (b) the right to use any moneys, securities or funds which are held under the terms of the Resolution for purposes which are authorized therein, the Revenues and all moneys, securities and funds which are held or set aside or which are to be held or set aside pursuant to the terms of the Resolution or which are held in any funds which are established and created under Section 501 of the Resolution (other than amounts which are on deposit in the Rebate Fund) are pledged pursuant to the Resolution to secure the payment of the principal or Redemption Price of and interest on the Bonds.

In the event that any Series of Bonds are entitled to the benefits of the County Guaranty, any payments which are required to be made to the Trustee by the County pursuant to the terms of the County Guaranty are pledged pursuant to the Resolution to secure the payment of the principal of and interest on the Bonds of such Series.

This pledge will be valid and binding from and after the date of the first delivery by the Trustee of the first Bond which is authenticated and delivered under the terms of the Resolution. The Revenues and other moneys, securities and funds which are so pledged and which are thereafter received by the Authority, and any other moneys pledged pursuant to the Resolution, will immediately be subject to the lien of this pledge without any physical delivery thereof or further act. The lien of this pledge and the obligation to perform the contractual provisions made pursuant to the Resolution will have priority over any or all other obligations issued by the Authority and all other liabilities of the Authority. The lien of such pledge will be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof.

Deposit of Revenues, Payments Under County Guaranty and Other Payments (Section 503)

From and after the authentication and delivery of the first Bond to be so authenticated and delivered under the terms of the Resolution, the Authority will cause to be delivered all Revenues to the Trustee in accordance with the terms of the Revenue Agreement or if not provided for therein as promptly as practical and such Revenues will upon receipt be deposited by the Trustee into the Revenue Fund. The Trustee will be accountable only for moneys which are actually so received. Unless otherwise directed by any provision of the Resolution, including specifically, Section 515 of the Resolution, any moneys, other than the foregoing, which are received by the Authority from any other source for operating, maintaining and repairing the Project will also be deposited in the Revenue Fund.

Any moneys which are held in the Revenue Fund will be invested, at the oral direction of an Authority Office (promptly confirmed in writing), by the Trustee in Investment Obligations; provided however, that the maturity of every such Investment Obligation will not be later than the first day of the month next following the date of such investment.

Any payments which are made by the County pursuant to the terms of the County Guaranty will be made to the Trustee and will thereafter be deposited by the Trustee in the Bond Service Fund or the Bond Reserve Fund (to the extent such payment represents a reimbursement of moneys which have been withdrawn from the Bond Reserve Fund pursuant to the provisions of Section 509 of the Resolution). In the event that such payments have been deposited in the Bond Service Fund, pending application of such payments to the payment of the principal of or interest on the Series of Bonds entitled to such payment, such moneys will be held solely for the benefit of the Holders of the Series of Bonds for which such payment was made.

Any payments which are received by the Authority pursuant to any insurance relating to the Project or pursuant to a condemnation award which are not applied to the repair or replacement of the Project, or any portion thereof, as provided in Section 401 of the Resolution, will be paid by the Authority to the Trustee. Thereafter such payments will be deposited by the Trustee in the Bond Service Fund and applied in accordance with the terms of Section 507 of the Resolution.

Revolving Fund for Operating Expenses (Section 504)

The Trustee will pay to the Authority from the Revenue Fund, upon its requisitions therefor, at one time or from time to time, a sum or sums aggregating not more than 10% of the current Annual Budget (exclusive of and in addition to the reimbursements which are authorized in Section 504 of the Resolution) which sums and/or reimbursements are to be used by the Authority as a revolving fund for the payment, in accordance with the applicable Annual Budget, of Operating Expenses with respect to the Project. Such revolving fund will be reimbursed by the Trustee from time to time, for such Operating Expenses which have been paid, by payments from the Revenue Fund upon receipt by the Trustee of requisitions of the Authority each of which will be accompanied by a Certificate of Authority Officer specifying (a) the payee and the amount for which such reimbursement is requested, (b) that each such payment was necessary for the operation, maintenance or repair of the Project, and (c) that such payment was for an item of Operating Expenses which was provided for within the current Annual Budget and which could not conveniently be paid except from such revolving fund. In making such

reimbursements, the Trustee will conclusively rely upon such requisitions and accompanying certificates. The Authority will report the balance held by it pursuant to Section 504 of the Resolution to the Trustee on the first day of each month.

Periodic Withdrawals From Revenue Fund (Section 506)

As of the Withdrawal Date in any Fiscal Year (except as otherwise provided in the Resolution), the Trustee will make payments out of any moneys which are on deposit in the Revenue Fund into the following several funds, but as to each such fund only within the limitation indicated below with respect thereto and only after maximum payment within such limitation into every such fund previously mentioned in the following tabulation:

First: Into the Bond Service Account for each Series of Bonds, to the extent, if any, needed to increase the amount which is on deposit in such Bond Service Account until the amount on deposit therein equals the Bond Service Requirement for the applicable Series of Bonds;

Second: Into the Sinking Fund Account for each Series of Bonds, to the extent, if any, needed to increase the amount which is on deposit in such Sinking Fund Account until the amount on deposit therein equals the Sinking Fund Requirement for the applicable Series of Bonds;

Third: Into the Bond Reserve Fund, to the extent, if any, needed to increase the amount which is on deposit in the Bond Reserve Fund until the amount on deposit therein equals the Bond Reserve Requirement;

Fourth: Into the Renewal and Replacement Fund, to the extent, if any, needed to increase the amount which is on deposit in the Renewal and Replacement Fund until the amount on deposit therein equals the Project Reserve Requirement;

Fifth: Into the Rate Stabilization Fund, to the extent, if any, needed to increase the amount which is on deposit in the Rate Stabilization Fund until the deposit equals the Rate Stabilization Requirement; and

Sixth: Into the General Fund, to the extent any funds are available.

Application, Investment and Restoration of Bond Service Fund (Section 507)

Unless otherwise provided in a Supplemental Resolution authorizing the issuance of such Bonds or the terms of the Certificate of Authority Officer authorized to be delivered pursuant to Section 302 or Section 303 of the Resolution, one (1) Business Day prior to each interest payment date of the Bonds, the Trustee will withdraw from the Bond Service Fund an amount which is equal to the interest which is due and payable on the Bonds on such interest payment date, and will cause the same to be deposited with the Paying Agent who will apply the same to the payment of said interest when due.

Unless otherwise provided in a Supplemental Resolution authorizing the issuance of such Bonds or the terms of the Certificate of Authority Officer authorized to be delivered pursuant to

Section 302 or Section 303 of the Resolution, if the withdrawals which are required to be made under the previous paragraph with respect to the same and every prior date have been made, the Trustee will withdraw from the Bond Service Fund, prior to each principal maturity date of the Bonds, an amount which is equal to the principal amount of Bonds, if any, maturing on said day, and will cause the same to be deposited with the Paying Agent who will apply such amounts to the payment of the principal of said Bonds when due.

