

PRELIMINARY OFFICIAL STATEMENT SUPPLEMENT DATED OCTOBER 3, 2019

NEW ISSUE

RATING: Standard & Poor's: "SP-1+"

In the opinion of Rogut McCarthy LLC, Bond Counsel to the Township, assuming compliance by the Township with its Tax Certificate, under existing law, interest on the Notes is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, under existing law, interest on the Notes is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals. In addition, Bond Counsel is further of the opinion that, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Notes and any gain from the sale of the Notes are not includable in gross income of the holders thereof.

**\$130,293,000 BOND ANTICIPATION NOTES
CONSISTING OF
\$74,357,000 GENERAL BOND ANTICIPATION NOTES,
\$38,421,000 SEWER UTILITY BOND ANTICIPATION NOTES,
AND
\$17,515,000 RECREATION UTILITY BOND ANTICIPATION NOTES
OF THE
TOWNSHIP OF WOODBRIDGE
COUNTY OF MIDDLESEX, NEW JERSEY
(Non-Callable)(Not Bank-Qualified)(Book-Entry Only)**

Dated: October 16, 2019

Due: October 16, 2020

The \$130,293,000 Bond Anticipation Notes, consisting of \$74,357,000 General Bond Anticipation Notes (the "General Notes"), \$38,421,000 Sewer Utility Bond Anticipation Notes (the "Sewer Notes") and \$17,515,000 Recreation Utility Bond Anticipation Notes (the "Recreation Notes" and together with the General Notes and the Sewer Notes, the "Notes") of the Township of Woodbridge, in the County of Middlesex, New Jersey (the "Township"), shall be issued as fully registered book-entry notes registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"), with the Notes immobilized in the custody of DTC. Owners of beneficial interests in the Notes will not receive certificates representing their interests in the Notes, but are to receive statements or other evidence of such ownership of beneficial interests from sources from which such interests were purchased. Individual purchases of beneficial ownership interests in the Notes may be in book-entry form only in the principal amount of \$1,000 or any integral multiple thereof with a minimum of \$5,000 required. So long as DTC or its nominee, Cede & Co., is the registered owner of the Notes, payments of principal of and interest on the Notes will be made directly to DTC or its nominee, Cede & Co., which will remit such payments to the DTC Participants, which will, in turn, remit such payments to the owners of beneficial interests in the Notes.

The Notes are general obligations of the Township and are secured by a pledge of the full faith and credit of the Township for the payment of the principal thereof and the interest thereon. The Township is authorized and required by law to levy *ad valorem* taxes upon all the taxable real property within the Township for the payment of the principal of and interest on the Notes, without limitation as to rate or amount.

Interest on the Notes will be payable at maturity on October 16, 2020. Principal and interest on the Notes will be paid to DTC by the Township. Interest on the Notes is calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year. The Notes are not subject to redemption prior to maturity.

SALE INFORMATION SCHEDULE

<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>	<u>YIELD</u>
\$	____%	____%

The Notes are offered for sale upon the terms of the notice of sale and subject to the final approving opinion of Rogut McCarthy LLC, Cranford, New Jersey, Bond Counsel. It is anticipated that the Notes in definitive form will be available for delivery to DTC in New York, New York, on or about October 16, 2019.

**PROPOSALS WILL BE RECEIVED UNTIL 11:00 AM ON WEDNESDAY, OCTOBER 9, 2019
BY BOND COUNSEL ON BEHALF OF THE TOWNSHIP,
VIA ELECTRONIC MAIL AT SLR@ROGUTMCCARTHY.COM,
VIA FACSIMILE AT (908) 653-4832 OR
VIA THE PARITY ELECTRONIC BID SYSTEM OF I-DEAL LLC
FOR MORE DETAILS REFER TO THE NOTICE OF SALE**

This is a Preliminary Official Statement "deemed final" within the meaning of, and with the exception of certain information permitted to be omitted by, Rule 15c2-12 of the Securities and Exchange Commission, and the information contained herein is subject to completion or amendment in accordance with applicable law. The Issuer will deliver a final Official Statement in compliance with Rule 15c2-12. This Preliminary Official Statement shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of any such jurisdiction.

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TOWNSHIP OF WOODBRIDGE

Notes To Be Issued

<u>Ord. No.</u>	<u>Description</u>	<u>Notes to be Issued</u>
<u>General Capital</u>		
13-23	Various Public Improvements	\$ 6,333,664
13-33	Various Recreation Improvements	40,528
14-07	Various Public Improvements	7,217,354
14-55	Various Public Improvements	7,814,912
15-07	Various Public Improvements	2,930,755
15-57	Various Public Improvements	9,001,942
16-28/16-70/18-20	Acquisition of Various Properties and Various Improvements	1,792,965
16-41	Various Public Improvements	10,645,000
16-63	Design Phase for a Community Facility	950,000
16-68	Acquisition of Equipment and Machinery	475,000
17-01	Acquisition of Equipment and Vehicles	1,047,000
17-02	Improvements to Bowtie Pool Complex	946,000
17-03	Acquisition of Iselin American Legion Property	738,000
17-35	Renovation of Iselin American Legion Property	1,428,000
17-77	Various Public Improvements and Acquisitions	12,355,000
17-120/19-81	Various Public Improvements and Acquisitions	4,154,880
19-34	Acquisition of an Ambulance	228,000
19-37	Refurbishment of a Ladder Fire Truck	428,000
19-57	Various Public Improvements and Acquisitions	<u>5,830,000</u>
	Total General Capital Notes	<u>\$ 74,357,000</u>
<u>Sewer Utility</u>		
15-58	Various Sanitary Sewer Improvements	\$ 1,856,170
16-11	Rehabilitation of MCUA Sewer Trunk	27,428,354
16-44	Various Sanitary Sewer Improvements	1,647,000
17-76	Various Sewer Improvements and Acquisitions	5,046,875
17-121	Various Sewer Improvements and Acquisitions	500,000
19-58	Various Sewer Improvements and Acquisitions	<u>1,942,601</u>
	Total Sewer Utility Notes	<u>\$ 38,421,000</u>

Recreation Utility

16-71/18-54	Various Improvements and Acquisitions	\$ 1,095,500
17-04	Various Improvements to Community Facility	4,208,000
17-05	Various Improvements	547,500
17-21	Improvements to Milos Recreation Complex	3,714,000
19-12	Acquisition of Real Property	350,000
19-32	Various Recreation Improvements	4,800,000
19-71	Construction of Cypress Park	<u>2,800,000</u>
	Total Recreation Utility Notes	<u>\$ 17,515,000</u>
	Total Notes to be Issued	<u>\$130,293,000</u>

STEVEN L. ROGUT
DANIEL J. McCARTHY
DIANE U. DABULAS
THOMAS J. BACE ††

ROGUT McCARTHY LLC

COUNSELLORS AT LAW

37 ALDEN STREET
CRANFORD, NEW JERSEY 07016

Telephone (908) 931-1150
Facsimile (908) 931-1151
Facsimile (908) 653-4832

ANN S. BEDDINGFIELD, Of Counsel †
PATRICE E. HEW

† ADMITTED IN NY AND NC ONLY
†† ALSO ADMITTED IN FL AND DC

www.rogutmccarthy.com

[Proposed Form of Bond Counsel Opinion]

October ____, 2019

Municipal Council
Township of Woodbridge
County of Middlesex, New Jersey

Dear Council Members:

We have acted as bond counsel in connection with the issuance of \$130,293,000 of notes, consisting of \$74,357,000 General Bond Anticipation Notes, \$38,421,000 Sewer Utility Bond Anticipation Notes and \$17,515,000 Recreation Utility Bond Anticipation Notes (collectively, the "Notes"), by the Township of Woodbridge, a municipal corporation of the State of New Jersey, located in the County of Middlesex (the "Township"). The Notes are dated October 16, 2019, are payable October 16, 2020, bear interest from their date at the rates per annum, payable at maturity, and are numbered and in denomination as follows:

<u>Number</u>	<u>Denomination</u>	<u>Interest Rate</u>
	\$	%

The Notes have been issued pursuant to the Local Bond Law (Chapter 2 of Title 40A of the New Jersey Statutes, as amended). The \$74,357,000 General Bond Anticipation Notes are also issued pursuant to and in anticipation of the issuance of bonds authorized by nineteen bond ordinances adopted by the Municipal Council of the Township on April 23, 2013 (Ord. No. 13-23); May 21, 2013 (Ord. No. 13-33); February 4, 2014 (Ord. No. 14-07); October 21, 2014 (Ord. No. 14-55); February 3, 2015 (Ord. No. 15-07); September 1, 2015 (Ord. No. 15-57); June 14, 2016 (Ord. No.

16-28, as amended by Ord. No. 16-70 adopted on December 13, 2016, as further amended by Ord. No. 18-20 adopted on May 8, 2018); July 26, 2016 (Ord. No. 16-41); November 1, 2016 (Ord. No. 16-63); November 22, 2016 (Ord. No. 16-68); January 17, 2017 (three ordinances: Ord. Nos. 17-01, 17-02 and 17-03); April 4, 2017 (Ord. No. 17-35); August 22, 2017 (Ord. No. 17-77); November 28, 2017 (Ord. No. 17-120, as amended by Ord. No. 19-81 adopted on July 23, 2019); March 19, 2019 (Ord. No. 19-34); April 2, 2019 (Ord. No. 19-37); and May 7, 2019 (Ord. No. 19-57) (the "General Bond Ordinances") to finance the making of various public improvements in, by and for the Township. The \$38,421,000 Sewer Utility Bond Anticipation Notes are also issued pursuant to and in anticipation of the issuance of bonds authorized by six bond ordinances adopted by the Municipal Council of the Township on September 1, 2015 (Ord. No. 15-58); March 1, 2016 (Ord. No. 16-11); August 9, 2016 (Ord. No. 16-44); August 22, 2017 (Ord. No. 17-76); November 28, 2017 (Ord. No. 17-121); and May 7, 2019 (Ord. No. 19-58) (the "Sewer Utility Bond Ordinances") to finance the making of various public improvements in, by and for the Sewer Utility of the Township. The \$17,515,000 Recreation Utility Bond Anticipation Notes are also issued pursuant to and in anticipation of the issuance of bonds authorized by seven bond ordinances adopted by the Municipal Council of the Township on December 13, 2016 (Ord. No. 16-71, as amended by Ord. No. 18-54 adopted on August 21, 2018); January 17, 2017 (two ordinances: Ord. Nos. 17-04 and 17-05); February 21, 2017 (Ord. No. 17-21); February 5, 2019 (Ord. No. 19-12); March 5, 2019 (Ord. No. 19-32); and June 25, 2019 (Ord. No. 19-71) (the "Recreation Utility Bond Ordinances", and together with the General Bond Ordinances and the Sewer Utility Bond Ordinances, the "Bond Ordinances") to finance the making of various public improvements in, by and for the Recreation Utility of the Township.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. Such requirements include requirements relating to the use and investment of proceeds of the Notes and other amounts and the rebate of certain arbitrage earnings to the United States. Noncompliance by the Township with such requirements may cause interest on the Notes to be included in gross income of the owners thereof retroactive to the date of issuance of the Notes, regardless of when such noncompliance occurs.

The Township has covenanted, to the extent permitted by the Constitution and the laws of the State of New Jersey, to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Notes be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. The Township's Tax Certificate (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Notes, will contain provisions and procedures regarding compliance with the requirements of the Code. The Township, in executing the Tax Certificate, will certify to the effect that the Township expects and intends to comply with the provisions and procedures contained therein.

As bond counsel, we have examined certified copies of the Bond Ordinances and copies of the forms of Notes. We have also examined originals (or copies certified or otherwise identified to our satisfaction) of such other instruments, certificates and documents as we have deemed necessary or appropriate for the purpose of the opinion rendered below, including the Tax Certificate executed by the Chief Financial Officer of the Township of even date herewith. We have assumed the accuracy of the factual information and the truthfulness of the expectations set forth in the Tax Certificate and any exhibits thereto. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents. We have relied, as to the execution and delivery of the Notes, on a certificate of the Township.

We have not prepared nor have we verified the accuracy, completeness or fairness of (i) the information set forth in the Official Statement prepared by the Township in connection with the issuance and sale of the Notes, or (ii) other documents of the Township delivered to the purchasers of the Notes, and we take no responsibility therefor.

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

1. The Notes have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the Township enforceable in accordance with their terms, except as enforcement of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to or affecting the enforcement of creditors' rights generally now or hereafter in effect to the extent constitutionally applicable, and enforcement may also be subject to the exercise of judicial discretion in certain cases.

2. The Township has pledged its full faith and credit for the payment of the principal of and interest on the Notes, and unless paid from other sources, the Township is authorized and required by law to levy on all real property taxable by the Township such ad valorem taxes as may be necessary to pay the Notes and the interest thereon, without limitation as to rate or amount.

3. Assuming compliance by the Township with its Tax Certificate, under existing law, interest on the Notes is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. In addition, under existing law, interest on the Notes is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals. In addition, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Notes and any gain from the sale of the Notes are not includable in gross income of the holders thereof.

Very truly yours,

Rogut McCarthy LLC

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 2, 2019

NEW ISSUE
SERIAL BONDS

RATINGS: Standard & Poor's: “ ___ ”
Moody's: “ ___ ”

In the opinion of Rogut McCarthy LLC, Bond Counsel to the Township, assuming compliance by the Township with its Tax Certificate described herein, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, under existing law, interest on the Bonds is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals. In addition, Bond Counsel is further of the opinion that, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Bonds and any gain from the sale of the Bonds are not includable in gross income of the holders thereof. See "TAX MATTERS" herein.

\$23,400,000 GENERAL IMPROVEMENT BONDS
TOWNSHIP OF WOODBRIDGE
COUNTY OF MIDDLESEX, NEW JERSEY
(Book-Entry Only) (Callable)

Dated: October 15, 2019

Due: October 15, as shown below

The \$23,400,000 General Improvement Bonds (the "Bonds") of the Township of Woodbridge, in the County of Middlesex, New Jersey (the "Township"), will be issued as fully registered bonds registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of the Bonds, with the Bonds immobilized in the custody of DTC. Owners of beneficial interests in the Bonds will not receive physical delivery of bond certificates, but are to receive statements or other evidence of such ownership of beneficial interests from sources from which such interests were purchased. Investors may purchase beneficial interests in the Bonds in book-entry form in the denomination of \$5,000 or any integral multiple thereof. See "THE BONDS – Book-Entry Only System" herein. So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of principal of and interest on the Bonds will be made directly to DTC or its nominee, Cede & Co., which will remit such payments to the DTC Participants, which will, in turn, remit such payments to the owners of beneficial interests in the Bonds. Principal of the Bonds is payable on October 15 of each of the years set forth below, and interest on the Bonds is payable on each April 15 and October 15, commencing October 15, 2020 in each year until maturity or prior redemption.

The Bonds are subject to optional redemption prior to their stated maturities. See "THE BONDS – Prior Redemption" herein.

The Bonds are general obligations of the Township and are secured by a pledge of the full faith and credit of the Township for the payment of the principal thereof and the interest thereon. The Township is authorized and required by law to levy *ad valorem* taxes upon all the taxable real property within the Township for the payment of the principal of and interest on the Bonds, without limitation as to rate or amount.

MATURITY SCHEDULE, INTEREST RATES AND YIELDS

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Yield</u>
2020	\$ 1,000,000			2027	\$ 1,800,000		
2021	1,250,000			2028	1,850,000		
2022	1,350,000			2029	1,900,000		
2023	1,475,000			2030	1,950,000		
2024	1,550,000			2031	1,975,000		
2025	1,625,000			2032	1,975,000		
2026	1,700,000			2033	2,000,000		

The Bonds are offered for sale upon the terms of the notice of sale and subject to the final approving opinion of Rogut McCarthy LLC, Cranford, New Jersey, Bond Counsel. It is anticipated that the Bonds in definitive form will be available for delivery to DTC in New York, New York, on or about October 15, 2019.

**ELECTRONIC BIDS VIA PARITY AND
SEALED PROPOSALS WILL BE RECEIVED
UNTIL 11:00 O'CLOCK A.M. ON OCTOBER 8, 2019
AT THE MEMORIAL MUNICIPAL BUILDING
1 MAIN STREET
WOODBIDGE, NEW JERSEY 07095**

This is a Preliminary Official Statement "deemed final" within the meaning of, and with the exception of certain information permitted to be omitted by, Rule 15c2-12 of the Securities and Exchange Commission, and the information contained herein is subject to completion or amendment in accordance with applicable law. The Township will deliver a final Official Statement in compliance with Rule 15c2-12. This Preliminary Official Statement shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of any such jurisdiction.

**TOWNSHIP OF WOODBRIDGE
MIDDLESEX COUNTY
STATE OF NEW JERSEY**

MAYOR

John E. McCormac

MUNICIPAL COUNCIL

Corey S. Spillar - Council President, Third Ward Councilman
Lizbeth DeJesus - Council Vice-President, Councilwoman-at-Large
Nancy Drumm - First Ward Councilwoman
Howie Bauer - Second Ward Councilman
Virbhadra N. Patel - Fourth Ward Councilman
Debbie Meehan - Fifth Ward Councilwoman
Kyle Anderson - Councilman-at-Large
Gregg M. Ficarra - Councilman-at-Large
Brian Small - Councilman-at-Large

ADMINISTRATION

John Bennett - Business Administrator
Manuel Fernandez - Chief Financial Officer
John M. Mitch - Municipal Clerk
Richard Lorentzen - Tax Collector
Richard T. Duda - Tax Assessor
James P. Nolan, Jr., Esq. - Director of Law
Dennis Henry - Director of Public Works and Parks
Robert Hubner - Police Director
Marta E. Lefsky - Director of Planning and Development
Vito Cimilluca - Director of Recreation and Residential Service
Dennis M. Green - Director of Health and Human Services

TOWNSHIP AUDITOR

Lerch, Vinci & Higgins, LLP
Fair Lawn, New Jersey

BOND COUNSEL

Rogut McCarthy LLC
Cranford, New Jersey

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

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

The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the Township or the Underwriter.

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**OFFICIAL STATEMENT
OF THE TOWNSHIP OF WOODBRIDGE
IN THE COUNTY OF MIDDLESEX, NEW JERSEY
relating to**

\$23,400,000 GENERAL IMPROVEMENT BONDS

INTRODUCTION

This Official Statement (the "Official Statement") which includes the cover page and the appendices attached hereto, has been prepared by the Township of Woodbridge (the "Township"), in the County of Middlesex (the "County"), State of New Jersey (the "State") in connection with the sale and issuance of its \$23,400,000 General Improvement Bonds (the "Bonds") dated October 15, 2019. This Official Statement has been executed by and on behalf of the Township by the Chief Financial Officer and may be distributed in connection with the Bonds.

This Preliminary Official Statement is "deemed final", as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), but is subject to (a) completion with certain pricing and other information to be made available by the Underwriter and (b) amendment. This Preliminary Official Statement, as so revised, will constitute the "final official statement" within the meaning of Rule 15c2-12.

THE BONDS

General Description

The Bonds will be dated and bear interest from October 15, 2019 and will mature on October 15 in the years and in the principal amounts as set forth on the cover page. Interest on the Bonds is payable on each April 15 and October 15, commencing October 15, 2020 (each, an "Interest Payment Date"), in each year until maturity or prior redemption at the respective interest rates set forth on the cover page of this Official Statement. Principal of and interest on the Bonds will be paid to The Depository Trust Company, New York, New York ("DTC"), acting as securities depository, by the Chief Financial Officer, as "Bond Registrar/Paying Agent". Interest on the Bonds will be credited to the DTC Participants (as hereinafter defined) as listed on the records of DTC as of the last business day of the month preceding the month in which such Interest Payment Date occurs (the "Record Dates" for the payment of interest on the Bonds).

The Bonds are issuable as fully registered book-entry bonds in the form of one certificate for each maturity and in the principal amount of such maturity. The Bonds will be issued in book-entry form only. Purchases of the Bonds will be made in book-entry form, in the principal amount of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. So long as DTC or its nominee, Cede & Co. (or any successor or assign), is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Bond Registrar/Paying Agent directly to Cede & Co. (or any successor or assign), as nominee for DTC, which will remit such payments to the participants of DTC which will in turn remit such payments to the owners of beneficial interests in the Bonds. See "Book-Entry Only System" herein.

Book-Entry Only System

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each year of maturity of the Bonds, in the aggregate principal amount of each maturity, 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 and 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 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

Redemption notices shall be sent to DTC. If less than all of the Bonds within 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 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 Township as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Township or the paying agent, if any, 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, the paying agent, if any, or the Township, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township or the paying agent, if any, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Prior Redemption

The Bonds maturing on or before October 15, 2026 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after October 15, 2027 are subject to redemption at the option of the Township prior to maturity, in whole on any date or in part on any Interest Payment Date, on or after October 15, 2026, upon notice as hereinafter set forth at the redemption price of 100% of the principal amount being redeemed, plus accrued interest to the date fixed for redemption.

If the Township determines to optionally redeem a portion of the Bonds prior to maturity, such Bonds so redeemed shall be in such maturities as determined by the Township, and within any maturity, by lot; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, the Bond Registrar/Paying Agent shall treat each Bond as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by \$5,000.

Notice of redemption shall be given by first class mail in a sealed envelope with postage prepaid to the registered owners of the Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Bond Registrar/Paying Agent at least thirty (30) but not more than sixty (60) days before the date fixed for redemption. Such mailing is not a condition precedent to redemption and the failure to mail or to receive any redemption notice will not affect the validity of the redemption proceedings. If any Bond subject to redemption is part of a greater principal amount of the Bonds not to be redeemed, such entire amount shall be surrendered to the Bond Registrar/Paying Agent and, for that portion of the Bond not to be redeemed, a new Bond shall be issued in the name of the registered owner in an amount equal to the principal amount of the Bond surrendered less the amount to be redeemed.

SECURITY AND SOURCE OF PAYMENT

The Bonds are general obligations of the Township, and the Township has pledged its full faith and credit for the payment of the principal of and the interest on the Bonds. The Bonds are direct obligations of the Township and, unless paid from other sources, the Township is required by law to levy *ad valorem* taxes upon all the real property taxable within the Township for the payment of the principal of and the interest on the Bonds without limitation as to rate or amount.

Enforcement of a claim for the payment of principal of or interest on bonds or notes of the Township is subject to applicable provisions of Federal bankruptcy law and to the provisions of statutes, if any, hereafter enacted by the Congress of the United States or the Legislature of the State of New Jersey, providing extension with respect to the payment of principal of or interest on the Bonds or imposing other constraints upon enforcement of such contracts insofar as any such constraints may be constitutionally applied. Under State law, a county, municipality or other political subdivision may file a petition under Federal bankruptcy laws and a plan for readjustment of its debt, but only after first receiving the approval of the State Municipal Finance Commission, whose powers have been vested in the Local Finance Board in the Division of Local Government Services in the State of New Jersey Department of Community Affairs (the "Local Finance Board").

AUTHORIZATION FOR THE BONDS

The Bonds are authorized and are to be issued pursuant to the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 et seq., as amended (the "Local Bond Law"). The Bonds also are authorized by various bond ordinances adopted by the Municipal Council of the Township and by virtue of resolutions adopted by the Municipal Council of the Township on September 17, 2019.

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

PURPOSE OF THE BONDS

The proceeds of the Bonds will be used to currently refund \$23,400,000 of the Township's outstanding bond anticipation notes maturing on October 16, 2019.

The projects to be funded by the sale are listed below:

Ordinance No.	Description	Amount
13-51	Various Recreation and Public Improvements	\$ 8,356,430
14-23	Supplemental Funding for Various Recreation and Public Improvements	5,933,869
15-06	Various Recreation and Public Improvements	2,696,736
15-70	Various Recreation and Public Improvements	<u>6,412,965</u>
	Total Bonds	<u>\$ 23,400,000</u>

NO DEFAULT

No principal or interest payments on Township indebtedness are past due. The Township has never defaulted in the payment of any bonds or notes.

MARKET PROTECTION – BOND AND NOTE FINANCING

The Township does not contemplate issuing any additional bonds or any tax anticipation notes during the remainder of fiscal year 2020. The Township plans to renew \$130,292,436 of its \$153,781,000 outstanding notes maturing on October 16, 2019. The Township intends to renew its \$51,925,000 outstanding notes (less any principal paydowns and other reductions) maturing on March 20, 2020. The Township may add new money borrowing to such note issue, as needed.

CERTAIN STATUTORY PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT

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

The Local Bond Law governs the issuance of bonds and notes to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes. All bonds and notes issued by the Township are general full faith and credit obligations.

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 must file annually, with the Director of the Division (the “Director”), a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of the Township's accounts 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 units financial procedures and must be filed with the Director within six months after the close of the fiscal year. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its completion.

Debt Limits

The net authorized bonded indebtedness of the Township is limited by statute, subject to the exceptions noted below, to an amount equal to 3.50% of its average equalized valuation basis. The average equalized valuation basis of the Township is set by statute as the average for the last 3 years of the equalized 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. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

The Township has not exceeded its statutory debt limit. On June 30, 2019 (Unaudited) the statutory net debt as a percentage of average equalized valuation was 1.660%. As noted above, the statutory limit is 3.50%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Purposes	\$185,071,179		\$185,071,179
Utility Purposes	159,344,703	\$159,344,703	
School Purposes	<u>111,883,113</u>	<u>111,883,113</u>	<u> </u>
Total	<u>\$456,298,995</u>	<u>\$271,227,816</u>	<u>\$185,071,179</u>

Exceptions to Debt Limits - Extensions of Credit

The Township may exceed its debt limit with the approval of the Local Finance Board. If all or any part of a proposed debt authorization would exceed its debt limit, the Township may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Township or substantially reduce the ability of the Township to meet its obligations or to provide essential public improvements and services, or make certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

Short-Term Financing

The Township may sell short-term "bond anticipation notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds, if the bond ordinance or subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the ordinance, as may be amended and supplemented, creating such capital expenditure. Bond anticipation notes may be issued for periods not greater than one year. Such notes shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. At the third and at each subsequent anniversary date from the original date of issuance, the amount of notes that may be issued must be decreased by the minimum amount required for the first year's principal payment for a bond issue.

School Debt (N.J.S.A. 18A:24-1 et seq.)

New Jersey's school districts operate under the same comprehensive review and regulation as do its municipalities. Certain exceptions and differences are provided, but the state supervision of school finance closely parallels that of local governments.

School district bonds and temporary notes are issued in conformity with the cited statute, which closely parallels the Local Bond Law. Although school districts are exempted from the 5% down payment provision applicable to municipalities, they are subject to debt limits (which vary depending on the grades the school system provides), and to state regulation of their borrowing.

The Local Finance Board and the Commissioner of Education must approve any proposed authorization of debt which exceeds the statutory debt limit of a Type II district. A Type II school district has an elected board of education; a Type I school district has an appointed board and issues debt without a referendum. All authorizations of debt in a Type II school district require an approving referendum of the voters in the school district. The Township's school district is a Type II district.

All authorizations of debt must be reported to the Division of Local Government Services by means of a Supplemental Debt Statement prior to final approval to ensure that the proposed authorization is within all applicable debt limitations.

The School Bond Reserve Act, Chapter 72 of the Laws of 1980 of the State, as amended, devotes a portion of the Fund for the Support of Free Public Schools as security for payment of school bonds.

The Municipal Finance Commission (N.J.S. 52:27-1 et seq.)

The Municipal Finance Commission was created in 1931 to assist in the financial rehabilitation of municipalities which had defaulted in their obligations. The powers of such Commission are exercised today by the Local Finance Board. Several elements of the local finance system are intended to prevent default on obligations or occurrence of severe fiscal difficulties in any local unit. Should extreme economic conditions adversely affect any local unit, the statutory provisions are available to assist in restoring the stability of the local unit.

Any holder of bonds or notes which are in default for over sixty (60) days (for payment of principal or interest) may bring action against such municipality in the Superior Court of New Jersey. Any municipality may declare itself unable to meet its obligations and bring action in such court. In either case, the court's determination that the municipality is in default or unable to meet its obligations may place the municipality under the jurisdiction of the Municipal Finance Commission.

The Municipal Finance Commission exercises direct supervision over the finances and accounts of any local unit under its jurisdiction. Such commission is authorized to appoint an auditor to examine and approve all claims against the municipality and to serve as comptroller for that community. The Commission is also directed to supervise tax collections and assessments, to approve the funding of municipal school district indebtedness, the adjustment or composition of the claims of creditors, and the readjustment of debts under the Federal Municipal Bankruptcy Act.

The Local Finance Board also serves as the "funding commission" to exercise supervision over the funding or refunding of local government debt. Any county or municipality seeking to adjust its debt service must apply to and receive the approval of such funding commission for the proposed reorganization of its debt.

Investment of Municipal Funds

Investment of funds by New Jersey municipalities is governed by State statute. Pursuant to N.J.S.A. 40A:5-15.1, municipalities are limited to purchasing the following securities: (1) direct obligations of, or obligations guaranteed by, the United States of America ("Government Obligations"); (2) U.S. Government money market mutual funds; (3) obligations of Federal Government agencies or instrumentalities having a maturity of 397 days or less, provided such obligations bear a fixed rate of interest not dependent on any index or external factor; (4) bonds or other obligations of the particular municipality or a school district encompassing the geographic area of the particular municipality; (5) bonds or other obligations having a maturity of 397 days or less approved by the Division of Local Government Services of the State Department of Community Affairs; (6) local government investment pools, rated in the highest rating category, investing in U.S. government securities and repurchase agreements fully collateralized by securities set forth in (1) and (3) above; (7) deposits with the New Jersey Cash Management Fund (created pursuant to N.J.S.A. 52:18A-90.4; the "Cash Management Fund"); and (8) repurchase agreements with a maximum 30 day maturity fully collateralized by securities set forth in (1) and (3) above. Municipalities are required to deposit their funds in interest-bearing bank accounts in banks satisfying certain security requirements set forth in N.J.S.A. 17:9-41 et seq., or invest in permitted investments to the extent practicable, and may invest in bank certificates of deposit.

The Cash Management Fund is governed by regulations of the State Investment Council, a non-partisan oversight body, and is not permitted to invest in derivatives. The Cash Management Fund is permitted to invest in Government Obligations, Federal Government Agency Obligations, certain short-term investment-grade corporate obligations, commercial paper rated "prime", certificates of deposit, repurchase agreements involving Government Obligations and Federal Government Agency Obligations and certain other types of instruments. The average maturity of the securities in the Cash Management Fund must be one year or less, and only a quarter of the securities are permitted to mature in as much as two years.

The Township has no investments in derivatives.

MUNICIPAL BUDGET

Pursuant to the Local Budget Law (N.J.S.A. 40A:4-1 et seq.) the Township is required to have a balanced budget in which debt service is included in full for each fiscal year.

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

The foundation of the New Jersey local finance system is the annual cash basis budget. Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Items of revenue and appropriation are regulated by law and must be certified by the Director of the Division prior to final adoption of the budget. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations, among others, for certification.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units. Tax anticipation notes are limited in amount by law and must be paid in full within 120 days of the close of the fiscal year. The cash basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations (N.J.S.A. 40A:4-22). If in any year a local unit's expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year's budget.

Limitations on Municipal Appropriations and Tax Levy

A statute passed in 1976, as amended and supplemented (N.J.S.A. 40A:4-45.1 et seq.), commonly known as the "Cap Law", imposed limitations on increases in municipal appropriations subject to various exceptions. While the Cap Law restricts the ability of a municipality to increase its overall appropriations, the payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically, it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the Cost-of-Living Adjustment ("COLA"). Increases up to 3.5% are allowed by adoption of an ordinance whenever the COLA is less than 2.5%. If the COLA is greater than 2.5%, an increase in any amount above 2.5% will be permitted by adoption of an ordinance to 3.5% and beyond 3.5% upon passage of a referendum. The COLA is the rate of annual percentage increase in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other items including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. The Cap Law does not limit the obligation of the Township to levy *ad valorem* taxes upon all taxable real property within the Township to pay debt service.

Chapter 62 of the Pamphlet Laws of 2007 imposed restrictions upon the allowable annual increase in the tax levy. In general, starting with the 2008 budgets for calendar year municipalities and 2009 budgets for fiscal year municipalities, municipalities have their tax levies limited to a four percent (4%) increase. The cap calculation is subject to various adjustments, such as the value of increased assessments, and allows for an increase in the adjusted tax levy for various items, including amounts required to be added to the adjusted tax levy for increases in debt service, amounts required to replace reductions in State formula aid, certain increased pension contributions, increases greater than four percent (4%) in the reserve for uncollected taxes, and increases in health care costs in excess of four percent (4%) (but not in excess of the percentage increase in the State Health Benefits Program). The law also allows the Local Finance Board to grant waivers for extraordinary circumstances (some of which are defined in the Law) and authorizes a municipality to submit a public question to the voters for approval (by an affirmative vote of at least sixty percent (60%)) to increase the amount to be raised by taxation by more than the allowable adjusted tax levy.

For municipalities, the levy cap is in addition to the existing appropriation cap; both cap laws must be met. Neither cap law limits the obligation of the Township to levy *ad valorem* taxes upon all taxable real property within the Township to pay debt service.

On July 13, 2010, P.L. 2010, c. 44 was approved, effective for budget years following enactment (the State Fiscal Year 2012 budget for the Township) reducing the tax levy cap to 2% and limiting the exclusions to amounts required to be raised by taxation for debt service as defined by law, certain pension contributions and health care costs in excess of 2% and extraordinary costs directly related to a declared emergency. Voter approval may be requested to increase the amount to be raised by taxation by more than the allowable adjusted tax levy. Chapter 44 eliminated the process for obtaining waivers for additional spending under the tax levy limitation.

The Township's appropriation and tax levy increases for fiscal years 2012 to 2020, inclusive, were within the limits allowed under the CAP Law, taking into account applicable adjustments and available "CAP" banks and without conducting a referendum to exceed the cap limits.

Miscellaneous Revenues

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

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation of like amount. The fiscal years for such grants rarely coincide with the municipality's fiscal year. However, grant revenue is generally not realized until received in cash.

Real Estate Taxes

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

N.J.S.A. 40A:4-41 provides with regard to current taxes that: "Receipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year, shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by the last day of the preceding fiscal year."

This provision and N.J.S.A. 40A:4-40 require that an additional amount (the "reserve for uncollected taxes") be added to the tax levy required to balance the budget so that when the percentage of the prior year's tax collection is applied to the combined total, the product will at least be equal to the tax levy required to balance the budget.

The reserve requirement is calculated as follows:

$$\frac{\text{Levy required to balance budget}}{\text{Prior Year's Percentage of Current Tax Collection (or lesser \%)}} = \text{Total Taxes to be Levied}$$

Chapter 28 of the Pamphlet Laws of 1997 of New Jersey amended Section 41 of the Local Budget Law to allow municipalities to reduce the reserve for uncollected taxes by taking into account prior year tax reductions resulting from tax appeal judgments awarded to property owners. Another statute, Chapter 99 of the Pamphlet Laws of 1997 of New Jersey, allows a municipality to (1) reduce the reserve for uncollected taxes by deducting receipts anticipated during the fiscal year from the sale of unpaid taxes or municipal liens when such sale is concluded in the final month of the fiscal year or (2) not budget for the reserve for uncollected taxes if it sells its total property tax levy pursuant to such statute. See "Assessment And Collection of Taxes - Tax Collection Procedure" herein for a brief discussion of Chapter 99.

Deferral of Current Expenses

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body of the municipality. However, with minor exceptions, such appropriations must be included in full in the following year's budget.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as ice, snow, and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, property revaluation programs, revision and codification of ordinances, master plan preparations, and drainage map preparation for flood control purposes which may be amortized over five years. Of course, emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project.

Budget Transfers

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between appropriation accounts may be made only during the last two months of the year. Appropriation reserves may be transferred during the first three (3) months of the year to the previous years' budget. Both types of transfers require a 2/3 vote of the full membership of the governing body, however, transfers cannot be made from either the down payment account or the capital improvement fund. Transfers may be made between sub-account line items within the same account at any time during the year, subject to approval by the governing body.

Operation of Utilities

Municipal public utilities are supported by the revenues generated by the respective operations of the utilities in addition to the general taxing power upon real property.

