PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 6, 2019

NEW ISSUE – Book-Entry Only

Rating: S&P: "AA-"
See "RATING" herein

In the opinion of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey ("Bond Counsel"), under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance with certain covenants described herein, interest on the Bonds (as herein defined) (i) is not includable in gross income for Federal income tax purposes pursuant to section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not treated as a preference item under Section 57 of the Code for purposes of computing the Federal alternative minimum tax. Bond Counsel is further of the opinion that, under existing laws of the State of New Jersey, interest on the Bonds and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, as amended. See "TAX EXEMPTION" herein.

$1,901,000
SCHOOL BONDS, SERIES 2019B
THE BOARD OF EDUCATION OF THE TOWNSHIP OF WOODBRIDGE
IN THE COUNTY OF MIDDLESEX, NEW JERSEY
(New Jersey School Bond Reserve Act, 1980 N.J. Laws c. 72, as amended)

CALLABLE

Dated: Date of Delivery **Due: July 15, as shown on inside cover**

The $1,901,000 aggregate principal amount of School Bonds, Series 2019B (the "Bonds"), of The Board of Education of the Township of Woodbridge in the County of Middlesex, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed by the Board) are valid and legally binding general obligations of the Board, and unless paid from other sources, are payable from *ad valorem* taxes levied upon all the taxable real property within the School District for the payment of the Bonds and the interest thereon without limitation as to rate or amount. Payment of the principal of and interest on the Bonds is also secured under the provisions of the New Jersey School Bond Reserve Act, 1980 N.J. Laws c. 72, as amended.

The Bonds will be issued as fully registered bonds in book-entry only form (without certificates) in the form of one certificate for the aggregate principal amount of the Bonds maturing in each year and when issued will be registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases may be made in the principal amount of $1,000 each or any integral multiple thereof with a minimum purchase of $5,000 required, through book-entries made on the books and records of DTC and its participants. *See* "BOOK-ENTRY ONLY SYSTEM" herein.

The Bonds shall bear interest from their date of delivery, which interest shall be payable semi-annually on the fifteenth day of January and July in each year, commencing July 15, 2020, until maturity or prior redemption. Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of each immediately preceding July 1 and January 1 (the "Record Dates" for the payment of interest on the Bonds).

The Bonds are subject to redemption prior to their stated maturities as set forth herein. *See* "DESCRIPTION OF THE BONDS – Redemption" herein.

The Bonds are offered when, as and if issued and delivered to the Underwriter, subject to prior sale, to withdrawal or modification of the offer without notice and to approval of legality by the law firm of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the Board, and certain other conditions described herein. Certain legal matters will be passed upon for the Board by The Busch Law Group LLC, Metuchen, New Jersey, General Counsel to the Board. Phoenix Advisors, LLC, Bordentown, New Jersey, served as Municipal Advisor in connection with the Bonds. Delivery of the Bonds in definitive form to DTC in Jersey City, New Jersey, is anticipated to occur on or about November 26, 2019.

ELECTRONIC SUBMISSIONS FOR THE BONDS, IN ACCORDANCE WITH THE FULL NOTICE OF SALE, MUST BE MADE VIA PARITY PRIOR TO 11:00 A.M. EASTERN STANDARD TIME ON NOVEMBER 13, 2019. FOR MORE DETAILS ON HOW TO BID ELECTRONICALLY, VIEW THE FULL NOTICE OF SALE POSTED AT WWW.MUNIHUB.COM.

$1,901,000
THE BOARD OF EDUCATION OF THE
TOWNSHIP OF WOODBRIDGE
IN THE COUNTY OF MIDDLESEX, NEW JERSEY
SCHOOL BONDS, SERIES 2019B

(New Jersey School Bond Reserve Act, 1980 N.J. Laws c. 72, as amended)
CALLABLE

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES,
YIELDS AND CUSIP NUMBERS

Maturity (July 15)	Principal Amounts	Interest Rates	Yields	CUSIP Numbers*
2021	$ 196,000			978879___
2022	200,000			978879___
2023	200,000			978879___
2024	205,000			978879___
2025	210,000			978879___
2026	215,000			978879___
2027	220,000			978879___
2028	225,000			978879___
2029	230,000			978879___

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

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

BOARD MEMBERS

President – Jonathan Triebwasser
Vice President – Frank DellaPietro III

Marie Anderson
Susan Bourdin
Daniel Harris
Brian Molnar
Akshar Sidana
Ezio Tamburello
Joseph Velez

SUPERINTENDENT

Robert Zega, Ed.D.

BUSINESS ADMINISTRATOR/BOARD SECRETARY

Brian Wolferman

BOARD ATTORNEY

The Busch Law Group LLC
Metuchen, New Jersey

BOARD AUDITOR

Hodulik & Morrison, P.A., a division of
PKF O'Connor Davies, LLP
Cranford, New Jersey

MUNICIPAL ADVISOR

Phoenix Advisors, LLC
Bordentown, New Jersey

BOND COUNSEL

Wilentz, Goldman & Spitzer, P.A.
Woodbridge, New Jersey

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No broker, dealer, salesperson or other person has been authorized by the Board to give any information or to make any representations with respect to the Bonds, other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the Board. 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.

The information contained herein has been provided by the Board, DTC and other sources deemed reliable by the Board; however, such information is not guaranteed as to its accuracy or completeness and such information is not to be construed as a representation or warranty by the Board, as to information from sources other than itself. The Board has not confirmed the accuracy or completeness of information relating to DTC, which information has been provided by DTC.

This Official Statement is not to be construed as a contract or agreement among the Board, the Underwriter and the owners of any of the Bonds. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in 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 the Constitution of the State of New Jersey, laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents or laws are qualified in their entirety by reference to the particular source, 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 Board during normal business hours.

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

In order to facilitate the distribution of the Bonds, the Underwriter may engage in transactions intended to stabilize the price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

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OFFICIAL STATEMENT

OF

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

$1,901,000
SCHOOL BONDS, SERIES 2019B
(NEW JERSEY SCHOOL BOND RESERVE ACT, 1980 N.J. Laws c. 72, as amended)

CALLABLE

INTRODUCTION

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by The Board of Education of the Township of Woodbridge in the County of Middlesex, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed by the Board) in connection with the offering, sale and issuance of its $1,901,000 aggregate principal amount of School Bonds, Series 2019B (the "Bonds"). This Official Statement has been executed by and on behalf of the Board by the Business Administrator/Board Secretary and its distribution and use in connection with the offering and sale of the Bonds have been authorized by the Board.

This Official Statement contains specific information relating to the Bonds including their general description, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to this issue. This Official Statement should be read in its entirety.

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

DESCRIPTION OF THE BONDS

The following is a summary of certain provisions of the Bonds. Reference is made to the Bonds themselves for the complete text thereof, and the discussion herein is qualified in its entirety by such reference.

Terms and Interest Payment Dates

The Bonds shall be dated their date of delivery and shall mature on July 15 in each of the years and in the amounts set forth on the inside cover page hereof. The Bonds shall bear interest from their date of delivery which interest shall be payable semi-annually on the fifteenth day of January and July (each an "Interest Payment Date"), commencing on July 15, 2020, in each of the years and at the interest rates set forth on the inside cover page hereof until maturity or prior redemption by check mailed by the Board or a duly appointed paying agent to the registered owners of the Bonds as of each July 1 and January 1 immediately preceding the respective Interest Payment Date (the "Record Dates"). So long as The Depository Trust Company, New York, New York ("DTC"), or its nominee is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Board or a designated paying agent directly to DTC or its nominee, Cede & Co., which will in turn remit such payments to DTC participants, which will in turn remit such payments to the beneficial owners of the Bonds. *See* "BOOK-ENTRY ONLY SYSTEM" herein.

The Bonds will be issued in fully registered book-entry only form, without certificates. One certificate shall be issued for the aggregate principal amount of the Bonds maturing in each year, and when issued, will be registered in the name of and held by Cede & Co., as nominee of DTC. DTC will act as Securities Depository for the Bonds (the “Securities Depository”). The certificates will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants and transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the Bonds on behalf of the individual purchasers. Individual purchases may be made in the principal amount of $1,000 each, or any integral multiple thereof with a minimum purchase of $5,000 required, through book-entries made on the books and records of DTC and its participants. Individual purchasers of the Bonds will not receive certificates representing their beneficial ownership interests in the Bonds, but each book-entry owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the Bonds purchased. *See* "BOOK-ENTRY ONLY SYSTEM" herein.

Redemption

The Bonds of this issue maturing prior to July 15, 2028 are not subject to redemption prior to their stated maturities. The Bonds of this issue maturing on or after July 15, 2028 are redeemable at the option of the Board in whole or in part on any date on or after July 15, 2027 upon notice as required herein at one hundred percent (100%) of the principal amount being redeemed (the "Redemption Price"), plus accrued interest to the date fixed for redemption.

Notice of Redemption

Notice of redemption (“Notice of Redemption”) shall be given by mailing such notice at least thirty (30) days but not more than sixty (60) days before the date fixed for redemption by first class mail in a sealed envelope with postage prepaid to the registered owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Board or a duly appointed Bond Registrar. So long as DTC (or any successor thereto) acts as Securities Depository for the Bonds, Notice of Redemption shall be sent to such Securities Depository and shall not be sent to the beneficial owners of the Bonds. Any failure of the Securities Depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the Board determines to redeem a portion of the Bonds prior to maturity, such Bonds shall be selected by the Board; the Bonds to be redeemed having the same maturity shall be selected by the Securities Depository in accordance with its regulations.

If Notice of Redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Interest shall cease to accrue on the Bonds after the date fixed for redemption.

Security for the Bonds

The Bonds are valid and legally binding general obligations of the Board, and the Board has irrevocably pledged its full faith and credit for the payment of the principal of and interest on the Bonds. Unless paid from other sources, the principal of and interest on the Bonds are payable from *ad valorem* taxes levied upon all the taxable real property within the School District without limitation as to rate or amount. The Bonds are additionally secured by the New Jersey School Bond Reserve Act, 1980 N.J. Laws c. 72, as amended.

School Bond Reserve Act (1980 N.J. Laws c. 72)

All school bonds are secured by the School Bond Reserve (the “School Bond Reserve”) established in the Fund for the Support of Free Public Schools of the State of New Jersey (the "Fund") in accordance with the New Jersey School Bond Reserve Act, N.J.S.A. 18A:56-17 et seq. (P.L. 1980, c. 72, approved July 16, 1980, as amended by P.L. 2003, c. 118, approved July 1, 2003 (the "Act")). The 2003 amendments to the Act provide that the Fund will be divided into two School Bond Reserve accounts. All bonds issued prior to July 1, 2003 shall be benefited by a School Bond Reserve account funded in an amount equal to 1-1/2% of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes (the "Old School Bond Reserve Account") and all bonds, including the Bonds, issued on or after July 1, 2003 shall be benefited by a School Bond Reserve account funded in an amount equal to 1% of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes (the "New School Bond Reserve Account"), provided such amounts do not exceed the moneys available in the Fund. If a municipality, county or school district is unable to make payment of principal of or interest on any of its bonds issued for school purposes, the trustees of the Fund will purchase such bonds at par value and will pay to the bondholders the interest due or to become due within the limits of funds available in the applicable School Bond Reserve account in accordance with the provisions of the Act.

The Act provides that the School Bond Reserve shall be composed entirely of direct obligations of the United States government or obligations guaranteed by the full faith and credit of the United States government. Securities representing at least one-third of the minimal market value to be held in the School Bond Reserve shall be due to mature within one year of issuance or purchase. Beginning with the fiscal year ending on June 30, 2003 and continuing on each June 30 thereafter, the State Treasurer shall calculate the amount necessary to fully fund the Old School Bond Reserve Account and the New School Bond Reserve Account as required pursuant to the Act. To the extent moneys are insufficient to maintain each account in the School Bond Reserve at the required levels, the State agrees that the Treasurer of the State of New Jersey (the “State”) shall, no later than September 15 of the fiscal year following the June 30 calculation date, pay to the trustees for deposit in the School Bond Reserve such amounts as may be necessary to maintain the Old School Bond Reserve Account and the New School Bond Reserve Account at the levels required by the Act. No moneys may be borrowed from the Fund to provide liquidity to the State unless the Old School Bond Reserve Account and the New School Bond Reserve Account each are at the levels certified as full funding on the most recent June 30 calculation date. The amount of the School Bond Reserve in each account is pledged as security for the prompt payment to holders of bonds benefited by such account of the principal of and the interest on such bonds in the event of the inability of the issuer to make such payments. In the event the amounts in either the Old School Bond Reserve Account or the New School Bond Reserve Account fall below the amount required to make payments on bonds, the amounts in both accounts are available to make payments for bonds secured by the School Bond Reserve.

The Act further provides that the amount of any payment of interest or purchase price of school bonds paid pursuant to the Act shall be deducted from the appropriation or apportionment of State aid, other than certain State aid which may be otherwise restricted pursuant to law, payable to the school district, county or municipality and shall not obligate the State to make, nor entitle the school district, county or municipality to receive, any additional appropriation or apportionment. Any amount so deducted shall be applied by the State Treasurer to satisfy the obligation of the school district, county or municipality arising as a result of the payment of interest or purchase price of bonds pursuant to the Act.