If the withdrawals which are required to be made under the provisions of the previous two paragraphs with respect to the same and every prior date have been made, the Trustee will withdraw from time to time from the Bond Service Fund and pay into any account which is maintained in the Sinking Fund the amount which is sufficient to reimburse said account for any amounts which have been theretofore paid from said account for or on account of accrued interest on Bonds which have been purchased in accordance with the provisions of Section 507 of the Resolution.

If at any time there will not be a sufficient amount on deposit in the Bond Service Account of the Bond Service Fund to provide for any withdrawal therefrom which is required to be made under the provisions of the previous three paragraphs, the Trustee will, on or prior to the date on which payment from the Bond Service Account of the Bond Service Fund is required to be made, withdraw an amount which is sufficient to make up such deficiency from the Bond Reserve Fund and will deposit same into the Bond Service Account of the Bond Service Fund.

In the event that the amount in the Bond Service Account of the Bond Service Fund, together with any funds available from any reserve funds, are insufficient to pay principal of and interest on all Bonds, all amounts on deposit in the Bond Service Fund will be reallocated ratably according to the amount of Bond Service due; provided that such reallocation will occur prior to any transfer from the Bond Reserve Fund to the Bond Service Account pursuant to Section 507(5) of the Resolution.

In the event that moneys which represent capitalized interest on Bonds (and which were deposited in the Bond Service Fund from the proceeds derived from the sale of any Bonds) remain on deposit in the Bond Service Fund subsequent to the Initial Project or any Additional Project (or portion thereof) for which such interest was capitalized, being "placed in service" within the meaning of the Code, such moneys will, upon the written direction of an Authority Officer, be withdrawn from the Bond Service Fund and deposited in the Construction Fund.

Any moneys which are on deposit in the Bond Service Fund will be invested in accordance with the Resolution. Any investment income which is derived from the investment of moneys which are on deposit in the Bond Service Fund shall be deposited in the Revenue Fund; provided however, that, prior to completion of the Initial Project or Additional Project, at the written direction of an Authority Officer, investment income which is derived from the investment of moneys which represent capitalized interest on Bonds and which were deposited in the Bond Service Fund from the proceeds derived from the sale of any Bonds shall be deposited in the Construction Fund. Subsequent to completion of the Initial Project or Additional Project for which such interest was capitalized, such investment income may be retained in the Bond Service Fund and applied in accordance with the provisions of Section 505 of the Resolution or deposited in either the Revenue Fund or the Bond Reserve Fund (so that the amount which is on

deposit in the Bond Reserve Fund equals the Bond Reserve Requirement), in each case, at the written direction of Authority Officer.

Application, Investment and Restoration of Sinking Fund (Section 508)

The Trustee will establish and will maintain in the Sinking Fund a separate account for each Series of Term Bonds for which Sinking Fund Installments are established in accordance with the terms of the Resolution. Moneys which are paid into the Sinking Fund in any Fiscal Year pursuant to the terms of Section 506 of the Resolution will, upon receipt, be segregated and will be set aside in such accounts in proportion to the respective amounts of the Sinking Fund Installments which are payable during such Fiscal Year with respect to the particular Term Bonds for which each such account is maintained. Moneys which are paid into the Sinking Fund pursuant to the terms of Section 507 of the Resolution will, upon receipt, be set aside in the account which is maintained therein with respect to which such payment is a reimbursement. Moneys which are paid into the Sinking Fund pursuant to the terms of the following paragraph on account of any particular Sinking Fund Installment will be set aside in the account which is maintained therein for the particular Term Bonds which are entitled to said Sinking Fund Installment. All other moneys which are paid into the Sinking Fund will, upon receipt, be segregated and set aside by the Trustee in such accounts in proportion to the respective principal amount of Term Bonds for which each such account is maintained.

If on or before the date established for the payment of any Sinking Fund Installment for any Term Bonds, the full amount of such Sinking fund Installments which are payable on such date next ensuing shall not have been paid into the Sinking Fund Account for such Term Bonds pursuant to the terms of Section 506 of the Resolution, all amounts on deposit in the Sinking Fund shall be reallocated notably according to the Sinking Fund Installment due; provided that such reallocation shall occur prior to any transfer from the Bond Reserve Fund to the Sinking Fund to the Sinking Fund Account pursuant to Section 508(3) of the Resolution.

If on or before the date established for the payment of any Sinking Fund Installment for the Bonds, the full amount of such Sinking Fund Installments which are payable on such date next ensuing will not have been paid into the Sinking Fund Account pursuant to the terms of Section 506 of the Resolution, the Trustee will withdraw from the Bond Reserve Fund and will pay into the Sinking Fund Account the amount which was not previously paid into the Sinking Fund.

The Trustee will apply the moneys in the Sinking Fund, as provided in the first paragraph of Section 508 of the Resolution, to the purchase or the redemption of the Bonds, in the manner provided in Section 508 of the Resolution, or to the payment of the principal thereof at maturity, as the case may be. If on any date there will be moneys in the Sinking Fund and none of the Term Bonds will be Outstanding, if no other accounts will be maintained in the Sinking Fund, such amount will be paid into the Revenue Fund.

The purchase price which will be paid by the Trustee (excluding accrued interest but including any brokerage and other charges) for any Bond which will be purchased pursuant to the terms of Section 508 of the Resolution will not exceed the Redemption Price of such Bond which is applicable upon its redemption through the application of the moneys which are available for such purpose on the next date on which such Bond could be redeemed in

accordance with its terms by operation of the Sinking Fund. Subject to the limitations set forth or referred to in Section 508 of the Resolution, at the written direction of the Authority, the Trustee will purchase Bonds at such times, for such prices, in such amounts and in such manner (whether after advertisement for tenders or otherwise) as the Trustee in its sole discretion may determine and as may be possible with the amount of moneys which are available therefor in the Sinking Fund. The principal amount of the Bonds so purchased may be applied by the Trustee (at the written direction of the Authority) toward satisfaction of the Sinking Fund Installment which is due in the current or any future Fiscal Year.

As soon as practicable after the sixtieth day and before the thirtieth day prior to the date of each Sinking Fund Installment, the Trustee will select for redemption on such Sinking Fund Installment due date such amount of Term Bonds of the Series for which the Sinking Fund Installment was established as will exhaust all moneys which are required to have been deposited in the Sinking Fund as of such Sinking Fund Installment due date. Accrued interest on the Bonds which are to be redeemed will be paid from the Bond Service Fund and all expenses which are incurred by the Trustee in connection with such redemption will be paid from the Revenue Fund. Unless otherwise provided in a Supplemental Resolution authorizing the issuance of such Bonds or the terms of the Certificate of Authority Officer authorized to be delivered pursuant to Section 302 and Section 303 of the Resolution, all Bonds which are redeemed under the provisions of Section 508 of the Resolution will be redeemed in the manner provided in Article VII of the Resolution, and prior to the date fixed for redemption the Trustee will withdraw from the Sinking Fund the amount of the Redemption Price of such Bonds, and such amount will be transferred to the Paying Agent by the Trustee and such amount will be applied by the Paying Agent to the redemption of such Bonds on the date fixed for redemption.