For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate budget. The budget is required to be balanced and to provide fully for debt service. The regulations regarding anticipation of revenues and deferral of charges apply equally to the budgets of the utilities.

Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "Current" or operating budget.

Fiscal Year

The Township is a fiscal year municipality. Chapter 75 of the Pamphlet Laws of 1991 of the State (codified as N.J.S.A. 40A:4-3.1) required municipalities with populations in excess of 35,000 or that received Municipal Revitalization Aid from the State in 1990 or 1991 to change their fiscal year from the calendar year to the State fiscal year (July 1 to June 30), unless an exemption was granted. Municipalities not meeting the criteria for a mandatory change had the option to choose to change to the State fiscal year. N.J.S.A. 40A:4-3.1 was amended by P.L. 2000, c. 126, to eliminate the criteria for mandatory change of the fiscal year, but to continue to grant all municipalities the option to change to the State fiscal year. In addition, P.L. 2008, c. 92, further amended N.J.S.A. 40A:4-3.1 to allow municipalities operating on a fiscal year basis to revert to a calendar year.

Budget Process

Primary responsibility for the Township's budget process lies with the Municipal Council. As prescribed by the Local Budget Law, adoption should occur by the end of September, however, extensions may be granted by the Division to any local governmental unit. In the first quarter in which the budget formulation is taking place, the Township operates under a temporary budget which may not exceed 26.25% of the previous fiscal year's adopted budget. In addition to the temporary budget, the Township may approve emergency temporary appropriations for any purpose for which appropriations may lawfully be made.

Capital Budget

In accordance with the Local Budget Law, the Township must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period of the next ensuing six years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next six years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the items were detailed.

ASSESSMENT AND COLLECTION OF TAXES

Tax Collection Procedure

Real property taxes are assessed locally, based upon an assessment at true value. The tax bill includes a levy for Township, County and School purposes. Tax bills are mailed annually in June. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, is transferred as of June 30 of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15 to the County by the Township. Annually, all properties with unpaid taxes for the previous year are placed in a tax sale in accordance with the New Jersey Statutes. Annual interim tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Township.

Chapter 99 of the Pamphlet Laws of 1997 of New Jersey allows a municipality to sell its total property tax levy to the highest bidder either by public sale with sealed bids or by public auction. The purchaser shall pay the total property tax levy bid amount in quarterly installments or in one annual installment. Property taxes will continue to be collected by the municipal tax collector and the purchaser will receive as a credit against his payment obligation, the amount of taxes paid to the tax collector. The purchaser is required to secure his payment obligation to the municipality by an irrevocable letter of credit or a surety bond. The purchaser is entitled to receive delinquent taxes and other municipal charges collected by the tax collector. The statute sets forth bidding procedures and minimum bidding terms and requires the review and approval of the sale by the Division of Local Government Services.

In response to the \$10,000 annual limitation on an individual's federal income tax deduction for state and local taxes paid (beginning in 2018 and ending in 2025) contained in the federal "Tax Cuts and Jobs Act", Pub. L. No. 115-97, New Jersey Governor Phil Murphy signed into law Senate Bill No. 1893 ("S-1893") on May 4, 2018. S-1893, which will take effect when implementing regulations are adopted by various State agencies, authorizes municipalities, counties and school districts ("local units") to establish one or more charitable funds, each for specific public purposes, and permits certain donations to those charitable funds to be credited toward the donor's property tax obligation. Moneys held in a charitable fund are immediately

available to pay debt service. On June 13, 2019, the Internal Revenue Service issued final regulations, effective August 12, 2019, denying the deductibility (except for a de minimis amount) for federal income tax purposes of property tax credit donation mechanisms authorized by S-1893 and similar laws adopted in other states. The Township makes no representations as to whether any local units will establish charitable funds pursuant to S-1893 or how S-1893 will be implemented.

Tax Appeals

New Jersey statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. The taxpayer has a right to petition the Middlesex County Tax Board on or before the first day of April of the current tax year for review. The Middlesex County Tax Board has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the Middlesex County Tax Board, appeal may be made to the Tax Court of New Jersey, for a further hearing. Further, an assessment in excess of \$1,000,000 can be appealed directly to the Tax Court of New Jersey. State tax appeals tend to take several years prior to settlement, and any losses in tax collections from prior years are charged directly to operations or with the permission of the Local Finance Board may be financed, generally, over a three to five year period. In addition, pursuant to Assembly Bill No. 2004, signed into law by Governor Phil Murphy on August 9, 2019, commercial tax appeal refunds exceeding \$100,000 may be paid to the property owner, with interest, in substantially equal payments within a three year period - rather than within sixty days of the final judgment (the standard period for refunds).

TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. Such requirements include requirements relating to the use and investment of proceeds of the Bonds and other amounts and rebate of certain arbitrage earnings to the United States. Noncompliance by the Township with such requirements may cause interest on the Bonds to be included in gross income of the owners thereof retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs.

The Township has covenanted, to the extent permitted by the Constitution and the laws of the State, to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Bonds be and remain excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. The Township's Tax Certificate (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures regarding compliance with the requirements of the Code. The Township, in executing the Tax Certificate, will certify to the effect that the Township expects and intends to comply with the provisions and procedures contained therein.

In rendering the opinion described below with respect to the Bonds, Bond Counsel has relied upon the covenant and has assumed the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate.

Tax Opinions

In the opinion of Rogut McCarthy LLC, Bond Counsel to the Township, assuming compliance by the Township with the Tax Certificate, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. In addition,

under existing law, interest on the Bonds is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals. For other Federal tax information, see "Tax Matters - Additional Federal Income Tax Consequences" herein.

In the opinion of Bond Counsel, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Bonds and any gain from the sale of the Bonds are not includable in gross income of the holders thereof.

Additional Federal Income Tax Consequences

Prospective purchasers of the Bonds should be aware that ownership of governmental obligations, such as the Bonds, may have collateral Federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S Corporations, certain foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise eligible for the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences from the ownership of the Bonds. Bond Counsel expresses no opinion regarding any such collateral Federal income tax consequences.

Proposals for Tax Changes

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, 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, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The disclosures and opinions expressed herein are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and no opinion is expressed as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.

STATEMENT OF LITIGATION

There is no litigation pending or threatened restraining or enjoining the issuance or the delivery of the Bonds or the levy or the collection of taxes to pay the Bonds or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or the collection of taxes. There is at present no single action pending or threatened against the Township which would impose an undue financial burden on the Township. In New Jersey's courts of general jurisdiction, unliquidated money damages are pleaded generally without specifying a dollar amount. The Township is a party-defendant in certain lawsuits, none of a kind unusual for a Township of its size, and none of which, in the opinion of the Director of Law, would adversely impair the Township's ability to pay its bondholders. All of the Township's tort actions are being defended by municipal joint insurance funds (which provide pooled private insurance coverage and self-

insurance coverage to its members). The Township is also insured for liability in excess of the limits provided by the municipal joint insurance funds. Pending municipal real estate appeals are limited in number and, based upon the Township's prior experience in tax appeals, and assuming that such tax appeals are resolved adversely to the interest of the Township, such resolution would not in any way endanger the Township's ability to pay its bondholders.

LEGALITY FOR INVESTMENT

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

RATINGS

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC ("S&P") has assigned a rating of "___" to the Bonds and Moody's Investors Service, Inc., ("Moody's" and together with S&P, the "Rating Agencies"), has assigned a rating of "___" to the Bonds.

The ratings reflect only the views of the Rating Agencies and an explanation of the significance of the ratings may only be obtained from S&P at 55 Water Street, New York, New York 10041 and Moody's at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. The Township forwarded to the Rating Agencies certain information and materials concerning the Bonds and the Township. There can be no assurance that the ratings will be maintained for any given period of time or that any rating will not be raised, lowered or withdrawn entirely if, in the judgment of any of the Rating Agencies, circumstances so warrant. Any downward change in, or withdrawal of, any rating may have an adverse effect on the marketability or market price of the Bonds.

UNDERWRITING

The Bonds have been purchased at a public sale from the Township for resale by _____ (the "Underwriter").

DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS

Absence of Litigation

Upon delivery of the Bonds, the Township shall furnish a certificate of the Director of Law, dated the date of delivery of the Bonds, to the effect that there is no litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Bonds. In addition, such certificate shall state that there is no litigation of any nature now pending or threatened by or against the Township wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Township, or adversely affect

the power of the Township to enforce the collection of taxes or other revenues for the payment of its bonds and notes, which has not been disclosed in this Official Statement.

Legal Matters

The legality of the Bonds will be subject to the approving opinion of Rogut McCarthy LLC, Cranford, New Jersey, Bond Counsel. Such opinion will be to the effect that:

1. The Bonds have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the Township, enforceable in accordance with their terms, except as enforcement of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to or affecting the enforcement of creditors' rights generally now or hereafter in effect to the extent constitutionally applicable, and enforcement may also be subject to the exercise of judicial discretion in certain cases.
2. The Township has pledged its full faith and credit for the payment of the principal of and interest on the Bonds, and unless paid from other sources, the Township is authorized and required by law to levy on all real property taxable by the Township such *ad valorem* taxes as may be necessary to pay the Bonds and the interest thereon, without limitation as to rate or amount.

Rogut McCarthy LLC has not verified the accuracy, completeness or fairness of the statements contained in this Official Statement and will not express, and has not been requested to express, an opinion as to the accuracy, completeness or fairness of such statements. See "Appendix C – Proposed Form of Bond Counsel Opinion" herein.

Certificates of Township Officials

The original purchasers of the Bonds shall also receive a certificate, dated as of the date of delivery of the Bonds and signed by the Chief Financial Officer that (a) as of the date of the Official Statement furnished by the Township in relation to the Bonds, said Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading, subject to the condition that while information in said Official Statement obtained from sources other than the Township is not guaranteed as to accuracy, completeness or fairness, such officer has no reason to believe and does not believe that such information is materially inaccurate or misleading, and (b) to the knowledge of such officer, since the date of said Official Statement and since the date of the sale of the Bonds, there has been no material transactions not in the ordinary course of affairs entered into by the Township and no material adverse change in the general affairs of the Township or in its financial condition as shown in said Official Statement, other than as disclosed in or contemplated by said Official Statement, provided such certificate shall not include consideration of information supplied by, or that should have been supplied by, the successful bidders for the Bonds. In addition, the original purchasers of the Bonds shall also receive certificates in form satisfactory to Rogut McCarthy LLC, Bond Counsel, evidencing the proper execution and delivery of the Bonds and receipt of payment therefor and a certificate, dated as of the date of delivery of the Bonds and signed by the officers who signed the Bonds, stating that no litigation is then pending or, to the knowledge of such officers, threatened to restrain or enjoin the issuance or delivery of the Bonds or the levy or collection of taxes to pay the Bonds or the interest thereon, or questioning the validity of the statutes or the proceedings under which the Bonds are issued, and that neither the corporate existence or boundaries of the Township, nor the title of the said officers to their respective offices, is being contested.

SECONDARY MARKET DISCLOSURE

The Township has agreed, pursuant to a resolution adopted on September 17, 2019, to undertake for the benefit of the Bondholders and the beneficial owners of the Bonds to provide certain secondary market disclosure information pursuant to Rule 15c2-12 to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format, as prescribed by the MSRB. Specifically, the Township will do the following for the benefit of the holders of the Bonds and the beneficial owners thereof:

(A) Not later than seven months after the end of the Township's fiscal year (presently June 30), commencing with the report for the fiscal year ending June 30, 2019, provide or cause to be provided, annual financial information with respect to the Township consisting of (i) audited financial statements (or unaudited financial statements if audited financial statements are not then available by the date of filing, which audited financial statements will be delivered when and if available) of the Township and (ii) certain financial information and operating data consisting of information concerning the Township's debt, overlapping indebtedness, tax rate, levy and collection data, property valuation, budget and fund balance of the type contained under the headings "Budget Information", "Financial Information" and "Debt Information" in Appendix A hereof. The audited financial statements will be prepared in accordance with mandated State statutory accounting principles, as in effect from time to time. Audited financial statements if not available by the filing date will be submitted separately when available.

(B) Provide or cause to be provided in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds or financial obligations of the Township:

- (1) Principal or 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, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property which secures the repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Township (the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Township in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Township, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Township);

- (13) The consummation of a merger, consolidation, or acquisition involving the Township or the sale of all or substantially all of the assets of the Township, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a financial obligation of the Township, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Township, any of which affect Bondholders, 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 Township, any of which reflect financial difficulties. The Township intends the words used in paragraphs (15) and (16) and the definition of “financial obligation” to have the meanings ascribed to them in SEC Release No. 34-83885 (August 20, 2018).

(C) Provide or cause to be provided, in a timely manner, notice of a failure of the Township to provide required annual financial information on or before the date specified above.

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

If the Township fails to comply with the above-described undertaking, any Bondholder or beneficial owner of the Bonds may pursue an action for specific performance to enforce the rights of all Bondholders and beneficial owners with respect to such undertaking; *provided, however*, that failure to comply with such undertaking shall not be an event of default and shall not result in any acceleration of payment of the Bonds or any liability by the Township for monetary damages. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all Bondholders and beneficial owners of the Bonds.

The Township reserves the right to terminate its obligation to provide annual financial information and notice of material events, as set forth above, if and when the Township no longer remains an "obligated person" with respect to the Bonds within the meaning of Rule 15c2-12.

The undertaking may be amended by the Township from time to time, without the consent of the Bondholders or the beneficial owners of the Bonds, in order to make modifications required in connection with a change in legal requirements, a change in law or a change in identity, nature, type of operation or status of the Township, which in the opinion of nationally recognized bond counsel complies with Rule 15c2-12 and does not, in such bond counsel's opinion, materially impair the interests of the Bondholders and the beneficial owners of the Bonds.

The Township previously failed to file, in accordance with Rule 15c2-12, in a timely manner, under previous filing requirements its (i) annual operating data for the fiscal years ending June 30, 2014 and 2018, (ii) annual audited financial statements for the fiscal years ending June 30, 2014 and 2018, and (iii) most recent adopted budgets for the fiscal years ending June 30, 2015 and 2019. Additionally, the Township acknowledges that it previously failed to file late filing notices in connection with its late filings of annual financial information. Such financial information and notices of late filings have been filed with the MSRB's Electronic Municipal Market Access Dataport (“EMMA”) as of the date of this Official Statement.

PREPARATION OF OFFICIAL STATEMENT

The firm of Lerch, Vinci & Higgins, LLP, Fair Lawn, New Jersey, Certified Public Accountants, takes responsibility for the financial statements to the extent specified in the Accountant's Compilation Report and the Independent Auditor's Report.

The firm of Lerch, Vinci & Higgins, LLP, assisted in the preparation of information contained in this Official Statement and information has been obtained from sources which Lerch, Vinci & Higgins, LLP, considers to be reliable but they make no warranty, guarantee or other representation with respect to the accuracy and completeness of such information.

APPROVAL OF OFFICIAL STATEMENT

Prior to the delivery of the Bonds, the Municipal Council of the Township will have adopted a resolution approving this Official Statement, deeming it a "final official statement" for purposes of Rule 15c2-12 and directing the Chief Financial Officer to deliver a reasonable number of copies thereof in final form to the Underwriter for its use in the sale, resale or distribution of the Bonds.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including requests for information additional to that contained herein, may be directed to the Township of Woodbridge, 1 Main Street, Woodbridge, New Jersey, Manuel Fernandez, Chief Financial Officer, (732) 634-4500, ext. 6008.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between the Township and the purchasers or holders of any of the 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 contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Township, the State or any of their agencies or authorities, since the date hereof. The information contained in the Official Statement is not guaranteed as to accuracy or completeness.

This Official Statement has been duly executed and delivered by the Chief Financial Officer on behalf of the Township.

TOWNSHIP OF WOODBRIDGE, IN THE COUNTY OF MIDDLESEX, NEW JERSEY

By: /s/ _____
Manuel Fernandez
Chief Financial Officer

Dated: October ____, 2019

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APPENDIX A

**ECONOMIC AND DEMOGRAPHIC INFORMATION
RELATING TO THE TOWNSHIP OF WOODBRIDGE**

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GENERAL INFORMATION REGARDING THE TOWNSHIP

Historical and Geographical Data

The Township of Woodbridge received its charter in 1669. The Township consists of the communities of: Woodbridge proper, Fords, Hopelawn, Port Reading, Sewaren, Avenel, Colonia, Iselin, Menlo Park Terrace and Keasbey. It is the sixth largest municipality in New Jersey and the second largest in Middlesex County.

The Township is located between the dense urban network around New York City and the more diversified open space of New Jersey and Pennsylvania. Within a forty-five minute drive to the north and east is the Borough of Manhattan in New York City. Taking a westerly route, the semi-rural areas of New Jersey are a similar drive away. The community is bordered by the Raritan River and the Arthur Kill both of which provide significant opportunities for the future development of international port facilities. Woodbridge has long been termed the "Crossroads" due to its strategic location in one of New Jersey's largest commercial/industrial areas as well as its prime highway and public transportation access.

The Township spans twenty-seven square miles. The land use at present consists of:

Residential	64%
Commercial	20%
Industrial	8%
Vacant/Public	7%
Road/Rail/ROW	1%

Zoning and Planning

Land development in the Township is controlled by the Master Plan dated July 20, 1994. The land use and development ordinance was adopted under the Municipal Land Use Law of the State of New Jersey on May 29, 1979 and has been amended through March 15, 2005. All construction is governed by the State Uniform Construction Code.

Economic Development

Woodbridge Economic Development Corporation. The Woodbridge Economic Development Corporation (WEDCO) was incorporated in March 1992. The Corporation's 16 member Board of Trustees is composed of senior executives from major corporations located in the Township. Since 1992, WEDCO has been directly responsible for corporate relocations and/or plant expansions which have resulted in the creation of over 6,000 new jobs.

Every year since 2007 WEDCO sponsored a developmental forum. Attended by some of the top development, construction attorneys in the State, the seminar focused on development and redevelopment of Township properties. The forums have been a huge success as a wide amount of developer/development interest was generated.

Woodbridge Township Redevelopment Agency. In 2008, the Woodbridge Township Redevelopment Agency was formed as part of an initiative to foster redevelopment. The Redevelopment Agency oversees site prioritization in over 40 redevelopment and rehabilitation areas throughout the Township. These mostly large scale projects have included commercial, industrial and residential properties. The Agency achieved the New Jersey Planning Officials "Excellence in Planning" award.

Public Investment. The Skyline Mini-Golf facility opened in April 2012 at the Woodbridge Community Center. The 18-hole outdoor course features water amenities, themed holes and a view of the New York City Skyline. The Woodbridge Community Center (“WCC”) continues to be a popular recreation facility for Township and county residents of all ages. The WCC was enhanced further with batting cages and a bungee trampoline in 2015.

In 2014, improvements began to numerous school playgrounds and athletic fields as part of the Township’s Community Facilities Rehabilitation Plan. The improvements include spectator stadium bleachers, stands, and auditorium theatres. Colonia High School and JFK High School each had new field turf football fields installed. Woodbridge High School received new bleachers and locker rooms at its football facility. Construction permits were issued in June 2015 for stadium lighting and ballast at Woodbridge High School at an approximate cost of construction of \$36,000.

In June 2014, construction was completed at JFK High School for the installation of a synthetic turf baseball field. A ground-breaking ceremony took place at the Avenel Middle School to commence construction of two new Cricket fields in September 2014.

Several new playgrounds opened in October 2014: the Kennedy Park School #24 Playground and Recreation Area, the Woodbine Avenue School #23 Playground and Recreation Area, the Port Reading School #9 Playground and Recreation Area, and the Claremont Avenue School #20 Playground and Recreation Area. All of the playgrounds have playground equipment, a basketball court, walking track, and outdoor recreation area.

In June 2015, the Township received a \$105,000 grant from the State Green Acres Fund to improve the E. William Street Park entrance to the Middlesex County Greenway in Fords. Improvements will include a walking/biking path entrance to the greenway and off-street parking.

The Township entered into an agreement with the County whereby the County developed 39 acres of the Sewaren Peninsula into a County passive recreation park facility. All funding was provided by the County in exchange for the Township’s donation of the land. All environmental remediation use of the site, which was formerly used for dredge spoils from bridge construction, was paid for by the State Department of Environmental Protection. The park opened in November 2001. Additional improvements are being undertaken with matching funding from the Township and the State. In 2008, the Township added boat trailer parking spaces to provide additional overflow parking.

In 2015, the following improvements were made at various community facilities: installation of two new tennis courts at Woodbridge High School; new cricket fields at Avenel Middle School; new playgrounds at Schools Nos. 1, 9, 20, 24, 25, 26, and 28; new basketball courts at Schools Nos. 1, 23, 24, 25, 26, and 28; and new walking tracks at Schools Nos. 9, 19, 22, 23, 24, 25, 26, and 28.

In July 2016, construction of new bleachers, field house and concession stand was completed at the Woodbridge High School. Work has begun on synthetic turf baseball, soccer, and softball fields. Other improvements made to community facilities in 2016 include: a new synthetic turf softball field and field lighting at Colonia High School and a new synthetic turf softball field at John F. Kennedy High School.

Since 2007 the Township has partnered with the Board of Education to provide many improvements. In March 2017, Woodbridge voters approved a \$57.7 million bond referendum. The artificial turf on the Woodbridge High School football field was replaced in 2018. The new turf replaced the first synthetic turf field in the Township (2007) and provides a field for football, soccer, field hockey and other sports and activities. Woodbridge High School’s Nicholas A. Priscoe Stadium hosted the MyCentralJersey.com Snapple Bowl in 2016 and 2018. The Snapple Bowl is a charity all-star high school football game pitting recently graduated all-stars from Middlesex County vs. Union County, and has raised more than \$600,000 for its beneficiaries since its inception in the early 1990s.

A groundbreaking was held in June 2018 for the new \$30 million Ross Street School # 11 in Woodbridge and \$20 million in improvements to Woodbridge Middle School.

Ross Street is the district's second oldest school building. The new three-story, 87,000-square-foot school will be highlighted by a large atrium courtyard. The courtyard will have a small amphitheater. The school will be constructed with sustainability principles in mind, with state-of-the-art photovoltaics and daylighting strategies. The school will be built next to the existing school in a former parking lot. Construction is expected to be completed prior to September 2020.

Improvements to the Woodbridge Middle School will focus around the classroom environment and the Middle School Theater, which hosts many school and community events.

A new surface parking lot opened in downtown Fords, adjacent to Olsen Towers, to make parking easier for shoppers and employees in the New Brunswick Avenue Area.

The Sycamore Senior Center opened in 2015 in Port Reading providing senior residents social, recreational, educational, health and wellness programs and activities designed to entertain and which provide opportunities for socialization and cultivating new friendships. The center includes large and small activity rooms, a game room, computer learning center with free wifi, and a café area with kitchen. Hope Autism, a nonprofit that provides services to individuals with developmental disabilities, opened here in 2017. Similarly, the Five Branches Senior Center opened in July 2018 at the former American Legion Site in Iselin and construction began in 2019 on the Hickory Senior Center in Fords.

The Cypress Recreation Center opened in 2016 at some of the former Hess property along West Avenue in Port Reading. This is a multiuse sports and recreational facility. The facility includes a specially-designed and equipped indoor training facilities for cheerleading and wrestling. The site includes a walking/jogging path with multiple loops and fitness stations; active recreational spaces which will include an in-line hockey rink that will double as four half basketball courts; three tennis courts; three sand volleyball courts; two hard-surfaced volleyball courts and a playground with age-appropriate play equipment.

The Township has embarked on and continues to undertake a rehabilitation and reconstruction program of all parks/open spaces, and aging school buildings, literally altering and updating all community facilities within the Township boundaries.

Development Initiatives. Within the past five (5) years the Township has undertaken and adopted: a reexamination of the 2009 Master Plan, numerous rehabilitation/redevelopment plans, and transit oriented development plans.

Building Permits. Each year for the last five (5) years, the Township of Woodbridge has issued over 4,500-6,200 building permits, and has been one of the top three issuers of the most building permits among all municipalities in the State.

Woodbridge Center Mall. New tenants to the mall include: Charming Charlie (September 2014), Jimmy Jazz (November 2014), Shoe Show (March 2015), I Luv Bubble Tea (May 2015), Torrid (May 2015), Justice & Brothers (June 2015), Dunkin Donuts (2016) and Dave and Busters (2017). Ten (10) solar panels were constructed in the parking lot in 2017. Seaquest Aquarium is scheduled to open in 2019.

National Franchises. Woodbridge Township has numerous national franchises that opened in the past five (5) years: Northfield Bank (2015), Iselin Adult Day Care (2014), Miller's Ale House (2014), Northfield Bank (2015), 7-Eleven (2015), Investors Savings Bank (two locations 2015), Chick-Fil-A (2015), Value City (2015), Holiday Inn Express (2015), Hobby Lobby (2015), Hand and Stone (2015), Children's World Academy (2015), Fortunoff Backyard (2015), TJ Maxx (2015), Qdoba (2016), Dunkin Donuts (2016), Burlington Coat Factory (2016), Planet Fitness (2017), RSI Bank (2017), and Bar Louie (2017).

PROJECTS 2015

Reinhard Manor. A 62 unit age-restricted apartment building in Colonia opened in May.

33 Wood Avenue South. Renovations were made to common area, cafeteria, and fitness center. Three new tenants: IGI, Synergistic, and Regus, made large investments in the building. BASF entered into a long-term lease for two floors.

186 Wood Avenue South. New tenants: JP Morgan Chase and Metlife.

900 Route 9. Hotels Unlimited constructed tenant renovations of over \$1 million to the third and fifth floors.

Lightridge Academy. Daycare center and a corporate headquarters facility opened in Iselin.

IFetic. A three-story mixed-use building with 16 one-bedroom apartments and 20,000 square feet of retail space completed construction along Main Street, adjacent to Castello's restaurant.

Avenel Street/Rahway Avenue. A mixed-use building was constructed with first-floor retail and four (4) residential units upstairs.

Preferred Freezer. Construction was completed for a 191,300 square foot refrigerated warehouse and 15,000 square foot office in Avenel.

Mediline Industries. A medical supply business moved into a Prologis tenant space in Port Reading.

CPV Shore. A 700 megawatt electric power generation facility and associated office support and accessory facilities, and related infrastructure, was approved in April 2013. This site in Keasbey is a Brownfield Remediation Area and a Township Redevelopment Area. Building permits were issued in November 2013. The north end power plant received a certificate of occupancy in March.

PROJECTS 2016

HBR, LLC. Built nine (9) townhouses and extended Piper Avenue in Avenel. HBR also completed construction on a 6 unit multi-family building on St. Georges Avenue in Colonia.

Wick Corporate Center. Expansion completed to a three-story office building along Woodbridge Center Drive included a 41,270 square foot two-story addition.

Blu Alehouse. New restaurant received its certificate of occupancy at the former Shannon Rose location.

NJ Turnpike Authority. Approved in July, the NJ Turnpike Authority completed site improvements at the former Hess corporate office park in December.

1000 King Georges Post Road. The Adler project completed modifications to an existing warehouse building to create eight (8) interior units of flex space. Site improvements include: 16 loading spaces, 70 parking spaces, landscaping and lighting.

PROJECTS 2017

BRM Route 1-36, LLC. Board approval was granted for a new three-story, six-unit multifamily building on Route 35 in Downtown Woodbridge in March.

1 WBC, LLC. Board approval was granted to convert eight stories of the Jewelry Exchange building from office space to 132 residential units.

Dalina Manor. Fifty-seven (57) age-restricted residential units in Hopelawn opened.

Hampshire Companies. Hampshire Companies, a 110,000 square foot Platinum Level LEED Certified structure in the Metropark Office Area, received approval for a four-story, 191-room hotel above a two-level, 213-space parking garage; a four-story, 300-unit residential building above a two-level 507-space parking garage, a nine-story, 252,305 square foot office building, and a seven-level, 1,252-space parking garage with 16,370 square feet of retail space.

Lucas Subaru. Lucas received approval to construct a 900 square foot addition to its dealership, which operates next to its Chevy dealership along Route 1.

American Properties. Construction completed of 53 townhomes along Inman Avenue in Colonia.

Foodtown. As part of an overall site improvement program, approval was granted for (5) five modular refrigerator storage units.

Charles Street Associates. Construction finished for 2,000 square feet of retail space and three residential units along St. Georges Avenue in Avenel.

Swift Transportation. Improvements were completed for a 3,900 square foot addition and site improvements to a truck business in Avenel.

United States Gypsum. Construction of two 40 foot high silos was completed.

PROJECTS 2018

Green Oaks. Construction was completed of a four-story 48 unit apartment building on Route 27.

Blair SG, LLC. A 198,854 square foot warehouse and associated site improvements was constructed in Avenel. In addition, renovations to an existing 158,020 square foot warehouse and site improvements were completed.

Woodbridge Hospitality Group. The well-known Forge Banquet facility on Route 9 received Board approval to expand by adding a four-story 100 room hotel.

82 Iselin, LLC and 133 Colonia, LLC. These rest stops on the southbound and northbound sides of the Garden State Parkway completed construction of new gas stations and a 2,450 square foot retail building (southbound side). Construction was completed in 2019.

QuickChek, Route 1, Avenel. Construction was completed for a QuickChek gas station and 4,500 square foot convenience store.

Wendy's. Wendy's opened a 2,468 square foot restaurant with drive-thru on Route 1.

Anytime Fitness. A new 38,000 square-foot fitness center opened at the former Pathmark location in Avenel.

1400 Rahway Urban Renewal, LLC/1500 Rahway, LLC. A new 242,122 square foot warehouse facility opened at the intersection Rahway Avenue/Randolph Avenue.

Colonial Pipeline. Colonial Pipeline completed construction of two (2) new power distribution buildings to go along with previous improvements that included a 5,000 square foot building, and a 1,600 square foot substation.

Clayton Block. The Board granted approval for the construction of a concrete mixing facility and construction was completed in 2019.

ADI Marketing. Building permits were issued for a 34,500 square foot one-story addition to an existing warehouse in Avenel.

Bayshore. A 51,000 square foot medical waste processing facility and infrastructure was approved.

FedEx Ground. Construction permits were issued for a new pedestrian bridge, guardhouse, HUB expansion, parking lot and site work.

Wakefern. Construction commenced on a new pedestrian bridge, guardhouse, HUB expansion, parking lot and site work.

PROJECTS 2019

Wick. This project in downtown Woodbridge will consist of a six-story, 145 unit apartment building comprising 241,000 square feet with rooftop amenities.

PCP Heard Square. This project adjacent to the Woodbridge Train Station is for a five-story mixed use building with 232 apartments and 11,700 square feet of retail.

Boulevard II, LLC. This project was approved for a 47,000 square foot, 39 unit apartment building.

IPT Avenel. This project was approved for demolition of an existing warehouse and to construct a one-story 122,000 square foot warehouse at the former Proctor and Gamble site.

ONGOING PROJECTS

Red Oak. Construction began in May 2018 of a three-story 60 unit age-restricted apartment building. The site is located in Port Reading adjacent to the Sycamore Senior Center.

Avenel Arts Village – Approved in 2015, construction, which began in 2016, continues at this remediated former General Dynamics site along Avenel Street in Avenel. The rehabilitated property will include the construction of 7,500 square feet of retail space, 500 residential units and a 13,150 square foot arts center that will be the theme of the project. The Avenel Arts Village will be linked to the downtown Woodbridge Arts District. The Amenities Building was completed in May 2017. The first two residential buildings received Certificates of Occupancy in June 2017. Eleven (11) more residential buildings have been issued Certificates of Occupancy since October 2017.

Cedar Meadows. The Board granted site plan approval in late July 2016 for construction of a 100-unit affordable housing development and municipal soccer field. Construction is underway.

Jacobs Landing. The first phase of the project (96 residential units) was approved in July 2015. Phase II received approval in April 2017 for the construction of 120 residential units. The total project will have 216 units and a community center when complete. Seven (7) buildings received Certificates of Occupancy in 2018, with a total of 84 units constructed.

FP Port Reading/Falcon Partners. This redevelopment site is under construction for 57 apartment units along West Avenue.

Ronson Road. Approval was granted in August 2015 for 355 apartments in four 5-story buildings and 8,600 square feet of retail in a mixed use building. Construction commenced in 2016.

Fieldstone Properties. In May 2017, the Board granted approval for the construction of a 5,280 square foot club house/amenities building at this apartment complex in Fords. Renovations to the rest of the property are ongoing as part of a multi-million dollar renovation.

American Beverage Packers, LLC. – American Beverage Packers, LLC received Board approval in December 2014 to construct a 608,000 square foot Arizona filling facility and a 10,800 square foot storage facility. The facility will be located along King Georges Post Road and connected to an existing facility in Edison Township. The total facility will be over 1 million square feet. In 2018, approval was received for modifications to the site plan to improve vehicular circulation and other aspects of the facility. Construction is expected to be completed in 2019.

Royal Albert's Palace. The hotel-banquet facility received approval in 2013 for various additions and expansions: at the basement level, a 3,722 square foot addition; at the first floor level, a 7,104 square foot addition between the multipurpose building and the hotel, and a 9,373 square foot addition to the west of the multipurpose room, and 46 new surface parking spaces; at the mezzanine level, a 9,373 square foot addition to the west of the multipurpose room and a 7,104 square foot addition between the multipurpose building and the hotel. In addition, approval was granted for a second level to the parking deck consisting of 99 parking spaces.

PSE&G. In June 2016, PSE&G began construction on a 540 MW Combined Cycle Electric Generating Facility at its Sewaren facility. This new facility will replace the existing plant with cleaner and greener technology. The project generated approximately 350 jobs during the two-year construction phase. It is expected to be fully operational in 2019. PSE&G has spent about \$125 million over the last four years upgrading the Sewaren location, which was damaged by SuperStorm Sandy.

Quincy Heights. This project consists of 93 apartments and six (6) townhomes in Hopelawn. It is under construction.

Capital Budget

The Township anticipates various capital improvement purchases or projects for various departments. Although the timing and details necessary for the completion of such projects have not been finally determined, the Township adopted a capital budget reflecting such improvements. The capital budget does not constitute the approval or appropriation of funds, but rather sets forth a plan of the possible capital expenditures which the Township may contemplate over a specified period of time.

Transportation Facilities

The Township is served by many transportation modes. The New Jersey Turnpike and the Garden State Parkway intersect within the Township. In addition, the following highways pass through the Township: US #1, US #9, N.J. State Highways #27, #35, #184, #440 and US Interstate 287. Within the Township, there are 30.3 miles of State highways, 27.5 miles of County roads and 244.5 miles of municipal roads.

The MetroPark Train Station (“MetroPark”), located in the Iselin section of the Township, is a major transportation center servicing rail commuters to and from New York, Philadelphia, Boston and Washington. Parking capacity at MetroPark doubled several years ago to over 3,000 spaces after the completion of two multi-level parking garages. The Township improved a number of intersections around MetroPark in order to ease traffic flow in the area. N.J. Transit provides passenger service on the North Jersey Coast Line which has stations in Woodbridge and Avenel.

Newark Liberty International Airport is conveniently located within a short distance from the Township.

Utilities

The Township created a municipal public utility for sanitary sewer purposes known as the Woodbridge Township Sewer Utility (the "Sewer Utility"). The Sewer Utility was established as of January 15, 1990 for the purposes of providing all sanitary sewer services in the Township and to provide certain data processing services to Township departments and governmental entities.

The Sewer Utility is responsible for operating and maintaining the sewerage collection system throughout the Township. All sewerage, however, is treated outside the Township, approximately 40% by the Rahway Valley Sewer Authority ("RVSA") and approximately 60% by the Middlesex County Utilities Authority ("MCUA").

The Sewer Utility has been self-liquidating (anticipated revenues from the schedule of fees and payments sufficient to meet operating, maintenance and debt service costs, on an annual basis) most years since its creation in 1990. The Sewer Utility was self-liquidating in Fiscal Year 2019. The revenues of the Sewer Utility consist of user fees and connection fees imposed upon all users of the sewer system and certain payments to be made by the Borough of Carteret and the City of Perth Amboy pursuant to separate service agreements. The connection fee is a uniform charge per connection for all users. The user fees are calculated based upon the prior year water consumption, except in cases where actual sewage meter readings are available. Rates vary depending on the type of commercial establishment and the historical strength of the flows into sanitary sewers.