Authorization and Purpose

The Bonds have been authorized and are issued pursuant to (i) Title 18A, Chapter 24 of the New Jersey Statutes, Chapter 271 of the Laws of 1967, as amended and supplemented, (ii) a proposal adopted by the Board on February 16, 2017, and approved by the affirmative vote of a majority of the legal voters present and voting at a special School District election held on March 28, 2017 and (iii) a resolution duly adopted by the Board on October 17, 2019 (the “Resolution”).

The proceeds of the Bonds will be used to finance various capital improvements in and for the School District (the “Project”) and to pay the costs of issuance associated with the issuance of the Bonds. The State has awarded the School District aid for the Project in the amount of 40% of the eligible costs of such Project. As such, the State has agreed to pay 40% of the annual debt service on the eligible costs financed by the Bonds each year.

BOOK-ENTRY ONLY SYSTEM

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

DTC will act as Securities Depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds, as set forth on the inside cover hereof, in the aggregate principal amount of such 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, 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 Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct 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. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds, unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Board or Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect 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 Direct and Indirect Participant and not of DTC, nor its nominee, Paying Agent or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The Paying Agent, upon direction of the Board, may decide to discontinue use of the system of book-entry transfers through DTC (or a successor Securities Depository). In that event, Bond certificates will be printed and delivered.

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

Discontinuance of Book-Entry Only System

In the event that the book-entry-only system is discontinued and the Beneficial Owners become registered owners of the Bonds, the following provisions apply: (i) the Bonds may be exchanged for an equal aggregate principal amount of Bonds in other authorized denominations and of the same maturity, upon surrender thereof at the office of the Board or its paying agent; (ii) the transfer of any Bonds may be registered on the books maintained by the registrar for such purposes only upon the surrender thereof to the Board or its paying agent together with the duly executed assignment in form satisfactory to the Board or its paying agent; and (iii) for every exchange or registration of transfer of Bonds, the Board or its paying agent may make a charge sufficient to reimburse for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Bonds. Interest on the Bonds will be payable by check or draft mailed on each Interest Payment Date to the registered owners thereof as of the close of business on the Record Dates.

THE SCHOOL DISTRICT AND THE BOARD

The Board is a nine (9) member board with members elected for staggered three (3) year terms. The Superintendent of Schools is the chief administrative officer of the School District. The Business Administrator/Board Secretary is the chief financial officer of the School District and oversees the Board's business functions. The Business Administrator/Board Secretary reports to the Superintendent of Schools.

The School District is a Type II school district and provides a full range of educational services appropriate to Kindergarten (K) through grade twelve (12), including regular and special education programs. The School District operates seventeen (17) elementary schools, five (5) middle schools and three (3) high schools. *See* "APPENDIX A – Certain Economic and Demographic Information Relating to the School District and the Township of Woodbridge, in the County of Middlesex, State of New Jersey."

THE STATE'S ROLE IN PUBLIC EDUCATION

The Constitution of the State of New Jersey provides that the State shall provide for the maintenance and support of a thorough and efficient ("T&E") system of free public schools for the instruction of all children between the ages of 5 and 18 years. Case law has expanded the responsibility to include children between the ages of 3 and 21.

The responsibilities of the State with respect to the general supervision and control of public education have been delegated to the New Jersey Department of Education (the "Department"), which is a part of the executive branch of the State government and was created by the State Legislature. The Department is governed and guided by the policies set forth by the New Jersey State Board of Education (the "State Board"). The State Board is responsible for the general supervision and control of public education and is obligated to formulate plans and to make recommendations for the unified, continuous and efficient development of public education of all people of all ages within the State. To fulfill these responsibilities, the State Board has the power, *inter alia*, to adopt rules and regulations that have the effect of law and that are binding upon school districts, to acquire land and other property.

The Commissioner of Education (the "Commissioner") is the chief executive and administrative officer of the Department. The Commissioner is appointed by the Governor of the State with the advice and consent of the State Senate, and serves at the pleasure of the Governor during the Governor's term of office. The Commissioner is Secretary and Chief Executive Officer of the State Board and is responsible for the supervision of all school districts in the State and is obligated to enforce the rules and regulations of the State Board. The Commissioner has the authority to recommend the withholding of State financial aid and the Commissioner's consent is required for authorization to sell school bonds that exceed the debt limit of the municipality in which the school district is located and may also set the amount to be raised by taxation for a board of education if a school budget has not been approved by a board of school estimate or by the voters.

An Executive County Superintendent of Schools (the "County Superintendent") is appointed for each county in the State by the Governor, upon the recommendation of the Commissioner with the advice and consent of the State Senate. The County Superintendent is the local representative of the Commissioner. The County Superintendent is responsible for the daily supervision of the school districts in the county and is charged with the enforcement of rules pertaining to the certification of teachers, pupil registers and financial reports and the review of budgets. Under the Uniform Shared Services and Consolidation Act, P.L. 2007, c. 63, effective April 3, 2007, the role of the County Superintendent was changed to create the post of the Executive County Superintendent with expanded powers for the operation and management of school districts to, among other things, promote administrative and operational efficiencies, eliminate non-operating school districts and recommend a school district consolidation plan to eliminate districts through the establishment or enlargement of regional school districts, subject to voter approval.

STRUCTURE OF SCHOOL DISTRICTS IN NEW JERSEY

Categories of School Districts

State school districts are characterized by the manner in which the board of education or the governing body takes office. School districts are principally classified in the following categories:

(1) Type I, in which the mayor or chief executive officer ("CEO") of a municipality appoints the members of a board of education and a board of school estimate. The board of school estimate consists of two (2) members of the board of education, two (2) members of the governing body of the municipality and the mayor or CEO of the municipality comprising the school district, and approves all fiscal matters;

(2) Type II, in which the registered voters within a school district elect the members of a board of education and either (a) the registered voters also vote upon all fiscal matters with the exception set forth in the new Budget Election Law (as hereinafter defined in “School Budgetary Process”), or (b) a board of school estimate, consisting of two (2) members of the governing body of and the CEO of each municipality within the school district and the president of and one member of the board of education, and approves all fiscal matters;

(3) Regional and consolidated school districts comprising the territorial boundaries of more than one municipality in which the registered voters within the school district elect members of the board of education and vote upon all fiscal matters with certain exceptions. Regional school districts may be “All Purpose Regional School Districts” or “Limited Purpose Regional School Districts”;

(4) State-operated school districts created by the State Board, pursuant to State law, when a local board of education cannot or will not correct severe educational deficiencies;

(5) County vocational school districts have boards of education consisting of the County Superintendent and four (4) members unless it is a county of the first class, which adopted an ordinance, in which case it can have a board consisting of seven (7) appointed members which the board of chosen freeholders of the county appoints. Such vocational school districts shall also have a board of school estimate, consisting of two (2) members appointed by the board of education of the school district, two (2) members appointed by the board of chosen freeholders and a fifth member being the county executive or the director of the board of chosen freeholders of the county, which approves all fiscal matters; and

(6) County special services school districts have boards of education consisting of the County Superintendent and six (6) persons appointed by the board of chosen freeholders of the county. Such special services school districts shall also have a board of school estimate, consisting of two (2) members appointed by the board of education of the school, two (2) members appointed by the board of chosen freeholders and a fifth member being the freeholder-director of the board of chosen freeholders, which approves all fiscal matters.

There is a procedure whereby a Type I school district or a Type II school district may change from one type to the other after an approving public referendum. Such a public referendum must be held whenever directed by the municipal governing body or board of education in a Type I district, or the board of education in a Type II district, or when petitioned for by fifteen percent (15%) of the voters of any school district. The School District is a Type II school district without a board of school estimate.

School Budgetary Process (N.J.S.A. 18A:22-1 et seq.)

In a Type I school district, a separate body from the school district, known as the board of school estimate, examines the budget requests and fixes the appropriation amounts for the next year's operating budget at or after a public hearing. This board, whose composition is fixed by statute, certifies the budget to the municipal governing body or board of education. If the board of education disagrees with the certified budget of the board of school estimate, then it can appeal to the Commissioner to request changes.

In a Type II school district, the elected board of education develops the budget proposal and, at or after a public hearing, submits it for voter approval unless the Board has moved its annual election to November, as discussed below. Debt service provisions are not subject to public referendum. If approved, the budget goes into effect. If defeated, the governing bodies of the constituent municipalities must develop the school budget by May 19 of each year. Should the governing bodies be unable to do so, the Commissioner establishes the local school budget.

The Budget Election Law, P.L. 2011, c. 202, effective January 17, 2012 (the "Budget Election Law") establishes procedures that allow the date of the annual school election of a Type II school district, without a board of school estimate, to be moved from April to the first Tuesday after the first Monday in November, to be held simultaneously with the general election. Such change in the annual school election date must be authorized by resolution of either the board of education or the governing body of the municipality, or by an affirmative vote of a majority of the voters whenever a petition, signed by at least fifteen percent (15%) of the legally qualified voters, is filed with the board of education. Once the annual school election is moved to November, such election may not be changed back to an April annual school election for four (4) years.

School districts that opt to move the annual school election to November are no longer required to submit the budget to the voters for approval if the budget is at or below the two percent (2%) property tax levy cap as provided in the Tax Levy Cap Law (as hereinafter defined).

The Board conducts its annual election in November.

SUMMARY OF CERTAIN PROVISIONS FOR THE PROTECTION OF SCHOOL DEBT

Levy and Collection of Taxes

School districts in the State do not levy or collect taxes to pay those budgeted amounts which are not provided by the State. The municipality within which a school district is situated levies or collects the required taxes and must remit them in full to the school district.

Budgets and Appropriations

School districts in the State must operate on an annual cash basis budget. Each school district must adopt an annual budget in such detail and upon forms as prescribed by the Commissioner, to which must be attached an itemized statement showing revenues, including State and Federal aid, and expenditures. The Commissioner must approve a budget prior to its final adoption and has the power to increase or decrease individual line items in a budget. Any amendments to a school district's budget must be approved by the board of education or the board of school estimate, as the case may be. Every budget submitted must provide no less than the minimum permissible amount deemed necessary under State law to provide for a thorough and efficient education as mandated by the State Constitution. The Commissioner may not approve any budget unless the Commissioner is satisfied that the school district has adequately implemented within the budget the Core Curriculum Content Standards (as defined herein) required by State law. If necessary, the Commissioner is authorized to order changes in the local school district's budget. The Commissioner will also ensure that other provisions of law are met including the limitations on taxes and spending explained below.

Tax and Spending Limitations

The Public School Education Act of 1975, N.J.S.A. 18A:7A-1 et seq., P.L. 1975, c. 212 (as amended and partially repealed), first limited the amount of funds that could be raised by a local school district. It limited the annual increase of any school district's net current expense budget. The budgetary limitations were known as a "CAP" on expenditures. The "CAP" was intended to control the growth in local property taxes. Subsequently there have been numerous legislative changes as to how the spending limitations would be applied.

The Quality Education Act of 1990, N.J.S.A. 18A:7D-1 et seq., P.L. 1990, c. 52 (the "QEA") (now repealed), also limited the annual increase in the school district's current expense and capital outlay budgets by a statutory formula linked to the annual percentage increase in per capita income. The QEA was amended and revised by chapter 62 of the Laws of New Jersey of 1991, and further amended by chapter 7 of the Laws of New Jersey of 1993.

The Comprehensive Educational Improvement and Financing Act of 1996, N.J.S.A. 18A:7F-1 et seq., P.L. 1996, c. 138 (the "CEIFA"), as amended by P.L. 2004, c. 732, effective July 1, 2004, also limited the annual increase in a school district's net budget by a spending growth limitation. The CEIFA limited the amount school districts can increase their annual current expense and capital outlay budgets (the "Spending Growth Limitations"). Generally, budgets could increase either by two and one-half percent (2.5%) or the consumer price index, whichever is greater. Amendments to the CEIFA decreased the budget cap to two and one-half percent (2.5%) from three percent (3%). Budgets could also increase because of certain adjustments for enrollment increases, certain capital outlay expenditures, pupil transportation costs, and special education costs that exceeded $40,000 per pupil. Waivers were available from the Commissioner based on increasing enrollments and other fairly narrow grounds and increases higher than the cap could be approved by a vote of sixty (60%) at the annual school election.

P.L. 2007, c. 62, effective April 3, 2007, provided additional limitations on school district spending by limiting the amount a school district could raise for school district purposes through the property tax levy by four percent (4%) over the prior budget year's tax levy. P.L. 2007, c. 62 provided for adjustments to the cap for increases in enrollment, reductions in State aid and increased health care costs and for certain other extraordinary cost increases that required approval by the Commissioner. The bill granted discretion to the Commissioner to grant other waivers from the cap for increases in special education costs, capital outlay, and tuition charges. The Commissioner also had the ability to grant extraordinary waivers to the tax levy cap for certain other cost increases beginning in fiscal year 2009 through 2012.

P.L. 2007, c. 62 was deemed to supersede the prior limitations on the amount school districts could increase their annual current expense and capital outlay budgets created by CEIFA (as amended by P.L. 2004, c. 73, effective July 1, 2004). However, chapter 62 was in effect only through fiscal year 2012. Without an extension of chapter 62 by the legislature, the Spending Growth Limitations on the general fund and capital outlay budget would be in effect.