In lieu of purchasing or redeeming Term Bonds prior to their stated maturity date pursuant to the terms of paragraphs (4) through (6) of Section 508 of the Resolution, the Authority may, on or prior to the date of authentication and delivery of such Term Bonds, elect to retain the funds which have been deposited into the Sinking Fund, or any portion thereof, until the stated maturity date of such Term Bonds, and an Authority Officer may direct the Trustee to invest such funds in Investment Obligations; provided however, that each such Investment Obligation will mature not later than the stated maturity date of such Bonds. Funds which are retained in the Sinking Fund at the election of the Authority pursuant to the terms of this paragraph will be invested by the Trustee at the oral direction of the Authority (promptly confirmed in writing). In the event that any Investment Obligations which are purchased pursuant to the terms of this paragraph mature or are redeemed by the issuer thereof prior to the maturity date of the Term Bonds for which the Sinking Fund Installments were made, the Trustee, at the oral direction of the Authority (promptly confirmed in writing), will either (a) reinvest the moneys in accordance with the terms of this paragraph, or (b) purchase Term Bonds with respect to which the Sinking Fund Installments were made at any time at prices not exceeding the principal amount thereof; or (c) redeem such Term Bonds in accordance with the provisions of the Resolution authorizing redemption of such Term Bonds at the option of the Authority. Moneys which are on deposit in the Sinking Fund will not be used to pay more than the principal amount of the Bonds which are to be redeemed. Notwithstanding anything in Section 508 of the Resolution to the contrary, the Authority will not make any election which is authorized in Section 508 of the Resolution unless, in the opinion of Bond Counsel to the Authority, such election and investment will not cause the interest on any Bonds which were

intended to be issued as Tax-Exempt Obligations to be included in gross income for purposes of Federal income taxation.

Investment income which is derived from the investment of any funds which are held in the Sinking Fund will be deposited by the Trustee, upon receipt, in the Revenue Fund.

Any moneys which are on deposit in the Sinking Fund will be invested in accordance with the Resolution.

Application and Investment of Bond Reserve Fund (Section 509)

If on any Withdrawal Date in any Fiscal Year (a) the amount which is on deposit in the Bond Service Account of the Bond Service Fund equals or exceeds any unpaid interest which is then due and payable on Outstanding Bonds, plus the interest, if any, to become due on Outstanding Bonds on or before the next succeeding interest payment date, plus the principal amount of any Outstanding Bonds which have matured and which remain unpaid, plus the principal amount of Outstanding Bonds, if any, maturing at or before the next succeeding principal maturity date of the Bonds, (b) the amount which is on deposit in the Renewal and Replacement Fund equals the Project Reserve Requirement, (c) the amount which is on deposit in the Rate Stabilization Fund equals the Rate Stabilization Requirement, and (d) all withdrawals or payments from the Bond Reserve Fund which are required to be made by any other provision of the Resolution will have been made, the Trustee will withdraw from the Bond Reserve Fund the amount of any excess therein over the Bond Reserve Requirement, as determined on such date, and will pay the moneys so withdrawn into the General Fund.

Any moneys which are on deposit in the Bond Reserve Fund will be invested in accordance with the Resolution.

Application and Investment of Renewal and Replacement Fund (Section 510)

If on any date the amount which is on deposit in the Bond Reserve Fund will be less than the Bond Reserve Requirement, as determined on such date, the Trustee will withdraw from the General Fund from the Renewal and Replacement Fund and then from the Rate Stabilization Fund and will pay into the Bond Reserve Fund the amount which is needed to increase the amount in the Bond Reserve Fund so that it equals the Bond Reserve Requirement.

The Trustee will withdraw from the Renewal and Replacement Fund any amounts which are requisitioned by the Authority and the Trustee will apply the same to the reasonable and necessary expenses of the Authority with respect to the Project for major repairs, renewals, replacements or maintenance items of a type not recurring annually or at shorter intervals. The Trustee will apply such amounts to the payment of such expenses upon the same terms and in the same manner as provided in Section 403 of the Resolution.

Application and Investment of Rate Stabilization Fund (Section 511)

If on any date the amount in the Bond Reserve Fund will be less than the Bond Reserve Requirement as of such date, the Trustee will withdraw from the General Fund, the Renewal and Replacement Fund and then the Rate Stabilization Fund and pay into the Bond Reserve Fund the

amount needed to increase the amount in the Bond Reserve Fund so that it equals the Bond Reserve Requirement.

The Trustee will deposit into the Rate Stabilization Fund, only to the extent of the money available at the time of such deposit, an amount of money equal to the Rate Stabilization Requirement. For purposes of formulating its schedule of rates and charges to be charged and collected in accordance with Section 611 of the Resolution, the Authority may anticipate and utilize as a Revenue for any Fiscal Year, money from the Rate Stabilization Fund to the extent that such amounts are realized and are on hand in the Rate Stabilization Fund.

The Rate Stabilization Requirement, if any, will be an amount established at least annually in a supplemental resolution of the Authority provided however, that the Rate Stabilization Requirement will be an amount of money which does not exceed 33% of the rates and charges charged, imposed and collected pursuant to Section 611 of the Resolution.

Pending application of funds from the Rate Stabilization Fund as a Revenue by deposit into the Revenue Fund, any moneys in the Rate Stabilization Fund will be invested in accordance with the Resolution. Investment income from the investment of moneys on deposit in the Rate Stabilization Fund will be deposited into the Revenue Fund.

Application and Investment of General Fund (Section 512)

If on any date the amount which is on deposit in the Bond Reserve Fund will be less than the Bond Reserve Requirement, as calculated on such date, the Trustee will withdraw from the General Fund and will pay into the Bond Reserve Fund the amount which is needed to increase the amount which is on deposit in the Bond Reserve Fund so that it equals the Bond Reserve Requirement.