Under separate service agreements with the Borough of Carteret and the City of Perth Amboy, which municipalities connect with the MCUA through the Township's sewer system, Carteret and Perth Amboy are obligated to make payments to the Township to reimburse the Township for their estimated proportionate shares of the cost of design and construction of the sewer facilities which connect with the MCUA treatment plant and to pay for their respective shares of the cost of operation and maintenance of that portion of the Township's sewer system utilized to transport their sewage to the MCUA treatment plant. The MCUA charges the Township, and the Borough of Carteret and City of Perth Amboy separately, for their respective amounts of sewage flow to the MCUA treatment plant, based on separate metered readings of the flow from the Township, Carteret and Perth Amboy.

The current expenses of the Sewer Utility generally consist of operation and maintenance costs, debt service on Sewer Utility bonds and notes and payments to the MCUA and the RVSA for sewage treatment (these payments to authorities are based upon proportionate usage and contain operating and debt service components).

All revenues of the Sewer Utility are deposited into the Sewer Utility Operating Fund (the "Sewer Utility Operating Fund"), which is a section of the annual budget and are treated as moneys held in trust for Sewer Utility purposes. Moneys in the Sewer Utility Operating Fund may be applied only to costs of the Sewer Utility Operating Fund or as otherwise permitted by law and are accounted for in accordance with the Local Budget Law and the Local Bond Law.

A sewer rate ordinance adopted on March 17, 1998 raised residential and industrial sewer rates and created nine new classes of commercial users, each of which had been paying the residential rate since 1990. There have been several subsequent rate increase ordinances, the most recent adopted in 2017 that is effective through 2021. The Sewer Utility bills users annually on or about March 1 with payments due April 1 and October 1 of each year.

The Sewer Utility generates approximately \$27,400,000 in sewer user fees.

The Middlesex Water Company provides the Township residents with their supply of water. Electric and gas are supplied by Public Service Electric and Gas Company and NUI Corporation, respectively.

The Township also operates a Recreation Utility that generates approximately \$7,900,000 in user fees and other charges.

The Township also operates a self-liquidating Marina/Boat Launch Utility that generates approximately \$87,000 in user fees from boat slip rentals and boat launch fees.

The Township also operates a self-liquidating Parking Utility that generates approximately \$390,000 from parking fees and other charges.

Municipal Government

The Township is governed pursuant to the Mayor-Council Plan of the Optional Municipal Charter Law (known as the Faulkner Act).

State statutes and the Township's Administrative Code provide for a separation between the legislative and administrative functions. The Municipal Council consists of nine members, four of whom are elected at large and five of whom are elected from each of the Township's five wards.

The councilpersons serve on a part-time basis and serve for a four year term. The Mayor is in charge of the administrative functions. The Mayor is the full-time chief executive officer and is elected at large by the voters for a four year term.

The Administrative branch consists of the departments of Administration and Finance, Law, Public Safety, Public Works and Parks, Health and Human Services, Planning and Development and Recreation and Residential Services.

Fire

The Township is served by nine independent fire districts. Each district is governed by five elected commissioners. The budgets for those districts are submitted to the voters for approval. Each district determines its own tax levy and the amount to be raised by taxation is billed by the Township along with County, school and municipal taxes.

Police

The department, under the supervision of the Police Director, consists of 198 sworn officers. In addition there are 32 part-time auxiliary police officers, 13 special officers, 54 safety officers and school guards, 22 dispatchers and 42 office and maintenance personnel. Woodbridge Township was among the first in Middlesex County to implement the emergency 911 system.

Municipal Court

The Woodbridge Municipal Court ranks second in the State of New Jersey in the number of moving violation cases processed. The Court meets five days and four nights per week and is served by three Judges, a Court Director, a Court Administrator and three Deputy Court Clerks.

Public Works

The Department of Public Works and Parks is headed by a Director who is in charge of ten divisions: Engineering (which is headed by a professional engineer), Street Cleaning, Road Repairs, Equipment Repairs, Solid Waste/Recycling, Sewer Maintenance, Wastewater, Building and Grounds, Parks and School Custodians. Sewer Maintenance and Wastewater are charged directly to the Sewer Utility Budget. The Department employs a staff of approximately 300.

Solid Waste Disposal

The Township has contracted with the MCUA to pay tipping fees at the Edgeboro Landfill for three years (2019-2021) with established contract rates of \$66.75 per ton in 2019, \$67.75 per ton in 2020 and \$68.75 per ton in 2021. Middlesex County has entered into disposal contracts with virtually all of the municipalities located within the County, thereby guaranteeing a flow of waste to support debt service and operating costs of its landfill.

Library

The Woodbridge Free Public Library is operated under the control of a nine (9) member Board of Trustees. Seven trustees are appointed by the Mayor and approved by the Municipal Council. The Mayor and the Superintendent of Schools are also members of the Board of Trustees.

The Library is administered by a Director who oversees over 80 employees in the daily operations of the main library and three branches. There are approximately 36,000 registered borrowers. The library owns over 450,000 book volumes and over 50,000 non-print materials.

Education

The geographic boundaries of the Township and School District are coterminous. The School District is an independent legal entity under Title 18A, Education, of the New Jersey statutes.

Woodbridge is a Type II school district. The school district is authorized by law to issue debt for school purposes upon vote of the electorate.

The Board of Education consists of nine members elected by the voters for three year terms. The school system consists of 24 schools as follows:

<u>Type of School</u>	<u>Number</u>	<u>Grades</u>	<u>Enrollment as of June 30, 2018</u>
High	3	9-12	4,118
Middle	5	6-8	3,113
Elementary	<u>16</u>	K-5	<u>6,321</u>
	<u>24</u>		<u>13,552</u>

More than 85% of High School seniors go on to higher education.

One of the County of Middlesex's Vocational and Technical High Schools is located in the Township.

Assessment and Collection of Taxes

A revaluation of Township property was last performed in 1980. The equalized ratio for Township property is 27.82% as determined by the State Director of Taxation, as of October 1, 2018.

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population

Population trends for the Township, County and the State of New Jersey since 1980 are shown below:

<u>Area</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2018</u>
Township of Woodbridge	90,074	93,086	97,203	99,585	100,450
County of Middlesex	595,893	671,780	750,162	809,858	829,685
State of New Jersey	7,365,011	7,730,188	8,414,350	8,791,894	8,908,520

Source: U.S. Census Bureau.

Labor Force, Employment and Unemployment

The New Jersey Department of Labor reported the following annual average employment information for the Township of Woodbridge, the County of Middlesex and the State of New Jersey:

	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
<u>Township of Woodbridge</u>				
2018	52,576	50,679	1,897	3.6%
2017	53,455	51,332	2,123	4.0%
2016	53,675	51,295	2,380	4.4%
2015	53,000	50,400	2,600	4.9%
2014	52,363	49,193	3,170	6.1%
<u>County of Middlesex</u>				
2018	435,053	419,262	15,791	3.6%
2017	442,313	424,201	18,112	4.1%
2016	442,447	422,948	19,499	4.4%
2015	440,300	418,400	21,900	5.0%
2014	432,112	406,174	25,938	6.0%
<u>State of New Jersey</u>				
2018	4,422,900	4,239,600	183,300	4.1%
2017	4,518,000	4,309,700	208,300	4.6%
2016	4,524,300	4,299,900	224,400	5.0%
2015	4,543,800	4,288,800	255,000	5.6%
2014	4,518,700	4,218,400	300,300	6.6%

Source: State of New Jersey Data Center

Money Income as of 2017

	<u>Median Household Income</u>	<u>Median Family Income</u>	<u>Per Capita Income</u>
Township of Woodbridge	\$83,266	\$96,340	\$33,704
County of Middlesex	83,133	99,470	36,558
State of New Jersey	76,475	94,337	39,069

Source: U.S. Census Bureau, 2013 - 2017 American Community Survey 5 Year Estimates

BUDGET INFORMATION
Current Fund

	Fiscal Year Ended June 30, (As Adopted)				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Anticipated Revenues					
Fund Balance	\$ 15,014,189	\$ 11,113,253	\$ 9,262,024	\$ 11,476,662	\$ 10,106,784
Miscellaneous Revenues	58,039,357	54,296,925	50,962,304	46,658,203	47,470,788
Receipts from Delinquent Taxes	3,000,000	2,500,000	2,500,000	1,000,000	50,000
Amount to be Raised by Taxes for Support of Municipal Budget	<u>100,203,101</u>	<u>97,613,187</u>	<u>94,942,470</u>	<u>91,857,214</u>	<u>89,156,627</u>
	<u>\$ 176,256,647</u>	<u>\$ 165,523,365</u>	<u>\$ 157,666,798</u>	<u>\$ 150,992,079</u>	<u>\$ 146,784,199</u>
Appropriations					
Salaries and Wages	\$ 67,482,162	\$ 63,629,888	\$ 59,724,834	\$ 56,440,152	\$ 54,611,193
Other Expenses	59,636,504	55,321,897	53,327,045	52,439,822	51,526,657
Deferred Charges and Statutory Expenditures	17,182,439	19,559,410	19,557,551	17,900,822	16,915,461
Capital Improvement Fund	935,000	830,000	880,000	1,466,000	1,401,000
Municipal Debt Service	27,570,542	22,732,170	20,952,368	20,370,283	20,229,888
Reserve for Uncollected Taxes	<u>3,450,000</u>	<u>3,450,000</u>	<u>3,225,000</u>	<u>2,375,000</u>	<u>2,100,000</u>
	<u>\$ 176,256,647</u>	<u>\$ 165,523,365</u>	<u>\$ 157,666,798</u>	<u>\$ 150,992,079</u>	<u>\$ 146,784,199</u>

Source: Township of Woodbridge Adopted Budgets for SFY2016 to 2020.

Capital Budget

In accordance with the Local Budget Law, each local unit should adopt and annually revise a multi-year capital program budget. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next six years.

The following is a summary of the funding sources for the capital budget for the fiscal year 2020.

Proposed Sources of Funding

Capital Improvement Fund	\$ 471,333
Bonds and Notes – General	<u>11,182,491</u>
	<u>\$11,653,824</u>

Source: 2020 Municipal Budget of the Township of Woodbridge.

FINANCIAL INFORMATION

Fund Balance and Amounts Utilized in Succeeding Year's Budget

Current Fund

<u>Fiscal Year</u>	<u>Fund Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
2019 (Unaudited)	\$ 25,328,199	\$ 15,014,189
2018	20,601,994	11,113,253
2017	17,529,388	9,262,024
2016	19,059,722	11,476,662
2015	18,422,673	10,106,784

Source: Township of Woodbridge Annual Audit Reports, SFY2019 Unaudited Annual Financial Statement and SFY2020 Adopted Budget

Current Tax Collections

<u>Fiscal Year</u>	<u>Tax Levy</u>	<u>Collection During Year of Levy</u>	<u>Percent</u>
		<u>Amount</u>	<u>Percent</u>
2019 (Unaudited)	\$ 349,873,182	\$ 346,581,899	99.06%
2018	344,906,764	341,489,311	99.01%
2017	338,532,334	334,261,850	98.74%
2016	329,749,618	326,709,342	99.08%
2015	321,675,787	321,029,859	99.79%

Source: Township of Woodbridge Annual Audit Reports and SFY2019 Unaudited Annual Financial Statement

Delinquent Taxes and Tax Title Liens

<u>As of June 30,</u>	<u>Tax Title Liens</u>	<u>Assigned Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Levy</u>
2019 (Unaudited)	\$ 529,238	\$ 194,062	\$ 3,216,414	\$ 3,939,714	1.13%
2018	475,635	194,062	3,134,954	3,804,651	1.10%
2017	341,576	194,062	3,114,482	3,650,120	1.07%
2016	581,377		2,633,153	3,214,530	0.97%
2015	571,649		15,664	587,313	0.18%

Source: Township of Woodbridge Annual Audit Reports and SFY2019 Unaudited Annual Financial Statement

**Assessed Valuation of Property Owned by
the Township Acquired for Taxes**

<u>As of June 30,</u>	<u>Amount</u>
2019 (Unaudited)	\$ 936,500
2018	936,500
2017	936,500
2016	936,500
2015	936,500

Source: Township of Woodbridge Annual Audit Reports and SFY2019 Unaudited Annual Financial Statement

Ten Largest Taxpayers

The ten largest taxpayers in the Township and their 2019 assessed valuations are listed below:

<u>Taxpayer</u>	<u>Assessment</u>
Atlantic Realty	\$ 120,075,100
Woodbridge Center	54,717,800
Mack-Cali	33,040,700
Metro Park/Tishman Speyer	32,578,200
Buckeye Terminals	31,982,200
Crossings	26,580,200
Colonial Pipeline	25,471,800
Shell Oil/Motiva	23,995,400
PSE&G	23,140,800
SMIII Woodbridge Plaza	20,589,900
	<u>\$ 392,172,100</u>
Percentage of Total Assessed Value	12.28%

Source: Tax Assessor.

**Assessed Valuation
Land Improvements by Class**

<u>Year</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total</u>
2019	\$ 41,664,200	\$ 2,052,866,300	\$ 620,374,200	\$ 280,854,100	\$ 193,679,800	\$ 3,189,438,600
2018	42,625,600	2,040,128,100	644,046,700	255,761,300	190,342,500	3,172,904,200
2017	44,612,900	2,024,183,700	653,468,500	260,789,700	191,713,600	3,174,768,400
2016	47,813,500	2,015,946,300	649,157,500	263,505,900	169,787,900	3,146,211,100
2015	52,398,600	2,011,176,800	645,369,750	258,157,400	167,742,600	3,134,845,150

Source: Tax Duplicate.

**Assessed Valuations
Net Valuation Taxable**

<u>Year</u>	<u>Real Property</u>	<u>Business Personal Property</u>	<u>Net Valuation Taxable</u>	<u>Ratio of Assessed Value to True Value of Real Property</u>	<u>Total True Value of Assessed Property</u>
2019	\$ 3,189,438,600	\$ 4,054,492	\$ 3,193,493,092	27.82%	\$ 11,549,228,325
2018	3,172,904,200	4,196,310	3,177,100,510	29.30%	10,913,703,479
2017	3,174,768,400	4,182,952	3,178,951,352	29.89%	10,713,831,035
2016	3,146,211,100	3,843,695	3,150,054,795	27.51%	11,525,153,357
2015	3,134,845,150	4,125,792	3,138,970,942	29.15%	10,844,503,459

Source: Tax Duplicate, Abstract of Ratables and 2019 Preliminary Equalization Table of Middlesex County

**Components of Real Estate Tax Rate
(per \$100 of Assessment)***

<u>Year</u>	<u>Total</u>	<u>Municipal</u>	<u>Local School</u>	<u>County</u>
2019	\$ 10.404	\$ 3.177	\$ 5.829	\$ 1.398
2018	10.192	3.088	5.746	1.358
2017	10.008	3.010	5.658	1.340
2016	9.929	2.940	5.562	1.427
2015	9.751	2.871	5.512	1.368

Source: Tax Collector

* Does not include Fire District tax rates as each district within the Township had a different rate

**Apportionment of Tax Levy
(Including School and County Purposes)**

<u>Fiscal Year</u>	<u>Total</u>	<u>Municipal</u>	<u>Local School</u>	<u>Fire Districts</u>	<u>County</u>
2019 (Unaudited)	\$ 349,873,182	\$ 102,518,358	\$ 183,527,820	\$ 20,282,741	\$ 43,544,263
2018	344,906,764	102,060,488	181,603,377	19,688,150	41,554,749
2017	338,532,334	94,990,094	178,123,056	19,247,877	46,171,307
2016	329,749,618	93,904,280	173,486,736	18,600,752	43,757,850
2015	321,675,787	90,838,086	171,352,188	18,230,585	41,254,928

Source: Township of Woodbridge Annual Audit Reports and SFY2019 Unaudited Annual Financial Statement

DEBT INFORMATION

Debt Statements

The Township must report all new authorizations of debt or changes in previously authorized debt to the Division of Local Government Services, Department of Community Affairs of the State of New Jersey (the "Division"). The Supplemental Debt Statement, as this report is known, must be submitted to the Division before final passage of any debt authorization. Before July 31 of each year the Township must file an Annual Debt Statement with the Division. This report is made under oath and states the authorized, issued and unissued debt of the Township as of the previous June 30. Through the Annual and Supplemental Debt Statements, the Division monitors all local borrowing.

Debt Incurring Capacity

As of June 30, 2019 (Unaudited)

Municipal	
Equalized Valuation Basis (last 3 years average)	\$ 11,151,071,030
3 1/2% Borrowing Margin	390,287,486
Net Debt Issued, Outstanding and Authorized	185,071,179
Remaining Municipal Borrowing Capacity	205,216,307
Local School	
4% Borrowing Margin	446,042,841
Debt Issued, Outstanding and Authorized	111,883,113
Remaining School Borrowing Capacity	334,159,728

Source: Township of Woodbridge SFY2019 Annual Debt Statement

Gross and Statutory Net Debt as of June 30,

<u>Year</u>	<u>Gross Debt</u>	<u>Statutory Net Debt</u>	
	<u>Amount</u>	<u>Amount</u>	<u>Percentage</u>
2019 (Unaudited)	\$ 456,298,995	\$ 185,071,179	1.66%
2018	444,013,657	154,837,200	1.42%
2017	400,458,687	155,344,074	1.42%
2016	320,235,713	155,810,713	1.43%
2015	293,365,117	155,576,969	1.44%

Source: Township of Woodbridge Annual Audit Reports and SFY2019 Unaudited Annual Financial Statement

Statement of Indebtedness
As of June 30, 2019 (Unaudited)

GENERAL PURPOSES

Bonds Issued and Outstanding	\$ 33,830,000	
Loans	205,882	
Notes	142,645,297	
Authorized but Not Issued	<u>8,390,000</u>	
		185,071,179

SEWER UTILITY PURPOSES

Bonds Issued and Outstanding	30,360,000	
Notes	40,567,703	
Authorized but Not Issued	<u>61,947,000</u>	
		132,874,703

RECREATION UTILITY PURPOSES

Notes	20,700,000	
Authorized but Not Issued	<u>5,150,000</u>	
		25,850,000

PARKING UTILITY PURPOSES

Notes	<u>620,000</u>	
		620,000

LOCAL SCHOOL

Debt Issued, Outstanding and Authorized		<u>111,883,113</u>
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	TOTAL GROSS DEBT	456,298,995
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STATUTORY DEDUCTIONS

Self Liquidating	159,344,703	
Local School	<u>111,883,113</u>	
		<u>271,227,816</u>

	TOTAL NET DEBT	<u><u>\$ 185,071,179</u></u>
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OVERLAPPING DEBT (As of December 31, 2018)

County of Middlesex (Note (1))	67,806,295	
Middlesex County Utilities Authority (Note (2))	5,480,882	
Rahway Valley Sewerage Authority (Note (2))	<u>39,116,701</u>	
		<u><u>\$ 112,403,878</u></u>

Note (1) Overlapping debt was computed based upon the real property ratio of equalized valuations of the municipality to all municipalities within the County as provided in the 2018 Middlesex County Abstract of Ratables published by the Middlesex County Board of Taxation.

Note (2) Overlapping debt was computed based upon usage.

Source: Township of Woodbridge FY2019 Annual Debt Statement and Annual Audits for the County of Middlesex and Authorities.

Statement of Indebtedness
As of June 30, 2019 (Unaudited) (Continued)

GROSS DEBT		
Per Capita (2018 - 100,450)	\$	4,543
Percent of Net Valuation Taxable (2019-\$3,193,493,092)		14.29%
Percent of Estimated True Value of Real Property (2019- \$11,549,228,325)		3.95%
 NET MUNICIPAL DEBT		
Per Capita (2018 - 100,450)	\$	1,842
Percent of Net Valuation Taxable (2019-\$3,193,493,092)		5.80%
Percent of Estimated True Value of Real Property (2019- \$11,549,228,325)		1.60%
 OVERALL DEBT (Gross and Overlapping Debt)		
Per Capita (2018 - 100,450)	\$	5,662
Percent of Net Valuation Taxable (2019-\$3,193,493,092)		17.81%
Percent of Estimated True Value of Real Property (2019- \$11,549,228,325)		4.92%

Source: Township of Woodbridge FY2019 Annual Debt Statement and Annual Audits for the County and Authorities.

APPENDIX B

**ACCOUNTANT'S COMPILATION REPORT,
INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS
OF THE TOWNSHIP OF WOODBRIDGE,
IN THE COUNTY OF MIDDLESEX, STATE OF NEW JERSEY**

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**ACCOUNTANT'S COMPILATION REPORT AND
FINANCIAL STATEMENTS OF THE TOWNSHIP
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
SHERYL M. NICOLOSI, CPA
ROBERT LERCH, CPA

ACCOUNTANT’S COMPILATION REPORT

Honorable Mayor and Members
of the Township Council
Township of Woodbridge
Woodbridge, New Jersey

Management is responsible for the accompanying balance sheets – regulatory basis of the various funds and account group of the Township of Woodbridge, as of June 30, 2019 and the related statements of operations and changes in fund balances – regulatory basis, the statement of revenues – regulatory basis and statement of expenditures – regulatory basis of the various funds for the year then ended in accordance with the regulatory basis of accounting. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements – regulatory basis nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The Township of Woodbridge has prepared these financial statements in accordance with the financial and accounting reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws 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 financial reporting requirements of the State of New Jersey for municipal government entities. The effect on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonable determinable, are presumed to be material.

By/s/

LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants

Fair Lawn, New Jersey
September 9, 2019

**TOWNSHIP OF WOODBRIDGE
BALANCE SHEET - REGULATORY BASIS
CURRENT FUND
AS OF JUNE 30, 2019 (UNAUDITED)**

	<u>2019</u>
ASSETS	
Regular Fund	
Cash and Cash Equivalents	\$ 33,233,238
Change Funds	1,650
Due from the State of New Jersey - Senior Citizens' and Veterans' Deductions	<u>412,397</u>
	<u>33,647,285</u>
Receivables and Other Assets with Full Reserves	
Delinquent Taxes Receivable	3,216,414
Tax Title Liens Receivable	529,238
Assigned Tax Title Liens Receivable	194,062
Property Acquired for Taxes - Assessed Valuation	936,500
Due from Other Trust Fund	-
Due from Recreation Utility Operating Fund	228,841
Due from Parking Utility Operating Fund	
Due from CDBG Trust Fund	3,574
Due from Animal Control Trust Fund	19,757
Due from Parking Utility Operating Fund	131,948
Due from Self Insurance Trust Fund	383,245
Other Accounts Receivable	74,621
Revenue Accounts Receivable	<u>-</u>
	<u>5,718,200</u>
Total Regular Fund	<u>39,365,485</u>
Federal and State Grant Fund	
Cash and Cash Equivalents	2,355,072
Grants Receivable	<u>7,089,470</u>
Total Federal and State Grant Fund	<u>9,444,542</u>
Total Assets	<u>\$ 48,810,027</u>

**TOWNSHIP OF WOODBRIDGE
BALANCE SHEET - REGULATORY BASIS
CURRENT FUND
AS OF JUNE 30, 2019 (UNAUDITED)**

2019

LIABILITIES, RESERVES AND FUND BALANCE

Regular Fund	
Appropriation Reserves	\$ 4,172,010
Encumbrances Payable	2,412,937
Tax Overpayments	19,094
Prepaid Taxes	430,833
Miscellaneous Reserves	198,566
Accounts Payable	277,903
Due to General Capital Fund	60,794
Due to Other Trust Fund	24,146
Due to Outside Lienholders	55,798
Reserve for Payroll	3,958
Reserve for Insurance Recoveries	10,041
Amount Due to County of Middlesex - PILOT Revenues	<u>653,006</u>
	8,319,086
Reserve for Receivables and Other Assets	5,718,200
Fund Balance	<u>25,328,199</u>
Total Regular Fund	<u>39,365,485</u>
Federal and State Grant Fund	
Encumbrances Payable	2,513,785
Due to Redevelopment Agency	5,000
Reserve for Grants and Donations - Unappropriated	259,190
Reserve for Grants and Donations - Appropriated	<u>6,666,567</u>
Total Federal and State Grant Fund	<u>9,444,542</u>
Total Liabilities, Reserves and Fund Balance	<u><u>\$ 48,810,027</u></u>

TOWNSHIP OF WOODBRIDGE
STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 (UNAUDITED)

	June 30, <u>2019</u>
REVENUES AND OTHER INCOME REALIZED	
Fund Balance Utilized	\$ 11,113,253
Miscellaneous Revenue Anticipated	60,414,019
Receipts from Delinquent Taxes	3,156,995
Receipts from Current Taxes	346,581,899
Non-Budget Revenue	2,334,941
Unexpended Balances of Appropriation Reserves	6,233,181
Prior Year Adjustment - Grants Receivable	107,797
Tax Overpayments Cancelled	107,337
Interfunds and Accounts Receivable Reserves Returned	<u>1,600,390</u>
 Total Revenues and Other Income	 <u>431,649,812</u>
 EXPENDITURES	
Municipal Budget Appropriations	
Operations	
Salaries and Wages	62,627,646
Other Expenses	60,078,689
Capital Improvements	830,000
Municipal Debt Service	22,732,170
Deferred Charges and Statutory Expenditures -	
Municipal	20,564,760
Fire District Taxes	20,282,741
County Taxes	43,360,759
County Taxes - Added Taxes	183,504
Local District School Taxes	183,527,820
Refund of Prior Year Revenue	263
Prior Year Tax Appeals Granted	775,016
Other Debits to Income	
Prior Year PILOT Revenue Due to County of Middlesex	5,000
Interfunds and Accounts Receivable Reserves Established	<u>841,986</u>
 Total Expenditures	 <u>415,810,354</u>
 Excess in Revenue (Carried Forward)	 <u>15,839,458</u>

TOWNSHIP OF WOODBRIDGE
STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 (UNAUDITED)

	June 30, <u>2019</u>
Excess in Revenue (Brought Forward)	\$ 15,839,458
FUND BALANCE, JULY 1	<u>20,601,994</u>
	36,441,452
Decreased by:	
Utilized as Anticipated Revenue	<u>11,113,253</u>
FUND BALANCE, JUNE 30	<u><u>\$ 25,328,199</u></u>

**TOWNSHIP OF WOODBRIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 (UNAUDITED)**

	SFY 2019 Budget	Added by N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
FUND BALANCE ANTICIPATED	\$ 11,113,253	-	\$ 11,113,253	-
MISCELLANEOUS REVENUES				
Licenses				
Alcoholic Beverages	131,204		145,960	\$ 14,756
Other	300,000		297,714	(2,286)
Fees and Permits	624,853		498,785	(126,068)
Fines and Costs				
Municipal Court	1,500,000		1,774,760	274,760
Interest and Costs on Taxes	734,389		745,704	11,315
Interest on Investments and Deposits	150,000		391,415	241,415
Cable Television Franchise Fees	344,070		290,204	(53,866)
Police Reports	47,027		42,645	(4,382)
Recycling Fees	229,297		247,173	17,876
Impound Yard Fees	120,475		146,918	26,443
Energy Receipts Tax	23,234,069		23,234,069	-
Uniform Construction Code Fees	2,250,000		2,325,390	75,390
Rahway Tax Collection	48,000		72,000	24,000
City of South Amboy - Animal Shelter Agreement	12,725		12,725	-
Borough of Roselle Park - Animal Shelter Agreement	1,750		175	(1,575)
Borough of Milltown - Animal Shelter Agreement	10,760		10,877	117
East Brunswick - Animal Shelter Agreement	7,175		15,900	8,725
Perth Amboy - Digital Trunk Radio System	39,747		39,747	-
Edison Elevator Inspection	111,668		72,587	(39,081)
Fire District #5 Accounting Services	8,400		8,400	-
Township Radio Agreement	456,000		456,000	-
Woodbridge Board of Education - Custodians	6,747,388		6,747,388	-
Opioid Overdose Recovery Program - Township of Old Bridge	11,500		17,550	6,050
Opioid Overdose Recovery Program - Borough of Carteret	6,000		-	(6,000)
Opioid Overdose Recovery Program - Township of Edison	9,000		8,000	(1,000)
Opioid Overdose Recovery Program - City of Perth Amboy	6,000		8,500	2,500
Opioid Overdose Recovery Program - City of South Amboy	7,500		11,500	4,000
Opioid Overdose Recovery Program - Township of Sayreville	10,500		15,500	5,000
State and Federal Revenues Offset with Appropriations				-
Safe and Secure Communities Program	40,000		40,000	-
Nicholas Hudanish Foundation Munciipal Alliance		\$ 17,000	17,000	-
Drunk Driving Enforcement Fund		20,305	20,305	-
Middlesex County -Multi Services Grant - Additional		6,000	6,000	-
Recreational Facilities Special Needs		1,500,000	1,500,000	-
Pedestrian Safety Grant	11,000		11,000	-
Alcohol Education & Rehabilitation	3,735		3,735	-
Woodbridge Elks WPD Bullet Proof Vest		3,500	3,500	-
NJDOT Local Freight Impact Fund		505,000	505,000	-
HDSRF Public Entity		74,059	74,059	-
Body Armor Grant		19,246	19,246	-
COPS in SHOPS		3,520	3,520	-
Click it or Ticket- Memorial Day		5,500	5,500	-
MCIA Recycling Grant		31,983	31,983	-
Recycling Tonnage Grant		147,187	147,187	-
History Grant		4,500	4,500	-
Jacobns Landing Paving		417,175	417,175	-
NJDOT Step Program		66,000	66,000	-
Transportation Trust Fund Grant		1,300,000	1,300,000	-
20 NJDOT Municipal Aid		482,000	482,000	-
19 NJDOT Municipal Aid		382,369	382,369	-
Joel S. Mayer Memorial Fund Donation		5,000	5,000	-
Distracted Driving Crackdown		5,500	5,500	-
Barron Arts Center Restoration		54,675	54,675	-
Kessler Foundation		45,000	45,000	-
Safety Incentive Award		12,500	12,500	-
Transportation Trust Fund Grant		400,000	400,000	-
NJDOT Municipal Aid Program	417,995		417,995	-
Clean Communities Grant	163,271		163,271	-
Emergency Preparedness Plan Development	3,750		3,750	-

**TOWNSHIP OF WOODBRIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	SFY 2019 <u>Budget</u>	Added by N.J.S.A. <u>40A:4-87</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
MISCELLANEOUS REVENUES (Continued)				
Reserve for Sale of Municipal Assets	\$ 80,824		\$ 80,824	-
PILOT - Wakefern	481,692		481,692	-
Tower Lease Revenue	120,000		138,961	\$ 18,961
PILOT - Forest City Ratner	222,754		205,905	(16,849)
PILOT - Marriott Renaissance	541,876		541,876	-
PILOT - Kona Grill	62,117		62,117	-
Hotel Tax	1,150,000		1,265,568	115,568
Woodbridge WORKS Sponsors	10,215		4,500	(5,715)
PILOT - WHA/Maple Tree - Avenel Manor	38,012		41,251	3,239
PILOT - Reinhard Manor	49,510		49,896	386
PILOT - Tilcon	84,768		84,768	-
Global Fabrication Lease	22,224		20,372	(1,852)
Property Tax Deduction Administrative Fee	14,000		13,690	(310)
Capital Fund Balance	1,328,416		1,328,416	-
PILOT - GPS Ground (FedEx)	905,785		905,785	-
PILOT - Amazon	399,138		399,138	-
PILOT - Prologis (Port Reading) 1	1,026,246		1,026,246	-
PILOT - Prologis (Port Reading) 2 1005	1,459,212		1,459,212	-
PILOT - Prologis (Port Reading) 3 1009	353,491		353,491	-
PILOT - Prologis (Port Reading) 4 1115	1,153,369		1,153,369	-
PILOT - Prologis (Port Reading) 5 1119	400,950		400,950	-
PILOT - Preferred Freezer	353,972		353,972	-
PILOT - CPV Shore	2,305,857	-	2,305,858	1
PILOT - 1500 Rahway Avenue	445,962		445,962	-
PILOT - 215 Blair Road	201,986		201,986	-
PILOT - 191 Blair Road	263,665		263,665	-
PILOT - PSEG Fossil;	1,919,993		1,916,708	(3,285)
PILOT - 1400 Rahway Urban Renewal	351,643		351,643	-
PILOT - Station Village	750,000	-	770,842	20,842
	<u>54,296,925</u>	<u>5,508,019</u>	<u>60,414,019</u>	<u>609,075</u>
RECEIPTS FROM DELINQUENT TAXES	<u>2,500,000</u>	<u>-</u>	<u>3,156,995</u>	<u>656,995</u>
AMOUNT TO BE RAISED FOR SUPPORT OF MUNICIPAL BUDGET				
Minimum Library Tax	3,613,186	-	3,613,186	-
Local Tax for Municipal Purposes	<u>94,000,000</u>	<u>-</u>	<u>99,063,889</u>	<u>5,063,889</u>
	<u>97,613,186</u>	<u>-</u>	<u>102,677,075</u>	<u>5,063,889</u>
Total General Revenues	<u>\$ 165,523,364</u>	<u>\$ 5,508,019</u>	<u>\$ 177,361,342</u>	<u>\$ 6,329,959</u>

TOWNSHIP OF WOODBRIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 (UNAUDITED)

	<u>2019 Appropriated</u>		<u>2019 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
General Administration					
Salaries & Wages	\$ 1,809,520	\$ 1,809,520	\$ 1,755,533	\$ 53,987	
Other Expenses	1,746,600	1,446,600	1,384,180	62,420	
Human Resources					
Salaries & Wages	251,090	263,590	263,226	364	
Other Expenses	22,600	22,600	14,442	8,158	
Audit Services					
Other Expenses	87,000	87,000	87,000	-	
Mayor and Council					
Salaries & Wages	380,669	380,669	338,715	41,954	
Other Expenses	52,900	52,900	31,169	21,731	
Municipal Clerk					
Salaries & Wages	399,323	399,323	392,429	6,894	
Other Expenses	91,860	91,860	43,042	48,818	
Financial Administration					
Salaries & Wages	620,888	620,888	553,478	67,410	
Other Expenses	98,250	98,250	93,754	4,496	
Revenue Administration					
Salaries & Wages	274,797	274,797	253,073	21,724	
Other Expenses	20,725	20,725	13,648	7,077	
Tax Assessment Administration					
Salaries & Wages	309,933	312,772	312,772	-	
Other Expenses	46,700	46,700	45,573	1,127	
Legal Services & Costs					
Salaries & Wages	210,225	210,225	207,841	2,384	
Other Expenses	1,231,300	1,251,300	1,155,111	96,189	
Engineering Services					
Salaries & Wages	1,281,651	1,281,651	1,147,384	134,267	
Other Expenses	671,600	682,600	681,963	637	
Planning Board					
Salaries & Wages	501,550	501,550	484,183	17,367	
Other Expenses	52,300	52,300	49,327	2,973	
Zoning Board of Adjustment					
Salaries & Wages	63,150	63,150	49,840	13,310	
Other Expenses	26,150	26,150	19,903	6,247	
Other Code Enforcement Functions					
Salaries & Wages	435,460	435,460	397,586	37,874	
Redevelopment					
Other Expenses	150,000	1,150,000	1,150,000	-	
Unemployment Insurance					
Other Expenses	140,000	140,000	140,000	-	
PUBLIC SAFETY					
Police					
Salaries & Wages	29,528,872	29,104,565	28,509,544	595,021	
Other Expenses	2,341,200	2,341,200	2,189,135	152,065	
Emergency Management System					
Other Expenses	94,400	94,400	89,562	4,838	
Aid to Volunteer Ambulance Companies					
Other Expenses	205,000	205,000	160,239	44,761	
Contribution	245,000	245,000	245,000	-	

TOWNSHIP OF WOODBRIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 (UNAUDITED)