Debt service was not limited either by the Spending Growth Limitations or the four percent (4%) cap on the tax levy increase imposed by chapter 62.

The previous legislation was amended by P.L. 2010, c. 44, effective July 13, 2010 and became applicable to the next local budget year following enactment. This law limits the school district tax levy for the general fund budget to increases of two percent (2%) over the prior budget year with exceptions only for enrollment increases, increases for certain normal and accrued liability for pension contributions in excess of two percent (2%), certain healthcare increases, and amounts approved by a simple majority of voters voting at a special election (the "Tax Levy Cap Law"). Additionally, also becoming effective in the 2011-2012 fiscal year, a school district that has not been granted approval to exceed the tax levy cap by a separate proposal can bank the unused tax levy for use in any of the next three (3) succeeding budget years. A school district can request a use of "banked cap" only after it has fully exhausted all eligible statute spending authority in the budget year. The process for obtaining waivers from the Commissioner for additional increases over the tax levy cap or Spending Growth Limitations was eliminated under chapter 44. Notwithstanding the foregoing, under P.L. 2018, c. 67, effective July 24, 2018, which increases State school aid to underfunded school districts and decreases state school aid to overfunded school districts, during the 2018-2019 through 2024-2025 fiscal years, SDA Districts, which are certain urban districts formerly referred to as Abbott Districts referred to herein under "SUMMARY OF STATE AID TO SCHOOL DISTRICTS", are permitted increases in the tax levy over the two percent (2%) limit to raise a general fund tax levy to an amount that does not exceed its local share of the adequacy budget.

The restrictions are solely on the tax levy for the general fund and are not applicable to the debt service fund. There are no restrictions on a local school district's ability to raise funds for debt service, and nothing would limit the obligation of a school district to levy *ad valorem* taxes upon all taxable real property within the school district to pay debt service on its bonds or notes with one exception. School districts are subject to GAAP accounting, and under GAAP interest on obligations maturing within one (1) year must be treated as operating expenses. Accordingly, under the Department of Education's Chart of Accounts, interest on notes is raised in the General Fund of a school district and therefore is counted within its two percent (2%) tax levy cap on spending.

Issuance of Debt

Among the provisions for the issuance of school debt are the following requirements: (i) bonds must mature in serial installments within the statutory period of usefulness of the projects being financed but not exceeding forty (40) years, (ii) debt must be authorized by a resolution of a board of education (and approved by a board of school estimate in a Type I school district), and (iii) there must be filed with the State by each municipality comprising a school district a Supplemental Debt Statement and a school debt statement setting forth the amount of bonds and notes authorized but unissued and outstanding for such school district.

Annual Audit (N.J.S.A. 18A:23-1 et seq.)

Every board of education is required to provide an annual audit of the school district's accounts and financial transactions. The audit must be performed by a licensed public school accountant no later than five (5) months after the end of the school fiscal year. The audit, in conformity with statutory requirements, must be filed with the board of education and the Commissioner. Additionally, the audit must be summarized and discussed at a regular public meeting of the local board of education within thirty (30) days following receipt of the annual audit by such board of education.

Temporary Financing (N.J.S.A. 18A:24-3)

Temporary notes may be issued in anticipation of the issuance of permanent bonds for a capital improvement or capital project. Such temporary notes may not exceed in the aggregate the amount of bonds authorized for such improvement or project. A school district's temporary notes may be issued for one (1) year periods, with the final maturity not exceeding five (5) years from the date of original issuance; provided, however, that no such notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which said notes are issued, is paid and retired subsequent to such third anniversary date from funds other than the proceeds of obligations. School districts must include in each annual budget the amount of interest due and payable in each fiscal year on all outstanding temporary notes.

Capital Lease Financing

School districts are permitted to enter into lease purchase agreements for the acquisition of equipment or for the improvement of school buildings. Generally, lease purchase agreements cannot exceed five (5) years except for certain energy-saving equipment which may be leased for up to fifteen (15) years if paid from energy savings. Lease purchase agreements for a term of five (5) years or less must be approved by the Commissioner. The Educational Facilities Construction and Financing Act, P.L. 2000, c. 72 (the "EFCFA"), repealed the authorization to enter into facilities leases in excess of five (5) years. The payment of rent on an equipment lease and on a five (5) year and under facilities lease is treated as a current expense and within the cap on the school district's budget. Under the CEIFA, lease purchase payments on leases in excess of five (5) years issued under prior law are treated as debt service payments and, therefore, will receive debt service aid if the school district is entitled and are outside the school district's tax levy cap.

Debt Limitation (N.J.S.A. 18A:24-19)

Except as provided below, no additional debt shall be authorized if the principal amount, when added to the net debt previously authorized, exceeds a statutory percentage of the average equalized valuation of taxable property in a school district. As a Kindergarten (K) through grade twelve (12) school district, the School District can borrow up to four percent (4%) of the average equalized valuation of taxable property in the School District. The School District has not exceeded its four percent (4%) debt limit. *See* "APPENDIX A – Certain Economic and Demographic Information Relating to the School District and the Township of Woodbridge, in the County of Middlesex, State of New Jersey."

Exceptions to Debt Limitation

A Type II school district (other than a regional district) may also utilize its constituent municipality's remaining statutory borrowing power (i.e. the excess of 3.5% of the average equalized valuation of taxable property within the constituent municipality over the constituent municipality's net debt). A school district may also authorize debt in excess of this limit with the consent of the Commissioner and the Local Finance Board.

Energy Saving Obligations

Under P.L. 2009, c. 4, approved January 21, 2009 and effective 60 days thereafter, school districts may issue "energy savings obligations" without voter approval to fund certain improvements that result in reduced energy use, facilities for production of renewable energy or water conservation improvements provided that the amount of the savings will cover the cost of the improvements.

SUMMARY OF STATE AID TO SCHOOL DISTRICTS

In 1973, the Supreme Court of the State of New Jersey (the "Court") ruled in Robinson v. Cahill that the method then used to finance public education principally through property taxation was unconstitutional. Pursuant to the Court's ruling, the Legislature enacted the Public School Education Act of 1975, N.J.S.A. 18A:7A-1 et seq., P.L. 1975, c. 212 (the "Public School Education Act") (as amended and partially repealed), which required funding of the State's school aid through the New Jersey Gross Income Tax Act, P.L. 1976, c. 47, as amended and supplemented, enacted for the purpose of providing property tax relief.

On June 5, 1990, the Court ruled in Abbott v. Burke that the school aid formula enacted under the Public School Education Act was unconstitutional as applied. The Court found that poorer urban school districts (previously called "Abbott Districts", now referred to as "SDA Districts") were significantly disadvantaged under that school funding formula because school revenues were derived primarily from property taxes. The Court found that wealthy school districts were able to spend more, yet tax less for educational purposes.

Since that time there has been much litigation and many cases affecting the State's responsibilities to fund public education and many legislative attempts to distribute State aid in accordance with the court cases and the constitutional requirement. The cases addressed not only current operating fund aid but also addressed the requirement to provide facilities aid as well. The legislation has included QEA, CEIFA and EFCFA. For many years aid has simply been determined in the State Budget, which itself is an act of the legislature, based upon amounts provided in prior years. The school funding formula, provided in the School Funding Reform Act of 2008, P.L. 2007, c. 260, effective January 1, 2008, attempts to remove the special status given to certain school districts known as Abbott Districts after the school funding cases and instead has funding follow students with certain needs and provides aid in a way that takes into account the ability of the local school district to raise local funds to support the budget in amounts deemed adequate to provide for a thorough and efficient education as required by the State constitution. This legislation was challenged in the Court, and the Court held that the State's then current plan for school aid was a "constitutionally adequate scheme." However, the State continued to underfund certain school districts and to overfund other school districts in its budgets based on the statutory scheme. In its budget process for fiscal year 2019 and with the enactment of P.L. 2018, c. 67, effective July 24, 2018, the State is moving the school districts toward the intent of the statutory scheme by increasing funding for underfunded school districts and decreasing funding for overfunded school districts over the next seven (7) years and providing cap relief for overfunded school districts to enable them to pick up more of the local share.

Notwithstanding over thirty-five (35) years of litigation, the State provides State aid to school districts of the State in amounts provided in the State budget each year. These now include equalization aid, special education categorical aid, transportation aid, preschool education aid, instructional supplement aid, supplemental core curriculum standards aid, distance learning network aid, bilingual aid, security aid, adjustment aid and other aid determined in the discretion of the Commissioner.

State law requires that the State will provide aid for the construction of school facilities in an amount equal to the greater of the district aid percentage or forty percent (40%) times the eligible costs determined by the Commissioner either in the form of a grant or debt service aid as determined under the EFCFA. The amount of aid to which a school district is entitled is established prior to the authorization of the project. Grant funding is provided by the State upfront and debt service aid must be appropriated annually by the State.

The State reduced debt service aid by fifteen percent (15%) for fiscal years 2011 through 2018. As a result of the debt service aid reduction for those fiscal years, school districts received eighty-five percent (85%) of the debt service aid that they would have otherwise received. In addition, school districts which received grants under the EFCFA, which grants were financed through the New Jersey Economic Development Authority (the "EDA"), were assessed an amount in their fiscal years 2011 through 2018 budgets representing fifteen percent (15%) of the school district's proportionate share of the principal and interest payments on the outstanding EDA bonds issued to fund such grants.

Pursuant to P.L. 2018, c. 67, effective July 24, 2018, the School Funding Reform Act has been modified to adjust the distribution of State aid to school districts in the State ("SFRA Modification Law"). In particular, the SFRA Modification Law revises the School Funding Reform Act so that, after calculating the amount of State aid available per pupil, State aid will be distributed to each school district based on student enrollment. The SFRA Modification Law also eliminates the application of the State aid growth limit and adjustment aid, but includes a transition period for school districts that will receive less State aid. Under the SFRA Modification Law, most school districts that will receive reduced State aid resulting from the revised funding formula will be provided a seven (7) year transition period during which funding will be reduced (with the exception of The Board of Education of the City of Jersey City, where the transition period will be five (5) years). For those school districts where State aid will increase under the SFRA Modification Law, the transition period to increase funding will be one year.

SUMMARY OF FEDERAL AID TO SCHOOL DISTRICTS

Federal funds are available for certain programs approved by the Federal government with allocation decided by the State, which assigns a proportion to each local school district. The Every Student Succeeds Act of 2015, enacted December 10, 2015, is a Federal assistance program for which a school district qualifies to receive aid. A remedial enrichment program for children of low income families is available under Chapter 1 Aid. Such Federal aid is generally received in the form of block grants. Aid is also provided under the Individuals with Disabilities Education Act although never in the amounts federal law required.

MUNICIPAL FINANCE -
FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES

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

The 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 municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects financed and that bonds be retired in serial installments. A five percent (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 authorized bonded indebtedness of the Township is limited by statute, subject to certain exceptions noted below, to an amount equal to 3.5% of its average equalized valuation basis. The average for the last three (3) years of the equalized value of all taxable real property and improvements and certain Class II railroad property within the Township as annually determined by the New Jersey Board of Taxation are set forth in APPENDIX A.

Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

A municipality may exceed its debt limit with the approval of the Local Finance Board, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, a municipality 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 municipality or substantially reduce the ability of the municipality to meet its obligations or to provide essential public improvements and services, or makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the municipality to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, 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).

A municipality may sell "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 bond ordinance, as it may be amended and supplemented, creating such capital expenditure. A local unit's bond anticipation notes may be issued for periods not exceeding one (1) year. Generally, bond anticipation notes may not be outstanding for longer than ten (10) years. An additional period may be available following the tenth anniversary date equal to the period from the notes' maturity to the end of the tenth fiscal year in which the notes mature plus four (4) months in the next following fiscal year from the date of original issuance. Beginning in the third year, the amount of notes that may be issued is decreased by the minimum amount required for the first year's principal payment for a bond issue.

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

The foundation of the State local finance system is the annual cash basis budget. Every local unit must adopt an annual operating budget in the form required by the Division of Local Government Services, New Jersey Department of Community Affairs (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget cannot be finally adopted until it has been certified by the Director of the Division (the "Director"), or in the case of a local unit's examination of its own budget, such budget cannot be finally adopted until a local examination certificate has been approved by the Chief Financial Officer and governing body of the local unit. The Local Budget Law, N.J.S.A. 40A:4-1 et seq. (the "Local Budget Law") requires each local unit to appropriate sufficient funds for the payment of current debt service, and the Director or, in the case of local examination, the local unit, may review the adequacy of such appropriations.

Tax anticipation notes are limited in amount by law and must be paid off in full within 120 days of the close of the fiscal year in which they were issued.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the budgetary review functions focusing on anticipated revenues serve to protect the solvency of all local units.

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.

A provision in the Local Budget Law, N.J.S.A. 40A:4-26, provides that: "[n]o 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. The fiscal years for such grants rarely coincide with a municipality's calendar fiscal year. However, grant revenue is generally not realized until received in cash.

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. The maximum amount of delinquent taxes that may be anticipated is limited by a statutory formula, which allows the local unit to anticipate collection at the same rate realized for the collection of delinquent taxes in the previous year. Also the local unit is required to make an appropriation for a "reserve for uncollected taxes" in accordance with a statutory formula to provide for a tax collection in an amount that does not exceed the percentage of taxes levied and payable in the preceding fiscal year that was received in cash by December 31 of that year. The budget also must provide for any cash deficits of the prior year.