Notwithstanding any other provision of the Resolution, whenever at any date in any Fiscal Year (a) the amount which is on deposit in the Bond Service Fund equals or exceeds the Bond Service Requirement, (b) the amount which is on deposit in the Sinking Fund, if any, equals or exceeds the aggregate amount of all Sinking Fund Installments which are due on the next ensuing principal payment date, (c) the amount which is on deposit in the Bond Reserve Fund equals or exceeds the Bond Reserve Requirement, (d) the amount which is on deposit in the Renewal and Replacement Fund equals or exceeds the Project Reserve Requirement, (e) the amount on deposit in the Rate Stabilization Fund equals or exceeds the Rate Stabilization Requirement, (f) the Authority is not in default in the payment of the principal or Redemption Price of or interest on any of the Bonds, and (g) the Authority is not in default in the payment of any costs which are due and payable to the issuer of any Credit Facility or Liquidity Facility pursuant to the terms of any agreement between the Authority and such issuer, and all administrative costs of the Authority, including the fees and expenses of any Fiduciary, have been paid, the Trustee will, upon receipt of the written direction of the Authority, withdraw from and pay out of the General Fund, free and clear of any lien or pledge created by the terms of the Resolution, any amount which is then on deposit in the General Fund. All amounts which are so withdrawn by the Trustee from the General Fund will forthwith upon withdrawal be paid to the Authority and such amounts may be used by the Authority for any lawful purpose. Unless otherwise specifically provided by the Authority, all amounts which are so paid to the Authority will, upon withdrawal, be forever free and clear of any lien or pledge created by the terms of the

Resolution. Any amounts which are so withdrawn may be deposited in the Revenue Fund to enable the Authority to meet the requirements of Section 613 of the Resolution.

Any moneys which are on deposit in the General Fund will be invested in accordance with the Resolution.

Application and Investment of Rebate Fund (Section 513)

Notwithstanding any other provision in the Resolution to the contrary, including Article X of the Resolution, all moneys which are subject to rebate to the United States government pursuant to the provisions of the Code (in order to ensure that interest on any Bonds which are issued as Tax-Exempt Obligations continues to be excludable from Federal income taxation), as determined by the Authority in accordance with the terms of Section 513 of the Resolution, will be withdrawn from the accounts which are held under the Resolution (other than from any funds which are held for the payment, of the purchase price for Variable Rate Bonds upon the tender of such Variable Rate Bonds by the Holders thereof), at the written direction of the Authority, and be deposited in the Rebate Fund. Moneys which are on deposit in the Rebate Fund will be invested by the Trustee, at the oral direction of an Authority Officer (promptly confirmed in writing), in Investment Obligations; provided however, that such investments will mature in such amounts and at such times as will permit funds to be available when needed to make payments to the United States Government in accordance with the terms of Section 513 of the Resolution. All income from such Investment Obligations will be held within the Rebate Fund.

Assignment of County Guaranty (Section 516)

Subject to the terms of Section 614 of the Resolution, all rights of the Authority to receive payments from the County under the provisions of the County Guaranty are pledged for the benefit and security of the Holders of the Series of Bonds which are specifically entitled to the benefits of the County Guaranty and the issuer of any Credit Facility or Liquidity Facility for such Series of Bonds in order to secure the punctual payment by the Authority of the principal of and interest on such Bonds and, for said purpose, such rights are assigned pursuant to the Resolution by the Authority to the Trustee. All payments which are to be received by the Authority pursuant to the terms of the County Guaranty are to be paid directly to the Trustee for deposit into the Bond Service Fund in accordance with the provisions of Section 204, Section 503 and Section 507 of the Resolution. Prior to or simultaneously with the delivery of each Series of Bonds which are specifically entitled to the benefits of the County Guaranty upon original issuance, an Authority Officer will deliver notification of such assignment to an Authorized County Representative.

Subrogation of County to Bondholders (Section 517)

The County shall, to the extent it incurs County Guaranty Costs pursuant to the County Guaranty and the County Guaranty Agreement to cure a deficiency in debt service on the Bonds, become subrogated to the rights of Bondholders. In the case of subrogation for payments applied to the payment of debt service on the Bonds on any interest payment date and/or principal payment date, the Trustee shall upon and in accordance with written direction of the County note on its records the County's rights as subrogee on the funds and accounts of the Authority held under the Resolution."

Operation and Maintenance of Project (Section 603)

The Authority will, at all times (a) operate the Project (or cause same to be operated) properly and in a sound and economical manner, and (b) maintain, preserve and keep the same properly (or cause the same to be so maintained, preserved and kept), including all appurtenances thereto and every part and parcel thereof, in good repair, working order and condition. Further, the Authority will make (or cause to be made) from time to time, all necessary and proper repairs, replacements and renewals so that the operation of the Project may be properly and advantageously conducted at all times.

Powers as to Project and as to Collection of Revenues (Section 607)

The Authority has, and will have, as long as any Bonds remain Outstanding, good right and lawful authority to construct the Project and to maintain, operate, improve and reconstruct the Project or to provide for the maintenance, operation, improvement and reconstruction of same. The Authority has the power and covenants to prescribe and from time to time charge and collect rates to be charged for use of the Project and to demand and to collect all Revenues which are due or which are becoming due to it for the use of the Project or other components of its solid waste system, subject, however, to the paramount powers of the State of New Jersey or the United States of America.

The Authority will so operate and maintain the Project or cause the Project to be so operated and maintained as to entitle it at all times to make, impose and collect Revenues with respect to the Project. The Authority will not release or modify the obligations of any user of the Project that would in any way limit any such user's obligation to make payment of such rents, rates, fees or other charges imposed by the Authority for such use of the Project. The Authority will take all reasonable measures permitted by law to enforce payment to it of all Revenues, and will at all times, to the extent permitted by law, defend, preserve and protect the rights, benefits and privileges of the Authority and of the Bondholders under or with respect to the Resolution.

Limitations on Operating Expenses (Section 610)

The Authority will not incur Operating Expenses in any Fiscal Year in excess of the reasonable and necessary amount thereof and will not expend any amount or incur any indebtedness for Operating Expenses in excess of the amounts which are provided for Operating Expenses in the Annual Budget which is then in effect. Nothing which is contained in Section 610 of the Resolution will limit the amount that the Authority may expend for Operating Expenses in any Fiscal Year. Moneys which are available in the General Fund may be used by the Authority for the payment of Operating Expenses, subject to the provisions of Section 511 of the Resolution.

Rates and Charges (Section 611)

With respect to the use of the Project, the Authority will make, impose, charge and collect Revenues and other charges in accordance with the terms of the Act, other applicable laws of the State of New Jersey, and as provided in the following paragraph.