	<u>2019 Appropriated</u>		<u>2019 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Continued)					
PUBLIC SAFETY (Continued)					
Municipal Prosecutor's Office					
Salaries & Wages	\$ 232,033	\$ 232,033	\$ 222,154	9,879	
Public Defender					
Salaries & Wages	77,340	77,340	38,787	\$ 38,553	
PUBLIC WORKS FUNCTIONS					
STREETS AND ROADS					
Road Repairs and Maintenance					
Salaries & Wages	5,514,908	4,974,908	4,624,755	350,153	
Other Expenses	763,700	788,700	759,923	28,777	
Other Public Works Functions					
Salaries & Wages	351,332	359,313	359,313	-	
Other Expenses	5,650	5,650	1,705	3,945	
Solid Waste Collection					
Salaries & Wages	4,347,967	4,323,467	4,278,903	44,564	
Other Expenses	292,950	292,950	270,624	22,326	
Buildings and Grounds					
Salaries & Wages	973,616	973,616	914,234	59,382	
Other Expenses	246,500	246,500	215,934	30,566	
Vehicle Maintenance					
Salaries & Wages	2,016,110	2,019,355	2,019,355	-	
Other Expenses	580,300	703,300	678,304	24,996	
HEALTH AND HUMAN SERVICES					
Public Health Services					
Salaries & Wages	2,064,147	2,064,147	1,897,973	166,174	-
Other Expenses	547,650	547,650	474,905	72,745	
Environmental Health Services					
Salaries & Wages	480,222	480,222	455,186	25,036	
Other Expenses	11,810	11,810	8,717	3,093	
Animal Control					
Salaries & Wages	330,899	330,899	306,598	24,301	
Other Expenses	89,950	90,950	89,861	1,089	
INSURANCE					
General Liability	1,957,884	1,797,743	1,283,185	514,558	
Workers Compensation	1,574,199	1,738,114	1,738,114	-	
Employee Group Health	22,049,148	22,049,148	22,049,148	-	
PARKS AND RECREATION					
Recreation					
Salaries & Wages	1,229,230	1,229,230	1,144,190	85,040	
Other Expenses	1,622,200	1,622,200	1,600,281	21,919	
Maintenance of Parks					
Salaries & Wages	2,575,639	2,575,639	2,561,830	13,809	
Other Expenses	157,300	182,300	160,677	21,623	
Landfill/Solid Waste Disposal Costs					
Other Expenses	3,700,000	3,700,000	3,480,538	219,462	

TOWNSHIP OF WOODBRIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 (UNAUDITED)

	<u>2019 Appropriated</u>		<u>2019 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Continued)					
Municipal Court					
Salaries and Wages	\$ 1,281,705	\$ 1,281,705	\$ 1,204,576	\$ 77,129	
Other Expenses	76,250	76,250	73,958	2,292	
Municipal Alliance Programs					
Salaries and Wages	-	-	-	-	
Other Expenses	82,500	82,500	65,741	16,759	
Uniform Construction Code					
Salaries and Wages	1,337,754	1,337,754	1,179,826	157,928	
Other Expenses	133,300	133,300	131,743	1,557	
Utility Expenses and Bulk Purchases					
Other Expenses	<u>3,360,000</u>	<u>3,360,000</u>	<u>3,014,079</u>	<u>345,921</u>	<u>-</u>
Total Operations Within "CAPS"	<u>103,454,906</u>	<u>103,401,438</u>	<u>99,563,769</u>	<u>3,837,669</u>	<u>-</u>
Detail:					
Salaries and Wages	58,880,030	57,917,788	55,873,284	2,044,504	
Other Expenses	<u>44,574,876</u>	<u>45,483,650</u>	<u>43,690,485</u>	<u>1,793,165</u>	<u>-</u>
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
Deferred Charges					
Anticipated Deficit - Recreation Utility Fund	5,512,666	5,512,666	5,133,825		\$ 378,841
Statutory Charges					
Social Security System (O.A.S.I.)	2,815,000	2,815,000	2,774,936	40,064	
Consolidated Police and Firemen's Pension Fund	20,000	16,226	16,226	-	
Police and Firemen's Retirement System of NJ	6,290,466	6,290,466	6,290,466	-	
Public Employees Retirement System	4,824,913	4,882,155	4,824,850	57,305	
Defined Contribution Retirement Program	<u>95,000</u>	<u>95,000</u>	<u>64,522</u>	<u>30,478</u>	<u>-</u>
Total Deferred Charges & Statutory Expenditures - Municipal Within "CAPS"	<u>19,558,045</u>	<u>19,611,513</u>	<u>19,104,825</u>	<u>127,847</u>	<u>378,841</u>
Total General Appropriations for Municipal OPERATIONS - EXCLUDED FROM "CAPS"	<u>123,012,951</u>	<u>123,012,951</u>	<u>118,668,594</u>	<u>3,965,516</u>	<u>378,841</u>
INSURANCE (N.J.S.A. 40A:4-45.3(OO))					
Supplemental Fire Services Payment	36,514	36,514	36,514	-	
Length of Service Award Program (LOSAP)	10,000	10,000	10,000	-	
Maintenance of Free Public Library (Ch. 82, P.L. 1985)	5,471,500	5,471,500	5,471,500	-	-
Recycling Tax	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>-</u>	<u>-</u>
Total Other Operations Excluded from "CAPS"	<u>5,648,014</u>	<u>5,648,014</u>	<u>5,648,014</u>	<u>-</u>	<u>-</u>

TOWNSHIP OF WOODBRIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 (UNAUDITED)

	<u>2019 Appropriated</u>		<u>2019 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - EXCLUDED FROM "CAPS" (Continued)					
Interlocal Municipal Service Agreements					
City of South Amboy, Roselle Park & Milltown					
Salaries and Wages	\$ 32,410	\$ 32,410	\$ 26,593	\$ 5,817	
Rahway Interlocal - Tax Collection					
Salaries and Wages	48,000	48,000	48,000	-	
Woodbridge Board of Education - Custodians					
Salaries and Wages	4,498,880	4,458,880	4,371,745	87,135	
Other Expenses	2,248,508	2,288,508	2,246,619	41,889	
Edison Elevator Interlocal					
Salaries and Wages	111,668	111,668	72,360	39,308	
Pert Amboy - Digital Trunk Radio System					
Other Expenses	39,747	39,747	22,401	17,346	
Fire District #5 Accounting Services					
Salaries and Wages	8,400	8,400	8,400	-	
Other Expenses	-	-	-	-	
Township Radio Agreement					
Other Expenses	456,000	456,000	456,000	-	
Opioid Overdose Recovery Program - Old Bridge					
Salaries and Wages	11,500	11,500	11,500	-	
Opioid Overdose Recovery Program - Carteret					
Salaries and Wages	6,000	6,000	6,000	-	
Opioid Overdose Recovery Program - Edison					
Salaries and Wages	9,000	9,000	9,000	-	
Opioid Overdose Recovery Program - Perth Amboy					
Salaries and Wages	6,000	6,000	6,000	-	
Opioid Overdose Recovery Program - South Amboy					
Salaries and Wages	7,500	7,500	7,500	-	
Opioid Overdose Recovery Program - Sayreville					
Salaries and Wages	10,500	10,500	10,500	-	-
Total Interlocal Municipal Service Agreements	<u>7,494,113</u>	<u>7,494,113</u>	<u>7,302,618</u>	<u>191,495</u>	<u>-</u>
Public and Private Programs Offset by Revenues					
Safe and Secure Communities Program	40,000	\$ 40,000	\$ 40,000	-	
Nicholas Hudanish Foundation Municipal Alliance		17,000	17,000	-	
Drunk Driving Enforcement Fund		20,305	20,305	-	
Middlesex County -Multi Services Grant - Additional		6,000	6,000	-	
Recreational Facilities Special Needs		1,500,000	1,500,000	-	
Pedestrian Safety Grant	11,000	11,000	11,000	-	
Alcohol Education & Rehabilitation	3,735	3,735	3,735	-	
Woodbridge Elks WPD Bullet Proof Vest		3,500	3,500	-	
NJDOT Local Freight Impact Fund		505,000	505,000	-	
HDSRF Public Entity		74,059	74,059	-	
Body Armor Grant		19,246	19,246	-	
COPS in SHOPS		3,520	3,520	-	
Click it or Ticket- Memorial Day		5,500	5,500	-	
MCIA Recycling Grant		31,983	31,983	-	
Recycling Tonnage Grant		147,187	147,187	-	
History Grant		4,500	4,500	-	
Jacobns Landing Paving		417,175	417,175	-	
NJDOT Step Program		66,000	66,000	-	
Transportation Trust Fund Grant		1,300,000	1,300,000	-	
20 NJDOT Municipal Aid		482,000	482,000	-	
19 NJDOT Municipal Aid		382,369	382,369	-	
Joel S. Mayer Memorial Fund Donation		5,000	5,000	-	
Distracted Driving Crackdown		5,500	5,500	-	
Barron Arts Center Restoration		54,675	54,675	-	
Kessler Foundation		45,000	45,000	-	
Safety Incentive Award		12,500	12,500	-	
Transportation Trust Fund Grant		400,000	400,000	-	
NJDOT Municipal Aid Program	417,995	417,995	417,995	-	
Clean Communities Grant	163,271	163,271	163,271	-	
Emergency Preparedness Plan Development	3,750	3,750	3,750	-	
Other Matching Funds	15,000	15,000	-	15,000	-
Total Public and Private Programs Offset by Revenues	<u>654,751</u>	<u>6,162,770</u>	<u>6,147,770</u>	<u>15,000</u>	<u>-</u>
Total Operations Excluded from "CAPS"	<u>13,796,878</u>	<u>19,304,897</u>	<u>19,098,402</u>	<u>206,495</u>	<u>-</u>

**TOWNSHIP OF WOODBRIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 (UNAUDITED)**

	<u>2019 Appropriated</u>		<u>2019 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Detail:					
Salaries and Wages	4,749,858	4,709,858	4,577,598	132,260	-
Other Expenses	<u>9,047,020</u>	<u>14,595,039</u>	<u>14,520,804</u>	<u>74,235</u>	<u>-</u>
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	<u>\$ 830,000</u>	<u>\$ 830,000</u>	<u>\$ 830,000</u>	<u>-</u>	<u>-</u>
Total Capital Improvements Excluded from "CAPS"	<u>830,000</u>	<u>830,000</u>	<u>830,000</u>	<u>-</u>	<u>-</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	9,435,000	9,435,000	9,435,000	-	-
Payment of Bond Anticipation Notes and Capital Notes	9,047,583	9,047,583	9,047,583	-	-
Interest on Bonds	1,570,173	1,570,173	1,570,173	-	-
Interest on Notes	2,656,101	2,656,101	2,656,101	-	-
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	<u>23,313</u>	<u>23,313</u>	<u>23,313</u>	<u>-</u>	<u>\$ -</u>
Total Municipal Debt Service Excluded from "CAPS"	<u>22,732,170</u>	<u>22,732,170</u>	<u>22,732,170</u>	<u>-</u>	<u>-</u>
DEFERRED CHARGES MUNICIPAL - EXCLUDED FROM "CAPS"					
Deferred Charge Unfunded - Ord 11-71	1,245	1,245	1,245	-	-
Deferred Charge Unfunded - Ord 17-120	<u>120</u>	<u>120</u>	<u>120</u>	<u>-</u>	<u>-</u>
Total Deferred Charges - Municipal Excluded from "CAPS"	<u>1,365</u>	<u>1,365</u>	<u>1,365</u>	<u>-</u>	<u>-</u>
Transferred to Board of Education for Use of Local Schools (N.J.S.A. 40:48-17.1 & 17.3)	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,330,723</u>	<u>-</u>	<u>369,277</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>39,060,413</u>	<u>44,568,432</u>	<u>43,992,660</u>	<u>\$ 206,495</u>	<u>369,277</u>
Subtotal General Appropriations	162,073,364	167,581,383	162,661,255	4,172,010	748,118
Reserve for Uncollected Taxes	<u>3,450,000</u>	<u>3,450,000</u>	<u>3,450,000</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$ 165,523,364</u>	<u>\$ 171,031,383</u>	<u>\$ 166,111,255</u>	<u>\$ 4,172,010</u>	<u>\$ 748,118</u>
Adopted Budget		\$ 165,523,364			
Additional Appropriations (N.J.S.A. 40A:4-87)		<u>5,508,019</u>			
		<u>\$ 171,031,383</u>			

**TOWNSHIP OF WOODBRIDGE
BALANCE SHEET - REGULATORY BASIS - TRUST FUNDS
AS OF JUNE 30, 2019 (UNAUDITED)**

	<u>2019</u>
ASSETS	
ANIMAL CONTROL TRUST FUND	
Cash and Cash Equivalents	\$ 114,507
Due from State of New Jersey	<u>75</u>
	<u>114,582</u>
OTHER TRUST FUND	
Cash and Cash Equivalents	16,425,247
Due from Current Fund	<u>24,146</u>
	<u>16,449,393</u>
SELF INSURANCE TRUST FUND	
Cash and Cash Equivalents	<u>6,766,509</u>
	<u>6,766,509</u>
COMMUNITY DEVELOPMENT BLOCK GRANT TRUST FUND	
Cash and Cash Equivalents	426,038
Due from Department of Housing and Urban Development	<u>121,437</u>
	<u>547,475</u>
SPECIAL IMPROVEMENT DISTRICT (SID) TRUST FUND	
Cash and Cash Equivalents	<u>885,032</u>
	<u>885,032</u>
Total Assets	<u>\$ 24,762,991</u>

**TOWNSHIP OF WOODBRIDGE
BALANCE SHEET - REGULATORY BASIS - TRUST FUNDS
AS OF JUNE 30, 2019 (UNAUDITED)**

	<u>2019</u>
LIABILITIES, RESERVES AND FUND BALANCE	
ANIMAL CONTROL TRUST FUND	
Due to Current Fund	\$ 19,757
Reserve for Animal Control Expenditures	<u>94,825</u>
	<u>114,582</u>
OTHER TRUST FUND	
Reserve for Other Trust Fund Deposits	15,247,149
Reserve for Unemployment Compensation Insurance	642,276
Payroll Deductions Payable	550,968
Miscellaneous Trust Reserves	<u>9,000</u>
	<u>16,449,393</u>
SELF INSURANCE TRUST FUND	
Due to Current Fund	383,245
Reserve for Self Insurance Claims	<u>6,383,264</u>
	<u>6,766,509</u>
COMMUNITY DEVELOPMENT BLOCK GRANT TRUST FUND	
Other Liabilities - Unapplied Program Income	72,827
Due to Current Fund	3,574
Reserve for Expenditures	<u>471,074</u>
	<u>547,475</u>
SPECIAL IMPROVEMENT DISTRICT (SID) TRUST FUND	
Reserve for Special Improvement District	<u>885,032</u>
	<u>885,032</u>
 Total Liabilities, Reserves and Fund Balance	 <u>\$ 24,762,991</u>

TOWNSHIP OF WOODBRIDGE
BALANCE SHEET - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF JUNE 30, 2019 (UNAUDITED)

	<u>2019</u>
ASSETS	
Cash and Cash Equivalents	\$ 19,749,991
Deferred Charges to Future Taxation	
Funded	34,035,883
Unfunded	150,889,275
Grants Receivable	373,051
Contribution Receivable	240,000
Due from Current Fund	<u>60,794</u>
 Total Assets	 <u><u>\$ 205,348,994</u></u>
 LIABILITIES, RESERVES AND FUND BALANCE	
General Serial Bonds	\$ 33,830,000
Bond Anticipation Notes	142,645,297
Loans Payable	205,883
Improvement Authorizations	
Funded	167,672
Unfunded	15,678,227
Capital Improvement Fund	209,267
Due to Other Trust Fund	-
Due to Sewer Capital Fund	-
Encumbrances Payable	10,187,166
Reserve for Receivable	373,051
Reserve for Land Acquisition	482
Reserve for Payment of Debt	431,452
Fund Balance	<u>1,620,497</u>
 Total Liabilities, Reserves and Fund Balance	 <u><u>\$ 205,348,994</u></u>

There were bonds and notes authorized but not issued on June 30, 2019 of \$8,390,000.

TOWNSHIP OF WOODBRIDGE
STATEMENT OF CHANGE IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 (UNAUDITED)

	<u>2019</u>
Fund Balance, July 1	\$ 1,328,416
Increased By:	
Premium on Sale of Notes	<u>1,620,497</u>
	2,948,913
Decreased By:	
Anticipated as Current Fund Revenue	<u>1,328,416</u>
Fund Balance, June 30	<u><u>\$ 1,620,497</u></u>

TOWNSHIP OF WOODBRIDGE
BALANCE SHEET - REGULATORY BASIS
SEWER UTILITY FUND
AS OF JUNE 30, 2019 (UNAUDITED)

	<u>2019</u>
ASSETS	
OPERATING FUND	
Cash and Cash Equivalents	\$ 7,757,358
Due from Sewer Utility Capital Fund	<u>19,430</u>
	<u>7,776,788</u>
Receivables With Full Reserves	
Consumer Accounts Receivable	1,364,787
Utility Liens Receivable	<u>9,307</u>
	<u>1,374,094</u>
Deferred Charges	
Emergency Authorizations	<u>131,824</u>
	<u>131,824</u>
Total Operating Fund	<u><u>9,282,706</u></u>
CAPITAL FUND	
Cash and Cash Equivalents	26,612,403
Fixed Capital	105,980,818
Fixed Capital Authorized and Uncompleted	<u>118,392,449</u>
Total Capital Fund	<u><u>250,985,670</u></u>
Total Assets	<u><u>\$ 260,268,376</u></u>

TOWNSHIP OF WOODBRIDGE
BALANCE SHEET - REGULATORY BASIS
SEWER UTILITY FUND
AS OF JUNE 30, 2019 (UNAUDITED)

	<u>2019</u>
LIABILITIES, RESERVES AND FUND BALANCE	
OPERATING FUND	
Appropriation Reserves	\$ 1,346,616
Encumbrances Payable	503,371
Accrued Interest on Bonds and Notes	1,656,280
Accounts Payable	68,608
Consumer Overpayments	<u>48,324</u>
	3,623,199
Reserve for Receivables	1,374,094
Fund Balance	<u>4,285,413</u>
Total Operating Fund	<u>9,282,706</u>
CAPITAL FUND	
Serial Bonds	30,360,000
Bond Anticipation Notes	40,567,703
Encumbrances Payable	3,631,590
Improvement Authorizations	
Funded	336,931
Unfunded	84,076,359
Reserve for Amortization	90,996,240
Deferred Reserve for Amortization	502,324
Due to Sewer Utility Operating Fund	19,430
Fund Balance	<u>495,093</u>
Total Capital Fund	<u>250,985,670</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 260,268,376</u>

There were bonds and notes authorized but not issued on June 30, 2019 of \$61,947,000.

TOWNSHIP OF WOODBRIDGE
STATEMENT OF OPERATIONS AND CHANGE IN OPERATING
FUND BALANCE - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 (UNAUDITED)

	<u>2019</u>
REVENUES AND OTHER INCOME REALIZED	
Fund Balance Utilized	\$ 4,223,174
User Fees and Other Charges	27,399,003
Borough of Carteret Sewer Fees	840,801
Interest on Investments	430,042
Interest on Delinquent Fees	417,457
Sewer Connection Fees	213,231
Interlocal Agreement with Board of Education	184,080
Sewer Capital Fund Balance	481,608
Reserve for Bond Issuance Costs	30,961
Nonbudget Revenue	32,653
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	<u>1,907,676</u>
Total Revenues and Other Income	<u>36,160,686</u>
EXPENDITURES	
Budget Appropriations	
Operating	21,677,055
Capital Improvements	131,824
Deferred Charges and Statutory Expenditures	790,750
Debt Service	<u>10,147,287</u>
Total Expenditures	<u>32,746,916</u>
Excess in Revenue	3,413,770
FUND BALANCE, JULY 1	<u>4,962,993</u>
	8,508,587
Decreased by:	
Utilized as Anticipated Revenue	<u>4,223,174</u>
FUND BALANCE, JUNE 30	<u><u>\$ 4,285,413</u></u>

TOWNSHIP OF WOODBRIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 (UNAUDITED)

	SFY 2019 <u>Anticipated</u>	SFY 2019 <u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	\$ 4,223,174	\$ 4,223,174	
User Fees and Other Charges	26,231,477	27,399,003	\$ 1,167,526
Sewer Connection Fees	100,000	213,231	113,231
Interest on Delinquent Fees	360,000	417,557	57,557
Borough of Carteret Sewer Fees	893,755	840,801	(52,954)
Interlocal Agreement with Board of Education	169,117	184,080	14,963
Interest on Investments	125,000	430,042	305,042
Reserve for Bond Issuance Costs	30,961	30,961	-
Sewer Capital Fund Balance	<u>481,608</u>	<u>481,608</u>	<u>-</u>
	<u>\$ 32,615,092</u>	<u>\$ 34,220,457</u>	<u>\$ 1,605,365</u>

TOWNSHIP OF WOODBRIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 (UNAUDITED)

	<u>2019 Appropriated</u>		<u>2019 Expended</u>	
	<u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserved</u>
OPERATING				
Salaries and Wages	\$ 4,175,862	\$ 4,175,862	\$ 4,019,387	\$ 156,475
Other Expenses	17,501,193	17,501,193	16,317,196	1,183,997
CAPITAL IMPROVEMENT FUND				
Down Payment on Improvements	-	131,824	131,824	
DEBT SERVICE				
Payment of Bonds Principal	3,070,000	3,070,000	3,070,000	
Payment of Bond Anticipation Notes and Capital Notes	4,651,172	4,651,172	4,651,172	
Interest on Bonds	1,292,850	1,292,850	1,292,850	
Interest on Notes	1,133,265	1,133,265	1,133,265	
STATUTORY EXPENDITURES				
Contribution to Public Employees Retirement System	475,000	475,000	475,000	
Social Security System	285,750	285,750	279,606	6,144
Defined Contribution Retirement System	20,000	20,000	20,000	-
Unemployment Compensation Insurance	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
	<u>\$ 32,615,092</u>	<u>\$ 32,746,916</u>	<u>\$ 31,400,300</u>	<u>\$ 1,346,616</u>
Original Budget		\$ 32,615,092		
Emergency Authorizations		<u>131,824</u>		
		<u>\$ 32,746,916</u>		

TOWNSHIP OF WOODBRIDGE
STATEMENT OF CHANGE IN FUND BALANCE - REGULATORY BASIS
SEWER UTILITY CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 (UNAUDITED)

	<u>2019</u>
Balance, July 1	\$ 481,608
Increased by:	
Premium on Sale of Notes	<u>495,093</u>
	976,701
Decreased by:	
Anticipated as Revenue in Operating Fund	<u>481,608</u>
Balance, June 30	<u>\$ 495,093</u>

**TOWNSHIP OF WOODBRIDGE
BALANCE SHEET - REGULATORY BASIS
RECREATION UTILITY FUND
AS OF JUNE 30, 2019 (UNAUDITED)**

	<u>2019</u>
ASSETS	
OPERATING FUND	
Cash and Cash Equivalents	\$ 1,974,992
Change Funds	<u>5,600</u>
	1,980,592
Deferred Charges	
Overexpenditure	<u>98,927</u>
Total Operating Fund	<u>2,079,519</u>
CAPITAL FUND	
Cash and Cash Equivalents	3,239,570
Fixed Capital	38,518,435
Fixed Capital Authorized and Uncompleted	<u>24,754,000</u>
Total Capital Fund	<u>66,512,005</u>
Total Assets	<u>\$ 68,591,524</u>

**TOWNSHIP OF WOODBRIDGE
BALANCE SHEET - REGULATORY BASIS
RECREATION UTILITY FUND
AS OF JUNE 30, 2019 (UNAUDITED)**

	<u>2019</u>
LIABILITIES, RESERVES AND FUND BALANCE	
OPERATING FUND	
Appropriation Reserves	\$ 897,934
Encumbrances Payable	452,082
Accounts Payable	29,210
Due to Current Fund	228,841
Due to Marina Utility Fund	19,332
Accrued Interest on Notes	<u>358,455</u>
	1,985,854
Fund Balance	<u>93,665</u>
Total Operating Fund	<u>2,079,519</u>
CAPITAL FUND	
Bond Anticipation Notes	20,700,000
Encumbrances Payable	6,112,648
Reserve for Payment of Debt	547,144
Reserve for Amortization	36,551,185
Deferred Reserve for Amortization	871,250
Capital Improvement Fund	600,000
Improvement Authorizations	
Unfunded	885,524
Fund Balance	<u>244,254</u>
Total Capital Fund	<u>66,512,005</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 68,591,524</u>

There were bonds and notes authorized but not issued on June 30, 2019 aof \$5,150,000.

TOWNSHIP OF WOODBRIDGE
STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING
FUND BALANCE - REGULATORY BASIS
RECREATION UTILITY OPERATING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 (UNAUDITED)

	<u>2019</u>
REVENUES AND OTHER INCOME REALIZED	
Recreation Fees and Other Charges	\$ 7,116,796
Interest on Investments	1,127
Contribution - Forest City	150,000
Reserve for Debt Service	818,443
Recreation Capital Fund - Fund Balance	170,464
Contribution - Gredel	609,814
State Landfill Remediation Funds	31,846
Nonbudget Revenue	<u>55,324</u>
 Total Revenues and Other Income	 <u>8,953,814</u>
EXPENDITURES	
Budget Appropriations	
Operating	7,694,159
Capital Outlay	2,625,000
Deferred Charges and Statutory Expenditures	473,929
Debt Service	<u>3,393,478</u>
 Total Expenditures	 <u>14,186,566</u>
 (Deficit) in Revenue	 (5,232,752)
 Deficit (General Budget)	 5,133,825
 Less: Expenditures Included Above Which by Statute are Deferred Charges to Succeeding Year's Budget	 <u>98,927</u>
 FUND BALANCE, JULY 1	 <u>93,665</u>
 FUND BALANCE, JUNE 30	 <u>\$ 93,665</u>

TOWNSHIP OF WOODBRIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
RECREATION UTILITY OPERATING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 (UNAUDITED)

	SFY 2019 <u>Anticipated</u>	Added by N.J.S.A. <u>40A:4-87</u>	SFY 2019 <u>Realized</u>	Excess or <u>(Deficit)</u>
User Fees and Other Charges	\$ 4,093,502	\$ 2,700,000	\$ 7,116,796	\$ 323,294
Contribution - Forest City	150,000		150,000	-
Contribution - Gredel	609,798		609,814	16
Recreation Capital Fund -Fund Balance	170,464		170,464	-
Reserve for Debt Service	818,443		818,443	-
State Landfill Remediation Funds	31,574		31,846	272
Interest on Investments	1,192		1,127	(65)
Deficit (General Budget)	<u>5,512,666</u>	<u>-</u>	<u>5,133,825</u>	<u>(378,841)</u>
	<u>\$ 11,387,639</u>	<u>\$ 2,700,000</u>	<u>\$ 14,032,315</u>	<u>\$ (55,324)</u>

TOWNSHIP OF WOODBRIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
RECREATION UTILITY OPERATING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 (UNAUDITED)

	<u>2019 Appropriated</u>		<u>2019 Expended</u>		<u>Overexpenditure</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATING					
Salaries and Wages	\$ 2,532,588	\$ 4,359,464	\$ 3,855,988	\$ 503,476	
Other Expenses	2,546,000	3,334,695	2,946,325	388,370	
DEBT SERVICE					
Payment of Bond Anticipation Notes and Capital Notes	3,000,000	3,000,000	3,000,000		
Interest on Notes	294,551	294,551	393,478		98,927
CAPITAL IMPROVEMENTS					
Down Payment on Improvements	600,000	600,000	600,000		
Capital Outlay	2,025,000	2,025,000	2,025,000		
DEFERRED CHARGES					
Emergency Authorizations					
Ordinance 16-17	39,500	39,500	39,500		
STATUTORY EXPENDITURES					
Public Employees' Retirement System	100,000	100,000	100,000		
Social Security System	205,000	289,429	289,429	-	
Defined Contribution Retirement Program	45,000	45,000	38,912	6,088	-
	<u>\$ 11,387,639</u>	<u>\$ 14,087,639</u>	<u>\$ 13,288,632</u>	<u>\$ 897,934</u>	<u>\$ 98,927</u>
Adopted Budget		\$ 11,387,639			
Additional Appropriations (N.J.S.A. 40A:4-87)		<u>2,700,000</u>			
		<u>\$ 14,087,639</u>			

**STATEMENT OF CHANGES IN FUND BALANCE - REGULATORY BASIS
RECREATION UTILITY CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 (UNAUDITED)**

	<u>2019</u>
Balance, July 1	\$ 170,464
Increased by:	
Premium on Sale of Notes	<u>244,254</u>
	414,718
Decreased By:	-
Anticipated as Revenue in Operating Fund	<u>170,464</u>
Balance, June 30	<u><u>\$ 244,254</u></u>

**TOWNSHIP OF WOODBRIDGE
BALANCE SHEET - REGULATORY BASIS
MARINA AND BOAT LAUNCH UTILITY FUND
AS OF JUNE 30, 2019 (UNAUDITED)**

	<u>2019</u>
OPERATING FUND	
ASSETS	
Cash and Cash Equivalents	\$ 87,952
Due from Recreation Utility Operating Fund	<u>19,332</u>
Total Assets	<u>\$ 107,284</u>
LIABILITIES, RESERVES AND FUND BALANCE	
Appropriation Reserves	\$ 15,044
Encumbrances Payable	<u>3,315</u>
	18,359
Fund Balance	<u>88,925</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 107,284</u>

TOWNSHIP OF WOODBRIDGE
STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -
REGULATORY BASIS - MARINA AND BOAT LAUNCH UTILITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 (UNAUDITED)

	<u>2019</u>
REVENUES AND OTHER INCOME REALIZED	
Fund Balance Anticipated	\$ 30,833
Marina and Boat Launch Fees	87,929
Interest on Investments	293
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	<u>71,370</u>
Total Revenues and Other Income	<u>190,425</u>
 EXPENDITURES	
Budget Appropriations:	
Operating	99,500
Statutory Expenditures	<u>2,000</u>
Total Expenditures	<u>101,500</u>
Excess in Revenue	88,925
FUND BALANCE, JULY 1	<u>30,833</u>
	119,758
Decreased by:	
Utilized as Anticipated Revenue	<u>30,833</u>
FUND BALANCE, JUNE 30	<u><u>\$ 88,925</u></u>

TOWNSHIP OF WOODBRIDGE
STATEMENT OF REVENUES - REGULATORY BASIS - MARINA AND BOAT LAUNCH UTILITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 (UNAUDITED)

	SFY 2019 <u>Anticipated</u>	SFY 2019 <u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	\$ 30,833	\$ 30,833	
Marina and Boat Launch Fees	70,167	87,929	\$ 17,762
Interest on Investments	<u>500</u>	<u>293</u>	<u>(207)</u>
 Total	 <u>\$ 101,500</u>	 <u>\$ 119,055</u>	 <u>\$ 17,555</u>

TOWNSHIP OF WOODBRIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
MARINA AND BOAT LAUNCH UTILITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 (UNAUDITED)

	2019 Appropriated		2019 Expended	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
OPERATING				
Salaries and Wages	\$ 18,500	\$ 18,500	\$ 18,242	\$ 258
Other Expenses	81,000	81,000	66,842	14,158
STATUTORY EXPENDITURES				
Social Security System	<u>2,000</u>	<u>2,000</u>	<u>1,372</u>	<u>628</u>
Total	<u>\$ 101,500</u>	<u>\$ 101,500</u>	<u>\$ 86,456</u>	<u>\$ 15,044</u>

TOWNSHIP OF WOODBRIDGE
BALANCE SHEET - REGULATORY BASIS
PARKING UTILITY FUND
AS OF JUNE 30, 2019 (UNAUDITED)

	<u>2019</u>
ASSETS	
OPERATING FUND	
Cash and Cash Equivalents	\$ 334,536
Change Funds	<u>2,000</u>
	<u>336,536</u>
Deferred Charges	
Overexpenditure of Appropriation	<u>5,270</u>
Total Operating Fund	<u><u>341,806</u></u>
CAPITAL FUND	
Cash and Cash Equivalents	408,434
Due from Parking Utility Operating Fund	71
Deferred Charge - Overexpenditure of Ordinance	3,993
Fixed Capital	1,992,243
Fixed Capital Authorized and Uncompleted	<u>935,000</u>
Total Capital Fund	<u><u>3,339,741</u></u>
Total Assets	<u><u>\$ 3,681,547</u></u>

TOWNSHIP OF WOODBRIDGE
BALANCE SHEET - REGULATORY BASIS
PARKING UTILITY FUND
AS OF JUNE 30, 2019 (UNAUDITED)

	<u>2019</u>
LIABILITIES, RESERVES AND FUND BALANCE	
OPERATING FUND	
Appropriation Reserves	\$ 18,879
Encumbrances Payable	59,393
Accrued Interest on Notes	5,270
Due to Parking Capital Fund	71
Due to Current Fund	131,948
Reserve for Maintenance	<u>16,031</u>
	231,592
Fund Balance	<u>110,214</u>
Total Operating Fund	<u>341,806</u>
CAPITAL FUND	
Encumbrances Payable	7,139
Bond Anticipation Notes	620,000
Improvement Authorizations	
Funded	51,164
Unfunded	331,345
Reserve for Amortization	2,281,743
Deferred Reserve for Amortization	25,500
Fund Balance	<u>22,850</u>
Total Capital Fund	<u>3,339,741</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 3,681,547</u>

There were no bonds and notes authorized but not issued on June 30, 2019, respectively.