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body. However, with minor exceptions, such appropriations must be included in full in the following year's budget. When such appropriations exceed three percent (3%) of the adopted operating budget, consent of the Director must be obtained.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as (i) the repair and reconstruction of streets, roads or bridges damaged by snow, ice, frost, or floods, which may be amortized over three (3) years, and (ii) the repair and reconstruction of streets, roads, bridges or other public property damaged by flood or hurricane, where such expense was unforeseen at the time of budget adoption, the repair and reconstruction of private property damaged by flood or hurricane, tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparations, drainage map preparation for flood control purposes, studies and planning associated with the construction and installation of sanitary sewers, authorized expenses of a consolidated commission, contractually required severance liabilities resulting from the layoff or retirement of employees and the preparation of sanitary and storm system maps, all of which projects set forth in this section (ii) may be amortized over five (5) years. N.J.S.A. 40A:4-53, -54, -55, -55.1. Emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project as described above.

Budget transfers provide a degree of flexibility and afford a control mechanism. Pursuant to N.J.S.A. 40A:4-58, transfers between appropriation accounts are prohibited until the last two (2) months of the year. Appropriation reserves may be transferred during the first three (3) months of the year, to the previous year's budget. N.J.S.A. 40A:4-59. Both types of transfers require a 2/3 vote of the full membership of the governing body. Although sub-accounts within an appropriation are not subject to the same year-end transfer restriction, they are subject to internal review and approval. Certain types of appropriations are excluded from the provisions permitting transfers. Generally, transfers cannot be made from the down payment account, interest or debt redemption charges or the capital improvement fund or for contingent expenses.

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

In accordance with the Local Budget Law, each local unit 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 not greater than over the next ensuing six (6) 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 (6) 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 terms were detailed.

Fiscal Year Adjustment Law (1991 N.J. Laws c. 75)

Chapter 75 of the Laws of New Jersey of 1991, requires certain municipalities and permits all other municipalities to adopt the State fiscal year in place of the existing calendar fiscal year. Municipalities that change fiscal years must adopt a six (6) month transition budget for January 1 through June 30. Since expenditures would be expected to exceed revenues primarily because State aid for the calendar year would not be received by the municipality until after the end of the transition year budget, the act authorizes the issuance of Fiscal Year Adjustment Bonds to fund the one time deficit for the six (6) month transition budget. The law provides that the deficit in the six (6) month transition budget may be funded initially with bond anticipation notes based on the estimated deficit in the six (6) month transition budget. Notes issued in anticipation of Fiscal Year Adjustment Bonds, including renewals, can only be issued for up to one (1) year unless the Local Finance Board permits the municipality to renew them for a longer period of time. The Local Finance Board must confirm the actual deficit experienced by the municipality. The municipality then may issue Fiscal Year Adjustment Bonds to finance the deficit on a permanent basis. The purpose of the act is to assist municipalities that are heavily dependent on State aid and that have had to issue tax anticipation notes to fund operating cash flow deficits each year. While the law does not authorize counties to change their fiscal years, it does provide that counties with cash flow deficits may issue Fiscal Year Adjustment Bonds as well.

State Supervision

State law authorizes State officials to supervise fiscal administration in any municipality which is in default on its obligations; which experiences severe tax collection problems for two (2) successive years; which has a deficit greater than four percent (4%) of its tax levy for two (2) successive years; which has failed to make payments due and owing to the State, county, school district or special district for two (2) consecutive years; which has an appropriation in its annual budget for the liquidation of debt which exceeds twenty-five percent (25%) of its total operating appropriations (except dedicated revenue appropriations) for the previous budget year; or which has been subject to a judicial determination of gross failure to comply with the Local Bond Law, the Local Budget Law, or the Local Fiscal Affairs Law, N.J.S.A. 40A:5-1 et seq., which substantially jeopardizes its fiscal integrity. State officials are authorized to continue such supervision for as long as any of the conditions exist and until the municipality operates for a fiscal year without incurring a cash deficit.

Appropriations "Cap"

The New Jersey "Cap Law" (the "Cap Law") (N.J.S.A. 40A:4-45.1 et seq.) places limits on municipal tax levies and expenditures. The Cap Law provides that a local unit shall limit any increase in its budget to two and one-half percent (2.5%) or the Cost-Of-Living Adjustment (as defined in the Cap Law), whichever is less, of the previous year's final appropriations, subject to certain exceptions. The Cost-Of-Living Adjustment is defined as the rate of annual percentage increase, rounded to the nearest half percent, in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services produced by the United States Department of Commerce for the year preceding the current year as announced by the Director. However, in each year in which the Cost-Of-Living Adjustment is equal to or less than two and one-half percent (2.5%), a local unit may, by ordinance, approved by a majority vote of the full membership of the governing body, provide that the final appropriations of the local unit for such year be increased by a percentage rate that is greater than the Cost-Of-Living Adjustment, but not more than three and one-half percent (3.5%) over the previous year's final appropriations. In addition, N.J.S.A. 40A:4-45.15a restored "cap" banking to the Local Budget Law. Municipalities are permitted to appropriate available "cap bank" in either of the next two (2) succeeding years' final appropriations. Along with the permitted increases for total general appropriations there are certain items that are allowed to increase outside the "cap".

Additionally, P.L. 2010, c. 44, effective July 13, 2010, imposes a two percent (2%) cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The exclusions from the limit include increases required to be raised for capital expenditures, including debt service, increases in pension contributions in excess of 2%, certain increases in health care over two percent (2%), and extraordinary costs incurred by a local unit directly related to a declared emergency. The governing body of a local unit may request approval, through a public question submitted to the legal voters residing in its territory, to increase the amount to be raised by taxation, and voters may approve increases above two percent (2%) not otherwise permitted under the law by an affirmative vote of fifty (50%).

The Division has advised that counties and municipalities must comply with both the budget "cap" and the tax levy limitation. Neither the tax levy limitation nor the Cap" Law, however, limits the obligation of the county or municipality to levy *ad valorem* taxes upon all taxable property within its boundaries to pay debt service on it bonds and notes.

Tax Assessment and Collection Procedure

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income (where appropriate). Current assessments are the result of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners. However, a divergence of the assessment ratio to true value is typically due to changes in market value over time.

Upon the filing of certified adopted budgets by the local unit, the local school district and the county, the tax rate is struck by the county Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provisions for the assessment of property, the levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 et seq. Special taxing districts are permitted in the State for various special services rendered to the properties located within the special districts.

Generally, tax bills are mailed annually in June of the current fiscal year. The taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. The August and November tax bills are determined as the full tax levied for municipal, county and school purposes for the current municipal fiscal year, less the amount charged for the February and May installments for municipal, county and school purposes in the current fiscal year. The amounts due for the February and May installments are determined by the municipal governing body as either one-quarter or one-half of the full tax levied for municipal, county and school purposes for the preceding fiscal year.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent (8%) per annum on the first $1,500.00 of the delinquency and eighteen percent (18%) per annum on any amount in excess of $1,500.00. Pursuant to 1991 N.J. Laws c. 75, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of $10,000.00 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent (6%) of the amount of the delinquency. These penalties and interest rates are the highest permitted under State statutes. Delinquent taxes open for one (1) year or more are annually included in a tax sale in accordance with State statutes.

Tax Appeals

State statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. The taxpayer has a right to petition the county Board of Taxation on or before April 1 of the current year for review. The county Board of Taxation 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 county Board of Taxation, appeal may be made to the Tax Court of the State of New Jersey (the "State Tax Court") for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations.

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

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

An independent examination of each local unit's accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division's "Requirements of Audit," includes recommendations for improvement of the local unit's financial procedures. The audit report must be filed with the Director. A synopsis of the report, together with all recommendations made, must be published in a local newspaper within thirty (30) days of the local unit's receipt of the audit report.

FINANCIAL STATEMENTS

The audited financial statements of the Board as of and for the year ended June 30, 2018 together with the notes to the financial statements have been provided by Hodulik & Morrison, P.A., a division of PKF O'Connor Davies, LLP, Cranford, New Jersey (the "Auditor"), and are presented in APPENDIX B to this Official Statement (the "Financial Statements"). *See* "APPENDIX B – Financial Statements of The Board of Education of the Township of Woodbridge in the County of Middlesex, New Jersey."

MUNICIPAL ADVISOR

Phoenix Advisors, LLC, Bordentown, New Jersey, has served as Municipal Advisor to the Board with respect to the issuance of the Bonds (the "Municipal Advisor"). The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and the Appendices hereto. The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

LITIGATION

To the knowledge of the Board Attorney, The Busch Law Group LLC, Metuchen, New Jersey (the "Board Attorney"), there is no litigation of any nature now pending or threatened against the Board, restraining or enjoining the issuance or the delivery of the Bonds, or the levy or the collection of any taxes to pay the principal of or the interest on 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, or contesting the corporate existence or the boundaries of the Board or the School District or the title of any of the present officers. To the knowledge of the Board Attorney, no litigation is presently pending or threatened that, in the opinion of the Board Attorney, would have a materially adverse impact on the financial condition of the Board if adversely decided. A certificate to such effect will be executed by the Board Attorney and delivered to the Underwriter (as hereinafter defined) of the Bonds at the closing.

TAX EXEMPTION

Federal Income Tax Treatment

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance of the Bonds in order for the interest thereon to be and remain excluded from gross income for Federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause such interest to be included in gross income for Federal income tax purposes retroactive to the date of issuance of the Bonds. The Board has covenanted to comply with the provisions of the Code applicable to the Bonds, and has covenanted not to take any action or fail to take any action that would cause interest on the Bonds to lose the exclusion from gross income under Section 103 of the Code.

In the opinion of Wilentz, Goldman & Spitzer, P.A., Bond Counsel, under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the Board with the requirements of the Code described above, interest on the Bonds is not includable in gross income for Federal income tax purposes pursuant to Section 103 of the Code and is not treated as a preference item under Section 57 of the Code for purposes of computing the Federal alternative minimum tax.

Premium Bonds

[The Bonds [maturing on July 15 in the years 20__ through 20__, inclusive (collectively, the "Premium Bonds")], have been sold to the public at a premium. Section 171 of the Code provides rules under which a bond premium may be amortized and a deduction allowed for the amount of the amortizable bond premium for a taxable year. Under Section 171(a)(2) of the Code, however, no deduction is allowable for the amortizable bond premium in the case of bonds, like the [Premium] Bonds, the interest on which is excludable from gross income. Under Section 1016(a)(5) of the Code, the purchaser's basis in a [Premium] Bond will be reduced by the amount of the amortizable bond premium disallowable as a deduction under Section 171(2) of the Code. Proceeds received from the sale, exchange, redemption or payment of a [Premium] Bond in excess of the owner's adjusted basis (as reduced pursuant to Section 1016(a)(5) of the Code), will be treated as a gain from the sale or exchange of such [Premium] Bonds and not as interest.]

Discount Bonds

[Bond Counsel is also of the opinion that the difference between the stated principal amount of the Bonds maturing on July 15 in the years 20__ through 20__, inclusive (collectively, the "Discount Bonds") and their respective initial public offering prices to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which prices a substantial amount of the [Discount] Bonds of the same maturity and interest rate were sold, constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Bonds. In the case of any holder of the [Discount] Bonds, the amount of such original issue discount which is treated as having accrued with respect to the [Discount] Bonds is added to the cost basis of the holder in determining, for federal income tax purposes, gain or loss upon disposition (including sale, redemption or payment at maturity). Holders of the [Discount] Bonds should consult their tax advisors for an explanation of the original issue discount rules.]

Additional Federal Income Tax Consequences Relating to Bonds

Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Bonds, may have additional Federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty insurance companies, foreign corporations and certain S corporations. Prospective purchasers of the Bonds should also consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

State Taxation

Bond Counsel is also of the opinion that interest on the Bonds, and any gain on the sale of the Bonds, are not includable in gross income under the existing New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended. Except as provided above, no opinion is expressed with respect to other State and local tax consequences of owning the Bonds. *See* "APPENDIX C – Form of Approving Legal Opinion" for the complete text of the proposed form of Bond Counsel's approving legal opinion.

Prospective Tax Law Changes

Federal, state or local legislation, administrative pronouncements or court decisions may affect the Federal and State tax-exempt status of interest on the Bonds and the State tax-exempt status of interest on the Bonds, gain from the sale or other disposition of the Bonds, the market value of the Bonds or the marketability of the Bonds. The effect of any legislation, administrative pronouncements or court decisions cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding such matters.

Other Tax Consequences

Except as described above, Bond Counsel expresses no opinion with respect to any Federal, State, local or foreign tax consequences of ownership of the Bonds. Bond Counsel renders its opinion under existing statutes, regulations, rulings and court decisions as of the date of issuance of the Bonds and assumes no obligation to update its opinion after such date of issuance to reflect any future action, fact, circumstance, change in law or interpretation, or otherwise. Bond Counsel expresses no opinion as to the effect, if any, on the tax status of the interest on the Bonds paid or to be paid as a result of any action hereafter taken or not taken in reliance upon an opinion of other counsel.

See APPENDIX C for the complete text of the proposed form of Bond Counsel's legal opinion with respect to the Bonds.

PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO ALL TAX CONSEQUENCES (INCLUDING BUT NOT LIMITED TO THOSE LISTED ABOVE) OF HOLDING THE BONDS.

RISK TO HOLDERS OF BONDS

It is understood that the rights of the holders of the Bonds, and the enforceability thereof, may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Municipal Bankruptcy

THE BOARD HAS NOT AUTHORIZED THE FILING OF A BANKRUPTCY PETITION. THIS REFERENCE TO THE BANKRUPTCY CODE OR THE STATE STATUTE SHOULD NOT CREATE ANY IMPLICATION THAT THE BOARD EXPECTS TO UTILIZE THE BENEFITS OF ITS PROVISIONS, OR

THAT IF UTILIZED, SUCH ACTION WOULD BE APPROVED BY THE LOCAL FINANCE BOARD, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCE OF PAYMENT OF AND SECURITY FOR THE BONDS, OR THAT THE BANKRUPTCY CODE COULD NOT BE AMENDED AFTER THE DATE HEREOF.

The undertakings of the Board should be considered with reference to 11 U.S.C. §101 et seq., as amended and supplemented (the "Bankruptcy Code"), and other bankruptcy laws affecting creditors' rights and municipalities in general. The Bankruptcy Code permits the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to commence a voluntary bankruptcy case by filing a petition with a bankruptcy court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to certain debts owed, and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount and more than one-half in number of the allowed claims of at least one (1) impaired class. The Bankruptcy Code specifically does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a political subdivision must follow in order to take advantage of the provisions of the Bankruptcy Code.

The Bankruptcy Code provides that special revenue acquired by the debtor after the commencement of the case shall remain subject to any lien resulting from any security agreement entered into by such debtor before the commencement of such bankruptcy case. However, special revenues acquired by the debtor after commencement of the case shall continue to be available to pay debt service secured by those revenues. Furthermore, the Bankruptcy Code provides that a transfer of property of a debtor to or for the benefit of any holder of a bond or note, on account of such bond or note, may be avoided pursuant to certain preferential transfer provisions set forth in such act.

Reference should also be made to N.J.S.A. 52:27-40 et seq. which provides that a political subdivision, including the Board, has the power to file a petition in bankruptcy with any United States Court or court in bankruptcy under the provisions of the Bankruptcy Code, for the purpose of effecting a plan of readjustment of its debts or for the composition of its debts; provided, however, the approval of the Local Finance Board, as successor to the Municipal Finance Commission, must be obtained.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, the issuance, the sale and the delivery of the Bonds are subject to the approval of Bond Counsel to the Board, whose approving legal opinion will be delivered with the Bonds substantially in the form set forth as APPENDIX C. Certain legal matters will be passed upon for the Board by its Board Attorney.

PREPARATION OF OFFICIAL STATEMENT

The Board hereby states that the descriptions and statements herein, including the Financial Statements, are true and correct in all material respects, and it will confirm same to the Underwriter by a certificate signed by the Board President and Business Administrator/Board Secretary. *See* "CERTIFICATE WITH RESPECT TO THE OFFICIAL STATEMENT" herein.

Bond Counsel has participated in the preparation and review of this Official Statement but has not participated in the collection of financial, statistical or demographic information contained in this Official Statement nor verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto.

The Municipal Advisor has participated in the review of this Official Statement but has not participated in the preparation of this Official Statement or in the collection of financial, statistical or demographic information contained in this Official Statement nor verified the accuracy, completeness or fairness thereof, and, accordingly, takes no responsibility and expresses no opinion with respect thereto.

The Auditor has participated in the preparation of the information contained in APPENDIX A hereto and also takes responsibility for the Financial Statements to the extent specified in the Independent Auditors' Report appearing in APPENDIX B hereto.

The Board Attorney has not participated in the preparation of the information contained in this Official Statement, nor has he verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto, but has reviewed the section under the caption entitled "LITIGATION" and expresses no opinion or assurance other than that which is specifically set forth therein with respect thereto.

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

RATING

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC (the "Rating Agency"), has assigned an underlying rating of "AA-" to the Bonds based upon the creditworthiness of the School District. The Bonds are additionally secured by the New Jersey School Bond Reserve Act.

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

UNDERWRITING

The Bonds are being purchased from the Board by __________ (the "Underwriter"), at a price of $_________. The purchase price of the Bonds reflects the par amount of Bonds equal to $1,901,000.00, minus an Underwriter's discount of $_________ less/plus a[n] [net] original issue discount/premium of $_________. The Underwriter is obligated to purchase all of the Bonds if any Bonds are so purchased.

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

SECONDARY MARKET DISCLOSURE

The Board has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the Board by no later than each January 31 after the end of each fiscal year, commencing with the fiscal year ending June 30, 2019 (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events, if material. The Annual Report will be filed by the Board with the Municipal Securities Rulemaking Board (the "MSRB") or any other entity designated by the MSRB. The notices of material events will be filed by the Board with the MSRB through its Electronic Municipal Market Access ("EMMA") system and with any other entity designated by the MSRB, as applicable. The nature of the information to be contained in the Annual Report or the notices of material events is set forth in "APPENDIX D – Form of Continuing Disclosure Certificate." These covenants have been made in order to assist the underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "SEC Rule").

Within the five (5) years immediately preceding the date of this Official Statement, the Board previously failed to file, in accordance with the SEC Rule, in a timely manner, under previous filing requirements audited financial information and operating data for the fiscal year ending June 30, 2018. This was due to the delay in the receipt of the Governmental Accounting Standards Board (GASB) Statement No. 75 auditor's report that is provided by the State of New Jersey to all School Districts. Late filing notices have since been filed with EMMA. The Board appointed Phoenix Advisors, LLC in January of 2014 to serve as continuing disclosure agent.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to the Business Administrator/Board Secretary, Brian Wolferman, (732) 602-8536, or to Lisa A. Gorab, Esq., Wilentz, Goldman & Spitzer, P.A., Bond Counsel to the Board, (732) 855-6459.

CERTIFICATE WITH RESPECT TO THE OFFICIAL STATEMENT

At the time of the original delivery of the Bonds, the Board will deliver a certificate of one or more of its authorized officials to the effect that he/she has examined this Official Statement (including the Appendices) and the financial and other data concerning the School District contained herein and that, to the best of his knowledge and belief, (i) this Official Statement, both as of its date and as of the date of delivery of the Bonds, does not contain any untrue statement of a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading and (ii) between the date of this Official Statement and the date of delivery of the Bonds, there has been no material adverse change in the affairs (financial or otherwise), financial condition or results or operations of the Board except as set forth in or contemplated by this Official Statement.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement among the Board, the Underwriter and the 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 the Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs (financial or otherwise) of the Board since the date hereof.

The Board has authorized the preparation of this final Official Statement containing pertinent information relative to the Bonds, and this Official Statement is deemed to be the final Official Statement as required by Rule 15c2-12, promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented. By awarding the Bonds to the Underwriter, the Board agrees that, within the earlier of seven (7) business days following the date of such award or to accompany the purchasers' confirmations requesting payment for the Bonds, it shall provide without cost to the Underwriter, for distribution purposes, copies of this final Official Statement. The underwriter agrees that (i) it shall accept such designation, and (ii) it shall assure the distribution of the final Official Statement.

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

____

BRIAN WOLFERMAN,
Business Administrator/Board Secretary

DATED: _____________, 2019

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APPENDIX A

Certain Economic and Demographic Information Relating to the School District and the Township of Woodbridge, in the County of Middlesex, State of New Jersey

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INFORMATION REGARDING THE SCHOOL DISTRICT[1]

Type

The School District is a Type II school district that is coterminous with the borders of the Township of Woodbridge (the "Board"). The School District provides a full range of educational services appropriate to kindergarten through the twelfth grades.

The Board is composed of nine (9) members elected by the legally qualified voters in the School District to terms of three (3) years on a staggered basis. The President and Vice President are chosen for one (1) year terms from among the members of the Board.

The Board is the policy making body of the School District and has the general responsibility for providing an education program, the power to establish policies and supervise the public schools in the School District, and the responsibility to develop the annual School District budget and present it to the legally registered voters in the School District. The Board's fiscal year ends each June 30.

The Board appoints a Superintendent and Business Administrator/Board Secretary who are responsible for budgeting, planning and the operational functions of the School District. The administrative structure of the Board gives final responsibility for both the educational process and the business operation to the Superintendent.

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[1] Source: The Board, unless otherwise indicated.

Description of Facilities

The Board presently operates the following school facilities:

Facility	Grade Level	Student Enrollment (As of January 2019)
Mawbey Street Elementary School	K-5	364
Avenel Street Elementary School	K-5	403
Port Reading Elementary School	K-5	390
Ross Street Elementary School	K-5	389
Ford Avenue Elementary School	K-5	246
Indiana Elementary School	K-5	508
Menlo Park Terrace Elementary School	K-5	348
Claremont Avenue Elementary School	K-5	308
Oak Ridge Elementary School	K-5	295
Lynn Crest Elementary School	K-5	338
Woodbine Avenue Elementary School	K-5	491
Kennedy Park Elementary School	PreK-K	334
Lafayette Estates Elementary School	K-5	481
Robert Mascenik Elementary School	K-5	311
Pennsylvania Avenue Elementary School	K-5	336
Matthew Jago Elementary School	K-5	431
Oak Tree Road Elementary School	K-5	515
Avenel Middle School	6-8	594
Colonia Middle School	6-8	622
Fords Middle School	6-8	653
Iselin Middle School	6-8	768
Woodbridge Middle School	6-8	516
Colonia High School	9-12	1,316
John F. Kennedy Memorial High School	9-12	1,326

Source: Board of Education

Staff

The Superintendent is the chief executive officer of the Board and is in charge of carrying out Board policies. The Business Administrator/Board Secretary is the chief financial officer of the Board and must submit monthly financial reports to the Board and annual reports to the New Jersey Department of Education.

	2018	**2017**	**2016**	**2015**	**2014**
Teaching Professionals	1,113	1,115	1,114	1,079	1,074
Support Staff	757	763	763	717	741
Total Full & Part Time Employees	1,870	1,878	1,877	1,796	1,815

Source: Comprehensive Annual Financial Report of the School District

Pupil Enrollments

The following table presents the historical average daily pupil enrollments for the past five (5) school years.

Pupil Enrollments

School Year	Enrollment
2017-2018	13,580
2016-2017	13,734
2015-2016	13,719
2014-2015	13,569
2013-2014	13,410

Source: School District and Comprehensive Annual Financial Report of the School District

Pensions

Those employees of the School District who are eligible for pension coverage are enrolled in one of the two State-administered multi-employer pension systems (the "Pension System"). The Pension System was established by an act of the State Legislature. The Board of Trustees for the Pension System is responsible for the organization and administration of the Pension System. The two State-administered pension funds are: (1) the Teacher's Pension and Annuity Fund ("TPAF") and (2) the Public Employee's Retirement System ("PERS"). The Division of Pensions and Benefits, within the State of New Jersey Department of the Treasury (the "Division"), charges the participating school districts annually for their respective contributions. The School District raises its contributions through taxation and the State contributes the employer's share of the annual Social Security and Pension contribution for employees enrolled in the TPAF. The Pension System is a cost sharing multiple employer contributory defined benefit plan. The Pension System's designated purpose is to provide retirement and medical benefits for qualified retirees and other benefits to its members.

Membership in the Pension System is mandatory for substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

Fiscal 2019-2020 Budget

Prior to the passage of P.L. 2011, c. 202 the Board was required to submit its budget for voter approval on an annual basis. Under the Election Law (P.L. 2011, c. 202, effective January 17, 2012) if the school has opted to move it annual election to November, it is no longer required to submit the budget to voters for approval if the budget is at or below the two-percent (2%) property tax levy cap as provided for under the Tax Levy Cap Law (P.L. 2010, c. 44). If the Board proposes to spend above the two percent (2%) property tax levy cap, it is then required to submit its budget to voters at the annual school election in November. The Board has chosen under the Election Law to move its annual school election to November.

The General Fund budget is the sum of all State aid (exclusive of pension aid and social security aid) and the local tax levy (exclusive of debt service). The Board's General Fund Budget for the 2019-2020 fiscal year is $249,436,928 the major sources of revenue are $183,544,112 from the local tax levy and $41,340,262 from State aid.

Source: Annual User-Friendly Budget of the School District

Budget History

As noted, prior to the Board's budget for its 2012-2013 fiscal year, the Board was required to submit its budget for voter approval. The results of the last five budget elections of the Board are as follows:

Budget Year	Amount Raised in Taxes	Budget Amount	Election Result
2019-2020	$183,544,112	$249,436,928	N/A
2018-2019	179,945,208	229,804,352	N/A
2017-2018	176,416,871	218,785,505	N/A
2016-2017	172,957,716	209,036,675	N/A
2015-2016	169,566,389	204,033,076	N/A

Source: Annual User-Friendly Budget of the School District and NJ State DOE Website – School Election Results

Financial Operations

The following table summarizes information on the changes in general fund revenues and expenditures for the school years ending June 30, 2014 through June 30, 2018 for the general fund. Beginning with the 1993-1994 fiscal year, school districts in the State of New Jersey have begun to prepare their financial statements in accordance with Generally Accepted Accounting Principles in the United States.

GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEARS ENDED JUNE 30:

	2018	2017	2016	2015	2014
REVENUES					
Local Sources:					
Local Tax Levy	$176,416,871	$172,957,716	$169,566,389	$166,241,558	$162,638,782
Other Local Revenue	2,085,241	1,545,276	2,678,657	547,197	1,301,518
Total Revenues-Local Sources	178,502,112	174,502,992	172,245,046	166,788,755	163,940,300
State Sources	62,401,824	53,866,251	50,528,095	44,310,095	43,475,475
Federal Sources	253,658	169,172	216,567	414,129	188,285
Total Revenues	$241,157,595	$228,538,416	$222,989,707	$211,512,978	$207,604,060
EXPENDITURES					
General Fund:					
Instruction	$93,277,754	$93,274,448	$90,998,756	$90,050,949	$88,598,292
Undistributed Expenditures	136,857,116	128,882,771	121,088,193	118,821,076	114,309,748
Capital Outlay	5,320,471	3,154,343	4,055,818	5,426,508	2,301,466
Total Expenditures	$235,455,341	$225,311,562	$216,142,766	$214,298,533	$205,209,506
Excess (Deficiency) of Revenues Over/(Under) Expenditures	5,702,254	3,226,853	6,846,941	(2,785,554)	2,394,553
Other Financing Sources (Uses):					
Proceeds of Capital Lease	889,573	0	0	1,500,000	120,000
FEMA Reimbursement	0	0	0	0	0
Cancellation of Account Payable	0	0	0	0	0
Transfers In	0	0	0	0	0
Transfers Out	(19,613)	(30,315)	(13,334)	(85,082)	0
Total Other Financing Sources (Uses)	869,960	(30,315)	(13,334)	1,414,918	120,000
Net Change in Fund Balance	6,572,214	3,196,538	6,833,607	(1,370,636)	2,514,553
Fund Balance, July 1	33,503,064	30,306,526	23,472,918	24,843,555	22,329,002
Fund Balance, June 30	$40,075,278	$33,503,064	$30,306,526	$23,472,918	$24,843,555

Source: Comprehensive Annual Financial Report of the School District. Statement of Revenues, Expenditures Governmental Funds and Changes In Fund Balances on a GAAP basis

Capital Leases

As of June 30, 2018, the Board has capital leases outstanding with payments due through year ending June 30, 2020 totaling $2 085 647.13.

Source: Comprehensive Annual Financial Report of the School District

Operating Leases

As of June 30, 2018, the Board has no operating leases outstanding.

Source: Comprehensive Annual Financial Report of the School District

Short Term Debt

As of June 30, 2019, the Board has no short-term debt outstanding.

Source: School District

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Long Term Debt

The following table outlines the outstanding long-term debt of the Board as of June 30, 2019.

Fiscal Year Ending	Principal	Interest	Total
2020	$3,925,000	$3,426,847	$7,351,847
2021	4,887,000	3,440,337	8,327,337
2022	5,105,000	3,280,803	8,385,803
2023	5,310,000	3,110,613	8,420,613
2024	5,515,000	2,927,500	8,442,500
2025	5,750,000	2,732,653	8,482,653
2026	5,980,000	2,532,044	8,512,044
2027	6,225,000	2,318,231	8,543,231
2028	6,480,000	2,085,681	8,565,681
2029	6,460,000	1,853,256	8,313,256
2030	6,710,000	1,623,131	8,333,131
2031	3,300,000	1,456,969	4,756,969
2032	3,505,000	1,354,619	4,859,619
2033	3,605,000	1,246,269	4,851,269
2034	3,550,000	1,136,922	4,686,922
2035	3,645,000	1,026,653	4,671,653
2036	3,745,000	913,138	4,658,138
2037	3,805,000	796,900	4,601,900
2038	3,855,000	678,138	4,533,138
2039	2,665,000	574,638	3,239,638
2040	2,690,000	487,619	3,177,619
2041	2,690,000	399,872	3,089,872
2042	2,785,000	309,266	3,094,266
2043	2,785,000	216,122	3,001,122
2044	2,270,000	130,675	2,400,675
2045	680,000	80,750	760,750
2046	680,000	58,650	738,650
2047	680,000	35,700	715,700
2048	680,000	11,900	691,900
TOTALS	$109,962,000	$40,245,894	$150,207,894

Source: School District

Debt Limit of the Board

The debt limitation of the Board is established by statute (N.J.S.A. 18A:24-19). The Board is permitted to incur debt up to 4% of the average equalized valuation for the past three (3) years. (See "SUMMARY OF CERTAIN PROVISIONS FOR THE PROTECTION OF SCHOOL DEBT- Exceptions to School Debt Limitations"). The following is a summation of the Board's debt limitations as of June 30, 2018:

Average Equalized Real Property Valuation (2017, 2018, and 2019)	$11,377,507,343
School District Debt Analysis	
Permitted Debt Limitation (4% of AEVP)	$455,100,294
Less: Bonds and Notes Authorized and Outstanding	111,883,113
Remaining Limitation of Indebtedness	$343,217,181
Percentage of Net School Debt to Average Equalized Valuation	0.98%

Source: Comprehensive Annual Financial Report of the School District

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INFORMATION REGARDING THE TOWNSHIP[2]

The following material presents certain economic and demographic information of the Township of Woodbridge (the "Township"), in the County of Middlesex (the "County"), State of New Jersey (the "State").

General Information

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.

Form of 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 (9) members, four of whom are elected at large and five of whom are elected from each of the Township's five (5) wards.

The councilpersons serve on a part-time basis and serve for a four (4) 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 (4) 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 Resident Services.

Fire

The Township is served by nine (9) independent fire districts. Each district is governed by five (5) elected commissioners. The budgets for those districts are submitted to the voters for

[2] Source: The Township, unless otherwise indicated.

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 sworn officers. In addition, there are part-time auxiliary police officers, special officers, safety officers and school guards, dispatchers and office and maintenance personnel. Woodbridge Township was among the first in Middlesex County to implement the emergency 911 system.

Public Works

The Department of Public Works and Parks is headed by a Director who is in charge of ten (10) divisions: Engineering (which is headed by a professional engineer), Street Cleaning, Road Repairs, Equipment Repairs, Solid Waste/Recycling, Sewer Maintenance, Wastewater, Building and Grounds and Parks and School Custodians. Sewer Maintenance and Wastewater are charged directly to the Sewer Utility Budget.

Retirement Systems

All full-time permanent or qualified Township employees who began employment after 1944 must enroll in one of two retirement systems depending upon their employment status. These systems were established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are set by State law. The Division of Pensions, within the New Jersey Department of Treasury (the "Division"), is the administrator of the funds with the benefit and contribution levels set by the State. The Township is enrolled in the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS").

Pension Information[3]

Employees, who are eligible to participate in a pension plan, are enrolled in PERS or PFRS, administered by the Division. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations. The employees contribute a portion of the cost.

[3] Source: State of New Jersey Department of Treasury, Division of Pensions and Benefits

Employment and Unemployment Comparisons

For the following years, the New Jersey Department of Labor reported the following annual average employment information for the Township, the County, and the State:

	Total Labor Force	Employed Labor Force	Total Unemployed	Unemployment Rate
Township				
2018	52,576	50,679	1,897	3.6%
2017	52,726	50,636	2,090	4.0%
2016	52,797	50,439	2,358	4.5%
2015	52,776	50,109	2,667	5.1%
2014	52,041	48,831	3,210	6.2%
County				
2018	435,053	419,262	15,791	3.6%
2017	436,742	418,904	17,838	4.1%
2016	436,159	416,825	19,334	4.4%
2015	435,612	413,173	22,439	5.2%
2014	432,008	405,617	26,391	6.1%
State				
2018	4,422,900	4,239,600	183,400	4.1%
2017	4,518,838	4,309,708	209,123	4.6%
2016	4,530,800	4,305,515	225,262	5.0%
2015	4,537,231	4,274,685	262,531	5.8%
2014	4,527,177	4,221,277	305,900	6.8%

Source: New Jersey Department of Labor, Office of Research and Planning, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics, Local Area Unemployment Statistics

Income (as of 2017)

	Township	County	State
Median Household Income	$83,266	$83,133	$76,475
Median Family Income	96,340	99,470	94,337
Per Capita Income	33,704	36,558	39,069

Source: US Bureau of the Census, 2017 American Community Survey 5-Year Estimates

Population

The following tables summarize population increases and the decreases for the Township, the County, and the State.

	Township		County		State	
Year	Population	% Change	Population	% Change	Population	% Change
2017 Estimate	101,639	2.1%	827,684	2.2%	9,005,644	2.4%
2010	99,585	2.5	809,858	8.0	8,791,894	4.5
2000	97,203	4.4	750,162	11.7	8,414,350	8.9
1990	93,086	3.3	671,780	12.7	7,730,188	5.0
1980	90,074	-9.0	595,893	2.1	7,365,001	2.7

Source: United States Department of Commerce, Bureau of the Census

Largest Taxpayers

The ten (10) largest taxpayers in the Township and their assessed valuations are listed below:

Taxpayers	2019 Assessed Valuation	% of Total Assessed Valuation
Atlantic Realty	$120,075,100	3.76%
Woodbridge Center	54,717,800	1.71%
Mack-Cali	33,040,700	1.03%
Metro Park/Tishman Speyer	32,578,200	1.02%
Buckeye Terminals	31,982,200	1.00%
Crossings	26,580,200	0.83%
Colonial Pipeline	25,471,800	0.80%
Shell Oil/Motiva	23,995,400	0.75%
PSE&G	23,140,800	0.72%
SMIII Woodbridge Plaza	20,589,900	0.64%
Total	$392,172,100	12.28%

Source: Comprehensive Annual Financial Report of the School District & Municipal Tax Assessor

Comparison of Tax Levies and Collections

Year	Tax Levy	Current Year Collection	Current Year % of Collection
2019U	$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	99.80%

U: Unaudited
Source: Annual Audit Reports of the Township and 2019 Annual Financial Statement

Delinquent Taxes and Tax Title Liens

Year	Amount of Tax Title Liens	Amount of Delinquent Tax	Total Delinquent	% of Tax Levy
2019U	$529,238	$3,216,414	$3,745,652	1.07%
2018	475,635	3,134,954	3,610,589	1.05%
2017	341,576	3,114,482	3,456,058	1.02%
2016	581,377	2,633,153	3,214,530	0.97%
2015	571,649	15,664	587,313	0.18%

U: Unaudited
Source: Annual Audit Reports of the Township and 2019 Annual Financial Statement

Property Acquired by Tax Lien Liquidation

Year	Amount
2019U	$936,500
2018	936,500
2017	936,500
2016	936,500
2015	936,500

U: Unaudited
Source: Annual Audit Reports of the Township and 2019 Annual Financial Statement

Tax Rates per $100 of Net Valuations Taxable and Allocations

The table below lists the tax rates for Township residents for the past five (5) years.

Year	Municipal	Local School	County	Total
2019	$3.177	$5.829	$1.398	$10.404
2018	3.088	5.746	1.358	10.192
2017	3.010	5.658	1.340	10.008
2016	2.941	5.562	1.427	9.930
2015	2.871	5.512	1.368	9.751

Source: Abstract of Ratables and State of New Jersey – Property Taxes

Valuation of Property

Year	Aggregate Assessed Valuation of Real Property	Aggregate True Value of Real Property	Ratio of Assessed to True Value	Assessed Value of Personal Property	Equalized Valuation
2019	$3,189,438,600	$11,892,015,660	0.00%	$4,054,492	$11,896,070,152
2018	3,172,904,200	11,405,119,339	27.82	4,196,310	11,409,315,649
2017	3,174,768,400	10,835,387,031	29.30	4,182,952	10,839,569,983
2016	3,146,211,100	10,525,965,540	29.89	3,843,695	10,529,809,235
2015	3,134,845,150	10,754,185,763	29.19	14,153,660	10,768,339,423

Source: Abstract of Ratables and State of New Jersey – Table of Equalized Valuations

Classification of Ratables

The table below lists the comparative assessed valuation for each classification of real property within the Township for the past five (5) years.

Year	Vacant Land	Residential	Farm	Commercial	Industrial	Apartments	Total
2019	$41,664,200	$2,052,866,300	$0	$620,374,200	$280,854,100	$193,679,800	$3,189,438,600
2018	42,625,600	2,040,128,100	0	644,046,700	255,761,300	190,342,500	3,172,904,200
2017	44,612,900	2,024,183,700	0	653,468,500	260,789,700	191,713,600	3,174,768,400
2016	47,813,500	2,015,946,300	0	649,157,500	263,505,900	169,787,900	3,146,211,100
2015	52,398,600	2,011,176,800	0	645,369,750	258,157,400	167,742,600	3,134,845,150

Source: Abstract of Ratables and State of New Jersey – Property Value Classification

Financial Operations

The following table summarizes the Township's Current Fund budget for the past five (5) fiscal years ending June 30. This summary should be used in conjunction with the tables from which it is derived.