Such Revenues and other charges for or with respect to the use of the Project will be so estimated, computed, made, charged, imposed, collected and revised from time to time so that the Revenues or charges which are collected and paid to the Trustee pursuant to the terms of Article V of the Resolution for each Fiscal Year, commencing in the first Fiscal Year after the Project, or any part thereof, is placed in operation, together with other moneys which are available or which will be available in the Revenue Fund, will be at least sufficient (a) to pay the Operating Expenses of the Authority with respect to the Project in each Fiscal Year; (b) to provide in each Fiscal Year an amount which is equal to the Bond Service Requirement (except any part thereof the payment of which has been provided for by the deposit of proceeds derived from the sale of Bonds in the Bond Service Fund), (c) to provide in each Fiscal Year the amount, if any, which is needed so that the amount which is on deposit in the (i) Bond Reserve Fund will equal the Bond Reserve Requirement and (ii) Renewal and Replacement Fund will equal the Project Reserve Requirement, (d) to provide for the payment of all other charges or liens which are related to the Project whatsoever which are payable by the Authority out of such rents, fees and charges during such Fiscal Year, and (e) to provide in such Fiscal Year for payment of any additional amounts which are necessary to comply with the provisions of the Resolution and all other statutory and legal obligations of the Authority. For the purpose of Section 611 of the Resolution, Revenues will be deemed to include any funds, other than funds which have been borrowed by the Authority, which the Authority deposits in the Revenue Fund, regardless of the source thereof; provided however, that, notwithstanding the provisions of this sentence, for purposes of satisfying the provisions of clauses (a), and (b) above, the amount of such funds so deposited from extraordinary sources, other than rents, fees and charges made and collected by the Authority in connection with the use or operation of the Project, will not exceed 10% of the amounts required by such clauses (a) and (b). Notwithstanding the provisions of Section 611 of the Resolution, the Authority will not be required to charge Revenues and other charges if, in the opinion of the Consulting Engineer, such rents, fees and other charges would result in a decrease in Revenues of the Authority.

Compliance With County Guaranty and Enforcement of Revenues (Section 612)

The Authority will so plan, schedule and prosecute all construction on or about the Project as to entitle it to make, impose and collect rates, fees and charges pursuant to the terms of the Act and in compliance with the provisions of Section 613 of the Resolution. To the extent that Bonds of any Series are entitled to the benefits of the County Guaranty, the Authority will not release or modify the obligations of the County under the terms of the County Guaranty in any manner which would adversely affect the County's obligation to make payments thereunder; provided further, that in the event that any Bonds which are entitled to the benefits of the County Guaranty are additionally secured by any Credit Facility and/or Liquidity Facility, the County Guaranty may not be amended without the prior written consent of the issuer of such Credit Facility or Liquidity Facility, which consent will not be unreasonably withheld. Any modification of the County Guaranty will be delivered to the Trustee and will be accompanied by a Counsel's Opinion which states that such modification is in compliance with the provisions of Section 612 of the Resolution. The Authority will take all reasonable measures which are permitted by the Act or otherwise by law, to enforce prompt payment to it of all Revenues, and will at all times, to the extent permitted by the Act or otherwise by law, defend, enforce, preserve and protect the rights, benefits and privileges of the Authority, the Trustee and of the Bondholders under or with respect to the County Guaranty to the extent that Bonds of a particular Series are entitled to the benefits of such County Guaranty.

Sale or Encumbrance (Section 614)

No part of the Project shall be sold, mortgaged, pledged, encumbered or otherwise disposed of by the Authority; provided however, that the Authority may, at any time and from time to time, sell or exchange a portion of the Project which the Authority determines by resolution is not useful or necessary in the construction, reconstruction or operation thereof. Any proceeds which are derived from any such sale or exchange which are not used to replace the property so sold or exchanged shall be paid to the Trustee and shall be deposited in the Bond Service Fund and applied to the payment of the principal or Redemption Price of and interest on the Bonds.

Creation of Liens, Subordinated Indebtedness (Section 615)

Except as provided in Section 317 of the Resolution (relating to the issuance of Additional Bonds) and this Section 615 of the Resolution, the Authority shall not issue any bonds, notes, or other evidences of indebtedness, other than the Bonds, which are secured by a pledge of or other lien or charge on the Revenues and shall not create or cause to be created any lien or charge on such Revenues or on any amounts which are held by the Trustee or by any Paying Agent under the terms of the Resolution; provided however, that neither Section 615 of the Resolution nor any other provision of the Resolution shall prevent the Authority from issuing bonds or notes or other obligations for the purposes of the Authority which are payable out of, or which are secured by a pledge of Revenues which are to be derived on and after such date as the pledge of such Revenues which is provided in the Resolution shall be discharged and satisfied as provided in Section 1201 of the Resolution. In addition, the Authority shall not be prevented from issuing bonds or notes or other obligations for the purposes of the Authority which are payable out of or which are secured by a subordinate pledge of the Revenues, or by a pledge of amounts which may be withdrawn from the General Fund pursuant to the terms of paragraph (2) of Section 510 of the Resolution, and (a) that are issued for a purpose, the completion of which, in the opinion of an Authority Officer (as evidenced by a certificate filed with the Trustee) will not cause a reduction in Revenues to be thereafter derived by or for the account of the Authority, and (b) which shall recite on their face that such pledge of said amounts is and shall be in all respects subordinate to the provisions of the Resolution and the lien and pledge created by the Resolution.

Privilege of Redemption and Redemption Prices (Section 701)

The Bonds of any Series which are subject to redemption prior to maturity at the option of the Authority will be subject to redemption by or on behalf of the Authority upon the giving of notice as provided in Article VII of the Resolution. Such Bonds will be redeemed at the Redemption Prices set forth in said Bonds and which are applicable upon such redemption. If less than all of the Bonds of such Series of like maturity which are then Outstanding are to be redeemed, the particular Bonds to be redeemed will be selected by lot in the manner set forth in Article VII of the Resolution.

Powers of Amendment (Section 902)

Any modification or amendment of the Supplemental Resolution and of the rights and obligations of the Authority and of the Holders of the Bonds in any particular Series, may be

made by Supplemental Resolution of the Authority, as specified, with the written consent given (as provided in Section 903 of the Resolution) of the Holders of at least two-thirds in aggregate principal amount of the Bonds then Outstanding, or, if said Supplemental Resolution affects only the Holders of a certain Series of Bonds, the Holders of at least two-thirds in aggregate principal amount of the Bonds of such Series Outstanding at the time such consent is given, but no such modification or amendment will permit a change in the maturity or terms of redemption of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or Redemption Price thereof or in the rate of interest thereon or any security therefor without the consent of the Holder of such Bond; provided however, in the event that any Bonds of a particular Series are secured by a Credit Facility or Liquidity Facility, no Supplemental Resolution will be adopted which modifies or affects the rights, duties or obligations of the issuer of such Credit Facility or Liquidity Facility without its prior written consent. Further, no such modification or amendment will reduce the percentages or otherwise affect the description of Bonds, the consent of the Holders of which is required to effect any such modification or amendment. The Trustee may, in its sole discretion or upon reliance on an opinion of Counsel (which may be a Counsel's Opinion), determine whether, in accordance with the foregoing powers of amendment, Bonds of any particular Series or maturity, or any particular Holder, would be affected by any modification or amendment of the Resolution and any such determination will be binding and conclusive on the Authority and on all Holders of Bonds when such determination is delivered in writing to the Authority by the Trustee.