TOWNSHIP OF WOODBRIDGE
STATEMENT OF OPERATIONS AND CHANGE IN OPERATING
FUND BALANCE - REGULATORY BASIS
PARKING UTILITY OPERATING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 (UNAUDITED)

	<u>2019</u>
REVENUES AND OTHER INCOME REALIZED	
Fund Balance Utilized	
Parking Fees and Permits	\$ 308,934
Main Street SID Contribution	80,000
Non Budget Revenue	5,798
Total Revenues and Other Income	<u>394,732</u>
EXPENDITURES	
Budget Appropriations	
Operating	273,367
Deferred Charges and Statutory Expenditures	6,633
Refund of Prior Year Revenue	<u>4,518</u>
Total Expenditures	<u>284,518</u>
Excess in Revenue	110,214
FUND BALANCE, JULY 1	<u>-</u>
	<u>110,214</u>
FUND BALANCE, JUNE 30	<u><u>\$ 110,214</u></u>

TOWNSHIP OF WOODBRIDGE
STATEMENT OF REVENUES - REGULATORY BASIS
PARKING UTILITY OPERATING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 (UNAUDITED)

	SFY 2019 <u>Anticipated</u>	SFY 2019 <u>Realized</u>	Excess or <u>(Deficit)</u>
Parking Fees and Permits	\$ 200,000	\$ 308,934	\$ 108,934
Main Street SID Contribution	<u>80,000</u>	<u>80,000</u>	<u>-</u>
	<u>\$ 280,000</u>	<u>\$ 388,934</u>	<u>\$ 108,934</u>

STATEMENT OF EXPENDITURES - REGULATORY BASIS
PARKING UTILITY OPERATING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 (UNAUDITED)

	<u>2019 Appropriated</u>		<u>2019 Expended</u>	
	<u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserved</u>
OPERATING				
Salaries and Wages	\$ 34,454	\$ 34,454	\$ 34,437	\$ 17
Other Expenses	239,146	238,913	220,051	18,862
STATUTORY EXPENDITURES				
Public Employees Retirement System	4,000	4,000	4,000	-
Social Security System	<u>2,400</u>	<u>2,633</u>	<u>2,633</u>	<u>-</u>
	<u>\$ 280,000</u>	<u>\$ 280,000</u>	<u>\$ 261,121</u>	<u>\$ 18,879</u>

TOWNSHIP OF WOODBRIDGE
STATEMENT OF CHANGES IN FUND BALANCE - REGULATORY BASIS
PARKING UTILITY CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 (UNAUDITED)

	<u>2019</u>
Balance, July 1	\$ 15,813
Increased by:	
Premium on Sale of Notes	<u>7,037</u>
Balance, June 30	<u><u>\$ 22,850</u></u>

TOWNSHIP OF WOODBRIDGE
BALANCE SHEET - REGULATORY BASIS
PUBLIC ASSISTANCE TRUST FUND
AS OF JUNE 30, 2019 (UNAUDITED)

	<u>2019</u>
ASSETS	
Cash and Cash Equivalents	\$ <u>1,704</u>
Total Assets	\$ <u>1,704</u>
 LIABILITIES AND RESERVES	
Reserve for Public Assistance Expenditures	\$ <u>1,704</u>
Total Liabilities and Reserves	\$ <u>1,704</u>

TOWNSHIP OF WOODBRIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF JUNE 30, 2019 (UNAUDITED)

	<u>2019</u>
ASSETS	
Land, Buildings and Building Improvements	\$ 88,523,903
Machinery and Equipment	59,786,536
Construction in Progress	<u>2,261,491</u>
 Total Assets	 <u>\$ 150,571,930</u>
 RESERVES	
Investment in General Fixed Assets	<u>\$ 150,571,930</u>
 Total Reserves	 <u>\$ 150,571,930</u>

**INDEPENDENT AUDITORS REPORT AND
FINANCIAL STATEMENTS OF THE TOWNSHIP
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017**

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LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
SHERYL M. NICOLOSI, CPA
ROBERT LERCH, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Council
Township of Woodbridge
Woodbridge, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of Woodbridge, as of June 30, 2018 and 2017, and the related statements of operations and changes in fund balance - regulatory basis, the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the fiscal years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Township of Woodbridge on the basis of the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws 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 financial reporting requirements of the State of New Jersey for municipal government entities.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Township of Woodbridge as of June 30, 2018 and 2017, or changes in financial position, or, where applicable, cash flows for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Township of Woodbridge as of June 30, 2018 and 2017, and the results of operations and changes in fund balance – regulatory basis of such funds, the respective revenues – regulatory basis and expenditures – regulatory basis of the various funds for the fiscal years then ended in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

By/s/

LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants

Fair Lawn, New Jersey
December 20, 2018

TOWNSHIP OF WOODBRIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Regular Fund		
Cash and Cash Equivalents	\$ 32,364,207	\$ 29,222,155
Petty Cash	1,590	208
Change Funds	1,650	1,650
Due from the State of New Jersey - Homestead Rebate		3,208,384
Due from the State of New Jersey - Senior Citizens' and Veterans' Deductions	<u>432,705</u>	<u>444,700</u>
	<u>32,800,152</u>	<u>32,877,097</u>
Receivables and Other Assets with Full Reserves		
Delinquent Taxes Receivable	3,134,954	3,114,482
Tax Title Liens Receivable	475,635	341,576
Assigned Tax Title Liens Receivable	194,062	194,062
Property Acquired for Taxes - Assessed Valuation	936,500	936,500
Due from Other Trust Fund	1,231	941
Due from Recreation Utility Operating Fund	613,496	128,377
Due from Parking Utility Operating Fund	226,282	
Due from Self Insurance Trust Fund	703,329	
Other Accounts Receivable	56,052	46,467
Revenue Accounts Receivable	<u>136,718</u>	<u>141,416</u>
	<u>6,478,259</u>	<u>4,903,821</u>
Total Regular Fund	<u>39,278,411</u>	<u>37,780,918</u>
Federal and State Grant Fund		
Cash and Cash Equivalents	498,576	474,721
Grants Receivable	<u>9,211,581</u>	<u>9,304,139</u>
Total Federal and State Grant Fund	<u>9,710,157</u>	<u>9,778,860</u>
Total Assets	<u>\$ 48,988,568</u>	<u>\$ 47,559,778</u>

TOWNSHIP OF WOODBRIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
LIABILITIES, RESERVES AND FUND BALANCE		
Regular Fund		
Appropriation Reserves	\$ 6,885,968	\$ 5,231,880
Encumbrances Payable	2,203,904	2,090,534
Tax Overpayments	1,412,387	38,606
Prepaid Taxes	445,424	3,418,883
Miscellaneous Reserves	172,851	239,129
Accounts Payable	283,268	91,214
Due to General Capital Fund	121,956	99,465
Due to Self Insurance Trust Fund	-	2,984,951
Due to Other Trust Fund	16,394	
Due to Outside Lienholders	181,349	166,184
Reserve for Payroll	20,624	10,095
Prepaid PILOT Revenues	-	130,076
Amount Due to County of Middlesex - PILOT Revenues	<u>454,033</u>	<u>846,692</u>
	12,198,158	15,347,709
Reserve for Receivables and Other Assets	6,478,259	4,903,821
Fund Balance	<u>20,601,994</u>	<u>17,529,388</u>
Total Regular Fund	<u>39,278,411</u>	<u>37,780,918</u>
Federal and State Grant Fund		
Encumbrances Payable	288,504	115,293
Due to Redevelopment Agency	5,000	-
Reserve for Grants and Donations - Unappropriated	210,756	243,354
Reserve for Grants and Donations - Appropriated	<u>9,205,897</u>	<u>9,420,213</u>
Total Federal and State Grant Fund	<u>9,710,157</u>	<u>9,778,860</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 48,988,568</u>	<u>\$ 47,559,778</u>

TOWNSHIP OF WOODBRIDGE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	June 30, <u>2018</u>	June 30, <u>2017</u>
REVENUES AND OTHER INCOME REALIZED		
Fund Balance Utilized	\$ 9,262,024	\$ 11,476,662
Miscellaneous Revenue Anticipated	52,285,874	49,006,812
Receipts from Delinquent Taxes	2,960,719	2,685,581
Receipts from Current Taxes	341,489,311	334,261,850
Non-Budget Revenue	1,534,804	1,261,965
Other Credits to Income		
Unexpended Balances of Appropriation Reserves	4,413,544	5,603,617
PILOT Due County Cancelled	3,118	-
Accounts Payable Cancelled	-	67,038
Interfunds and Accounts Receivable Reserves Returned	<u>175,785</u>	<u>80,395</u>
 Total Revenues and Other Income	 <u>412,125,179</u>	 <u>404,443,920</u>
 EXPENDITURES		
Municipal Budget Appropriations		
Operations		
Salaries and Wages	59,896,665	56,644,617
Other Expenses	53,366,897	52,217,249
Capital Improvements	880,000	1,466,000
Municipal Debt Service	20,949,676	20,369,016
Deferred Charges and Statutory Expenditures -		
Municipal	19,275,408	18,018,432
Fire District Taxes	19,688,150	19,247,877
County Taxes	41,410,921	45,939,130
County Taxes - Added Taxes	143,828	232,177
Local District School Taxes	181,603,377	178,123,056
Refund of Prior Year Revenue	2,293	258,516
Prior Year Tax Appeals Granted	972,694	1,136,335
Other Debits to Income		
Prior Year PILOT Revenue Due to County of Middlesex		432,694
Prior Year Senior Citizens/Veterans Deductions Disallowed	250	
Grants Receivable Cancelled		236,708
Interfunds and Accounts Receivable Reserves Established	<u>1,600,390</u>	<u>175,785</u>
 Total Expenditures	 <u>399,790,549</u>	 <u>394,497,592</u>
 Excess in Revenue (Carried Forward)	 <u>12,334,630</u>	 <u>9,946,328</u>

TOWNSHIP OF WOODBRIDGE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	June 30, <u>2018</u>	June 30, <u>2017</u>
Excess in Revenue (Brought Forward)	\$ 12,334,630	\$ 9,946,328
FUND BALANCE, JULY 1	<u>17,529,388</u>	<u>19,059,722</u>
	29,864,018	29,006,050
Decreased by:		
Utilized as Anticipated Revenue	<u>9,262,024</u>	<u>11,476,662</u>
FUND BALANCE, JUNE 30	<u>\$ 20,601,994</u>	<u>\$ 17,529,388</u>

TOWNSHIP OF WOODBRIDGE
COMPARATIVE STATEMENTS OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>		<u>2017</u>	
	<u>Budget After Modification</u>	<u>Actual</u>	<u>Budget After Modification</u>	<u>Actual</u>
FUND BALANCE ANTICIPATED	\$ 9,262,024	\$ 9,262,024	\$ 11,476,662	\$ 11,476,662
MISCELLANEOUS REVENUES				
Licenses				
Alcoholic Beverages	131,046	131,204	160,260	131,046
Other	277,117	313,914	287,829	277,117
Fees and Permits	479,942	624,853	485,305	479,942
Fines and Costs				
Municipal Court	1,503,251	1,599,088	1,570,915	1,503,251
Interest and Costs on Taxes	777,678	753,989	317,000	777,678
Interest on Investments and Deposits	95,441	258,305	70,000	95,442
Cable Television Franchise Fees	333,283	344,071	316,845	333,283
Police Reports	44,578	47,028	45,185	44,578
Recycling Fees	204,395	229,298	192,930	204,395
Impound Yard Fees	96,462	120,476	122,525	96,462
Energy Receipts Tax	23,137,211	23,137,211	23,021,366	23,021,366
Consolidated Municipal Property Tax Relief Aid	96,858	96,858	212,703	212,703
Uniform Construction Code Fees	2,250,000	2,683,734	1,900,000	3,248,694
Rahway Tax Collection	48,000	24,000	48,000	48,000
City of South Amboy - Animal Shelter Agreement	12,725	12,725	12,725	12,710
Borough of Roselle Park - Animal Shelter Agreement	20,099	15,074	19,900	19,950
Borough of Milltown - Animal Shelter Agreement	10,760	10,643	10,600	10,600
East Brunswick - Animal Shelter Agreement	9,975	16,625	4,000	9,975
Perth Amboy - Digital Trunk Radio System	38,968	38,968	38,203	38,203
Edison Elevator Inspection	80,000	111,668	80,910	131,382
Fire District #5 Accounting Services	7,500	7,500	7,500	7,500
Township Radio Agreement	456,000	456,000	390,000	390,000
Woodbridge Board of Education - Custodians	6,615,000	6,615,000	5,930,000	5,930,000
Opioid Overdose Recovery Program - Township of Old Bridge	17,500	7,750		
Opioid Overdose Recovery Program - Borough of Carteret	17,500			
Opioid Overdose Recovery Program - Township of Edison	17,500	4,167		
Opioid Overdose Recovery Program - City of Perth Amboy	17,500			
Opioid Overdose Recovery Program - City of South Amboy	17,500			
State and Federal Revenues Offset with Appropriations				
Safe and Secure Communities Program	60,000	60,000	20,000	20,000
Safe and Secure Communities Program - Reserve			40,000	40,000
Municipal Alliance on Alcoholism	85,447	85,447	85,447	85,447
Drunk Driving Enforcement Fund	18,839	18,839	22,576	22,576
Drunk Driving Enforcement Fund - 2			26,631	26,631
Middlesex County -Multi Services Grant	40,000	40,000	32,000	32,000
Middlesex County -Multi Services Grant - Additional	6,000	6,000		
Pedestrian Safety Grant	11,000	11,000		
Alcohol Education & Rehabilitation	6,627	6,627	7,675	7,675
Woodbridge Community Charity Fund - Addiction Services Grant	20,000	20,000		
CMAQ Grant	268,650	-		
Drive Sober or Get Pulled Over Year End	5,500	5,500	5,000	5,000
Drive Sober or Get Pulled Over			5,000	5,000
Body Armor Grant	17,051	17,051	17,021	17,021
History Grant			4,800	4,800
COPS in SHOPS	3,520	3,520	2,200	2,200
Recreation Opportunities for Individuals with Disabilities	20,000	20,000		
Town Center DER Microgrid Incentive Program	150,000	150,000		
MCIA Recycling Grant	47,975	47,975	47,975	47,975
Recycling Tonnage Grant	221,374	221,374	208,520	208,520
History Grant	4,540	4,540		
Sustainable Jersey Small Grant	10,000	10,000		
Sustainable Jersey Solar Grant			5,000	5,000
Distracted Driving Crackdown	6,600	6,600	5,500	5,500
Drug and Alcohol Treatment			50,000	50,000
Dana Transportation FD#2 Donation	29,975	29,975		
Sustainable Jersey Roots to River	2,800	2,800		

TOWNSHIP OF WOODBRIDGE
COMPARATIVE STATEMENTS OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>		<u>2017</u>	
	Budget After <u>Modification</u>	<u>Actual</u>	Budget After <u>Modification</u>	<u>Actual</u>
MISCELLANEOUS REVENUES (Continued)				
Safety Incentive Award	\$ 12,500	\$ 12,500	\$ 10,000	\$ 10,000
Shaping NJ Grant			10,000	10,000
Highway Safety Fund	34,706	34,706		
EPA - P2	5,000	5,000		
NJDOT Municipal Aid Program	278,875	278,875	373,869	373,869
Clean Communities Grant	170,727	170,727	200,959	200,959
Emergency Preparedness Plan Development	820	820	1,500	1,500
Click It of Ticket			5,500	5,500
Justice Assistnace Grant			13,256	13,256
Highway Safety Fund	40,986	40,986	43,780	43,780
Reserve for Sale of Municipal Assets	133,829	133,829	131,064	131,064
PILOT - Wakefern	481,925	481,925	459,437	489,435
PILOT - Housing Authority	283,730	270,393	139,228	
Tower Lease Revenue	122,524	122,745	110,516	122,524
PILOT - Forest City Ratner	222,913	222,913	136,865	230,000
PILOT - Marriott Renaissance	504,347	504,347	397,467	397,466
PILOT - Kona Grill	57,818	57,818	44,694	44,692
Hotel Tax	1,150,000	1,324,787	1,150,000	1,244,604
WTT -35 Bulletin Board Sponsors			1,450	-
Woodbridge WORKS Sponsors	11,325	10,215	11,360	11,325
PILOT - WHA/Maple Tree - Avenel Manor	38,012	37,524	34,553	38,012
PILOT - Reinhard Manor	49,510	50,043	12,102	49,510
PILOT - Tilcon	83,087	83,087	81,440	81,438
Global Fabrication Lease	22,224	22,224	22,224	22,224
Property Tax Deduction Administrative Fee	16,008	14,720	17,352	16,008
Capital Fund Balance	1,800,670	1,800,670		
PILOT - GPS Ground (FedEx)	876,042	876,042	924,899	924,900
PILOT - Amazon	386,374	386,374	346,081	346,082
PILOT - Prologis (Port Reading) 1	1,010,752	1,010,752	956,306	956,307
PILOT - Prologis (Port Reading) 2 1005	1,437,181	1,437,181	1,361,609	1,361,611
PILOT - Prologis (Port Reading) 3 1009	348,154	348,154	321,049	321,049
PILOT - Prologis (Port Reading) 4 1115	1,135,955	1,135,955	1,074,564	1,074,564
PILOT - Prologis (Port Reading) 5 1119	394,896	394,896	365,655	365,654
PILOT - Preferred Freezer	345,852	347,014	331,487	331,487
PILOT - CPV Shore	2,241,255	2,241,255	2,178,370	2,178,370
	<u>51,547,684</u>	<u>52,285,874</u>	<u>47,098,682</u>	<u>49,006,812</u>
RECEIPTS FROM DELINQUENT TAXES	<u>2,500,000</u>	<u>2,960,719</u>	<u>1,000,000</u>	<u>2,685,581</u>
AMOUNT TO BE RAISED FOR SUPPORT OF MUNICIPAL BUDGET				
Minimum Library Tax	3,509,933	3,509,933	3,799,802	3,799,802
Local Tax for Municipal Purposes	<u>91,432,537</u>	<u>98,358,102</u>	<u>88,057,412</u>	<u>89,294,808</u>
	<u>94,942,470</u>	<u>101,868,035</u>	<u>91,857,214</u>	<u>93,094,610</u>
Total General Revenues	<u>\$ 158,252,178</u>	<u>\$ 166,376,652</u>	<u>\$ 151,432,558</u>	<u>\$ 156,263,665</u>

**SFY 2018 STATEMENT OF EXPENDITURES
CURRENT FUND**

TOWNSHIP OF WOODBRIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>2018 Appropriated</u>		<u>2018 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
General Administration					
Salaries & Wages	\$ 1,650,931	\$ 1,700,036	\$ 1,698,896	\$ 1,140	
Other Expenses	1,527,047	1,522,081	1,210,943	311,138	
Human Resources					
Salaries & Wages	226,397	261,933	261,933	-	
Other Expenses	19,300	19,300	16,881	2,419	
Audit Services					
Other Expenses	87,000	87,000	87,000	-	
Mayor and Council					
Salaries & Wages	369,415	369,415	329,210	40,205	
Other Expenses	53,950	53,950	35,480	18,470	
Municipal Clerk					
Salaries & Wages	389,882	389,882	372,956	16,926	
Other Expenses	93,550	93,550	27,901	65,649	
Financial Administration					
Salaries & Wages	569,751	569,751	543,091	26,660	
Other Expenses	91,350	91,350	90,138	1,212	
Revenue Administration					
Salaries & Wages	299,193	299,193	250,448	48,745	
Other Expenses	24,475	24,475	20,102	4,373	
Tax Assessment Administration					
Salaries & Wages	289,916	298,228	298,228	-	
Other Expenses	56,304	56,304	40,908	15,396	
Legal Services & Costs					
Salaries & Wages	250,480	250,480	248,299	2,181	
Other Expenses	1,310,100	1,273,143	1,032,473	240,670	
Engineering Services					
Salaries & Wages	1,110,046	1,118,099	1,118,099	-	
Other Expenses	558,450	558,450	521,724	36,726	
Planning Board					
Salaries & Wages	473,156	474,696	474,538	158	
Other Expenses	55,100	55,100	40,022	15,078	
Zoning Board of Adjustment					
Salaries & Wages	56,712	56,712	44,181	12,531	
Other Expenses	25,650	25,650	19,311	6,339	
Other Code Enforcement Functions					
Salaries & Wages	346,845	350,869	350,682	187	
Redevelopment					
Other Expenses	200,000	200,000	200,000	-	
Unemployment Insurance					
Other Expenses	240,000	240,000	240,000	-	
PUBLIC SAFETY					
Police					
Salaries & Wages	28,143,365	27,868,365	27,504,662	363,703	
Other Expenses	2,316,600	2,316,600	2,202,591	114,009	
Emergency Management System					
Other Expenses	94,400	94,400	94,162	238	
Aid to Volunteer Ambulance Companies					
Other Expenses	205,000	205,000	199,592	5,408	
Contribution	245,000	245,000	245,000	-	

TOWNSHIP OF WOODBRIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>2018 Appropriated</u>		<u>2018 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Continued)					
PUBLIC SAFETY (Continued)					
Municipal Prosecutor's Office					
Salaries & Wages	\$ 152,792	\$ 153,365	\$ 153,365	-	
Public Defender					
Salaries & Wages	45,824	45,824	22,877	\$ 22,947	
PUBLIC WORKS FUNCTIONS					
STREETS AND ROADS					
Road Repairs and Maintenance					
Salaries & Wages	4,870,308	4,889,772	4,889,212	560	
Other Expenses	719,700	781,831	778,455	3,376	
Other Public Works Functions					
Salaries & Wages	350,618	375,865	375,135	730	
Other Expenses	5,650	5,650	5,059	591	
Solid Waste Collection					
Salaries & Wages	4,451,601	4,451,601	4,248,241	203,360	
Other Expenses	299,100	299,100	279,106	19,994	
Buildings and Grounds					
Salaries & Wages	919,522	994,522	882,958	111,564	
Other Expenses	263,500	263,500	257,387	6,113	
Vehicle Maintenance					
Salaries & Wages	1,879,669	1,935,092	1,935,092	-	
Other Expenses	569,950	569,950	551,129	18,821	
HEALTH AND HUMAN SERVICES					
Public Health Services					
Salaries & Wages	1,852,112	1,852,112	1,535,301	316,811	
Other Expenses	940,508	940,508	858,681	81,827	
Environmental Health Services					
Salaries & Wages	512,564	516,334	516,334	-	
Other Expenses	11,210	11,215	11,173	42	
Animal Control					
Salaries & Wages	278,400	278,400	276,904	1,496	
Other Expenses	98,125	99,530	98,810	720	
INSURANCE					
General Liability	1,952,948	1,768,902	1,325,518	443,384	
Workers Compensation	1,574,199	1,742,748	1,641,859	100,889	
Employee Group Health	22,040,634	22,040,634	19,895,741	2,144,893	
PARKS AND RECREATION					
Recreation					
Salaries & Wages	792,238	778,538	778,365	173	
Other Expenses	1,008,000	1,021,689	1,010,755	10,934	
Maintenance of Parks					
Salaries & Wages	2,463,568	2,540,430	2,540,056	374	
Other Expenses	171,400	171,400	163,432	7,968	
Landfill/Solid Waste Disposal Costs					
Other Expenses	2,900,000	2,900,000	2,693,417	206,583	

TOWNSHIP OF WOODBRIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>2018 Appropriated</u>		<u>2018 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Continued)					
Municipal Court					
Salaries and Wages	\$ 1,311,509	\$ 1,311,509	\$ 1,228,003	\$ 83,506	
Other Expenses	77,250	78,250	77,602	648	
Municipal Alliance Programs					
Salaries and Wages	55,500	55,500	2,441	53,059	
Other Expenses	27,000	27,000	25,567	1,433	
Stream Cleaning					
Salaries and Wages	165,000	166,163	166,163	-	
Other Expenses	35,000	35,050	35,020	30	
Uniform Construction Code					
Salaries and Wages	1,066,222	1,100,656	1,100,283	373	
Other Expenses	173,300	173,300	118,561	54,739	
Utility Expenses and Bulk Purchases					
Other Expenses	<u>3,460,000</u>	<u>3,313,837</u>	<u>2,740,835</u>	<u>573,002</u>	<u>-</u>
Total Operations Within "CAPS"	<u>98,874,286</u>	<u>98,858,789</u>	<u>93,038,288</u>	<u>5,820,501</u>	<u>-</u>
Detail:					
Salaries and Wages	55,343,536	55,453,342	54,145,954	1,307,388	
Other Expenses	<u>43,530,750</u>	<u>43,405,447</u>	<u>38,892,334</u>	<u>4,513,113</u>	<u>-</u>
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
Deferred Charges					
Anticipated Deficit - Recreation Utility Fund	6,338,694	6,338,694	6,149,529		\$ 189,165
Anticipated Deficit - Parking Utility Fund	509,500	509,500	401,025		108,475
Statutory Charges					
Social Security System (O.A.S.I.)	2,755,000	2,755,000	2,748,206	6,794	
Consolidated Police and Firemen's Pension Fund	20,000	16,226	16,226	-	
Police and Firemen's Retirement System of NJ	5,399,946	5,399,946	5,399,946	-	
Public Employees Retirement System	4,434,411	4,453,682	4,453,682	-	
Defined Contribution Retirement Program	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
Total Deferred Charges & Statutory Expenditures - Municipal Within "CAPS"	<u>19,557,551</u>	<u>19,573,048</u>	<u>19,268,614</u>	<u>6,794</u>	<u>297,640</u>
Total General Appropriations for Municipal OPERATIONS - EXCLUDED FROM "CAPS"	<u>118,431,837</u>	<u>118,431,837</u>	<u>112,306,902</u>	<u>5,827,295</u>	<u>297,640</u>
INSURANCE (N.J.S.A. 40A:4-45.3(OO))					
Supplemental Fire Services Payment	36,514	36,514	36,514	-	
Length of Service Award Program (LOSAP)	10,000	10,000	10,000		
Maintenance of Free Public Library (Ch. 82, P.L. 1985)	5,515,870	5,515,870	5,515,870		-
Recycling Tax	<u>130,000</u>	<u>130,000</u>	<u>113,972</u>	<u>16,028</u>	<u>-</u>
Total Other Operations Excluded from "CAPS"	<u>5,692,384</u>	<u>5,692,384</u>	<u>5,676,356</u>	<u>16,028</u>	<u>-</u>

TOWNSHIP OF WOODBRIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>2018 Appropriated</u>		<u>2018 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - EXCLUDED FROM "CAPS" (Continued)					
Interlocal Municipal Service Agreements					
City of South Amboy, Roselle Park & Milltown					
Salaries and Wages	\$ 53,559	\$ 53,559	\$ 48,417	\$ 5,142	
Rahway Interlocal - Tax Collection					
Salaries and Wages	48,000	48,000	48,000		
Woodbridge Board of Education - Custodians					
Salaries and Wages	4,085,239	4,147,264	4,147,264	-	
Other Expenses	2,529,761	2,467,736	1,992,581	475,155	
Edison Elevator Interlocal					
Salaries and Wages	80,000	80,000	80,000		
Pert Amboy - Digital Trunk Radio System					
Other Expenses	38,968	38,968	13,609	25,359	
Fire District #5 Accounting Services					
Salaries and Wages	7,000	7,000	7,000	-	
Other Expenses	500	500	94	406	
Township Radio Agreement					
Other Expenses	456,000	456,000	-	456,000	
Opioid Overdose Recovery Program - Old Bridge					
Salaries and Wages	17,500	17,500	17,500		
Opioid Overdose Recovery Program - Carteret					
Salaries and Wages	17,500	17,500	-	17,500	
Opioid Overdose Recovery Program - Edison					
Salaries and Wages	17,500	17,500	4,417	13,083	
Opioid Overdose Recovery Program - Perth Amboy					
Salaries and Wages	17,500	17,500		17,500	
Opioid Overdose Recovery Program - South Amboy					
Salaries and Wages	17,500	17,500	-	17,500	-
Total Interlocal Municipal Service Agreements	7,386,527	7,386,527	6,358,882	1,027,645	-
Public and Private Programs Offset by Revenues					
Safe and Secure Communities Program	60,000	60,000	60,000		
Municipal Alliance on Alcoholism	85,447	85,447	85,447		
Drunk Driving Enforcement Fund	-	18,839	18,839		
Middlesex County -Multi Services Grant	40,000	40,000	40,000		
Middlesex County -Multi Services Grant - 2017 Additional	6,000	6,000	6,000		
Pedestrian Safety Grant	11,000	11,000	11,000		
Alcohol Education & Rehabilitation	6,627	6,627	6,627		
Woodbridge Community Charity Fund - Addiction Services Grant	20,000	20,000	20,000		
CMAQ Grant	268,650	268,650			\$ 268,650
CMAQ Grant - Matching Fund	89,550	89,550			89,550
Drive Sober or Get Pulled Over Year End	-	5,500	5,500		
Body Armor Grant	-	17,051	17,051		
COPS in SHOPS	-	3,520	3,520		
Recreation Opportunities for Individuals with Disabilities	-	20,000	20,000		
Town Center DER Microgrid Incentive Program	-	150,000	150,000		
MCIA Recycling Grant	-	47,975	47,975		
Recycling Tonnage Grant	-	221,374	221,374		
History Grant	-	4,540	4,540		
Sustainable Jersey Solar Challenge	-	10,000	10,000		
Distracted Driving Crackdown	-	6,600	6,600		
Dana Transportation FD#2 Donation	-	29,975	29,975		
Sustainable Jersey Roots to River	-	2,800	2,800		
Safety Incentive Award	-	12,500	12,500		
Highway Safety Grant 2	-	34,706	34,706		
EPA - P2	5,000	5,000	5,000		
NJDOT Municipal Aid Program	278,875	278,875	278,875		
Clean Communities Grant	170,727	170,727	170,727		
Emergency Preparedness Plan Development - 2017 Additional	820	820	820		
Highway Safety Fund	40,986	40,986	40,986		
Other Matching Funds	15,000	15,000	-	15,000	-
Total Public and Private Programs Offset by Revenues	1,098,682	1,684,062	1,310,862	15,000	358,200
Total Operations Excluded from "CAPS"	14,177,593	14,762,973	13,346,100	1,058,673	358,200
Detail:					
Salaries and Wages	4,381,298	4,443,323	4,372,598	70,725	-
Other Expenses	9,796,295	10,319,650	8,973,502	987,948	358,200

TOWNSHIP OF WOODBRIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>2018 Appropriated</u>		<u>2018 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	\$ 880,000	\$ 880,000	\$ 880,000	-	-
Total Capital Improvements Excluded from "CAPS"	<u>880,000</u>	<u>880,000</u>	<u>880,000</u>	-	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	9,320,000	9,320,000	9,320,000		
Payment of Bond Anticipation Notes and Capital Notes	7,719,000	7,719,000	7,719,000		
Interest on Bonds	1,897,023	1,897,023	1,897,023		
Interest on Notes	1,987,614	1,987,614	1,987,614		
Green Trust Loan Program: Loan Repayments for Principal and Interest	<u>28,731</u>	<u>28,731</u>	<u>26,039</u>	-	\$ 2,692
Total Municipal Debt Service Excluded from "CAPS"	<u>20,952,368</u>	<u>20,952,368</u>	<u>20,949,676</u>	-	<u>2,692</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>36,009,961</u>	<u>36,595,341</u>	<u>35,175,776</u>	\$ 1,058,673	<u>360,892</u>
Subtotal General Appropriations	154,441,798	155,027,178	147,482,678	6,885,968	658,532
Reserve for Uncollected Taxes	<u>3,225,000</u>	<u>3,225,000</u>	<u>3,225,000</u>	-	-
Total General Appropriations	<u>\$ 157,666,798</u>	<u>\$ 158,252,178</u>	<u>\$ 150,707,678</u>	<u>\$ 6,885,968</u>	<u>\$ 658,532</u>
Adopted Budget		\$ 157,666,798			
Additional Appropriations (N.J.S.A. 40A:4-87)		<u>585,380</u>			
		<u>\$ 158,252,178</u>			

**SFY 2017 STATEMENT OF EXPENDITURES
CURRENT FUND**

TOWNSHIP OF WOODBRIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>2017 Appropriated</u>		<u>2017 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
General Administration					
Salaries & Wages	\$ 1,417,114	\$ 1,417,114	\$ 1,409,303	\$ 7,811	
Other Expenses	1,631,404	1,631,404	1,142,450	488,954	
Human Resources					
Salaries & Wages	258,855	258,855	236,331	22,524	
Other Expenses	19,300	19,300	16,387	2,913	
Audit Services					
Other Expenses	87,000	87,000	87,000	-	
Mayor and Council					
Salaries & Wages	306,094	311,594	278,701	32,893	
Other Expenses	50,650	50,650	32,073	18,577	
Municipal Clerk					
Salaries & Wages	377,877	378,992	357,117	21,875	
Other Expenses	87,375	87,375	42,565	44,810	
Financial Administration					
Salaries & Wages	553,210	553,210	538,104	15,106	
Other Expenses	85,050	85,050	80,870	4,180	
Revenue Administration					
Salaries & Wages	289,935	289,935	278,859	11,076	
Other Expenses	24,475	24,475	20,266	4,209	
Tax Assessment Administration					
Salaries & Wages	283,716	283,716	283,085	631	
Other Expenses	57,354	57,354	37,104	20,250	
Legal Services & Costs					
Salaries & Wages	245,529	245,529	230,309	15,220	
Other Expenses	1,110,100	1,310,100	1,165,454	144,646	
Engineering Services					
Salaries & Wages	990,045	1,073,045	1,004,535	68,510	
Other Expenses	215,025	215,025	194,024	21,001	
Planning Board					
Salaries & Wages	468,828	468,828	464,700	4,128	
Other Expenses	51,500	51,500	45,489	6,011	
Zoning Board of Adjustment					
Salaries & Wages	83,903	95,903	51,756	44,147	
Other Expenses	25,000	25,000	21,493	3,507	
Other Code Enforcement Functions					
Salaries & Wages	342,699	345,799	326,778	19,021	
Other Expenses					
Redevelopment					
Other Expenses	200,000	200,000	200,000	-	
Unemployment Insurance					
Other Expenses	240,000	240,000	-	240,000	
INSURANCE					
General Liability	1,863,747	1,849,379	1,331,227	518,152	
Workers Compensation	1,620,096	1,634,464	1,634,464	-	
Employee Group Health	21,935,150	21,935,150	21,614,734	320,416	
PUBLIC SAFETY					
Police					
Salaries & Wages	26,957,730	26,957,730	26,531,625	426,105	
Other Expenses	2,101,250	2,101,250	2,034,073	67,177	
Emergency Management System					
Other Expenses	94,400	94,400	93,328	1,072	
Aid to Volunteer Ambulance Companies					
Contribution	245,000	245,000	103,826	141,174	
Other Expenses	245,000	245,000	245,000	-	

TOWNSHIP OF WOODBRIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>2017 Appropriated</u>		<u>2017 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Continued)					
PUBLIC SAFETY (Continued)					
Municipal Prosecutor's Office					
Salaries & Wages	\$ 151,280	\$ 151,280	\$ 145,085	\$ 6,195	
Public Defender					
Salaries & Wages	44,482	44,482	42,152	2,330	
PUBLIC WORKS FUNCTIONS					
STREETS AND ROADS					
Road Repairs and Maintenance					
Salaries & Wages	4,608,879	4,496,379	4,156,687	339,692	
Other Expenses	670,500	710,500	696,505	13,995	
Other Public Works Functions					
Salaries & Wages	290,708	304,958	304,952	6	
Other Expenses	2,650	2,650	2,550	100	
Solid Waste Collection					
Salaries & Wages	4,193,942	4,224,442	4,223,812	630	
Other Expenses	303,100	303,100	260,659	42,441	
Buildings and Grounds					
Salaries & Wages	814,366	984,366	981,336	3,030	
Other Expenses	245,000	255,000	241,539	13,461	
Vehicle Maintenance					
Salaries & Wages	2,047,439	2,007,439	1,931,441	75,998	
Other Expenses	540,950	575,950	541,298	34,652	
HEALTH AND HUMAN SERVICES					
Public Health Services					
Salaries & Wages	1,307,639	1,307,639	1,134,642	172,997	
Other Expenses	820,633	820,633	733,446	87,187	
Environmental Health Services					
Salaries & Wages	498,388	498,388	484,042	14,346	
Other Expenses	9,640	9,640	8,966	674	
Animal Control					
Salaries & Wages	268,728	268,728	244,033	24,695	
Other Expenses	78,675	78,675	78,251	424	
PARKS AND RECREATION					
Recreation					
Salaries & Wages	576,552	606,552	606,239	313	
Other Expenses	901,500	951,500	914,411	37,089	
Maintenance of Parks					
Salaries & Wages	2,362,610	2,441,110	2,440,616	494	
Other Expenses	147,600	152,600	147,705	4,895	
Landfill/Solid Waste Disposal Costs					
Other Expenses	3,244,000	3,244,000	2,757,732	486,268	

TOWNSHIP OF WOODBRIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>2017 Appropriated</u>		<u>2017 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Continued)					
Municipal Court					
Salaries and Wages	\$ 1,214,979	\$ 1,218,979	\$ 1,216,854	\$ 2,125	
Other Expenses	72,750	72,750	66,672	6,078	
Municipal Alliance Programs					
Salaries and Wages	87,334	87,334	35,845	51,489	
Other Expenses	27,000	27,000	22,162	4,838	
Stream Cleaning					
Salaries and Wages	165,000	90,000	53,031	36,969	
Other Expenses	35,000	35,000	-	35,000	
Uniform Construction Code					
Salaries and Wages	1,089,749	1,089,749	1,060,873	28,876	
Other Expenses	173,200	173,200	92,545	80,655	
Utility Expenses and Bulk Purchases					
Other Expenses	<u>3,735,000</u>	<u>3,231,948</u>	<u>2,650,781</u>	<u>581,167</u>	<u>-</u>
Total Operations Within "CAPS"	<u>95,293,684</u>	<u>95,335,097</u>	<u>90,409,892</u>	<u>4,925,205</u>	<u>-</u>
Detail:					
Salaries and Wages	52,297,610	52,502,075	51,052,842	1,449,233	
Other Expenses	<u>42,996,074</u>	<u>42,833,022</u>	<u>39,357,050</u>	<u>3,475,972</u>	<u>-</u>
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
Deferred Charges					
Anticipated Deficit - Recreation Utility Fund	5,853,983	5,853,983	5,725,606		\$ 128,377
Statutory Charges					
Social Security System (O.A.S.I.)	2,700,000	2,625,000	2,614,230	10,770	
Consolidated Police and Firemen's Pension Fund	20,000	16,316	16,316	-	
Police and Firemen's Retirement System of NJ	5,218,000	5,218,000	5,218,000	-	
Public Employees Retirement System	4,031,000	4,053,021	4,053,021	-	
Defined Contribution Retirement Program	<u>75,000</u>	<u>90,250</u>	<u>84,873</u>	<u>5,377</u>	<u>-</u>
Total Deferred Charges & Statutory Expenditures - Municipal Within "CAPS"	<u>17,897,983</u>	<u>17,856,570</u>	<u>17,712,046</u>	<u>16,147</u>	<u>128,377</u>
Total General Appropriations for Municipal OPERATIONS - EXCLUDED FROM "CAPS"	<u>113,191,667</u>	<u>113,191,667</u>	<u>108,121,938</u>	<u>4,941,352</u>	<u>128,377</u>
INSURANCE (N.J.S.A. 40A:4-45.3(OO))					
Supplemental Fire Services Payment	36,514	36,514	-	36,514	
Maintenance of Free Public Library (Ch. 82, P.L. 1985)	5,564,208	5,564,208	5,564,208		-
Length of Service Award Program (LOSAP)	10,000	10,000	10,000		-
Recycling Tax	<u>120,000</u>	<u>120,000</u>	<u>114,563</u>	<u>5,437</u>	<u>-</u>
Total Other Operations Excluded from "CAPS"	<u>5,730,722</u>	<u>5,730,722</u>	<u>5,688,771</u>	<u>41,951</u>	<u>-</u>