Summary of Current Fund Budget

Anticipated Revenues	2016	2017	2018	2019	2020
Fund Balance Utilized	$10,106,784	$11,476,662	$9,262,024	$11,113,253	$15,014,189
Miscellaneous Revenues	47,470,788	46,658,203	50,962,304	54,296,925	58,039,357
Receipts from Delinquent Taxes	50,000	1,000,000	2,500,000	2,500,000	3,000,000
Amount to be Raised by Taxation	89,156,627	91,857,214	94,942,470	97,613,186	100,203,101
Total Revenue:	$146,784,199	$150,992,079	$157,666,798	$165,523,365	$176,256,647
Appropriations					
General Appropriations	$109,395,295	$113,691,667	$118,431,837	$124,712,951	$129,792,102
Operations (Excluded from CAPS)	12,807,157	13,086,290	14,177,593	13,796,878	14,509,003
Deferred Charges and Statutory Expenditures	850,859	2,839	0	1,365	0
Capital Improvement Fund	1,401,000	1,466,000	880,000	830,000	935,000
Municipal Debt Service	20,229,888	20,370,283	20,952,368	22,732,170	27,570,542
Reserve for Uncollected Taxes	2,100,000	2,375,000	3,225,000	3,450,000	3,450,000
Total Appropriations:	$146,784,199	$150,992,079	$157,666,798	$165,523,365	$176,256,647

Source: Annual Adopted Budgets of the Township

Fund Balance

Current Fund

The following table lists the Township's fund balance and the amount utilized in the succeeding year's budget for the Current Fund for the past five (5) fiscal years ending June 30.

Fund Balance - Current Fund

Year	Balance 6/30	Utilized in Budget of Succeeding Year
2019U	$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

U: Unaudited
Source: Annual Audit Reports of the Township and 2019 Annual Financial Statement

Sewer Utility Operating Fund

The following table lists the Township's fund balance and the amount utilized in the succeeding year's budget for the Sewer Utility Operating Fund for the past five (5) fiscal years ending June 30.

Fund Balance
Sewer Utility Operating Fund

Year	Balance 6/30	Utilized in Budget of Succeeding Year
2019U	$4,285,413	$1,769,556
2018	4,962,993	4,223,174
2017	5,506,318	4,000,000
2016	2,094,161	1,982,207
2015	5,722,596	3,691,300

U: Unaudited
Source: Annual Audit Reports of the Township and 2019 Annual Financial Statement

Recreation Utility Operating Fund

The following table lists the Township's fund balance and the amount utilized in the succeeding year's budget for the Recreation Utility Operating Fund for the past five (5) fiscal years ending June 30.

Fund Balance
Recreation Utility Operating Fund

Year	Balance 6/30	Utilized in Budget of Succeeding Year
2019U	$93,665	$0
2018	93,665	0
2017	93,665	0
2016	93,665	0
2015	462,624	368,959

U: Unaudited
Source: Annual Audit Reports of the Township and 2019 Annual Financial Statement

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Parking Utility Operating Fund

The following table lists the Township's fund balance and the amount utilized in the succeeding year's budget for the Parking Utility Operating Fund for the past five (5) fiscal years ending June 30.

Fund Balance

Parking Utility Operating Fund

Year	Balance 6/30	Utilized in Budget of Succeeding Year
2019U	$110,214	$104,944
2018	0	0
2017	379,232	379,232
2016	145,107	50,272
2015	22,613	20,000

U: Unaudited
Source: Annual Audit Reports of the Township and 2019 Annual Financial Statement

Marina/Boat Launch Utility Operating Fund

The following table lists the Township's fund balance and the amount utilized in the succeeding year's budget for the Marina/Boat Launch Utility Operating Fund for the past five (5) fiscal years ending June 30.

Fund Balance

Marina/Boat Launch Utility Operating Fund

Year	Balance 6/30	Utilized in Budget of Succeeding Year
2019U	$88,925	$78,925
2018	30,833	30,833
2017	78,344	78,344
2016	18,940	18,940
2015	98,157	90,000

U: Unaudited
Source: Annual Audit Reports of the Township and 2019 Annual Financial Statement

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Township Indebtedness as of June 30, 2019

General Purpose Debt	
Serial Bonds	$33,830,000
Bond Anticipation Notes	142,645,297
Bonds and Notes Authorized but Not Issued	8,390,000
Other Bonds, Notes and Loans	205,882
Total:	$185,071,179
Local School District Debt	
Serial Bonds	$109,962,000
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	1,921,113
Total:	$111,883,113
Self-Liquidating Debt	
Serial Bonds	$30,360,000
Bond Anticipation Notes	61,887,703
Bonds and Notes Authorized but Not Issued	67,097,000
Other Bonds, Notes and Loans	0
Total:	$159,344,703
TOTAL GROSS DEBT	**$456,298,995**
Less: Statutory Deductions	
General Purpose Debt	$0
Local School District Debt	111,883,113
Self-Liquidating Debt	159,344,703
Total:	$271,227,816
TOTAL NET DEBT	**$185,071,179**

Source: Township of Woodbridge

Overlapping Debt (as of June 30, 2019)[4]

Name of Related Entity	Related Entity Debt Outstanding	Township Percentage	Township Share
Local School District	$111,883,113	100.00%	$111,883,113
County (2018)	662,191,350	10.70%	70,868,161
Net Indirect Debt			$182,751,274
Net Direct Debt			185,071,179
Total Net Direct and Indirect Debt			**$367,822,453**

Debt Limit

Average Equalized Valuation Basis (2017, 2018, 2019)	$11,377,507,343
Permitted Debt Limitation (3 1/2%)	398,212,757
Less: Net Debt	185,071,179
Remaining Borrowing Power	$213,141,578
Percentage of Net Debt to Average Equalized Valuation	1.627%
Gross Debt Per Capita based on 2010 population of 99,585	$4,582
Net Debt Per Capita based on 2010 population of 99,585	$1,858

Source: Township of Woodbridge

[4] Township percentages of County, County Utilities Authority, and Rahway Valley Sewerage Authority debt is based on the Township's share of total equalized valuation in the County and the proportion of usage.

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APPENDIX B

Financial Statements of The Board of Education of the Township of Woodbridge in the County of Middlesex, New Jersey

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HODULIK & MORRISON, P.A.
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NEW JERSEY SOCIETY OF CPA'S
REGISTERED MUNICIPAL ACCOUNTANTS OF N.J

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Woodbridge School District
Woodbridge, New Jersey

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Woodbridge School District, in the County of Middlesex, State of New Jersey, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the district's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 Office of School Finance, Department of Education, 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 of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Woodbridge School District, in the County of Middlesex, State of New Jersey, as of June 30, 2018 and the respective changes in financial position where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 1 and 6 to the financial statements, during the fiscal year ending June 30, 2018, the Woodbridge School District implemented the provisions of Statement Number 75 of the Governmental Accounting Standards Board (GASB 75). GASB 75 changed the measurement criteria and reporting provisions relating to the District's proportionate share (if any), of the annual expense and net liability of the post-retirement employee benefits other than pensions (OPEB) of plans in which its employees are enrolled. As the State of New Jersey is solely responsible for the funding of all local education agency OPEB plans for the provisions of health benefits, and the Woodbridge School District offers no additional OPEB plans, no additional disclosures were required to the accompanying statement of net position. The accompanying statement of activities discloses the allocated expense of the OPEB plan, and an equal revenue to reflect the existing Special Funding Situation, for the year based upon GASB 75 implementation. Note 6 of the Notes to the Financial Statements also discloses the District's proportionate share, for information purposes only, of the state sponsored OPEB Plan. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Woodbridge Board of Education's basic financial statements taken as a whole. The accompanying other supplementary information, consisting of the combining and individual fund financial statements and long-tem debt schedules as listed in the table of contents, the schedule of expenditures of federal awards as required by the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award (Uniform Guidance)*; the schedule of expenditures of state financial assistance as required by New Jersey OMB's Circular 15-08, and the other information including the introductory section and the statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements, long-term debt schedules, schedules of expenditures of federal awards and state financial assistance are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, long-term debt schedules and schedule of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2019 on our consideration of the Woodbridge School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* in considering the Woodbridge School District's internal control over financial reporting and compliance.

Hodulik & Morrison, P.A.

HODULIK & MORRISON, P.A.
Certified Public Accountants
Public School Accountants

Andrew G. Hodulik
Public School Accountant
PSA # 841

Highland Park, New Jersey
January 25, 2019

REQUIRED SUPPLEMENTARY INFORMATION

PART I

WOODBRIDGE TOWNSHIP SCHOOL DISTRICT

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BRIAN WOLFERMAN
BUSINESS ADMINISTRATOR/BOARD SECRETARY

January 25, 2019

Honorable President and Members
of the Board of Education
Woodbridge Township School District
County of Middlesex, New Jersey 07095

Dear Board Members:

Management's Discussions and Analysis for the Fiscal Year Ended June 30, 2018

The discussion and analysis of Woodbridge Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understandings of the School District's financial performance.

Using this Generally Accepted Accounting Principals Report (GAAP) Along with Government Accounting Standards Board

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Woodbridge Local School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds. In the case of Woodbridge Local School District, the General fund is by far the most significant.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2018?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. The basis of accounting takes into accounts all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School district has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Nonfinancial factors include the School District's property tax base, facility condition, required educational programs and other factors.

Reporting the School District as a Whole (Cont'd.)

Statement of Net Position and the Statement of Activities (Cont'd.)

In the Statement of Net Position and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. The School District maintains two businesses like activities, the Food Service Program and an After School Program.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, the Special Revenue Fund, Debt Service Fund, and the Permanent Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Figure A-3 provides a summary of the School District's net position for 2018.

Figure A-3
Net Position

		Year Ended 2018		Year Ended 2017		Increase/ (Decrease)
Assets						
Current and other assets	$	62,802,342	$	36,712,034	$	26,090,308
Capital assets		115,094,224		111,547,490	$	3,546,734
Total assets		177,896,566		148,259,524	$	29,637,042
Deferred outflow of resources		15,732,819		20,656,960	$	(4,924,141)
Liabilities						
Current and other liabilities		9,138,166		9,075,804	$	62,362
Long-term liabilities		140,903,453		130,808,551	$	13,099,902
Total liabilities		150,041,618		139,884,354	$	13,162,264
Deferred inflows of resources		9,999,235		0	$	9,999,235
Net position						
Net position invested in capital assets net of debt		24,778,760		44,443,698	$	(22,669,938)
Restricted		60,860,932		33,983,816	$	26,877,116
Unrestricted		(52,051,160)		(49,395,385)	$	(2,655,775)
Total net position	$	30,583,532	$	29,032,129	$	1,551,402

Due to the requirement that the Woodbridge School District prepares its financial statements following GASB Statement 34, compensated absences, obligations under capital leases, loans and bonds payable along with capital assets (net of accumulated depreciation) are now shown on the Statement of Net position.

The amount recorded under noncurrent liabilities is detailed below:

Bond Payable	$ 81,640,000
Bond Premium	3,132,620
Compensated Absences	6,019,193
Capital Leases	296,524
Net Pension Liability	49,815,115
Total Noncurrent Liabilities	$140,903,453

The reporting of noncurrent liabilities is the reason why there is a reported unrestricted net asset deficit of $(52,051,160).

Following is the table depicting the District's change in net position (Figure A-4).

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Figure A-4
Change in Net Position

	Government Activities		Business Type Activities		Total Primary Government	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**
Revenues:						
Program revenue						
Charges for Services			$ 2,793,016	$ 2,641,160	2,793,016	2,641,160
State grants & entitlements	$ 80,397,532	$ 74,846,341	3,141,459	3,055,459	83,538,991	77,901,800
General revenue						
Local tax levy	181,603,377	178,123,056			181,603,377	178,123,056
Federal and state aid	37,026,962	32,162,751			37,026,962	32,162,751
Miscellaneous revenues						
(Incl. special items & transfers)	1,167,638	1,934,616			1,167,638	1,934,616
Total general revenues	219,797,977	212,220,423	-	-	219,797,977	212,220,423
Total revenues	$ 300,195,509	$ 287,066,764	$ 5,934,475	$ 5,696,619	306,129,984	292,763,383
Function/program expense:						
Instruction						
Regular programs	84,846,740	84,583,482			84,846,740	84,583,482
Special programs	17,384,536	17,441,959			17,384,536	17,441,959
Other Instructional programs	2,519,133	2,506,993			2,519,133	2,506,993
Support services						
Student services	21,964,021	19,924,951			21,964,021	19,924,951
Tuition	9,709,182	9,791,482			9,709,182	9,791,482
Instructional staff support						
General administration and business services	7,677,059	7,889,847			7,677,059	7,889,847
School administration	9,299,680	9,113,601			9,299,680	9,113,601
Plant services	12,820,474	11,811,110			12,820,474	11,811,110
Student transportation	11,895,596	11,543,928			11,895,596	11,543,928
Unallocated benefits	115,145,901	110,216,203			115,145,901	110,216,203
Unallocated depreciation and amortization	1,170,312	1,105,848			1,170,312	1,105,848
Community service	603,974	570,908			603,974	570,908
Interest on long-term debt	1,978,456	1,855,276			1,978,456	1,855,276
Other related capital assets and debt (net)	(1,375,960)	-			(1,375,960)	-
Depreciation			176,744	189,901	176,744	189,901
Cost of Sales			2,115,183	2,069,373	2,115,183	2,069,373
Salaries & Benefits			2,078,848	1,866,126	2,078,848	1,866,126
Other			1,608,547	1,400,574	1,608,547	1,400,574
Total expenses	$ 295,639,107	$ 288,355,588	$ 5,979,323	$ 5,525,974	$ 301,618,429.32	$ 293,881,562.81
Increase (Decrease) net position	4,556,402	(1,288,824)	(44,848)	170,644	4,511,554	(1,118,180)

The School District as a Whole (Cont'd.)