Events of Default (Section 1001)

The occurrence of any of the following events is defined as and declared to be and to constitute an "Event of Default":

(a) Default by the Authority in the due and punctual payment of any interest on any Bond; or

(b) Default by the Authority in the due and punctual payment of the principal or redemption premium, if any, of any Bond, whether at the stated maturity thereof, the tender thereof in accordance with the provisions of the Supplemental Resolution authorizing the issuance of Variable Rate Bonds or the redemption date set therefor in accordance with the terms of the Resolution; or

(c) Subject to the provisions of Section 1011 of the Resolution, failure by the Authority to observe and to perform any covenant, condition or agreement on the part of the Authority which is provided by Resolution and the continuance of such failure for a period of thirty (30) days after written notice, or such longer period as will be provided under Section 1011 of the Resolution, specifying such failure and requesting that it be remedied, will be given to the Authority by the Trustee; or

(d) The filing of a petition by the Authority seeking a composition of indebtedness under the Federal Bankruptcy Laws or under any other applicable law or statute of the United States of America or of the State of New Jersey; or

(e) Such additional Events of Default as may be set forth in a Supplemental Resolution of the Authority duly adopted in connection with the issuance of any Series of Bonds.

Acceleration (Section 1002)

Unless otherwise provided in a Supplemental Resolution duly adopted in connection with the issuance of any Series of Bonds, upon the occurrence of an Event of Default which is identified in Section 1001(a), (b) or (c) of the Resolution, at the written request of the Holders of not less than a majority in aggregate principal amount of Bonds which are then Outstanding, the Trustee will declare the principal of all Bonds which are then Outstanding and the interest which has accrued thereon to the date of such acceleration to be immediately due and payable by written notice delivered to the Authority.

Unless otherwise provided in a Supplemental Resolution duly adopted in connection with the issuance of any Series of Bonds, upon the occurrence of an Event of Default which is identified in Section 1001(d) of the Resolution and such Event of Default continues without remedy for a period of thirty (30) days, at the written request of the Holders of not less than a majority in aggregate principal amount of Bonds which are then Outstanding, the Trustee will declare the principal of all Bonds which are then Outstanding and the interest which has accrued thereon to the date of such acceleration to be immediately due and payable by written notice to the Authority.

Upon any declaration provided in Section 1002 of the Resolution, the principal of and interest on all Bonds which are then Outstanding will become immediately due and payable.

Upon the occurrence of any Event of Default which is identified in Section 1001(e) of the Resolution, the Trustee will take such actions as are set forth in the Supplemental Resolution identified in Section 1001(e) of the Resolution.

Defeasance (Section 1201)

If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all or any Bonds of a particular Series, or any maturity within a Series, the principal or redemption price of and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Resolution, then (a) the pledge of any Revenues, and other moneys and securities which are pledged to the Holders of such Series, or maturity within a Series, under the terms of the Resolution, (b) all covenants, agreements and other obligations of the Authority and (c) the lien, benefit and security under the Resolution, shall thereupon cease, terminate and become void and shall be discharged and satisfied. In such event, the Trustee shall cause a statement to be prepared and filed with the Authority for such period or periods as shall be requested by the Authority, and, upon the request of the Authority, the Trustee shall execute and deliver to the Authority, all such instruments as may be desirable to evidence such discharge and satisfaction, and, upon payment of all fees and expenses which are due and owing to the Trustee and any Paying Agent, and to the County for County Guaranty Costs, the Trustee and any Paying Agent shall pay over or deliver to the Authority all moneys or securities which are held by them pursuant to the terms of the Resolution which are not required for the payment of the principal or redemption price of and interest which is due or which is to become due on the Bonds of such Series, or maturity within such Series.

All or any Bonds of any Series, or of any maturity within a Series, for the payment or redemption of which moneys will have been set aside and will be held in trust will be deemed to

have been paid within the meaning and with the effect expressed in the preceding paragraph of Section 1201 of the Resolution. All or any Outstanding Bonds of such Series, or of any maturity within such Series will, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph of Section 1201 of the Resolution if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority will have given to the Trustee (in a form which is satisfactory to the Trustee) irrevocable written instructions to mail notice of redemption of such Bonds on said date, (b) there will have been deposited with the Trustee, either (i) moneys in an amount which will be sufficient, or (ii) direct non-callable obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, to which direct obligation or guarantee the full faith and credit of the United States of America has been pledged, Refcorp interest strips, CATS, TIGRS, STRPS, or defeased municipal bonds rated AAA by S&P or Aaa by Moody's (or any combination thereof) and such other obligations as the Bond Insurer may approve the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, which have been deposited with the Trustee at the same time will be sufficient to pay when due the principal or Redemption Price of and the interest which is due and which is to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event said Bonds are not by their terms subject to redemption, within the next succeeding sixty (60) days, the Authority will have given the Trustee (in a form which is satisfactory to the Trustee) irrevocable written instructions to mail, as soon as practicable, a notice to the Holders of such Bonds that the deposit required by clause (b) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the terms of Section 1201 of the Resolution and such notice will state such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price of and interest on said Bonds. In the event of an advance refunding, the Authority will cause to be delivered a verification report of an independent nationally recognized certified public accountant. To the extent that the moneys or the principal of and interest on the obligations referred to above are sufficient to provide for the defeasance of all Outstanding Bonds of such Series, or a maturity within such Series, any additional moneys which are generated or which are available may be paid over to the Authority by the Trustee and may be used by the Authority for any lawful purpose, free and clear of any trust, lien or pledge. Any deficiency in the amounts which are on deposit with the Trustee which are necessary to accomplish a defeasance of the Bonds in accordance with the terms of Section 1201 of the Resolution will be deposited promptly by the Authority with the Trustee for the purposes of accomplishing said defeasance.

Notwithstanding anything contained in the Resolution to the contrary, no such defeasance shall be effective until all payments which are due and owing to (i) the issuer of any Credit Facility or Liquidity Facility issued for or with respect to the Bonds to be defeased and (ii) the County to the extent the County has paid money to the Trustee pursuant to the County Guaranty and County Guaranty Agreement to cure a deficiency in the Bond Service Fund with respect to the Bonds to be defeased on behalf of the Authority and the County remains unreimbursed for the County Guaranty Costs associated with the making of such payment have been paid by, or on behalf of, the Authority.

Notwithstanding anything in Section 1201 of the Resolution to the contrary, any obligation of the Authority to make a payment to the United States of America pursuant to the

provisions of Section 511 of the Resolution will survive the defeasance of the lien of the Resolution provided under Section 1201 of the Resolution.

Notwithstanding anything contained in Section 1201 of the Resolution to the contrary, any payments made pursuant to Section 1201 of the Resolution by the issuer of any Credit Facility will be deemed to be made in satisfaction of the Authority's obligations to the Holders of the Bonds with respect to which and to the extent to which such payments are made. However, such payments by the issuer of such Credit Facility will not be deemed to satisfy the Authority's obligation to make payment to the issuer of such Credit Facility for or in respect of such Bonds.

APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL



July 16, 2025

The Gloucester County Improvement Authority
109 Budd Boulevard
Woodbury, New Jersey

**RE: \$16,695,000 THE GLOUCESTER COUNTY IMPROVEMENT
AUTHORITY, COUNTY GUARANTEED SOLID WASTE REVENUE
BONDS (CELL EXPANSION PROJECTS), SERIES 2025**

Ladies and Gentlemen:

We have served as Bond Counsel to the Gloucester County Improvement Authority ("Authority"), in connection with the issuance and sale of \$16,695,000 aggregate principal amount of its County Guaranteed Solid Waste Revenue Bonds (Cell Expansion Projects), Series 2025 ("Series 2025 Bonds").

The Series 2025 Bonds are issued pursuant to: (i) the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State of New Jersey ("State") (*N.J.S.A. 40:37A-44 et seq.*) and the acts amendatory thereof and supplemental thereto ("Act"); and (ii) a bond resolution of the Authority, duly adopted on July 8, 1992 ("Original Resolution"), as amended and supplemented to date and, in particular, as amended and supplemented by a Supplemental Resolution of the Authority, duly adopted on January 16, 2025 ("Supplemental Resolution"), and a Certificate of Authority Officer, dated July 1, 2025 ("Award Certificate"), executed by the Executive Director of the Authority (the Original Resolution, as amended and supplemented, including by the Supplemental Resolution and by the Award Certificate, shall be referred to as the "Bond Resolution"). Capitalized terms, not otherwise defined herein, shall have the meanings ascribed thereto in the Bond Resolution, unless the context clearly requires otherwise.

The Series 2025 Bonds are being issued by the Authority to provide funds which will be used to finance: (i) the costs of acquisition, design, construction and equipping of new landfill cells (Cell 17 and 18) at the Authority-owned solid waste landfill ("Landfill") located at the Gloucester County Solid Waste Complex ("Complex") in the Township of South Harrison, in the County, to increase the waste disposal capacity of the Landfill; (ii) the costs of acquisition, design, and construction of other related capital improvements at the Complex; and (iii) the costs of issuance of the 2025 Bonds (collectively, the "2025 Project").

The Series 2025 Bonds are direct and special obligations of the Authority payable solely from the Revenues generated in connection with the Complex as set forth under the Bond Resolution. The Series 2025 Bonds are also secured by the provisions of a guaranty ordinance, duly and finally adopted by the Board of County Commissioners ("Board") of the County of Gloucester ("County") on April 24, 1985, as previously amended to date, and as further amended by a guaranty ordinance



duly and finally adopted by the Board on December 27, 2024 (as amended, the "Guaranty Ordinance"), pursuant to which the County has unconditionally guaranteed the payment, when due, of the principal of and interest on the Series 2025 Bonds ("County Guaranty").

The Series 2025 Bonds are dated July 16, 2025, mature on September 1 in each of the years and the respective principal amounts set opposite each such year in the table below and bear interest at the rates per annum below, respectively, payable semi-annually on March 1 and September 1, commencing on September 1, 2025, in each year until maturity.

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2025	\$1,950,000	5.000%
2026	1,340,000	5.000
2027	1,405,000	5.000
2028	1,475,000	5.000
2029	1,550,000	5.000
2030	1,630,000	5.000
2031	1,710,000	5.000
2032	1,795,000	5.000
2033	1,885,000	3.750
2034	1,955,000	5.000

The Series 2025 Bonds are issued in fully registered book-entry-only form and are **not** subject to optional redemption prior to maturity.

As Bond Counsel to the Authority, we have examined certified copies of the Bond Resolution and the Guaranty Ordinance, and such statutes of the State and such resolutions of the Authority and the County (solely with respect to the Guaranty Ordinance) and proceedings relating thereto as we have deemed necessary to enable us to render the opinions set forth below. We have also examined and relied upon the proceedings authorizing the issuance of the Series 2025 Bonds, certain certifications and agreements (including a Certificate as to Non-Arbitrage and Other Tax Matters ("Nonarbitrage Certificate") executed by the Authority and intended to satisfy certain provisions of the Internal Revenue Code of 1986, as amended ("Code"), and applicable Treasury Regulations), receipts and other documents which we have considered relevant. We have also examined a specimen of the Series 2025 Bond and have relied on certifications as to the execution and authentication of the Series 2025 Bonds. We have assumed that all documents, records and other instruments examined by us are genuine, accurate and complete and we have not undertaken to verify the factual matters set forth in any certificates or other documents by independent investigation.

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

1. The Authority has been duly created and is validly existing under the provisions of the Constitution and the laws of the State, including the Act.
2. The Bond Resolution has been duly adopted by the Authority and constitutes a legal, valid and binding obligation of the Authority, enforceable in accordance with its terms except to the extent that enforcement thereof may be limited by applicable bankruptcy, insolvency, moratorium



or other laws or other legal or equitable principles affecting the enforcement of creditors' rights generally ("Creditors' Rights Limitations").

3. The Series 2025 Bonds have been duly authorized, executed, authenticated, issued and delivered and constitute legal, valid and binding, direct and special obligations of the Authority, enforceable in accordance with the terms thereof, except to the extent that enforcement thereof may be limited by Creditors' Rights Limitations.

4. The Guaranty Ordinance was duly authorized and adopted by the Board. Pursuant to the County Guaranty, payment of the principal of and interest on the Series 2025 Bonds, when due, is unconditionally guaranteed by the County and, to the extent payment of the Series 2025 Bonds is not otherwise provided, the County will be unconditionally and irrevocably obligated to levy *ad valorem* taxes upon all the taxable real property within the jurisdiction of the County without limitation as to rate or amount for the payment, when due, of the principal of and interest on the Series 2025 Bonds.

5. Interest on the Series 2025 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 Series 2025 Bonds received or accrued by a foreign corporation subject to the branch profits tax is included in computing the "dividend equivalent amount" of such corporation.

In addition, passive investment income, including interest on the Series 2025 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 Authority with: (i) the covenants contained in the Bond Resolution and the Nonarbitrage Certificate; and (ii) the applicable requirements of the Code, including requirements relating to, *inter alia*, the use and investment of proceeds of the Series 2025 Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the Authority to comply with such covenants could result in the interest on the Series 2025 Bonds being subject to federal income tax retroactive to 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 Series 2025 Bonds.

Ownership of the Series 2025 Bonds may result in collateral federal income tax consequences to certain taxpayers including, without limitation, financial institutions, 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 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 Series 2025 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 Series 2025 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 Series 2025 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 Authority has **not** designated the Series 2025 Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Owners of the Series 2025 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.

6. Interest on the Series 2025 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 call your attention to the fact that the Series 2025 Bonds are direct and special obligations of the Authority payable solely from the Revenues of the Complex. The Series 2025 Bonds do not constitute a debt or obligation of the State or any political subdivision thereof (except the Authority, to the extent of the Revenues, and the County, to the extent of the County Guaranty), and neither the credit nor the taxing power of the State or any political subdivision thereof (except the Authority, to the extent of the Revenues, and the County, to the extent of the County Guaranty) is pledged for the payment of the principal of, redemption premium, if any, or interest on the Series 2025 Bonds. The Authority has no taxing power.