TOWNSHIP OF WOODBRIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>2017 Appropriated</u>		<u>2017 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - EXCLUDED FROM "CAPS" (Continued)					
Interlocal Municipal Service Agreements					
City of South Amboy, Roselle Park & Milltown					
Salaries and Wages	\$ 47,225	\$ 47,225	\$ 47,225		
Rahway Interlocal - Tax Collection					
Salaries and Wages	48,000	48,000	48,000		
Woodbridge Board of Education - Custodians					
Salaries and Wages	3,959,407	3,959,407	3,759,072	\$ 200,335	
Other Expenses	1,970,593	1,970,593	1,951,653	18,940	
Fire District #5 Accounting Services					
Salaries and Wages	7,000	7,000	7,000	-	
Other Expenses	500	500	500	-	
Township Radio Agreement					
Other Expenses	390,000	390,000	390,000	-	
Edison Elevator Interlocal					
Salaries and Wages	80,910	80,910	80,910		
Pert Amboy - Digital Trunk Radio System					
Other Expenses	38,203	38,203	26,137	12,066	-
Total Interlocal Municipal Service Agreements	6,541,838	6,541,838	6,310,497	231,341	-
Public and Private Programs Offset by Revenues					
Safe and Secure Communities Program	20,000	20,000	20,000		
Safe and Secure Communities Program - Reserve	40,000	40,000	40,000		
Municipal Alliance on Alcoholism	85,447	85,447	85,447		
Drunk Driving Enforcement Fund	-	22,576	22,576		
Drunk Driving Enforcement Fund - 2		26,631	26,631		
Multi Services Grant	32,000	32,000	32,000		
COPS in SHOPS	-	2,200	2,200		
Sustainable Jersey Solar Challenge	-	5,000	5,000		
Alcohol Education & Rehabilitation	7,675	7,675	7,675		
Drive Sober or Get Pulled Over - Year End	-	5,000	5,000		
Drive Sober or Get Pulled Over		5,000	5,000		
Body Armor Grant		17,021	17,021		
History Grant		4,800	4,800		
NJDOT Municipal Aid Program	373,869	373,869	373,869		
Clean Communities Grant	200,959	200,959	200,959		
Recycling Tonnage Grant	-	208,520	208,520		
MCIA Recycling Grant	-	47,975	47,975		
Safety Incentive Award Grant	-	10,000	10,000		
Shaping NJ Grant	-	10,000	10,000		
Distrcted Driving Crackdown	-	5,500	5,500		
Drug and Alcohol Addiction Treatment	-	50,000	50,000		
Emergency Preparedness Plan Development	-	1,500	1,500		
Click it or Ticket	-	5,500	5,500		
Justice Assistance Grant	-	13,256	13,256		
Highway Safety Fund	43,780	43,780	43,780		
Other Matching Funds	10,000	10,000	-	10,000	-
Total Public and Private Programs Offset by Revenues	813,730	1,254,209	1,244,209	10,000	-
Total Operations Excluded from "CAPS"	13,086,290	13,526,769	13,243,477	283,292	-
Detail:					
Salaries and Wages	4,142,542	4,142,542	3,942,206	200,336	-
Other Expenses	8,943,748	9,384,227	9,301,271	82,956	-

TOWNSHIP OF WOODBRIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>2017 Appropriated</u>		<u>2017 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Various Recreation Improvements	\$ 216,000	\$ 216,000	\$ 208,764	\$ 7,236	
Capital Improvement Fund	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,250,000</u>	-	-
Total Capital Improvements Excluded from "CAPS"	<u>1,466,000</u>	<u>1,466,000</u>	<u>1,458,764</u>	<u>7,236</u>	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	9,665,000	9,665,000	9,665,000		
Payment of Bond Anticipation Notes and Capital Notes	7,202,000	7,202,000	7,202,000		
Interest on Bonds	2,182,053	2,182,053	2,182,053		
Interest on Notes	1,293,845	1,293,845	1,293,845		
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	<u>27,385</u>	<u>27,385</u>	<u>26,118</u>	-	\$ 1,267
Total Municipal Debt Service Excluded from "CAPS"	<u>20,370,283</u>	<u>20,370,283</u>	<u>20,369,016</u>	-	<u>1,267</u>
DEFERRED CHARGES MUNICIPAL - EXCLUDED FROM "CAPS"					
Deferred Charge Unfunded - Ord 15-07	<u>2,839</u>	<u>2,839</u>	<u>2,839</u>	-	-
Total Deferred Charges - Municipal Excluded from "CAPS"	<u>2,839</u>	<u>2,839</u>	<u>2,839</u>	-	-
Transferred to Board of Education for Use of Local Schools (N.J.S.A. 40:48-17.1 & 17.3)	<u>500,000</u>	<u>500,000</u>	<u>287,400</u>	-	<u>212,600</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>35,425,412</u>	<u>35,865,891</u>	<u>35,361,496</u>	<u>290,528</u>	<u>213,867</u>
Subtotal General Appropriations	148,617,079	149,057,558	143,483,434	5,231,880	342,244
Reserve for Uncollected Taxes	<u>2,375,000</u>	<u>2,375,000</u>	<u>2,375,000</u>	-	-
Total General Appropriations	<u>\$ 150,992,079</u>	<u>\$ 151,432,558</u>	<u>\$ 145,858,434</u>	<u>\$ 5,231,880</u>	<u>\$ 342,244</u>
Adopted Budget		\$ 150,992,079			
Additional Appropriations (N.J.S.A. 40A:4-87)		<u>440,479</u>			
		<u>\$ 151,432,558</u>			

TOWNSHIP OF WOODBRIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
ANIMAL CONTROL TRUST FUND		
Cash and Cash Equivalents	\$ 93,752	\$ 82,520
Due from State of New Jersey	<u>77</u>	<u>-</u>
	<u>93,829</u>	<u>82,520</u>
OTHER TRUST FUND		
Cash and Cash Equivalents	13,814,536	12,573,317
Due From General Capital Fund	2,600,000	2,600,000
Due from Current Fund	16,394	-
Due From Recreation Operating Fund	<u>-</u>	<u>13,845</u>
	<u>16,430,930</u>	<u>15,187,162</u>
SELF INSURANCE TRUST FUND		
Cash and Cash Equivalents	7,316,411	3,881,855
Due From Current Fund	<u>-</u>	<u>2,984,951</u>
	<u>7,316,411</u>	<u>6,866,806</u>
COMMUNITY DEVELOPMENT BLOCK GRANT TRUST FUND		
Cash and Cash Equivalents	209,272	177,757
Due from Department of Housing and Urban Development	<u>103,918</u>	<u>93,977</u>
	<u>313,190</u>	<u>271,734</u>
SPECIAL IMPROVEMENT DISTRICT (SID) TRUST FUND		
Cash and Cash Equivalents	<u>804,171</u>	<u>690,043</u>
	<u>804,171</u>	<u>690,043</u>
Total Assets	<u>\$ 24,958,531</u>	<u>\$ 23,098,265</u>

TOWNSHIP OF WOODBRIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
LIABILITIES, RESERVES AND FUND BALANCE		
ANIMAL CONTROL TRUST FUND		
Due to State of New Jersey		\$ 172
Reserve for Animal Control Expenditures	\$ 93,829	82,348
	<u>93,829</u>	<u>82,520</u>
OTHER TRUST FUND		
Reserve for Other Trust Fund Deposits	15,376,633	14,282,974
Reserve for Unemployment Compensation Insurance	496,832	276,423
Payroll Deductions Payable	546,421	488,146
Due to Current Fund	1,231	941
Due to Woodbridge Redevelopment Agency	-	112,344
Due to State of New Jersey - Unemployment Compensation	9,813	26,334
	<u>16,430,930</u>	<u>15,187,162</u>
SELF INSURANCE TRUST FUND		
Due to Current Fund	703,329	-
Reserve for Self Insurance Claims	6,613,082	6,866,806
	<u>7,316,411</u>	<u>6,866,806</u>
COMMUNITY DEVELOPMENT BLOCK GRANT TRUST FUND		
Other Liabilities - Unapplied Program Income	66,827	47,156
Reserve for Expenditures	246,363	224,578
	<u>313,190</u>	<u>271,734</u>
SPECIAL IMPROVEMENT DISTRICT (SID) TRUST FUND		
Reserve for Special Improvement District	804,171	690,043
	<u>804,171</u>	<u>690,043</u>
Total Liabilities, Reserves and Fund Balance	\$ 24,958,531	\$ 23,098,265

TOWNSHIP OF WOODBRIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and Cash Equivalents	\$ 4,248,468	\$ 1,324,027
Deferred Charges to Future Taxation		
Funded	43,494,169	52,840,074
Unfunded	134,510,497	109,589,000
Grants Receivable	373,051	373,051
Contribution Receivable	370,000	500,000
Due from Current Fund	121,956	99,465
Loans Receivable	<u>13,637,973</u>	<u>-</u>
 Total Assets	 <u>\$ 196,756,114</u>	 <u>\$ 164,725,617</u>
 LIABILITIES, RESERVES AND FUND BALANCE		
General Serial Bonds	\$ 43,265,000	\$ 52,585,000
Bond Anticipation Notes	112,000,000	87,290,000
Loans Payable	229,169	255,074
Improvement Authorizations		
Funded	295,681	446,138
Unfunded	10,721,671	9,445,600
Capital Improvement Fund	670,267	619,267
Due to Other Trust Fund	2,600,000	2,600,000
Due to Sewer Capital Fund	3,500,000	1,000,000
Encumbrances Payable	8,031,938	8,310,335
Reserve for Receivable	373,051	373,051
Reserve for Land Acquisition	482	482
Reserve for Payment of Debt	102,466	
Reserve for Loans Receivable	13,637,973	
Fund Balance	<u>1,328,416</u>	<u>1,800,670</u>
 Total Liabilities, Reserves and Fund Balance	 <u>\$ 196,756,114</u>	 <u>\$ 164,725,617</u>

There were bonds and notes authorized but not issued on June 30, 2018 and 2017 of \$22,580,000 and \$22,299,000, respectively.

TOWNSHIP OF WOODBRIDGE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Fund Balance, July 1	\$ 1,800,670	-
Increased By:		
Improvement Authorizations Cancelled		\$ 213,311
Premium on Sale of Notes	<u>1,328,416</u>	<u>1,587,359</u>
	3,129,086	1,800,670
Decreased By:		
Anticipated as Current Fund Revenue	<u>1,800,670</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 1,328,416</u>	<u>\$ 1,800,670</u>

TOWNSHIP OF WOODBRIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SEWER UTILITY FUND
AS OF JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
OPERATING FUND		
Cash and Cash Equivalents	\$ 8,614,494	\$ 7,933,364
Due from Sewer Utility Capital Fund	<u>25,922</u>	<u>18,586</u>
	<u>8,640,416</u>	<u>7,951,950</u>
Receivables With Full Reserves		
Consumer Accounts Receivable	1,757,265	1,507,911
Utility Liens Receivable	<u>9,828</u>	<u>6,436</u>
	<u>1,767,093</u>	<u>1,514,347</u>
Total Operating Fund	<u>10,407,509</u>	<u>9,466,297</u>
CAPITAL FUND		
Cash and Cash Equivalents	24,239,210	33,057,231
Fixed Capital	102,967,505	100,878,154
Fixed Capital Authorized and Uncompleted	117,604,938	72,722,414
Due from General Capital Fund	<u>3,500,000</u>	<u>1,000,000</u>
Total Capital Fund	<u>248,311,653</u>	<u>207,657,799</u>
Total Assets	<u>\$ 258,719,162</u>	<u>\$ 217,124,096</u>

TOWNSHIP OF WOODBRIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SEWER UTILITY FUND
AS OF JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
LIABILITIES, RESERVES AND FUND BALANCE		
OPERATING FUND		
Appropriation Reserves	\$ 1,989,925	\$ 253,762
Encumbrances Payable	223,066	353,246
Accrued Interest on Bonds and Notes	1,339,804	1,774,498
Accounts Payable	94,331	37,319
Consumer Overpayments	<u>30,297</u>	<u>26,807</u>
	3,677,423	2,445,632
Reserve for Receivables	1,767,093	1,514,347
Fund Balance	<u>4,962,993</u>	<u>5,506,318</u>
Total Operating Fund	<u>10,407,509</u>	<u>9,466,297</u>
CAPITAL FUND		
Serial Bonds	33,430,000	36,940,000
Bond Anticipation Notes	38,000,000	39,175,000
Encumbrances Payable	8,251,555	12,043,814
Improvement Authorizations		
Funded	326,704	370,257
Unfunded	84,119,335	41,076,264
Reserve for Amortization	83,275,068	76,943,068
Deferred Reserve for Amortization	320,500	320,500
Capital Improvement Fund	50,000	50,000
Due to Sewer Utility Operating Fund	25,922	18,586
Reserve for Bond Issuance Costs	30,961	7,913
Fund Balance	<u>481,608</u>	<u>712,397</u>
Total Capital Fund	<u>248,311,653</u>	<u>207,657,799</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 258,719,162</u>	<u>\$ 217,124,096</u>

There were bonds and notes authorized but not issued on June 30, 2018 and 2017 of \$65,546,875 and \$20,222,000, respectively.

TOWNSHIP OF WOODBRIDGE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING
FUND BALANCE - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
REVENUES AND OTHER INCOME REALIZED		
Fund Balance Utilized	\$ 4,000,000	\$ 1,982,207
User Fees and Other Charges	26,825,360	26,629,655
Borough of Carteret Sewer Fees	893,755	673,721
Interest on Investments	279,312	62,435
Interest on Delinquent Fees	411,995	455,982
Sewer Connection Fees	109,592	251,343
Interlocal Agreement with Board of Education	169,116	139,884
Sewer Capital Fund Balance	712,397	98,367
Reserve for Bond Issuance Costs	7,913	
Nonbudget Revenue	62,111	1,271,549
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	<u>254,709</u>	<u>242,527</u>
 Total Revenues and Other Income	 <u>33,726,260</u>	 <u>31,807,670</u>
 EXPENDITURES		
Budget Appropriations		
Operating	21,454,371	19,978,459
Capital Improvements		82,500
Deferred Charges and Statutory Expenditures	765,000	755,000
Debt Service	<u>8,050,214</u>	<u>5,597,347</u>
 Total Expenditures	 <u>30,269,585</u>	 <u>26,413,306</u>
 Excess in Revenue	 3,456,675	 5,394,364
 FUND BALANCE, JULY 1	 <u>5,506,318</u>	 <u>2,094,161</u>
 Decreased by:	 8,962,993	 7,488,525
Utilized as Anticipated Revenue	<u>4,000,000</u>	<u>1,982,207</u>
 FUND BALANCE, JUNE 30	 <u>\$ 4,962,993</u>	 <u>\$ 5,506,318</u>

TOWNSHIP OF WOODBRIDGE
COMPARATIVE STATEMENTS OF REVENUES - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>		<u>2017</u>	
	<u>Anticipated</u>	<u>Realized</u>	<u>Anticipated</u>	<u>Realized</u>
Fund Balance Anticipated	\$ 4,000,000	\$ 4,000,000	\$ 1,982,207	\$ 1,982,207
User Fees and Other Charges	24,274,358	26,825,360	22,835,442	26,629,655
Sewer Connection Fees	250,000	109,592	495,960	251,343
Interest on Delinquent Fees	400,000	411,995	138,220	455,982
Borough of Carteret Sewer Fees	673,721	893,755	700,000	673,721
Interlocal Agreement with Board of Education	139,884	169,116	153,510	139,884
Interest on Investments	50,000	279,312	9,600	62,435
Reserve for Bond Issuance Costs	7,913	7,913		
Sewer Capital Fund Balance	<u>712,397</u>	<u>712,397</u>	<u>98,367</u>	<u>98,367</u>
	<u>\$ 30,508,273</u>	<u>\$ 33,409,440</u>	<u>\$ 26,413,306</u>	<u>\$ 30,293,594</u>

TOWNSHIP OF WOODBRIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>2018 Appropriated</u>		<u>2018 Expended</u>		
	<u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries and Wages	\$ 4,037,752	\$ 4,037,752	\$ 3,993,721	\$ 44,031	
Other Expenses	17,416,619	17,416,619	15,480,104	1,936,515	
DEBT SERVICE					
Payment of Bonds Principal	2,975,000	2,975,000	2,975,000		
Payment of Bond Anticipation Notes and Capital Notes	2,822,000	2,822,000	2,822,000		
Interest on Bonds	1,461,371	1,461,371	1,434,850		\$ 26,521
Interest on Notes	1,030,531	1,030,531	818,364		212,167
STATUTORY EXPENDITURES					
Contribution to Public Employees Retirement System	475,000	475,000	475,000		
Social Security System	280,000	280,000	270,621	9,379	
Unemployment Compensation Insurance	10,000	10,000	10,000	-	-
	<u>\$ 30,508,273</u>	<u>\$ 30,508,273</u>	<u>\$ 28,279,660</u>	<u>\$ 1,989,925</u>	<u>\$ 238,688</u>

EXHIBIT D-3b

TOWNSHIP OF WOODBRIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>2017 Appropriated</u>		<u>2017 Expended</u>	
	<u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserved</u>
OPERATING				
Salaries and Wages	\$ 4,130,750	\$ 4,130,750	\$ 3,984,068	\$ 146,682
Other Expenses	16,718,567	15,847,709	15,756,404	91,305
CAPITAL IMPROVEMENT FUND				
Capital Improvement Fund	82,500	82,500	82,500	
DEBT SERVICE				
Payment of Bonds Principal	2,895,000	2,895,000	2,895,000	
Payment of Bond Anticipation Notes and Capital Notes	98,500	98,500	98,500	
Interest on Bonds	1,577,405	1,577,405	1,577,405	
Interest on Notes	155,584	1,026,442	1,026,442	
STATUTORY EXPENDITURES				
Contribution to Public Employees Retirement System	475,000	475,000	475,000	
Social Security System	270,000	270,000	264,225	5,775
Unemployment Compensation Insurance	10,000	10,000	-	10,000
	<u>\$ 26,413,306</u>	<u>\$ 26,413,306</u>	<u>\$ 26,159,544</u>	<u>\$ 253,762</u>

TOWNSHIP OF WOODBRIDGE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
SEWER UTILITY CAPITAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Balance, July 1	\$ 712,397	\$ 98,367
Increased by:		
Premium on Sale of Notes	481,608	712,397
	1,194,005	810,764
Decreased by:		
Anticipated as Revenue in Operating Fund	712,397	98,367
Balance, June 30	\$ 481,608	\$ 712,397

TOWNSHIP OF WOODBRIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
RECREATION UTILITY FUND
AS OF JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
OPERATING FUND		
Cash and Cash Equivalents	\$ 1,495,955	\$ 741,466
Change Funds	4,600	4,600
Due from NJOEM Hazard Mitigation Grant	<u>-</u>	<u>529,000</u>
	1,500,555	1,275,066
Deferred Charges		
Emergency Authorizations	<u>-</u>	<u>751,250</u>
Total Operating Fund	<u>1,500,555</u>	<u>2,026,316</u>
CAPITAL FUND		
Cash and Cash Equivalents	2,495,485	57,193
Fixed Capital	28,374,685	28,372,870
Fixed Capital Authorized and Uncompleted	19,497,750	19,499,565
Due From Recreation Operating Fund	<u>-</u>	<u>1,023,140</u>
	50,367,920	48,952,768
Total Capital Fund	<u>50,367,920</u>	<u>48,952,768</u>
Total Assets	<u>\$ 51,868,475</u>	<u>\$ 50,979,084</u>

TOWNSHIP OF WOODBRIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
RECREATION UTILITY FUND
AS OF JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
LIABILITIES, RESERVES AND FUND BALANCE		
OPERATING FUND		
Appropriation Reserves	\$ 282,915	\$ 252,355
Encumbrances Payable	241,836	340,531
Accounts Payable	30,148	33,894
Due to Current Fund	613,496	128,377
Due to Other Trust Fund	-	13,845
Due to Marina Utility Fund	-	245
Due to Recreation Utility Capital Fund	-	1,023,140
Sales Tax Payable	5,264	6,222
Accrued Interest on Notes	<u>233,231</u>	<u>134,042</u>
	1,406,890	1,932,651
Fund Balance	<u>93,665</u>	<u>93,665</u>
Total Operating Fund	<u>1,500,555</u>	<u>2,026,316</u>
CAPITAL FUND		
Bond Anticipation Notes	13,450,000	5,220,000
Encumbrances Payable	694,013	10,026,513
Reserve for Payment of Debt	818,443	2,540,606
Reserve for Amortization	33,511,685	25,911,685
Deferred Reserve for Amortization	871,250	871,250
Improvement Authorizations		
Funded	1,419	-
Unfunded	850,646	4,287,788
Fund Balance	<u>170,464</u>	<u>94,926</u>
Total Capital Fund	<u>50,367,920</u>	<u>48,952,768</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 51,868,475</u>	<u>\$ 50,979,084</u>

There were bonds and notes authorized but not issued on June 30, 2018 and 2017 of \$39,500 and \$15,869,500, respectively.

TOWNSHIP OF WOODBRIDGE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING
FUND BALANCE - REGULATORY BASIS
RECREATION UTILITY OPERATING FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
REVENUES AND OTHER INCOME REALIZED		
Recreation Fees and Other Charges	\$ 4,581,416	\$ 4,902,775
Interest on Investments	1,193	1,536
Contribution - Forest City	150,000	150,000
Reserve for Debt Service	2,540,606	580,583
Recreation Capital Fund - Fund Balance	94,926	-
Contribution - Gredel	604,344	529,921
State Landfill Remediation Funds	31,574	30,529
Nonbudget Revenue	<u>2,150</u>	<u>75,059</u>
 Total Revenues and Other Income	 <u>8,006,209</u>	 <u>6,270,403</u>
 EXPENDITURES		
Budget Appropriations		
Operating	5,244,134	5,346,879
Capital Outlay	-	751,250
Deferred Charges and Statutory Expenditures	3,436,250	415,100
Debt Service	<u>5,475,354</u>	<u>6,234,030</u>
 Total Expenditures	 <u>14,155,738</u>	 <u>12,747,259</u>
 (Deficit) in Revenue	 (6,149,529)	 (6,476,856)
 Deficit (General Budget)	 6,149,529	 5,725,606
 Less: Expenditures Included Above Which by Statute are Deferred Charges to Succeeding Year's Budget	 <u>-</u>	 <u>751,250</u>
 FUND BALANCE, JULY 1	 <u>93,665</u>	 <u>93,665</u>
 FUND BALANCE, JUNE 30	 <u>\$ 93,665</u>	 <u>\$ 93,665</u>

TOWNSHIP OF WOODBRIDGE
COMPARATIVE STATEMENTS OF REVENUES - REGULATORY BASIS
RECREATION UTILITY OPERATING FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>		<u>2017</u>	
	<u>Anticipated</u>	<u>Realized</u>	<u>Anticipated</u>	<u>Realized</u>
User Fees and Other Charges	\$ 4,902,775	\$ 4,581,416	\$ 5,016,623	\$ 4,902,775
Contribution - Forest City	150,000	150,000	150,000	150,000
Contribution - Greidel	604,344	604,344	529,920	529,921
Recreation Capital Fund -Fund Balance	94,926	94,926		
Reserve for Debt Service	2,540,606	2,540,606	580,583	580,583
State Landfill Remediation Funds	30,000	31,574	37,500	30,529
Interest on Investments	1,500	1,193	2,400	1,536
Deficit (General Budget)	<u>6,338,694</u>	<u>6,149,529</u>	<u>5,853,983</u>	<u>5,725,606</u>
	<u>\$ 14,662,845</u>	<u>\$ 14,153,588</u>	<u>\$ 12,171,009</u>	<u>\$ 11,920,950</u>

TOWNSHIP OF WOODBRIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
RECREATION UTILITY OPERATING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>2018 Appropriated</u>		<u>2018 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries and Wages	\$ 2,716,126	\$ 2,716,126	\$ 2,594,912	\$ 101,222	\$ 19,992
Other Expenses	2,918,508	2,918,508	2,373,059	174,941	370,508
DEBT SERVICE					
Payment of Bond Anticipation Notes and Capital Notes	5,259,500	5,259,500	5,220,000		39,500
Interest on Notes	332,461	332,461	255,354		77,107
DEFERRED CHARGES					
Emergency Authorizations	751,250	751,250	751,250		
Ordinance 15-74	2,380,000	2,380,000	2,380,000		
STATUTORY EXPENDITURES					
Public Employees' Retirement System	100,000	100,000	100,000		
Social Security System	<u>205,000</u>	<u>205,000</u>	<u>198,248</u>	<u>6,752</u>	<u>-</u>
	<u>\$ 14,662,845</u>	<u>\$ 14,662,845</u>	<u>\$ 13,872,823</u>	<u>\$ 282,915</u>	<u>\$ 507,107</u>

EXHIBIT E-3b

TOWNSHIP OF WOODBRIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
RECREATION UTILITY OPERATING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>2017 Appropriated</u>		<u>2017 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries and Wages	\$ 2,607,062	\$ 2,607,062	\$ 2,593,867	\$ 13,195	
Other Expenses	2,949,030	2,914,817	2,500,666	239,151	\$ 175,000
DEBT SERVICE					
Payment of Bond Anticipation Notes and Capital Notes	6,037,000	6,037,000	6,037,000		
Interest on Notes	167,917	197,030	197,030		
CAPITAL IMPROVEMENTS					
Down Payment on Improvements		751,250	751,250		
DEFERRED CHARGES					
Emergency Authorizations	120,000	120,000	120,000		
STATUTORY EXPENDITURES					
Public Employees' Retirement System	100,000	100,000	100,000		
Social Security System	<u>190,000</u>	<u>195,100</u>	<u>195,091</u>	<u>9</u>	<u>-</u>
	<u>\$ 12,171,009</u>	<u>\$ 12,922,259</u>	<u>\$ 12,494,904</u>	<u>\$ 252,355</u>	<u>\$ 175,000</u>

Original Budget	\$ 12,171,009
Emergency Authorizations	<u>757,250</u>
	<u>\$ 12,928,259</u>

**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
RECREATION UTILITY CAPITAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
Balance, July 1	\$ 94,926	\$ 1
Increased by:		
Premium on Sale of Notes	<u>170,464</u>	<u>94,925</u>
	265,390	94,926
Decreased by:		
Anticipated as Revenue in Operating Fund	<u>94,926</u>	<u>-</u>
Balance, June 30	<u>\$ 170,464</u>	<u>\$ 94,926</u>

TOWNSHIP OF WOODBRIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
MARINA AND BOAT LAUNCH UTILITY FUND
AS OF JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
OPERATING FUND		
ASSETS		
Cash and Cash Equivalents	\$ 110,131	\$ 116,884
Due from Recreation Utility Operating Fund	<u>-</u>	<u>245</u>
 Total Assets	 <u>\$ 110,131</u>	 <u>\$ 117,129</u>
 LIABILITIES, RESERVES AND FUND BALANCE		
Appropriation Reserves	\$ 68,383	\$ 23,312
Encumbrances Payable	<u>10,915</u>	<u>15,473</u>
	79,298	38,785
 Fund Balance	 <u>30,833</u>	 <u>78,344</u>
 Total Liabilities, Reserves and Fund Balance	 <u>\$ 110,131</u>	 <u>\$ 117,129</u>

TOWNSHIP OF WOODBRIDGE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE -
REGULATORY BASIS - MARINA AND BOAT LAUNCH UTILITY FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
REVENUES AND OTHER INCOME REALIZED		
Fund Balance Anticipated	\$ 78,344	\$ 18,940
Marina and Boat Launch Fees	75,695	70,751
Interest on Investments	706	157
Miscellaneous	253	
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	<u>25,035</u>	<u>87,308</u>
 Total Revenues and Other Income	 <u>180,033</u>	 <u>177,156</u>
 EXPENDITURES		
Budget Appropriations:		
Operating	147,650	97,312
Statutory Expenditures	<u>1,550</u>	<u>1,500</u>
 Total Expenditures	 <u>149,200</u>	 <u>98,812</u>
 Excess in Revenue	 30,833	 78,344
 FUND BALANCE, JULY 1	 <u>78,344</u>	 <u>18,940</u>
	109,177	97,284
Decreased by:		
Utilized as Anticipated Revenue	<u>78,344</u>	<u>18,940</u>
 FUND BALANCE, JUNE 30	 <u>\$ 30,833</u>	 <u>\$ 78,344</u>

TOWNSHIP OF WOODBRIDGE
COMPARATIVE STATEMENTS OF REVENUES - REGULATORY BASIS - MARINA AND BOAT LAUNCH UTILITY FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>		<u>2017</u>	
	<u>Anticipated</u>	<u>Realized</u>	<u>Anticipated</u>	<u>Realized</u>
Fund Balance Anticipated	\$ 78,344	\$ 78,344	\$ 18,940	\$ 18,940
Marina and Boat Launch Fees	70,751	75,695	79,773	70,751
Interest on Investments	<u>105</u>	<u>706</u>	<u>99</u>	<u>157</u>
 Total	 <u>\$ 149,200</u>	 <u>\$ 154,745</u>	 <u>\$ 98,812</u>	 <u>\$ 89,848</u>

TOWNSHIP OF WOODBRIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
MARINA AND BOAT LAUNCH UTILITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>2018 Appropriated</u>		<u>2018 Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
OPERATING				
Salaries and Wages	\$ 18,000	\$ 18,000	\$ 17,388	\$ 612
Other Expenses	129,650	129,650	62,260	67,390
STATUTORY EXPENDITURES				
Social Security System	<u>1,550</u>	<u>1,550</u>	<u>1,169</u>	<u>381</u>
Total	<u>\$ 149,200</u>	<u>\$ 149,200</u>	<u>\$ 80,817</u>	<u>\$ 68,383</u>

EXHIBIT F-3b

TOWNSHIP OF WOODBRIDGE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
MARINA AND BOAT LAUNCH UTILITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>2017 Appropriated</u>		<u>2017 Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
OPERATING				
Salaries and Wages	\$ 18,000	\$ 18,000	\$ 16,030	\$ 1,970
Other Expenses	79,312	79,312	59,470	19,842
STATUTORY EXPENDITURES				
Social Security System	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total	<u>\$ 98,812</u>	<u>\$ 98,812</u>	<u>\$ 75,500</u>	<u>\$ 23,312</u>

TOWNSHIP OF WOODBRIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
PARKING UTILITY FUND
AS OF JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
OPERATING FUND		
Cash and Cash Equivalents	\$ 425,552	\$ 554,636
Change Funds	<u>2,000</u>	<u>2,000</u>
Total Operating Fund	<u>427,552</u>	<u>556,636</u>
CAPITAL FUND		
Cash and Cash Equivalents	73,965	480,914
Due from Parking Utility Operating Fund	2	8,915
Fixed Capital	697,243	332,243
Fixed Capital Authorized and Uncompleted	<u>2,010,000</u>	<u>1,975,000</u>
Total Capital Fund	<u>2,781,210</u>	<u>2,797,072</u>
Total Assets	<u>\$ 3,208,762</u>	<u>\$ 3,353,708</u>

TOWNSHIP OF WOODBRIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
PARKING UTILITY FUND
AS OF JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
LIABILITIES, RESERVES AND FUND BALANCE		
OPERATING FUND		
Appropriation Reserves	\$ 149,134	\$ 117,534
Encumbrances Payable	25,102	5,550
Accrued Interest on Notes		22,341
Due to Parking Capital Fund	2	8,915
Due to Current Fund	226,282	
Reserve for Maintenance	<u>27,032</u>	<u>23,064</u>
	427,552	177,404
Fund Balance	<u>-</u>	<u>379,232</u>
Total Operating Fund	<u>427,552</u>	<u>556,636</u>
CAPITAL FUND		
Encumbrances Payable	31,584	70,349
Bond Anticipation Notes	-	870,000
Improvement Authorizations		
Funded	47,174	86,589
Unfunded	379,396	317,078
Reserve for Amortization	2,073,580	1,203,580
Deferred Reserve for Amortization	233,663	233,663
Fund Balance	<u>15,813</u>	<u>15,813</u>
Total Capital Fund	<u>2,781,210</u>	<u>2,797,072</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 3,208,762</u>	<u>\$ 3,353,708</u>

There were bonds and notes authorized but not issued on June 30, 2018 and 2017 of \$400,000 and \$0, respectively.

TOWNSHIP OF WOODBRIDGE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING
FUND BALANCE - REGULATORY BASIS
PARKING UTILITY OPERATING FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
REVENUES AND OTHER INCOME REALIZED		
Fund Balance Utilized	\$ 379,232	\$ 50,272
Parking Fees and Permits	323,222	334,165
Main Street SID Contribution	80,000	80,000
Non Budget Revenue	6,021	12,708
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	-	157,524
Total Revenues and Other Income	788,475	634,669
EXPENDITURES		
Budget Appropriations		
Operating	309,488	291,681
Deferred Charges and Statutory Expenditures	6,325	36,250
Debt Service	873,687	22,341
Total Expenditures	1,189,500	350,272
Excess (Deficit) in Revenue	(401,025)	284,397
Deficit (General Budget)	401,025	
FUND BALANCE, JULY 1	379,232	145,107
Decreased by:	379,232	429,504
Utilized as Anticipated Revenue	379,232	50,272
FUND BALANCE, JUNE 30	\$ -	\$ 379,232

TOWNSHIP OF WOODBRIDGE
COMPARATIVE STATEMENTS OF REVENUES - REGULATORY BASIS
PARKING UTILITY OPERATING FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>		<u>2017</u>	
	<u>Anticipated</u>	<u>Realized</u>	<u>Anticipated</u>	<u>Realized</u>
Fund Balance Anticipated	\$ 379,232	\$ 379,232	\$ 50,272	\$ 50,272
Parking Fees and Permits	220,768	323,222	220,000	334,165
Main Street SID Contribution	80,000	80,000	80,000	80,000
Deficit (General Budget)	<u>509,500</u>	<u>401,025</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,189,500</u>	<u>\$ 1,183,479</u>	<u>\$ 350,272</u>	<u>\$ 464,437</u>

STATEMENT OF EXPENDITURES - REGULATORY BASIS
PARKING UTILITY OPERATING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>2018 Appropriated</u>		<u>2018 Expended</u>	
	<u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserved</u>
OPERATING				
Salaries and Wages	\$ 33,778	\$ 33,778	\$ 28,881	\$ 4,897
Other Expenses	275,710	275,710	131,679	144,031
DEBT SERVICE				
Payment of Bond Anticipation and Capital Notes	870,000	870,000	870,000	
Interest on Notes	3,687	3,687	3,687	-
STATUTORY EXPENDITURES				
Public Employees Retirement System	4,000	4,000	4,000	-
Social Security System	<u>2,325</u>	<u>2,325</u>	<u>2,119</u>	<u>206</u>
	<u>\$ 1,189,500</u>	<u>\$ 1,189,500</u>	<u>\$ 1,040,366</u>	<u>\$ 149,134</u>

EXHIBIT G-3b

STATEMENT OF EXPENDITURES - REGULATORY BASIS
PARKING UTILITY OPERATING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>2017 Appropriated</u>		<u>2017 Expended</u>	
	<u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserved</u>
OPERATING				
Salaries and Wages	\$ 33,444	\$ 33,444	\$ 28,911	\$ 4,533
Other Expenses	280,000	258,237	145,450	112,787
DEBT SERVICE				
Interest on Notes	578	22,341	22,341	-
DEFERRED CHARGES				
Emergency Authorizations	25,500	25,500	25,500	-
Deferred Charges Unfunded - Ord. 15-52	4,500	4,500	4,500	-
STATUTORY EXPENDITURES				
Public Employees Retirement System	4,000	4,000	4,000	-
Social Security System	<u>2,250</u>	<u>2,250</u>	<u>2,036</u>	<u>214</u>
	<u>\$ 350,272</u>	<u>\$ 350,272</u>	<u>\$ 232,738</u>	<u>\$ 117,534</u>

TOWNSHIP OF WOODBRIDGE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
PARKING UTILITY CAPITAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Balance, July 1	\$ 15,813	\$ -
Increased by:		
Premium on Sale of Notes	-	15,813
Balance, June 30	\$ 15,813	\$ 15,813

TOWNSHIP OF WOODBRIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
PUBLIC ASSISTANCE TRUST FUND
AS OF JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and Cash Equivalents	\$ <u>1,098</u>	\$ <u>3,276</u>
Total Assets	<u>\$ 1,098</u>	<u>\$ 3,276</u>
LIABILITIES AND RESERVES		
Reserve for Public Assistance Expenditures	\$ <u>1,098</u>	\$ <u>3,276</u>
Total Liabilities and Reserves	<u>\$ 1,098</u>	<u>\$ 3,276</u>

TOWNSHIP OF WOODBRIDGE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Land, Buildings and Building Improvements	\$ 87,515,049	\$ 87,024,473
Machinery and Equipment	59,479,151	55,231,751
Construction in Progress	<u>2,261,491</u>	<u>1,217,642</u>
Total Assets	<u>\$ 149,255,691</u>	<u>\$ 143,473,866</u>
RESERVES		
Investment in General Fixed Assets	<u>\$ 149,255,691</u>	<u>\$ 143,473,866</u>
Total Reserves	<u>\$ 149,255,691</u>	<u>\$ 143,473,866</u>

NOTES TO FINANCIAL STATEMENTS

**TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Woodbridge (the "Township") was incorporated in 1669 and operates under an elected Mayor and Council form of government. The Mayor is elected to a four-year term. The Municipal Council consists of nine members, four of whom are elected at large and five of whom are elected from each of the Township's five wards. The councilpersons serve on a part-time basis and serve for a four year term. The Mayor is in charge of the administrative functions. The Township Council exercises all legislative powers including final adoption of the municipal budget and bond ordinances and confirmation of the Mayor's appointments, and all executive authority which is not specifically provided to the Mayor, by state law. A Township Administrator is appointed by the Township Council and is responsible for the implementation of the policies of the Mayor and Council, for the administration of all Township affairs and for the day to day operations of the Township. The Township Administrator is the Chief Administrative Officer for the Township. The Township's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB requires the financial reporting entity to include both the primary government and component units. Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves the budget, the issuance of debt or the levying of taxes. The Township is not includable in any other reporting entity as a component unit.