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 Series 2025 Bonds.



The opinions expressed in the numbered paragraphs above are being rendered on the basis of federal law and the laws of the State, 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 that may affect the opinions expressed above.

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 Authority and may not be relied upon by any other person, party, firm or organization without our prior written consent.

Very truly yours,

APPENDIX E

FORM OF COUNTY CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT ("Disclosure Agreement") is made on this 16th day of July, 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 Gloucester County Improvement Authority of its County Guaranteed Solid Waste Revenue Bonds (Cell Expansion Projects), Series 2025, in the principal amount of \$16,695,000 ("Bonds").

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

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

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

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

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

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

"EMMA" shall mean the Electronic Municipal Market Access System, 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 Disclosure Agreement to the National Repository, 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 (with a copy of said notice to the County) 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 July 1, 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 Obligated Person: County of Gloucester, New Jersey

Name of Bond Issues Affected: The Gloucester County Improvement Authority
\$16,695,000 County Guaranteed Solid Waste Revenue Bonds
(Cell Expansion Projects), Series 2025

Date of Issuance of the
Affected Bond Issue: July 16, 2025

NOTICE IS HEREBY GIVEN that the Obligated Person 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 July 16, 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 Obligated Person anticipates that such Annual Report will be filed by _____].

Dated:

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

cc: County of Gloucester, New Jersey

APPENDIX F

FORM OF AUTHORITY CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT ("Disclosure Agreement") is made on this 16th day of July, 2025, by and between The Gloucester County Improvement Authority ("Authority") and the Dissemination Agent (hereinafter defined). This Disclosure Agreement is entered into in connection with the issuance and sale of the Authority's \$16,695,000 County Guaranteed Solid Waste Revenue Bonds (Cell Expansion Projects), Series 2025 ("Bonds").

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered for the benefit of the holders and beneficial owners of the Bonds (collectively, the "Bondholders") and in compliance with the provisions of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission ("Commission") pursuant to the Securities Exchange Act of 1934, as it may be amended 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 Authority's Annual Report provided pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Commission" shall have the meaning set forth in Section 1 of this Disclosure Agreement

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which the Authority 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 Authority and which has filed with the Authority a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access System, an internet based filing system created and maintained by the MSRB in accordance with Release No. 34-59062 of the Commission, dated December 5, 2008, 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.

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

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"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 Commission as a repository for purposes of the Rule.

"Official Statement" shall mean the Official Statement of the Authority, dated July 1, 2025, relating to the Bonds.

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

"Rule" shall have the meaning set forth in Section 1 of this Disclosure Agreement.

SECTION 3. Provision of Annual Report.

(a) The Authority shall not later than two hundred seventy (270) days after the end of its fiscal year (currently December 31) for each fiscal year until termination of the Authority's reporting obligations under this Disclosure Agreement pursuant to the provisions of Section 6 hereof provide to the Dissemination Agent the Annual Report prepared for the preceding fiscal year of the Authority (commencing for the fiscal year ending December 31, 2025). Each Annual Report provided to the Dissemination Agent by the Authority 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 Commission.

(b) The Dissemination Agent, promptly (within fifteen (15) Business Days) after receiving the Annual Report from the Authority, shall submit each Annual Report received by it to the National Repository and thereafter shall file a written report with the Authority certifying that the Annual Report has been provided pursuant to this Disclosure Agreement to the National Repository and stating the date it was provided to the National Repository.

(c) If the Authority fails to provide the Annual Report to the Dissemination Agent by the date required in subsection (a) of this Section 3, the Dissemination Agent shall send a notice to the Authority advising of such failure. Whether or not such notice is given or received, if the Authority 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 (with a copy of said notice to the Authority) to the National Repository in substantially the form attached as EXHIBIT "A" hereto.

SECTION 4. Contents of Annual Report. Annual Report shall mean: (i) the general financial information and operating data of the Authority consistent with the information set the Official Statement of the Authority, dated July 1, 2025, prepared in connection with the public offering and sale of the 2025 Bonds ("Official Statement") under the caption "THE AUTHORITY – Revenues" as it relates to the annual results of operations (audited) for the Landfill (as defined in the Official Statement); and (ii) the Authority's annual financial statements for all activities of the Authority, including but not limited to the Landfill, audited by an independent certified public accountant, provided that the annual audited financial statements of the Authority 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 Authority are included in the Annual Report.

(b) Each annual audited financial statement will conform to generally accepted accounting principles applicable to governmental units or will be prepared in accordance with the standards of the Governmental Accounting Standards Board and requirements of the Division of Local Government Services in the New Jersey Department of Community Affairs as such principles, standards and requirements exist at the time of the filing of the particular annual audited financial statements.

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

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.

- (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 Authority 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 a Listed Event specified in clauses (2), (7), (8), (10), (13), (14) or (15) of subsection (a) of this Section 5, the Authority may, but shall not be required to, rely conclusively on an Opinion of Counsel.

(c) If the Dissemination Agent has been instructed by the Authority 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 Authority.

SECTION 6. Termination of Reporting Obligations. The reporting obligations of the Authority under this Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds or when the Authority 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 Authority 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 Authority, or type of business conducted; (b) the undertaking, as amended or waved, 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 the Bondholders. The Authority 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 Authority 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 Authority 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 Authority to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of the Bondholders of at least twenty-five percent (25%) in aggregate principal amount of the outstanding Bonds and provision of indemnity and security for expenses satisfactory to it, shall), or any beneficial owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Authority to

comply with its obligations under this Disclosure Agreement. A failure of the Authority to comply with any provision of this Disclosure Agreement shall not be deemed to be a default under the Bonds. The sole remedy under this Disclosure Agreement in the event of any failure of the Authority to comply with this Disclosure Agreement shall be an action to compel performance.

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 Authority:

The Gloucester County Improvement Authority
109 Budd Boulevard
Woodbury, New Jersey 08096-3963
Attention: Executive Director

(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 10 for the giving of notice.

SECTION 11. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Authority, 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 Authority 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 Authority 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.

**THE GLOUCESTER COUNTY IMPROVEMENT
AUTHORITY**

By: _____
GEORGE D. STRACHAN, Executive Director

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

By: _____
JENNIFER G. EDWARDS, Managing Director

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE AN ANNUAL REPORT

Name of Issuer: The Gloucester County Improvement Authority
("Authority")

Name of Bond Issues Affected: The Gloucester County Improvement Authority \$16,695,000
County Guaranteed Solid Waste Revenue Bonds (Cell
Expansion Projects), Series 2025

Date of Issuance of the Affected
Bond Issue: July 16, 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 July 16, 2025, between the Authority 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: Authority
Bond Trustee