The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Township do not include the municipal library, volunteer ambulance squads or redevelopment agency, which are considered component units under GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

B. Description of Regulatory Basis of Accounting

The financial statements of the Township of Woodbridge have been prepared on a basis of accounting in conformity with accounting principles and practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a regulatory basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through separate funds, which differ from the fund structure required by GAAP.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

**TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

The Township uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Township functions or activities. The Township also uses an account group, which is designed to provide accountability for certain assets that are not recorded in those Funds.

The Township has the following funds and account group:

Current Fund – This fund is used to account for the revenues and expenditures for governmental operations of a general nature and the assets and liabilities related to such activities, including Federal and State grants not accounted for in another fund.

Trust Funds - These funds are used to account for assets held by the government in a trustee capacity. Funds held by the Township as an agent for individuals, private organizations, or other governments are recorded in the Trust Funds.

Animal Control Trust Fund - This fund is used to account for fees collected from dog and cat licenses and expenditures which are regulated by NJS 4:19-15.11.

Other Trust Fund - This fund is established to account for the assets and resources, which are held by the Township as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, developer deposits, payroll related deposits and funds deposited with the Township as collateral.

Self- Insurance Trust Fund - This fund is used to account for the resources and expenditures for self-insurance claims and premiums.

Community Development Block Grant Trust Fund - This fund is used to account for grant proceeds, program income and related expenditures for Federal Block grant entitlements.

Special Improvement District (SID) Trust Fund – This fund is used to account for the receipts and disbursements relating to Main Street and Oak Tree Special Improvement Townships.

General Capital Fund – This fund is used to account for the receipt and disbursement of funds used and related financial transactions related to the acquisition or improvement of general capital facilities and other capital assets, other than those acquired in the Current Fund.

Sewer Utility Fund - This fund is used to account for the revenues and expenditures for the operation of the Township's sanitary sewerage system and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities and other capital assets for the sewer utility is accounted for in the capital section of the fund.

**TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

Recreation Utility Fund – This fund is used to account for the revenues and expenditures for the operation of the Township’s recreational facilities and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities for the recreation utility is accounted for in the capital section of the fund.

Marina and Boat Launch Utility Fund – This fund is used to account for the revenues and expenditures for the operation of the Township’s marina and boat launch utility and the assets and liabilities relative to such activities.

Parking Utility Fund – This fund is used to account for the revenues and expenditures for operation of the Township’s parking facilities and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities and other capital assets for the parking utility is accounted for in the capital section of the fund.

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey Statutes.

General Fixed Assets Account Group - This account group is used to account for all general fixed assets of the Township, other than those accounted for in the sewer, recreation and parking utility funds. The Township’s infrastructure is not reported in the account group.

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

Reclassifications - Certain reclassifications may have been made to the June 30, 2017 balances to conform to the June 30, 2018 presentation.

Financial Statements – Regulatory Basis

The GASB Codification also requires the financial statements of a governmental unit to be presented in the basic financial statements in accordance with GAAP. The Township presents the regulatory basis financial statements listed in the table of contents which are required by the Division and which differ from the basic financial statements required by GAAP. In addition, the Division requires the regulatory basis financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from reporting requirements under GAAP.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the accounting principles and practices prescribed by the Division in accordance with the regulatory basis of accounting. Measurement focus indicates the type of resources being measured. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

**TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

The Township of Woodbridge follows a modified accrual basis of accounting. Under this method of accounting, revenues, except State/Federal Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed or permitted for municipalities by the Division (“regulatory basis of accounting”) differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. GAAP requires that all investments be reported at fair value.

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires inventories to be recorded as assets in proprietary-type funds.

Property Tax Revenues/Receivables - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed semi-annually in June of the preceding fiscal year and October of the current fiscal year for that fiscal year’s levy. Taxes are payable in four quarterly installments on August 1, November 1, February 1, and May 1. The amount due for the August 1 and November 1 installments are determined based upon the estimated taxes to be levied for municipal purposes in the current fiscal year, plus the full tax levied for the current tax year (calendar year) for county and school taxes, less the amount charged in the February and May installments. The February 1 and May 1 installments are determined as the full tax levied for municipal purposes for the current fiscal year less the amounts charged for municipal purposes as the August 1 and November 1 installments of the current fiscal year, plus one half of the total tax levied for county and school purposes in the preceding tax year (calendar year). If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Township. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on October first in the year following the fiscal year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Township also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11th day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Township may institute annual in rem tax foreclosure proceedings to enforce the tax collection of acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Miscellaneous Revenues/Receivables - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both measurable and available).

Sewer Utility Revenues/Receivables - Utility charges are levied quarterly based upon a flat service charge and if applicable, an excess consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's sewer utility operating fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant and Similar Award Revenues/Receivables - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's budget. GAAP requires such revenues to be recognized as soon as all eligibility requirements imposed by the grantor or provider have been met.

Property Acquired for Taxes – Property acquired for taxes is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved. GAAP requires such property to be recorded as a capital asset in the government-wide financial statements at fair value on the date of acquisition.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve for interfunds and, therefore, does not recognize income in the year liquidated.

Prepaid Items – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items in the current fund, except for prepaid debt service, are offset by a reserve, created by a charge to operations. GAAP does not require the establishment of a reserve for prepaid items.

Deferred Charges – Certain expenditures and other items are required to be deferred to budgets of succeeding years. GAAP requires expenditures, and certain other items generally to be recognized when incurred, if measurable.

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

Expenditures – Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at June 30, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at June 30, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, as well as expenditures related to compensated absences and claims and judgements, which are recognized when due.

**TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Encumbrances - Contractual orders outstanding at June 30, are reported as expenditures and liabilities through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures or liabilities under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations are recorded as a long-term obligation in the government-wide financial statements.

Incurred But Not Reported (IBNR) Reserves and Claims Payable - The Township has not created a reserve for any potential unreported self-insurance losses which have taken place but in which the Township has not received notices or report of losses (i.e. IBNR). Additionally, the Township has not recorded a liability for those claims filed, but which have not been paid (i.e. claims payable). GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining potential claims are recorded as a long-term obligation in the government-wide financial statements.

Tax Appeals and Other Contingent Losses - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. GAAP requires such amounts to be recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

General Fixed Assets - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Township of Woodbridge has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Township as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of two years.

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

General Fixed Assets are stated at cost or estimated historical cost. Donated fixed assets are recorded at acquisition value at the date of donation.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the General Capital Fund until such time as the construction is completed and put into operation for general fixed assets.

Accounting for utility fund "fixed capital" remains unchanged under NJAC 5:30-5.6.

Property and equipment purchased by the sewer, recreation, parking and swim pool utility funds are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Funds represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utilities do not record depreciation on fixed assets.

**TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

General Fixed Assets (Continued)

GAAP requires that capital assets be recorded in proprietary-type funds as well as the government-wide financial statement at historical or estimated historical cost if actual historical cost is not available. In addition, GAAP requires depreciation on capital assets to be recorded in proprietary-type funds as well as in the government-wide financial statements.

Use of Estimates - The preparation of financial statements requires management of the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of accrued revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the State Division of Local Government Services as per N.J.S.A. 40A:4 et seq.

The Township is not required to adopt budgets for the following funds:

Trust Funds
General Capital Fund
Utility Capital Funds
Public Assistance Fund

The governing body is required to introduce and approve the annual budget no later than August 10, of the fiscal year. The budget is required to be adopted no later than September 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During the fiscal years ended June 30, 2018 and 2017 the Township Council increased the original budget by \$585,380 and \$1,191,729, respectively. The increases in the fiscal year ended June 30, 2018 were funded by additional aid in the Current Fund of \$585,380. The increase in the fiscal year ended June 30, 2017 were funded by additional aid in the Current Fund of \$440,479 and a Recreation Utility Operating Fund emergency appropriation in the amount of \$751,250. In addition, the governing body approved several budget transfers during the fiscal years 2018 and 2017.

**TOWNSHIP OF WOODBRIDGE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 3 CASH DEPOSITS AND INVESTMENTS

The Township considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as cash and cash equivalents.

A. Cash Deposits

The Township’s deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey’s Governmental Unit Deposit Protection Act (GUDPA). The Township is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC or NCUSIF.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2018 and 2017, the book value of the Township’s deposits were \$96,815,123 and \$90,424,182 and bank and brokerage firm balances of the Township’s deposits amounted to \$102,010,908 and \$93,179,383, respectively. The Township’s deposits which are displayed on the various fund balance sheets as “cash and cash equivalents” are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2018</u>	<u>2017</u>
Insured	<u>\$ 102,010,908</u>	<u>\$ 93,179,383</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Township does not have a formal policy for custodial credit risk. As of June 30, 2018 and 2017, none of the Township’s bank balances were exposed to custodial credit risk.

B. Investments

The Township is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the Township or bonds or other obligations of the school districts which are a part of the Township or school districts located within the Township, Local Government investment pools, and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the Township is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19.

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Township does not have a policy for custodial risk.

**TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Interest Rate Risk – The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments as noted above (N.J.S.A. 40A:5-15.1). The Township does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The Township places no limit in the amount the Township may invest in any one issuer.

As of June 30, 2018 and 2017 the Township had no outstanding investments.

Interest earned in the General Capital Fund, Animal Control Fund and certain Other Trust Funds are assigned to the Current Fund in accordance with the regulatory basis of accounting. Interest earned in the Utility Capital Funds are assigned to the Utility Operating Funds in accordance with the regulatory basis of accounting.

NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE

Receivables at June 30, 2018 consisted of the following:

	<u>Current</u>	<u>Sewer Utility</u>	<u>Total</u>
<u>2018</u>			
Taxes Receivable	\$ 3,134,954		\$ 3,134,954
Tax Title Liens	475,635		475,635
Assigned Tax Title Liens	194,062		194,062
Utility Charges and Fees		\$ 1,757,265	1,757,265
Utility Liens	-	9,828	9,828
	<u>\$ 3,804,651</u>	<u>\$ 1,767,093</u>	<u>\$ 5,571,744</u>

**TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE (Continued)

In the fiscal year ended June 30, 2018, the Township collected \$2,960,719 and \$1,504,519 from delinquent taxes and tax title liens and utility charges and fees, which represented 81.7% and 99.4% of the delinquent tax and liens, and sewer charges receivable and liens at June 30, 2017.

Receivables at June 30, 2017 consisted of the following:

	<u>Current</u>	<u>Sewer Utility</u>	<u>Total</u>
<u>2017</u>			
Taxes Receivable	\$ 3,114,482		\$ 3,114,482
Tax Title Liens	341,576		341,576
Assigned Tax Title Liens	194,062		194,062
Utility Charges and Fees		\$ 1,507,911	1,507,911
Utility Liens	-	6,436	6,436
	<u>\$ 3,650,120</u>	<u>\$ 1,514,347</u>	<u>\$ 5,164,467</u>

In the fiscal year ended June 30, 2017, the Township collected \$2,685,581 and \$1,431,316 from delinquent taxes and tax title liens and utility charges and fees, which represented 83.5% and 99.5% of the delinquent tax and liens, and sewer charges receivable and liens at June 30, 2016.

**TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 5 DUE TO/FROM OTHER FUNDS

As of June 30, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>2018</u>		<u>2017</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund:				
Regular	\$ 1,544,338	\$ 138,350	\$ 129,318	\$ 3,084,416
Trust Funds:				
Other Trust	2,616,394	1,231	2,613,845	941
Self Insurance Trust Fund		703,329	2,984,951	
General Capital Fund	121,956	6,100,000	99,465	3,600,000
Sewer Utility Fund:				
Operating	25,922		18,586	
Capital	3,500,000	25,922	1,000,000	18,586
Recreation Utility Fund:				
Operating		613,496	-	1,165,607
Capital	-		1,023,140	-
Marina Utility Fund:				
Operating			245	
Parking Utility Fund:				
Operating		226,284	-	8,915
Capital	<u>2</u>	<u>-</u>	<u>8,915</u>	<u>-</u>
Total	<u>\$ 7,808,612</u>	<u>\$ 7,808,612</u>	<u>\$ 7,878,465</u>	<u>\$ 7,878,465</u>

The above balances are the result of expenditures being paid by one fund on behalf of another and/or to cover cash balances which were in an overdraft position.

The Township expects all interfund balances to be liquidated within one year.

**TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Under the regulatory basis of accounting, certain expenditures are required to be deferred to budgets of succeeding years. At June 30, the following deferred charges are reported on the balance sheets of the following funds:

	<u>Balance June 30,</u>	<u>Subsequent Year Budget Appropriation</u>	<u>Balance to Succeeding Years</u>
<u>2018</u>			
There are none.			
<u>2017</u>			
Recreation Utility Operating Fund			
Emergency Authorizations	<u>\$ 751,250</u>	<u>\$ 751,250</u>	<u>\$ -</u>

TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 7 FUND BALANCES APPROPRIATED

Under the regulatory basis of accounting, fund balances in the Current Fund and Utility Operating Fund(s) are comprised of cash surplus (fund balance) and non-cash surplus (fund balance). All or part of cash surplus as of June 30 may be anticipated in the subsequent year's budget. The non-cash surplus portion of fund balance may be utilized in the subsequent year's budget with the prior written consent of the Director of the Division of Local Government Services if certain guidelines are met as to its availability. Fund balances at June 30, which were appropriated and included as anticipated revenue in their own respective fund's budget for the succeeding year were as follows:

	Fund Balance June 30, <u>2018</u>	Utilized in Subsequent Year's Budget	Fund Balance June 30, <u>2017</u>	Utilized in Subsequent Year's Budget
Current Fund				
Cash Surplus	\$ 20,169,289	\$ 11,113,253	\$ 13,876,304	\$ 9,262,024
Non-Cash Surplus	432,705	-	3,653,084	-
Current Fund	<u>\$ 20,601,994</u>	<u>\$ 11,113,253</u>	<u>\$ 17,529,388</u>	<u>\$ 9,262,024</u>
Sewer Utility Operating Fund				
Cash Surplus	\$ 4,962,993	\$ 4,223,174	\$ 5,506,318	\$ 4,000,000
Non-Cash Surplus	-	-	-	-
Sewer Utility Operating Fund	<u>\$ 4,962,993</u>	<u>\$ 4,223,174</u>	<u>\$ 5,506,318</u>	<u>\$ 4,000,000</u>
Recreation Utility Fund				
Cash Surplus	\$ 93,665	-		
Non-Cash Surplus	-	-	\$ 93,665	-
Recreation Utility Fund	<u>\$ 93,665</u>	<u>\$ -</u>	<u>\$ 93,665</u>	<u>\$ -</u>
Marina/Boat Launch Utility Fund				
Cash Surplus	\$ 30,833	\$ 30,833	\$ 78,344	\$ 78,099
Non-Cash Surplus	-	-	-	245
Marna Utility Fund	<u>\$ 30,833</u>	<u>\$ 30,833</u>	<u>\$ 78,344</u>	<u>\$ 78,344</u>
Parking Utility Fund				
Cash Surplus	-	-	\$ 379,232	\$ 379,232
Non-Cash Surplus	-	-	-	-
Parking Utility Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 379,232</u>	<u>\$ 379,232</u>

TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 8 FIXED ASSETS

A. General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended June 30, 2018 and 2017.

	Balance July 1, <u>2017</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2018</u>
<u>2018</u>				
Land, Buildings and Building Improvements	\$ 87,024,473	\$ 490,576		\$ 87,515,049
Machinery and Equipment	55,231,751	4,732,463	\$ 485,063	59,479,151
Construction in Progress	<u>1,217,642</u>	<u>1,043,849</u>	<u>-</u>	<u>2,261,491</u>
	<u>\$ 143,473,866</u>	<u>\$ 6,266,888</u>	<u>\$ 485,063</u>	<u>\$ 149,255,691</u>
	Balance July 1, <u>2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2017</u>
<u>2017</u>				
Land, Buildings and Building Improvements	\$ 85,057,847	\$ 1,966,626		\$ 87,024,473
Machinery and Equipment	50,451,647	5,115,055	\$ 334,951	55,231,751
Construction in Progress	<u>548,973</u>	<u>668,669</u>	<u>-</u>	<u>1,217,642</u>
	<u>\$ 136,058,467</u>	<u>\$ 7,750,350</u>	<u>\$ 334,951</u>	<u>\$ 143,473,866</u>

B. Utility Funds Fixed Assets

The following is a summary of changes in the utility funds fixed assets for the years ended June 30, 2018 and 2017.

	Balance July 1, 2017	<u>Increases</u>	<u>Decreases</u>	Balance June 30, 2018
<u>Sewer Utility Fund</u>				
<u>2018</u>				
Fixed Capital				
System Improvements and Equipment	\$ 100,878,154	\$ 2,089,351	\$ -	\$ 102,967,505
	<u>\$ 100,878,154</u>	<u>\$ 2,089,351</u>	<u>\$ -</u>	<u>\$ 102,967,505</u>
	Balance July 1, 2016	<u>Increases</u>	<u>Decreases</u>	Balance June 30, 2017
<u>2017</u>				
Fixed Capital				
System Improvements and Equipment	\$ 100,878,154	\$ -	\$ -	\$ 100,878,154
	<u>\$ 100,878,154</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,878,154</u>

**TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 8 FIXED ASSETS (Continued)

B. Utility Funds Fixed Assets (Continued)

<u>Recreation Utility Fund</u>	Balance <u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2018</u>
<u>2018</u>				
Fixed Capital				
Community Center	\$ 28,372,870	\$ 1,815	\$ -	\$ 28,374,685
	Balance <u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2017</u>
<u>2017</u>				
Fixed Capital				
Community Center	\$ 28,369,095	\$ 3,775	\$ -	\$ 28,372,870
<u>Parking Utility Fund</u>	Balance <u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2018</u>
<u>2018</u>				
Fixed Capital				
Parking Improvements	\$ 332,243	\$ 365,000	\$ -	\$ 697,243
	Balance <u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2017</u>
<u>2017</u>				
Fixed Capital				
Parking Improvements	\$ 332,243	\$ -	\$ -	\$ 332,243

TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 9 MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for both general capital and utility capital fund projects. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and four months or retired by the issuance of bonds.

The Township's debt is summarized as follows:

	<u>2018</u>	<u>2017</u>
Issued		
General		
Bonds, Notes and Loans	\$ 155,494,169	\$ 140,130,074
Sewer Utility		
Bonds and Notes	71,430,000	76,115,000
Recreation Utility		
Notes	13,450,000	5,220,000
Parking Utility		
Notes	-	870,000
	<u>240,374,169</u>	<u>222,335,074</u>
Less: Funds Temporarily Held to Pay Bonds and Notes	<u>990,412</u>	<u>2,540,606</u>
Net Debt Issued	<u>239,383,757</u>	<u>219,794,468</u>
Authorized But Not Issued		
General		
Bonds and Notes	22,580,000	22,299,000
Sewer Utility		
Bonds and Notes	65,546,875	20,222,000
Recreation Utility		
Bonds and Notes	39,500	15,869,500
Parking Utility		
Bonds and Notes	400,000	-
	<u>88,566,375</u>	<u>58,390,500</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 327,950,132</u>	<u>\$ 278,184,968</u>

**TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 9 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is extracted from the Township's Annual Debt Statement and indicates a statutory net debt of 1.42% and 1.43% at June 30, 2018 and 2017, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2018</u>			
General Debt	\$ 178,074,169	\$ 23,236,969	\$ 154,837,200
School Debt	115,073,113	115,073,113	
Utility Debt	<u>150,866,375</u>	<u>150,866,375</u>	<u>-</u>
Total	<u>\$ 444,013,657</u>	<u>\$ 289,176,457</u>	<u>\$ 154,837,200</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2017</u>			
General Debt	\$ 162,429,074	\$ 7,085,000	\$ 155,344,074
School Debt	119,733,113	119,733,113	
Utility Debt	<u>118,296,500</u>	<u>118,296,500</u>	<u>-</u>
Total	<u>\$ 400,458,687</u>	<u>\$ 245,114,613</u>	<u>\$ 155,344,074</u>

Statutory Borrowing Power

The Township's remaining borrowing power under N.J.S. 40A:2-6, as amended, at June 30, was as follows:

	<u>2018</u>	<u>2017</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 382,160,867	\$ 380,674,869
Net Debt	<u>154,837,200</u>	<u>155,344,074</u>
Remaining Borrowing Power	<u>\$ 227,323,667</u>	<u>\$ 225,330,795</u>

**TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt

The Township’s long-term debt consisted of the following at June 30:

General Obligation Bonds

The Township levies ad valorem taxes to pay debt service on general obligation bonds. General obligation bonds outstanding at June 30 are as follows:

	<u>2018</u>	<u>2017</u>
\$8,975,000, 2011 Refunding Bonds due in annual installments of \$1,585,000 to \$1,595,000 through July 15, 2019, interest at 5.00%	\$ 3,180,000	\$ 4,655,000
\$36,155,000, 2013 General Improvement Bonds due in annual installments of \$3,000,000 to \$5,000,000 through August 15, 2023, interest at 2.00% to 4.00%	25,655,000	28,655,000
\$25,630,000, 2014 Refunding Bonds due in annual installments of \$4,390,000 to \$4,635,000 through February 1, 2021, interest at 5.00%	13,635,000	18,260,000
\$1,560,000, 2014 Pension Refunding Bonds due in annual installments of \$240,000 to \$290,000 through February 1, 2021, interest at 2.932% to 3.620%	<u>795,000</u>	<u>1,015,000</u>
Total	<u>\$ 43,265,000</u>	<u>\$ 52,585,000</u>

General Intergovernmental Loans Payable

The Township has entered into loan agreements with the State Department of Environmental Protection and the Green Acres Trust. The Township levies ad valorem taxes to pay debt service on general intergovernmental loans issued. General intergovernmental loans outstanding at June 30 are as follows:

	<u>2018</u>	<u>2017</u>
\$87,650 Green Acres Trust Loan due in a semi-annual installment of \$2,698 through August 2018, interest at 2%	\$ 2,698	\$ 8,015
\$350,000 Green Acres Trust Loan due in semi-annual installments of \$10,294 through March 2029, interest at 0%	<u>226,471</u>	<u>247,059</u>
Total	<u>\$ 229,169</u>	<u>\$ 255,074</u>

**TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Utility Bonds (Continued)

The Township pledges revenue from operations to pay debt service on utility bonds issued. The sewer utility bonds outstanding at June 30 are as follows:

Sewer Capital Fund	<u>2018</u>	<u>2017</u>
\$7,275,000, 2010 Refunding Bonds, due in annual installments of \$355,000 to \$1,220,000 through July 15, 2024, interest at 5.00%	\$ 5,625,000	\$ 5,970,000
\$25,285,000 2011 Bonds, due in annual installments of \$850,000 to \$1,450,000 through July 1, 2021, interest at 3.00% to 3.50%	4,000,000	21,035,000
\$4,060,000, 2011 Refunding Bonds, due in annual installments of \$245,000 to \$925,000 through July 15, 2023, interest at 5.00%	3,245,000	3,480,000
\$7,935,000, 2015 Refunding Bonds, due in annual installments of \$1,620,000 to \$1,690,000 through July 1, 2020, interest at 4.00% to 5.00%	4,910,000	6,455,000
\$15,650,000, 2017 Refunding Bonds, due in annual installments of \$1,405,000 to \$1,645,000 through July 1, 2031, interest at 3.00% to 4.00%	<u>15,650,000</u>	<u>-</u>
Total Sewer Capital Fund	<u>\$ 33,430,000</u>	<u>\$ 36,940,000</u>

**TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

The Township's principal and interest for long-term debt issued and outstanding as of June 30, 2018 is as follows:

Fiscal Year	<u>General</u>		<u>Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2019	\$ 9,458,287	\$ 1,570,173	\$ 3,070,000	\$ 1,351,750	\$ 15,450,210
2020	9,765,588	1,182,511	3,080,000	1,223,100	15,251,199
2021	9,200,589	793,698	3,190,000	1,083,350	14,267,637
2022	5,020,588	421,200	3,170,000	943,725	9,555,513
2023	5,020,588	271,200	3,340,000	806,000	9,437,788
2024-2028	5,007,941	98,100	11,050,000	2,246,125	18,402,166
2029	<u>20,588</u>	<u>-</u>	<u>6,530,000</u>	<u>520,200</u>	<u>7,070,788</u>
Total	<u>\$ 43,494,169</u>	<u>\$ 4,336,882</u>	<u>\$ 33,430,000</u>	<u>\$ 8,174,250</u>	<u>\$ 89,435,301</u>

Advance Refundings of Debt

On October 10, 2017, the Township issued \$15,650,000 in Sewer Utility Refunding Bonds having interest rates of 3.00% to 4.00%. These bonds were issued in order to advance refund certain principal maturities and certain interest payments of the Sewer Utility Bonds, Series 2011 of the Township. The total bond principal defeased was \$16,185,000 and the total interest payments defeased to the call date of July 1, 2021 was \$2,640,450. The net proceeds of \$17,809,202 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the advance refunding met the requirements of an in-substance debt defeasance and the refunded bond liability was removed from the Sewer Utility Fund. This advance refunding resulted in an economic gain (difference between the present value of the old and new debt service payments) was \$814,053. The advanced refunding was undertaken to reduce total debt service payments over the next fourteen years by \$962,309.

**TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt

The Township's long-term capital debt activity for the years ended June 30, 2018 and 2017 were as follows:

	Balance July 1, <u>2017</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2018</u>	Due Within <u>One Year</u>
<u>2018</u>					
General Capital Fund					
Bonds Payable	\$ 52,585,000	\$ -	\$ 9,320,000	\$ 43,265,000	\$ 9,435,000
Intergovernmental Loans Payable	<u>255,074</u>	<u>-</u>	<u>25,905</u>	<u>229,169</u>	<u>23,287</u>
General Capital Fund Long-Term Liabilities	<u>\$ 52,840,074</u>	<u>\$ -</u>	<u>\$ 9,345,905</u>	<u>\$ 43,494,169</u>	<u>\$ 9,458,287</u>
	Balance July 1, <u>2017</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2018</u>	Due Within <u>One Year</u>
Sewer Utility Capital Fund					
Bonds Payable	\$ 36,940,000	\$ 15,650,000	\$ 19,160,000	\$ 33,430,000	\$ 3,070,000
Sewer Utility Capital Fund Long-Term Liabilities	<u>\$ 36,940,000</u>	<u>\$ 15,650,000</u>	<u>\$ 19,160,000</u>	<u>\$ 33,430,000</u>	<u>\$ 3,070,000</u>
	Balance July 1, <u>2016</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2017</u>	Due Within <u>One Year</u>
<u>2017</u>					
General Capital Fund					
Bonds Payable	\$ 62,250,000	-	\$ 9,665,000	\$ 52,585,000	\$ 9,320,000
Intergovernmental Loans Payable	<u>280,874</u>	<u>-</u>	<u>25,800</u>	<u>255,074</u>	<u>25,905</u>
General Capital Fund Long-Term Liabilities	<u>\$ 62,530,874</u>	<u>\$ -</u>	<u>\$ 9,690,800</u>	<u>\$ 52,840,074</u>	<u>\$ 9,345,905</u>
	Balance July 1, <u>2016</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2017</u>	Due Within <u>One Year</u>
Sewer Utility Capital Fund					
Bonds Payable	\$ 39,835,000	-	\$ 2,895,000	\$ 36,940,000	\$ 2,975,000
Sewer Utility Capital Fund Long-Term Liabilities	<u>\$ 39,835,000</u>	<u>\$ -</u>	<u>\$ 2,895,000</u>	<u>\$ 36,940,000</u>	<u>\$ 2,975,000</u>

**TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

The Township's short-term debt activity for the years ended June 30, 2018 and 2017 was as follows:

Bond Anticipation Notes

	Balance July 1, <u>2017</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2018</u>
<u>2018</u>				
Bond Anticipation Notes				
General Capital Fund	\$ 87,290,000	\$ 112,000,000	\$ 87,290,000	\$ 112,000,000
Sewer Utility Capital Fund	39,175,000	38,000,000	39,175,000	38,000,000
Recreation Utility Capital Fund	5,220,000	13,450,000	5,220,000	13,450,000
Parking Utility Capital Fund	870,000	-	870,000	-
	<u>\$ 132,555,000</u>	<u>\$ 163,450,000</u>	<u>\$ 132,555,000</u>	<u>\$ 163,450,000</u>
	Balance July 1, <u>2016</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2017</u>
<u>2017</u>				
Bond Anticipation Notes				
General Capital Fund	\$ 75,983,000	\$ 87,290,000	\$ 75,983,000	\$ 87,290,000
Sewer Utility Capital Fund	7,500,000	39,175,000	7,500,000	39,175,000
Recreation Utility Capital Fund	11,257,000	5,220,000	11,257,000	5,220,000
Parking Utility Capital Fund	-	870,000	-	870,000
	<u>\$ 94,740,000</u>	<u>\$ 132,555,000</u>	<u>\$ 94,740,000</u>	<u>\$ 132,555,000</u>

The purpose of these short-term borrowings was to provide resources for capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq. The amounts issued for governmental activities are accounted for in the General Capital Fund. The amounts issued for the sewer, recreation and parking utility activities are accounted for in the Sewer Utility Capital Fund, Recreation Utility Capital Fund and Parking Utility Capital Fund.

State law requires that notes are to be issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year. All bond anticipation notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. In addition any note renewed beyond the third anniversary date of the original note, requires one legally payable installment to be paid.

C. Other Related Matters

Housing Authority Improvements

The Township adopted ordinance 17-96 which authorized a loan to the Housing Authority in the amount of \$6,500,000. On December 1, 2007 the Township entered into an agreement with the Woodbridge Housing Authority to purchase \$6,262,084 of Housing Revenue Bonds (Rental Assistance Demonstration Project), Series 2017. The bonds will be repaid monthly by the Housing Authority to the Township in the amount of \$27,415 from January 1, 2018 through December 1, 2047. These bonds, in addition to other funds, will be used to provide money for capital repairs and a reserve for rehabilitation as well as to pay off some outstanding escrow and loan debt of the Housing Authority. The balance of the loan at June 30, 2018 was \$6,437,973.

**TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 9 MUNICIPAL DEBT (Continued)

C. Other Related Matters (Continued)

Senior Housing and Redevelopment Project

The Township adopted ordinance 17-95 which authorized a loan to the Housing Authority in the amount of \$7,200,000 and ordinance 18-01 which authorized a loan to the Woodbridge Redevelopment Agency in the amount of \$2,500,000. On June 8, 2018 the Township entered into an agreement with the Woodbridge Housing Authority to purchase \$6,665,761 of Housing Revenue Bonds (Rental Assistance Demonstration Project), Series 2018. The bonds will be repaid monthly by the Housing Authority to the Township in the amount of \$29,185 from November 1, 2019 through October 1, 2049. These bonds, in addition to other funds, including the \$2,500,000 which was loaned to the Redevelopment Agency, will be used in connection with a senior housing and redevelopment project. The project include the building of a new senior housing building, relocation of seniors from an existing senior housing site to the new site and the demolition of the old site. Once this has occurred, the site of the old senior housing will be redeveloped as market rate housing as part of a Transit Village. The balance of the loan at June 30, 2018 was \$7,200,000.

NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

As of June 30, the Township had the following commitments with respect to unfinished capital projects:

<u>2018</u> <u>Capital Project/Commitment</u>	<u>Construction Commitment</u>	<u>Estimated Estimated Date of Completion</u>
Architectural Services for St. Ceceilia's Renovation Project	\$ 58,314	2019
Woodbridge Library Ramp	34,452	2019
Cypress Center Parking Lot	12,536	2019
Renovations to Five Branches Senior Center	155,360	2019
Sanitary Sewer Cleaning	54,488	2019
Elevator Additions at Oak Tree Road School	978,000	2019
2017 Milling and Paving Program	149,825	2019
Cypress Recreation Center Additions and Renovations	226,126	2019
Boiler Upgrades at Evergreen and Woodbridge Library	80,299	2019
Albert and Raymond Streets Road & Sewer Improvements	205,482	2019
Engineering Services for Slip Lining & Micrtunneling Design for Segment 8 Keasbey Interceptor	993,829	2019
Controls of Odors & Corrosion in Port Reading Interceptor - Woodbridge Avenue Pumping Station	140,648	2019
Grit Chamber	3,488,789	2019
Pump Station Proofing	139,694	2019
Dow Avenue Road and Sewer Improvement	1,463,537	2019
Hardware and Software Upgrades to Core Network Switches	26,390	2019
Engineering Services for South Park Drive Road Improvements	76,450	2019
CHS Bleachers and JFK Barrier Gates	33,669	2019
Main Library and Health Center Air Conditioner Replacement	129,226	2019
Voice and Network Upgrade for the Five Branch Senior Center	139,477	2019
Renewal/Replacement of the High School Football Field	237,254	2019
Long Rench Case Construction Excavator	254,073	2019
Carpeting - Police 1st and 2nd Floors	190,732	2019
Engineering Services for 2019 Milling and Resurfacing Program	240,626	2019
Storm Water Rehabilitation	28,119	2019

TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (Continued)

<u>2018 (Continued)</u> <u>Capital Project/Commitment</u>	<u>Construction Commitment</u>	<u>Estimated Estimated Date of Completion</u>
Engineering Services for Stafford Road Sanitary Sewer Improvements	\$ 290,317	2019
Modifications to Traffic Signal	705,600	2019
Three 2018 Ford Explorers	143,646	2019
2018 Milling and Resurfacing Program	3,517,727	2019
Four Ford Super Duty	191,470	2019
Engineering Services for Traffic Signals at Four Intersections	<u>157,000</u>	2019
	<u>\$ 14,543,155</u>	

<u>2017</u> <u>Capital Project/Commitment</u>	<u>Construction Commitment</u>	<u>Estimated Estimated Date of Completion</u>
Removal and Replacement of Municipal Building Roof	\$ 35,820	2018
Network Upgrades for Network Operation Center	45,269	2018
Sewaren Marina Site Design - Phase 4	21,964	2018
Cleaning & Televising - Sanitary Sewer - "F" Spot Repairs	22,858	2018
2016 Road Program	477,898	2018
Woodbridge Community Center - Roof Renovations	83,972	2018
Synthetic Turf Field and Comfort Station	204,904	2018
CMS and JFK Schools Softball Fields	13,449	2018
CMS and JFK Schools Turf Fields	27,000	2018
CMS Softball Field Lighting	175,851	2018
Fence Installation and Equipment	21,000	2018
Sewer Jetter Truck	226,716	2018
Single Axle Hook Truck	214,674	2018
ADA Lift and Boiler Equipment	85,993	2018
Woodbridge Community Center - Sign Installation	325,291	2018
HVAC for Henry Inman Library in Colonia	31,707	2018
Elevator Additions at Oak Tree Road School	6,168,416	2018
Three Ambulances	429,500	2018
2017 Milling and Paving Program	3,963,553	2018
Cypress Recreation Center Additions and Renovations	2,628,000	2018
Boiler Upgrades at Evergreen and Woodbridge Library	542,000	2018
Albert and Raymond Streets Road & Sewer Improvements	1,918,357	2018
Woodbridge Community Center - Flooring	549,530	2018
Bearcat Military Police Vehicle	296,808	2018
Grit Chamber	<u>7,346,600</u>	2018
	<u>\$ 25,857,130</u>	

**TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 11 OTHER LONG-TERM LIABILITIES

A. Compensated Absences

Under the existing policies and labor agreements of the Township, employees are allowed to accumulate (with certain restrictions) unused vacation benefits, compensation time and sick leave over the life of their working careers and to redeem such unused leave time in cash (with certain limitations) upon death, retirement or by extended absence immediately preceding retirement.

The maximum benefit an employee is entitled to at retirement is \$15,000 if hired before June 25, 1999 and \$7,500 if hired after June 25, 1999. The maximum for police officers is \$15,000.

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$14,074,148 and \$13,353,944 at June 30, 2018 and 2017, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

B. Capital Lease Agreement

The Township entered into agreements for the leasing of police cars totaling \$1,638,079 under capital leases. The capital lease agreements are for terms of 3 years payable in advance. The following is a schedule of the future minimum lease payments under the remaining capital lease and the present value of the net minimum lease payments at June 30, 2018.

<u>Fiscal Years Ended June 30,</u>	<u>Amount</u>
2019	\$ 175,760
2020	231,096
2021	<u>231,096</u>
Total	637,952
Less: Amounts representing Interest	<u>36,242</u>
Present value of Net Minimum Lease Payments	<u>\$ 601,710</u>

The Township’s capital lease activity for the years 2018 and 2017 was as follows:

	<u>2018</u>	<u>2017</u>
Balance, July 1	\$ 490,497	\$ 442,942
Additions	660,130	510,472
Reductions	<u>(548,917)</u>	<u>(462,917)</u>
Balance, June 30	<u>\$ 601,710</u>	<u>\$ 490,497</u>
Due Within One Year	<u>\$ 170,097</u>	<u>\$ 320,400</u>

TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)

Changes in Other Long-Term Liabilities

Under the regulatory basis of accounting, certain other long-term liabilities which may be considered material to the financial statements are not reported either as an expenditure or a liability. However, under the regulatory basis of accounting, these other long-term liabilities and related information are required to be disclosed in the notes to the financial statements in conformity with the disclosure requirements of the Governmental Accounting Standards Board.

The Township's changes in other long-term liabilities for the years ended June 30, 2018 and 2017 were as.

	<u>July 1,</u> <u>2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30,</u> <u>2018</u>	<u>Within</u> <u>One Year</u>
<u>2018</u>					
Compensated Absences	\$ 12,399,938	\$ 674,050		\$ 13,073,988	
Net Pension Liability - PERS	139,977,102		25,591,062	114,386,040	
Net Pension Liability - PFRS	122,245,669		28,050,203	94,195,466	
Net OPEB Obligation	<u>132,457,977</u>	<u>29,892,648</u>	<u>7,987,748</u>	<u>154,362,877</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$407,080,686</u>	<u>\$ 30,566,698</u>	<u>\$61,629,013</u>	<u>\$376,018,371</u>	<u>\$ -</u>
	<u>Balance,</u> <u>July 1,</u> <u>2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>June 30,</u> <u>2017</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
<u>2017</u>					
Compensated Absences	\$ 12,886,042		\$ 486,104	\$ 12,399,938	
Net Pension Liability - PERS	105,701,763	\$ 38,907,360	4,632,021	139,977,102	
Net Pension Liability - PFRS	107,489,783	19,973,886	5,218,000	122,245,669	
Net OPEB Obligation	<u>122,555,706</u>	<u>16,654,935</u>	<u>6,752,664</u>	<u>132,457,977</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$348,633,294</u>	<u>\$ 75,536,181</u>	<u>\$17,088,789</u>	<u>\$407,080,686</u>	<u>\$ -</u>

**TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees which includes those Township employees who are eligible for pension coverage.

Consolidated Police and Firemen's Pension Fund (CPFPPF) – established in January 1952, under the provisions of N.J.S.A. 43:16 to provide coverage to municipal police and firemen who were appointed prior to July 1, 1944. The fund is a closed system with no active members. CPFPPF is a cost-sharing plan with special funding situations.

Police and Firemen's Retirement System (PFRS) – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after December 31, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership. PFRS is a cost-sharing multi-employer defined benefit pension plan.

Public Employees' Retirement System (PERS) – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement healthcare for those eligible employees whose local employers elected to do so, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and, if applicable, 25 years for post-retirement healthcare coverage. PERS is a cost-sharing multi-employer defined benefit pension plan.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Township employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. DCRP is a defined contribution pension plan.

Other Pension Funds

The state established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The State also administers the Pensions Adjustment Fund (PAF). Prior to the adoption of pension reform legislation, P.L. 2011, C.78, it provided cost of living increases equal to 60 percent of the change in the average consumer price index, to eligible retirees in some State-sponsored pension systems which includes the CPFPPF. Cost-of-living increases provided under the State's pension adjustment program are currently suspended as a result of the reform legislation. This benefit is funded by the State as benefit allowances become payable.

TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Other Pension Funds (Continued)

The cost of living increase for PFRS and PERS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

Basis of Accounting

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits and refunds are recognized when due and payable in accordance with the terms of the retirement systems.

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290, or at www.state.nj.us/treasury/doinvest.

Funded Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, which was rolled forward to June 30, 2017, the aggregate funded ratio for all the State administered retirement systems, including CPFPPF, local PERS and local PFRS is 35.79 percent with an unfunded actuarial accrued liability of \$142.3 billion. The CPFPPF system is 25.75 percent funded with an unfunded actuarial accrued liability of \$5.5 million. The aggregate funded ratio and unfunded accrued liability for the local PERS system is 48.10 percent and \$23.3 billion, respectively and the aggregate funded ratio and unfunded accrued liability for local PFRS is 58.60 percent and \$17.2 billion, respectively.

The funded status and funding progress of the retirement systems includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

**TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Funded Status and Funding Progress (Continued)

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2016 actuarial valuations, the date of the most recent actuarial valuations, the projected unit credit was used as actuarial cost method, and the five year average of market value was used as asset valuation method for pension trust funds. The actuarial assumptions included (a) 7.00% for investment rate of return for all the retirement systems except CPFPPF (1.00%) and (b) changes to projected salary increases applied through the year 2026 of 1.65-5.15 percent based on age for PERS and 2.10-9.98 percent based on age for PFRS.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 10.0% for PFRS, 7.20% for PERS and 5.50% for DCRP of employee’s annual compensation for 2017.

Annual Pension Cost (APC)

Per the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employees*, for the years ended June 30, 2018 and 2017 for CPFPPF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension cost equals contributions made. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended June 30, 2018, 2017 and 2016, the Township was required to contribute for normal cost pension contributions, accrued liability pension contributions, and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

Fiscal Year Ended June 30	<u>DCRP</u>	<u>CPFPPF</u>	<u>PFRS</u>	<u>PERS</u>
2018	\$ 100,000	\$ 16,226	\$ 5,399,946	\$ 5,032,682
2017	84,873	16,316	5,218,000	4,632,021
2016	61,979	16,307	5,245,585	4,459,528

**TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees Retirement System (PERS)

At June 30, 2018 and 2017, the Township reported a liability of \$114,386,040 and \$139,977,102, respectively, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017 and 2016, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 and 2015, respectively. The Township's proportionate share of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. As of the measurement date of June 30, 2017, the Township's proportionate share was 0.49138 percent, which was an increase of 0.01876 percent from its proportionate share measured as of June 30, 2016 of 0.47262 percent.

For the year ended June 30, 2018 and 2017, the pension system has determined the Township's pension expense to be \$9,879,335 and \$14,219,425, respectively, for PERS based on the actuarial valuation which is more than the actual contributions reported in the Township's financial statements of \$5,032,682 and \$4,632,021, respectively. At June 30, 2018 and 2017, the Township's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Township's financial statements are from the following sources:

	2017		2016	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 2,693,396		\$ 2,603,150	\$ -
Changes of Assumptions	23,044,845	\$ 22,960,358	28,995,779	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	778,892		5,337,454	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>5,502,312</u>	<u>-</u>	<u>3,014,030</u>	<u>-</u>
Total	<u>\$ 32,019,445</u>	<u>\$ 22,960,358</u>	<u>\$ 39,950,413</u>	<u>\$ -</u>

**TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

At June 30, 2018 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2018	\$ 4,222,772
2019	5,536,061
2020	3,558,277
2021	(2,331,668)
2022	(1,926,355)
Thereafter	<u>-</u>
	<u>\$ 9,059,087</u>

Actuarial Assumptions

The Township’s total pension liability reported for the year ended June 30, 2018 was based on the June 30, 2017 measurement date as determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The total pension liability reported for the year ended June 30, 2017 was based on the June 30, 2016 measurement date as determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<u>PERS</u>	<u>2017</u>	<u>2016</u>
Inflation Rate	2.25%	3.08%
Salary Increases:		
Through 2026	1.65-4.15% Based on Age	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age	2.65-5.15% Based on Age
Investment Rate of Return	7.00%	7.65%
Mortality Rate Table	RP-2000	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the July 1, 2016 and 2015 valuations were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014, respectively.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2017 and 2016, as reported for the years ended June 30, 2018 and 2017, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>2017</u>		<u>2016</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%		
Cash Equivalents	5.50%	1.00%	5.00%	0.87%
U.S. Treasuries	3.00%	1.87%	1.50%	1.74%
Investment Grade Credit	10.00%	3.78%	8.00%	1.79%
Mortgages			2.00%	1.67%
High Yield Bonds			2.00%	4.56%
Inflation-Indexed Bonds			1.50%	3.44%
US Equity	30.00%	8.19%	26.00%	8.53%
Non-US Developed Markets Equity	11.50%	9.00%	13.25%	6.83%
Emerging Markets Equity	6.50%	11.64%	6.50%	9.95%
Private Equity			9.00%	12.40%
Hedge Funds/Absolute Return			12.50%	4.68%
Real Estate (Property)			2.00%	6.91%
Commodities			0.50%	5.45%
Global Debt ex US			5.00%	-0.25%
REIT			5.25%	5.63%
Public High Yield	2.50%	6.82%		
Global Diversified Credit	5.00%	7.10%		
Credit Oriented Hedge Funds	1.00%	6.60%		
Debt Related Private Equity	2.00%	10.63%		
Debt Related Real Estate	1.00%	6.61%		
Private Real Asset	2.50%	11.83%		
Equity Related Real Estate	6.25%	9.23%		
Buyouts/Venture Capital	8.25%	13.08%		

**TOWNSHIP OF WOODBRIDGE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2017	5.00%
2017	June 30, 2016	3.98%

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2040
Municipal Bond Rate *	From July 1, 2040 and Thereafter

* The municipal bond return rate used is 3.58% and 2.85% as of the measurement dates of June 30, 2017 and 2016, respectively. 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.

**TOWNSHIP OF WOODBRIDGE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of Net Pension Liability

The following presents the Township’s proportionate share of the PERS net pension liability as of June 30, 2018 and 2017 calculated using the discount rate of 5.00% and 3.98%, respectively, as well as what the Township’s proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00% and 2.98%, respectively) or 1-percentage-point higher (6.00% and 4.98%, respectively) than the current rate:

	1% Decrease <u>(4.00%)</u>	Current Discount Rate <u>(5.00%)</u>	1% Increase <u>(6.00%)</u>
<u>2017</u>			
Township's Proportionate Share of the PERS Net Pension Liability	<u>\$ 141,903,646</u>	<u>\$ 114,386,040</u>	<u>\$ 91,460,464</u>
	1% Decrease <u>(2.98%)</u>	Current Discount Rate <u>(3.98%)</u>	1% Increase <u>(4.98%)</u>
<u>2016</u>			
Townships Proportionate Share of the PERS Net Pension Liability	<u>\$ 171,525,600</u>	<u>\$ 139,977,102</u>	<u>\$ 113,931,081</u>

The sensitivity analysis was based on the proportionate share of the Township’s net pension liability at June 30, 2018 and 2017. A sensitivity analysis specific to the Township’s net pension liability was not provided by the pension system.

**TOWNSHIP OF WOODBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the PERS pension plan’s fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Police and Firemen’s Retirement System (PFRS)

At June 30, 2018 and 2017, the Township reported a liability of \$94,195,466 and \$122,245,669, respectively, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2017 and 2016, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 and 2015, respectively. The Township’s proportionate share of the net pension liability was based on a projection of the Township’s long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. As of the measurement date of June 30, 2017, the Township’s proportionate share was 0.61015 percent, which was a decrease of 0.02979 percent from its proportionate share measured as of June 30, 2016 of 0.63994 percent.

For the years ended June 30, 2018 and 2017, the pension system has determined the Township pension expense to be \$8,289,453 and \$13,638,908, respectively, for PFRS based on the actuarial valuation which is more than the actual contributions reported in the Township’s financial statements of \$5,399,946 and \$5,218,000, respectively. At June 30, 2018 and 2017, the Township’s deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Township’s financial statements are from the following sources:

	<u>2017</u>		<u>2016</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>
Difference Between Expected and Actual Experience	\$ 611,085	\$ 552,849		\$ 801,338
Changes of Assumptions	11,615,350	15,426,463	\$ 16,932,030	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,797,470		8,565,508	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>2,314,169</u>	<u>4,691,708</u>	<u>3,228,861</u>	<u>1,318,296</u>
Total	<u>\$ 16,338,074</u>	<u>\$ 20,671,020</u>	<u>\$ 28,726,399</u>	<u>\$ 2,119,634</u>

TOWNSHIP OF WOODBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

At June 30, 2018 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2018	\$ 1,028,361
2019	2,978,091
2020	(586,395)
2021	(5,294,426)
2022	(2,458,577)
Thereafter	<u>-</u>
	<u>\$ (4,332,946)</u>

Actuarial Assumptions

The Township’s total pension liability reported for the year ended June 30, 2018 was based on the June 30, 2017 measurement date as determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The total pension liability reported for the year ended June 30, 2017 was based on the June 30, 2016 measurement date as determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

PFRS

	<u>2017</u>	<u>2016</u>
Inflation Rate	2.25%	3.08%
Salary Increases:		
Through 2026	2.10-8.98% Based on Age	2.10-8.98% Based on Age
Thereafter	3.10-9.98% Based on Age	3.10-9.98% Based on Age
Investment Rate of Return	7.00%	7.65%
Mortality Rate Table	RP-2000	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale AA and one year using Scale BB.

The actuarial assumptions used in the July 1, 2016 and July 1, 2015 valuations were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

TOWNSHIP OF WOODBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2017 and 2016, as reported for the years ended June 30, 2018 and 2017, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>2017</u>		<u>2016</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%		
Cash	5.50%	1.00%	5.00%	0.87%
U.S. Treasuries	3.00%	1.87%	1.50%	1.74%
Investment Grade Credit	10.00%	3.78%	8.00%	1.79%
Mortgages			2.00%	1.67%
High Yield Bonds			2.00%	4.56%
Inflation-Indexed Bonds			1.50%	3.44%
US Equity	30.00%	8.19%	26.00%	8.53%
Non-US Developed Markets Equity	11.50%	9.00%	13.25%	6.83%
Emerging Markets Equity	6.50%	11.64%	6.50%	9.95%
Private Equity			9.00%	12.40%
Hedge Funds/Absolute Return			12.50%	4.68%
Real Estate (Property)			2.00%	6.91%
Commodities			0.50%	5.45%
Global Debt ex US			5.00%	-0.25%
REIT			5.25%	5.63%
Public High Yield	2.50%	6.82%		
Global Diversified Credit	5.00%	7.10%		
Credit Oriented Hedge Funds	1.00%	6.60%		
Debt Related Private Equity	2.00%	10.63%		
Debt Related Real Estate	1.00%	6.61%		
Private Real Asset	2.50%	11.83%		
Equity Related Real Estate	6.25%	9.23%		
Buyouts/Venture Capital	8.25%	13.08%		

**TOWNSHIP OF WOODBRIDGE
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

Discount Rate

The discount rate used to measure the total pension liabilities of the PFRS plan was as follows:

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2017	6.14%
2017	June 30, 2016	5.55%

The following table represents the crossover period, if applicable, for the PFRS defined benefit plan:

Period of Projected Benefit

Payments for which the Following Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2057
Municipal Bond Rate *	From July 1, 2057 and Thereafter

* The municipal bond return rate used is 3.58% and 2.85% as of the measurement dates of June 30, 2017 and 2016, respectively. 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.

TOWNSHIP OF WOODBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

Sensitivity of Net Pension Liability

The following presents the Township’s proportionate share of the PFRS net pension liability as of June 30, 2018 and 2017 calculated using the discount rate of 6.14% and 5.55%, respectively, as well as what the Township’s proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.14% and 4.55 %, respectively) or 1-percentage-point higher (7.14% and 6.55%, respectively) than the current rate:

	1% Decrease <u>(5.14%)</u>	Current Discount Rate <u>(6.14%)</u>	1% Increase <u>(7.14%)</u>
<u>2017</u>			
Township's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 124,110,284</u>	<u>\$ 94,195,466</u>	<u>\$ 69,617,042</u>
	1% Decrease <u>(4.55%)</u>	Current Discount Rate <u>(5.55%)</u>	1% Increase <u>(6.55%)</u>
<u>2016</u>			
Township's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 157,626,827</u>	<u>\$ 122,245,669</u>	<u>\$ 93,394,463</u>

The sensitivity analysis was based on the proportionate share of the Township’s net pension liability at June 30, 2018 and 2017. A sensitivity analysis specific to the Township’s net pension liability was not provided by the pension system.

Special Funding Situation – PFRS

Under N.J.S.A. 43:16A-15, the Township is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions 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 Township by the State 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. Accordingly, the Township’s proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State’s proportionate share is 100% for PFRS under this legislation.

**TOWNSHIP OF WOODBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

Special Funding Situation – PFRS (Continued)

At June 30, 2018 and 2017, the State’s proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is 0.61015 and 0.63994, respectively. For the years ended June 30, 2018 and 2017, the pension system has determined the State’s proportionate share of the pension expense attributable to the Township for the PFRS special funding situation is \$1,290,587 and \$1,311,760, respectively, which is more than the actual contributions the State made on behalf of the Township of \$527,579 and \$393,348, respectively. The State’s proportionate share attributable to the Township was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Township’s financial statements.

Pension Plan Fiduciary Net Position

Detailed information about the PFRS pension plan’s fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS

Plan Description

The Township provides a post employment healthcare plan for its eligible retirees and their spouses. The plan is a single-employer defined benefit healthcare plan administered by the Township. In accordance with Township ordinances, contracts and/or policies, the following Township retirees are eligible for benefits:

- Employees with at least 25 years of service – 100% Township Funded.
- Civilian employees who retired prior to June 30, 1996 after attainment of age 62 with at least 15 years of service – 60% Township Funded.
- All other employees with at least 10 years but less than 25 years of service – 100% Retiree Funded.

The maximum benefit for retired employees is unlimited per lifetime for the PPO plan and unlimited per lifetime for the POS plan.

Funding Policy

The required contribution is funded on a pay-as-you-go basis with an additional amount to prefund benefits as determined annually by the Township. For the fiscal year 2018, the Township contributed \$7,987,748 to the plan. The total of \$7,987,748 was for current premiums.

TOWNSHIP OF WOODBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Annual OPEB Cost and Net OPEB Obligation

The Township’s annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 75. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Township’s annual OPEB cost for the fiscal year 2018, the amount actually contributed to the plan, and changes in the Township’s net OPEB obligation to the plan.

Annual Required Contribution	\$ 8,234,540
Interest on Net OPEB Obligation	4,728,750
Adjustment to Annual Required Contribution	<u>16,929,358</u>
Annual OPEB Cost (Expense)	29,892,648
Contributions Made	<u>7,987,748</u>
Increase in Net OPEB Obligation	21,904,900
Net OPEB Obligation - Beginning of Year	<u>132,457,977</u>
Net OPEB Obligation - End of Year	<u><u>\$ 154,362,877</u></u>

The Township’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal years 2018, 2017 and 2016 were as follows:

Fiscal Year Ended <u>June 30,</u>	Annual <u>OPEB Cost</u>	Percentage of Annual OPEB Cost Versus Net <u>OPEB Obligation</u>	Net OPEB <u>Obligations</u>
2018	\$ 29,892,648	19.37%	\$ 154,362,877
2017	16,654,935	12.57%	132,457,977
2016	15,746,898	12.85%	122,555,706

Funded Status and Funding Progress

As of June 30, 2018, the most recent actuarial valuation date, the plan was -0- percent funded. The actuarial accrued liability for benefits was \$235,248,864 and \$184,573,818 at June 30, 2018 and 2017, respectively, and the actuarial value of assets was \$-0- for both years, resulting in an unfunded actuarial accrued liability (UAAL) of \$235,248,864 and \$184,573,818 as of June 30, 2018 and 2017, respectively. The covered payroll (annual payroll of active employees covered by the plan) was \$64,678,833 and \$62,243,494 and the ratio of the UAAL to the covered payroll was 363.72 and 296.54 percent for the fiscal years ended June 30, 2018 and 2017, respectively.

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

TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Actuarial Methods and Assumptions

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

In the June 30, 2018, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 3.57% percent investment rate of return (net of administrative expense) which is a blended rate of the expected long-term investment returns on plan assets and on the employer’s own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 6 percent of pre-Medicare medical benefits and 5 % post-Medicare medical benefits. The UAAL is being amortized over average service years of the active employees pursuant to the GASB 75 regulations. In addition, approximately 2% is included in the annual health care costs for administrative expenses.

NOTE 14 RISK MANAGEMENT

Other Insurance Coverage

Prior to 1998, the Township was self-insured for claims relating to general and auto liability, workers’ compensation claims and property damage. As of June 30, 2018, there are liabilities in the amount of (\$1,342) relating to this self-insurance program, that are the responsibility of the Township to fund through the budget. Changes in the estimated liability in fiscal years 2018, 2017 and 2016 were as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Beginning of Year Reserve Requirement</u>	<u>Amount Paid In</u>	<u>Claim Payments</u>	<u>Balance at End of Fiscal Year</u>
2018	\$ 12,089	\$ 17,584	\$ 31,015	\$ (1,342)
2017	41,298		29,209	12,089
2016	71,024	-	29,726	41,298

The deficit at June 30, 2018 was funded in the fiscal year ended June 30, 2019.

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Township’s unemployment compensation trust fund for the current and previous two years:

<u>Fiscal Year Ended June 30</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018	\$ 250,000	\$ 89,218	\$ 118,809	\$ 496,832
2017	-	95,908	174,776	276,423
2016	290,000	86,360	119,640	355,291

TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

NOTE 14 RISK MANAGEMENT (Continued)

Employee Group Health

The Township has established a group insurance benefit plan for its employees and their eligible dependents. The Township and its retirees contribute to fund the entire cost of the plan. Claims are paid directly by the plan up to a maximum benefit per person of \$175,000 annually, with any excess benefit being reimbursed through a Re-Insurance Agreement with Sun Life Insurance Company. The reinsurance policy also contains an aggregate loss provision for the calendar year 2018 in the amount of \$33,048,179. The maximum benefit per person, per lifetime is unlimited for active employees. For retired employees, the maximum benefit per person, per lifetime is unlimited for the PPO plan and unlimited for the POS plan. As of June 30, 2018 the Township's reserve for health benefits self-insurance liabilities is \$6,613,082 which exceeds the calculated IBNR and claims payable at June 30, 2018. A contingent liability exists with respect to reinsurance, which would become an actual liability in the event the reinsuring company might be unable to meet their obligations to the Township under existing reinsurance agreements

As of June 30, 2018 and 2017 the Township has available in the Self-Insurance Trust Fund \$6,613,082 and \$6,866,806, respectively for the payment of self-insurance claims.

Other Insurance Coverage

The Township of Woodbridge is a member of the Central Jersey Joint Insurance Fund (JIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The Funds are risk-sharing public entity pools. The JIF funds coverage amounts are on file with the Township.

The relationship between the Township and the insurance funds are governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Township is contractually obligated to make all annual and supplementary contributions to the insurance funds, to report claims on a timely basis, to cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which the municipality was a member.

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective funds can be obtained by contacting the respective fund's Treasurer.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage in any of the prior three years.

**TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 15 CONTINGENT LIABILITIES

The Township is a party defendant in some lawsuits, none of a kind unusual for a municipality of its size and scope of operation. In the opinion of the Township's Attorney, the potential claims against the Township not covered by insurance policies would not materially affect the financial condition of the Township.

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at June 30, 2018 and 2017. Amounts claimed have not yet been determined. The Township is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Township does not recognize a liability, if any, until these cases have been adjudicated. The Township expects such amounts, if any, could be material. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

Federal and State Awards - The Township participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Township may be required to reimburse the grantor government. As of June 30, 2018 and 2017, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Township believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Township.

NOTE 16 FEDERAL ARBITRAGE REGULATIONS

The Township is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. The Township has completed an arbitrage calculation through the fiscal year ended June 30, 2017 and no arbitrage earnings are due to the IRS.

NOTE 17 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED

The Township of Woodbridge Length of Service Award Program (the Plan) was created by a Township ordinance adopted on April 6, 1999 pursuant to 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Township of Woodbridge approved the adoption of the Plan at the general election held on November 2, 1999.

The first year of eligibility for entrance into the Plan was calendar year 2001. The tax deferred income benefits for emergency services volunteers, consisting of the Volunteer First Aid Organization, come from contributions made solely by the Township on behalf of those volunteers who meet the criteria of a plan created by the governing body.

If an active member meets the year of active service requirement, a LOSAP must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services issues the permitted maximum increase annually.

**TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 17 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED (Continued)

The Township of Woodbridge has contributed \$150 and \$150 for 2018 and 2017, respectively, for each eligible first aid squad member into the Plan. The total Township contributions were \$10,000 and \$10,000 for 2018 and 2017, respectively.

In accordance with the amendments to Section 457 of the Internal Revenue Code and the State Deferred Revenue Regulations, the Township has placed the amounts deferred, including earnings, in a trust for the exclusive benefit of the plan participants and their beneficiaries.

VALIC is the administrator of the plan. The Township's practical involvement in administering the plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the plan administrator.

Vesting and Benefits

A volunteer is eligible to receive a distribution of funds upon completing 5 (five) cumulative years as an active member of the volunteer organization. Certain restrictions and tax implications may result in the event of a withdrawal of funds from the Plan.

If a volunteer member does not vest and terminates their association with the emergency service organization, the funds are returned to the sponsoring agency's surplus.

Reporting Requirements

The New Jersey Administrative Code NJAC 5:30-14.49 requires that the Township perform a separate review report of the plan in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Accounting and Auditing Review Services. The financial statements pertaining to the Plan are not presented as unaudited in this report as part of the Township's Trust Fund since the Township does not maintain the records for these funds and management deems the LOSAP assets to be immaterial.

NOTE 18 TAX ABATEMENTS

For the years ended June 30, 2018 and 2017, the Township provided property tax abatements through certain programs authorized under State statutes. These programs include the Long Term Tax Exemption Law (the "LTTE Law"), the Five-Year Exemption and Abatement Law (the "FYEA") and the New Jersey Housing and Mortgage Financing Act (NJHMFA).

- The Long Term Tax Exemption Law (NJSA 40A:20 et.seq.) is focused on broad areas of redevelopment. It allows for a longer abatement term to carry out a larger development plan through declaring an area as being "in need of redevelopment". These long-term property abatements may last up to 30 years from completion of a project or 35 years from execution of the financial agreement. The process is initiated when the municipality passes a resolution calling for the municipal planning board to study the need for designating an area "in need of redevelopment". Upon adopting the planning board's recommendations and formalizing the redevelopment area designation, a municipality adopts a redevelopment plan, engages redevelopment entities to carry out the plan, and may authorize long-term tax abatements in the process. Developers submit abatement applications to the governing body for review. The financial agreement is approved through adoption of a local ordinance. The agreement exempts a project from taxation, but requires a payment in lieu of taxes (PILOTs) in an amount based generally on a percentage of project costs or revenue generated by the project, depending on the type of project. For the years ended June 30, 2018 and 2017 the Township abated property taxes totaling \$17,836,783 and \$13,452,263, respectively under the LTTE program. The Township received \$12,150,987 and \$9,569,843 in PILOT payments under this program for the years ended June 30, 2018 and 2017, respectively.

**TOWNSHIP OF WOODBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE 18 TAX ABATEMENTS (Continued)

- The New Jersey Housing and Mortgage Financing Act (NJSA 55:14K et. seq.) allows for property tax abatements for residential rental housing projects financed by the New Jersey Housing and Mortgage Finance Agency. These property tax abatements last for the term of the original mortgage financing so long as the residential rental housing project remains subject to the NJHMFA Law and regulations. The process begins when the municipality passes by ordinance or resolution, as appropriate, that such residential rental housing project shall be exempt from property tax provided that an agreement is entered into with the housing sponsor for payments in lieu of taxes (PILOTs) to the municipality. The agreement can require the housing sponsor to a PILOT payment to the municipality in an amount up to 20% of the annual gross revenue from each housing project. For the years ended June 30, 2018 and 2017 the Township abated property taxes totaling \$-0- and \$-0-, respectively, under the NJHMFA program. The Township received \$166,540 and \$185,883 in PILOT payments under this program for the years ended June 30, 2018 and 2017, respectively.

NOTE 19 SUBSEQUENT EVENTS

Bond Anticipation Notes

On August 17, 2018 the Township issued bond anticipation notes (the “Notes”) in the amount of \$152,608,000 to temporarily finance expenditures related to various capital projects. The Township awarded \$140,000,000 of the Notes to Citigroup Global Markets at an interest rate of 3.00% and \$12,608,000 of the Notes to RBC Capital Markets, LLC at an interest rate of 3.00%. These notes will mature on August 16, 2019.

Debt Authorized

Through the date of audit the Township has adopted several bond ordinances authorizing the issuance \$29,399,000 in bonds or bond anticipation notes to fund certain capital projects. As of the date of this report the Township has not issued nor awarded the sale of said bonds or notes.

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APPENDIX C

PROPOSED FORM OF BOND COUNSEL OPINION

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STEVEN L. ROGUT
DANIEL J. McCARTHY
DIANE U. DABULAS
THOMAS J. BACE ††

ROGUT McCARTHY LLC

COUNSELLORS AT LAW

Telephone (908) 931-1150
Facsimile (908) 931-1151
Facsimile (908) 653-4832

ANN S. BEDDINGFIELD, Of Counsel †
PATRICE E. HEW

37 ALDEN STREET
CRANFORD, NEW JERSEY 07016

† ADMITTED IN NY AND NC ONLY
†† ALSO ADMITTED IN FL AND DC

www.rogutmccarthy.com

APPENDIX C

[Proposed Form of Bond Counsel Opinion]

October ____, 2019

Municipal Council
Township of Woodbridge
County of Middlesex, New Jersey

Dear Council Members:

We have acted as bond counsel in connection with the issuance of \$23,400,000 aggregate principal amount of General Improvement Bonds (the "Bonds") by the Township of Woodbridge, in the County of Middlesex, a municipal corporation of the State of New Jersey (the "Township"). The Bonds are dated October 15, 2019 and comprise an issue of registered bonds. The Bonds bear interest from their date, payable on each April 15 and October 15, commencing October 15, 2020 (each, an "Interest Payment Date"), in each year until maturity or prior redemption.

The Bonds are payable in annual installments on October 15 in each year, and bear interest at the rates per annum, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2020	\$1,000,000	%	2027	\$1,800,000	%
2021	1,250,000		2028	1,850,000	
2022	1,350,000		2029	1,900,000	
2023	1,475,000		2030	1,950,000	
2024	1,550,000		2031	1,975,000	
2025	1,625,000		2032	1,975,000	
2026	1,700,000		2033	2,000,000	

The Bonds maturing on or before October 15, 2026 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after October 15, 2027 are subject to redemption at the option of the Township prior to maturity, in whole on any date or in part on any Interest Payment Date, on or after October 15, 2026, upon notice as set forth in the resolutions referred to below at the redemption price of 100% of the principal amount being redeemed, plus accrued interest to the date fixed for redemption.

If the Township determines to optionally redeem a portion of the Bonds prior to maturity, such Bonds so redeemed shall be in such maturities as determined by the Township, and within any maturity, by lot.

The Bonds are issued pursuant to the Local Bond Law (Chapter 2 of Title 40A of the New Jersey Statutes, as amended) and pursuant to four bond ordinances adopted by the Municipal Council of the Township on November 12, 2013 (Ord. No. 13-51), April 22, 2014 (Ord. No. 14-23), February 3, 2015 (Ord. No. 15-06) and November 10, 2015 (Ord. No. 15-70) and resolutions adopted by the Municipal Council of the Township on September 17, 2019.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. Such requirements include requirements relating to the use and investment of proceeds of the Bonds and other amounts and to the rebate of certain arbitrage earnings to the United States. Noncompliance by the Township with such requirements may cause interest on the Bonds to be included in gross income of the owners thereof retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs.

The Township has covenanted, to the extent permitted by the Constitution and the laws of the State of New Jersey, to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Bonds be and remain excluded from gross income of the owners thereof for Federal income tax

purposes pursuant to Section 103 of the Code. The Township's Tax Certificate (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures regarding compliance with the requirements of the Code. The Township, in executing the Tax Certificate, will certify to the effect that the Township expects and intends to comply with the provisions and procedures contained therein.

As bond counsel, we have examined certified copies of the bond ordinances and resolutions referred to above and related proceedings in connection with the issuance of the Bonds. We have also examined originals (or copies certified or otherwise identified to our satisfaction) of such other instruments, certificates and documents as we have deemed necessary or appropriate for the purpose of the opinion rendered below, including the Tax Certificate executed by the Chief Financial Officer of the Township of even date herewith. We have assumed the accuracy of the factual information and the truthfulness of the expectations set forth in the Tax Certificate and the exhibits thereto. We have also examined the executed and authenticated first numbered Bond and have assumed that all of the other Bonds have been similarly executed and authenticated. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

We have not prepared nor have we verified the accuracy, completeness or fairness of (i) the information set forth in the Official Statement prepared by the Township in connection with the sale and issuance of the Bonds, or (ii) other documents of the Township delivered to the purchasers of the Bonds, and we take no responsibility therefor.

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

1. The Bonds have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the Township enforceable in accordance with their terms,

except as enforcement of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to or affecting the enforcement of creditors' rights generally now or hereafter in effect to the extent constitutionally applicable, and enforcement may also be subject to the exercise of judicial discretion in certain cases.

2. The Township has pledged its full faith and credit to the payment of the principal of and interest on the Bonds, and unless paid from other sources, the Township is authorized and required by law to levy on all real property taxable by the Township such ad valorem taxes as may be necessary to pay the Bonds and the interest thereon, without limitation as to rate or amount.

3. Assuming compliance by the Township with the Tax Certificate, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. In addition, under existing law, interest on the Bonds is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals. In addition, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Bonds and any gain from the sale of the Bonds are not includable in gross income of the holders thereof.

Very truly yours,

Rogut McCarthy LLC