It must be noted that compensated absences due to retirements or other circumstances have always been paid through general fund budget appropriations and will continue to be paid. The School District has never failed to meet its contractual obligations. Serial bonds payable are funded through a separate tax levy, which is guaranteed, and not subject to voter approval.

Governmental Activities

A majority of all revenue for the Woodbridge School District is collected through property taxes. Property taxes made up 85.57% of revenues for governmental activities for the Woodbridge School District.

State aid decreased in the fiscal year. Operating grants and contributions decreased due to the state contributing less to the pension plan for pension contributions and for a decrease in federal aid.

The increase in expenses came about because of increased state aid and increase in the use of surplus funds. The district decided to put the additional aid into the instructional line accounts, which benefits the education of its students and into the cost of plant and maintenance.

Instruction comprises 48.67% of district expense, support services 49.87%, depreciation expense 0.54%, and interest on long-term debt 0.92%. Total program expenses, excluding depreciation expenses increased by 0.39%.

The district was able to increase its net position while maintaining a small increase in its expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Figure A-5 shows the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements for the governmental activities.

Figure A-5

Governmental Activities

Total Cost of Services

	Year Ended 2018	Year Ended 2017
Instruction	$104,750,410	$104,532,433
Support Services:		
Tuition	9,709,182	9,791,482
Student & Instruction Related Service	21,964,021	19,924,951
Bd of Ed Adm & Business	16,976,739	17,003,449
Operating & Maintenance of Plant	12,820,474	11,811,110
Transportation	11,895,596	11,543,928
Special Schools	603,974	570,908
Interest on Long Term Debt	1,978,456	1,855,276
Depreciation	1,170,312	1,105,848
Other	33,372,409	35,369,862
Total Cost of Services	$215,241,574	$213,509,247

Governmental Activities (Cont'd.)

A description of each service provided by School District is detailed as follows:

Instruction expenditures include activities directly dealing with the teaching of pupils and the interaction between teacher and pupils.

Tuition expenditures are for Education Services for pupils residing in the School District and include placements in Private, County and State Facilities.

Student and Instructional Related Services expenditures include the activities involved with assisting staff with the content and process of teaching to pupils. Also included are Attendance and Social Work Services, Health Services and Guidance, Child Study and Educational Media Services.

Board of Education, Administration, Fiscal and Business expenditures are associated with administration and financial supervision of the District.

Operation and Maintenance of Plant expenditures involve keeping the school grounds, buildings and equipment in an effective working condition.

Pupil Transportation expenditures include activities involved in the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Employee Benefits expenditures include health insurance benefits, social security contributions, unemployment and worker's compensations and tuition reimbursement.

Special Schools expenditures include the Extended School Year program.

Interest on Long-Term Debt includes serial bonds.

Business Type Activities

The School District operates business type activities for the Food Service Program and After School Program. The Food Service Program was outsourced to Chartwells, Inc. There was no subsidy provided to the food service company during the fiscal year.

For the current school year, the food service had a decrease in net assets of $45,713. Ending net assets for the food service shows a balance of $780,846. This amount is shown as follows:

Invested in Capital Assets	
Net of Related Debt	$758,798
Unrestricted	22,049
Total	$780,846

The After School Programs had an increase in net assets of $865 for the school year. This program has always remained self-supporting and does not require any board contribution.

General Fund Budgetary Highlights

The School District budget is prepared according to New Jersey Law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

The most significant fund is General Fund. The district in 2017-2018 was able to increase expenditures for classroom instruction, while at the same time increasing its fund balance. The district was able to appropriate $14,724,907 in fund balance for the 2018-2019 school year budget.

Capital Assets

At June 30, 2018, the school district had $217,885,783 invested in a broad range of capital assets, including land, buildings, building improvements, other improvements and furniture and equipment.

Amount expended under the capital outlay section of the general fund budget have to do with the purchase of equipment, both instructional and support services.

Figure A-6

Capital Assets at Year-End

Governmental Activities	Year Ended 2018	Year Ended 2017
Land	$ 5,868,569	$ 5,868,569
Construction in Progress	14,034,661	7,130,935
Buildings and Improvements	168,320,926	168,123,816
Furniture, Equipment and Vehicles	29,661,628	25,413,649
Total Capital Assets	$ 217,885,783	$ 206,536,968

Debt Administration

As of June 30, 2018 the outstanding serial bond debt of the district was $84,830,000.

The district continues to look for ways to reduce costs.

Figure A-7

Outstanding Debt, at Year-End

Governmental Activities	Year Ended 2018	Year Ended 2017
Lease Obligations	$ 2,070,845	$ 3,432,613
General Obligation Bonds	84,830,000	60,515,000
Total Outstanding Debt	$ 86,900,845	$ 63,947,613

For the Future

The Board of Education and Administration are again committed to keeping the school budget at or below the 2% cap. This goal helps ensure that school based taxes are kept at a minimum.

The Administration and the Board are proud to announce that they kept the annual School Budget at a 2% increase without eliminating staff or services in the 2017-2018 school year.

The "District Wide" Solar Initiative continues to prove its success by lowering our annual electric bills and generating solar renewable energy certificates (SRECs).

The District continues to save money annually with their Voice Over Internet Protocol phone system that was implemented several years ago.

The Board of Education and Administration will continue to work with the Municipality on improving our Community use/School use of athletic fields. The Township and School District recently completed new upgrades at our athletic fields.

For the Future (Cont'd.)

The District will continue to budget monies to add security cameras and other security related items at all schools to enhance and ensure the safety of students and staff at all schools.

The District will continue the implementation of new technology across both curriculum and security avenues while taking advantage of e-rate financing.

The Administration and Board of Education will continue to provide a quality education that is both fair and equitable to both the students and taxpayers in Woodbridge Township.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors and creditors with a general overview of the school district's finances and to show the school district's accountability for the money it received. If you have questions about this report or wish to request additional financial information, contact Brian Wolferman, Business Administrator/Board Secretary, at Woodbridge Township Board of Education, P.O Box 428 School Street, Woodbridge, New Jersey 07095.

Respectfully submitted,

Brian Wolferman

Brian Wolferman
Business Administrator / Board Secretary

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

SECTION – A

Exhibit A-1

WOODBRIDGE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 60,831,700.61	$ 345,835.80	$ 61,177,536.41
Receivables, net	1,847,563.69	257,815.37	2,105,379.06
Receivables from other funds	-		-
Inventory	-	56,270.37	56,270.37
Other assets	-		-
Restricted assets - cash and cash equivalents	123,077.65		123,077.65
Capital assets:			
Nondepreciable assets	19,903,229.76		19,903,229.76
Depreciable assets, net	95,190,994.33	758,797.50	95,949,791.83
Total assets	177,896,566.04	1,418,719.04	179,315,285.08
DEFERRED OUTFLOWS OF RESOURCES			
Change in Pension Assumptions	10,036,029.00		10,036,029.00
Change in Pension Proportion	2,018,236.00		2,018,236.00
Pension Payment Subsequent to Measurement Date	2,118,182.00		2,118,182.00
Difference between expected and actual experience	1,172,974.00		1,172,974.00
Difference in Pension Earnings	339,207.00		339,207.00
Deferred amount on refinancing	48,190.82		48,190.82
Total deferred outflows of resources	15,732,818.82	-	15,732,818.82
Total assets and deferred outflows of resources	$ 193,629,384.86	$ 1,418,719.04	$ 195,048,103.90
LIABILITIES			
Accounts payable	2,496,457.01	379,274.34	2,875,731.35
Accrued interest payable	1,165,095.57		1,165,095.57
Interfund payable	-		-
Claims payable	-		-
Deferred revenue	230,293.56	91,132.14	321,425.70
Noncurrent liabilities:	-		-
Due within one year	5,246,319.66		5,246,319.66
Due beyond one year	91,088,337.55		91,088,337.55
Net Pension Liability	49,815,115.00		49,815,115.00
Total liabilities	150,041,618.35	470,406.48	150,512,024.83
DEFERRED INFLOWS OF RESOURCES			
Change in Pension Assumptions	9,999,235.00		9,999,235.00
Total deferred inflows of resources	9,999,235.00	-	9,999,235.00
NET POSITION			
Invested in capital assets, net of related debt	24,778,760.20	758,797.50	25,537,557.70
Restricted for:			
Capital projects, maintenance and emergency	21,995,391.92		21,995,391.92
Debt Service	25.74		25.74
Other Purposes	38,865,513.93		38,865,513.93
Unrestricted (Deficit)	(52,051,160.28)	189,515.06	(51,861,645.22)
Total net position	$ 33,588,531.51	$ 948,312.56	$ 34,536,844.07
Total liabilities, deferred inflows of resources and net position	$ 193,629,384.86	$ 1,418,719.04	$ 195,048,103.90

The accompanying Notes to Financial Statements are an integral part of this statement.

Exhibit A-2

WOODBRIDGE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
Governmental activities:							
Instruction:							
Regular	$ 84,846,740.16	$	$	$	$ (84,846,740.16)	$	$ (84,846,740.16)
Special education	15,815,052.34				(15,815,052.34)		(15,815,052.34)
Other special instruction	1,569,484.00				(1,569,484.00)		(1,569,484.00)
Other Instruction	2,519,133.38				(2,519,133.38)		(2,519,133.38)
Support services:							
Tuition	9,709,181.70				(9,709,181.70)		(9,709,181.70)
Student & instruction related services	20,588,061.26				(20,588,061.26)		(20,588,061.26)
School administrative services	9,299,680.16				(9,299,680.16)		(9,299,680.16)
General and business administrative services	7,677,059.19				(7,677,059.19)		(7,677,059.19)
Plant operations and maintenance	12,820,474.47				(12,820,474.47)		(12,820,474.47)
Pupil transportation	11,895,595.75				(11,895,595.75)		(11,895,595.75)
Unallocated benefits	115,145,901.20		80,397,532.21		(34,748,368.99)		(34,748,368.99)
Special schools	603,974.46				(603,974.46)		(603,974.46)
Interest on long-term debt	1,978,456.20				(1,978,456.20)		(1,978,456.20)
Other related capital assets and debt (net)	-				-		-
Unallocated depreciation and amortization	1,170,312.23				(1,170,312.23)		(1,170,312.23)
Total governmental activities	295,639,106.50	-	80,397,532.21	-	(215,241,574.29)	-	(215,241,574.29)
Business-type activities:							
Food Service	5,527,407.75	2,340,235.26	3,141,459.11			(45,713.38)	(45,713.38)
Latchkey Program	451,915.07	452,780.40				865.33	865.33
Total business-type activities	5,979,322.82	2,793,015.66	3,141,459.11	-	-	(44,848.05)	(44,848.05)
Total primary government	$ 301,618,429.32	$ 2,793,015.66	$ 83,538,991.32	$ -	$ (215,241,574.29)	$ (44,848.05)	$ (215,286,422.34)

	Governmental Activities	Business-type Activities	Total
General revenues:			
Taxes:			
Property taxes, levied for general purposes,net	$ 176,416,871.00	$ -	$ 176,416,871.00
Taxes levied for debt service	5,186,506.00	-	5,186,506.00
Federal and State aid not restricted	31,084,704.30		31,084,704.30
Federal and State aid restricted	5,942,257.69	-	5,942,257.69
Tuition received	80,821.53	-	80,821.53
Miscellaneous Income	2,181,683.68		2,181,683.68
Other item(s)—Charges and Adjustments	(1,075,254.52)		(1,075,254.52)
Transfers in (out)	(19,613.00)		(19,613.00)
Total general revenues, special items, extraordinary items and transfers	219,797,976.68	-	219,797,976.68
Change in Net Position	4,556,402.39	(44,848.05)	4,511,554.34
Net Position—beginning	29,032,129.12	993,160.61	30,025,289.73
Net Position—ending	$ 33,588,531.51	$ 948,312.56	$ 34,536,844.07

The accompanying Notes to Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

SECTION – B

GOVERNMENTAL FUNDS

WOODBRIDGE TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 40,256,637.08	$ -	$ 21,995,391.92	$ 25.74	$ -	$ 62,252,054.74
Cash - Trustee			-			-
Due from other funds	-	-				-
Receivables from other governments	116,033.00	1,691,392.07				1,807,425.07
Other receivables	24,000.00	16,138.62				40,138.62
Restricted - Cash and cash equivalents	-				123,077.65	123,077.65
Total assets	40,396,670.08	1,707,530.69	21,995,391.92	25.74	123,077.65	64,222,696.08
LIABILITIES AND FUND BALANCES						
Liabilities:						
Cash overdraft		1,420,354.13				1,420,354.13
Accounts payable	147,873.01	1,287.00				149,160.01
Payables to state government		55,596.00				55,596.00
Other liabilities	173,519.00					173,519.00
Interfund payable						-
Deferred revenue		230,293.56				230,293.56
Total liabilities	321,392.01	1,707,530.69	-	-	-	2,028,922.70
Fund Balances:						
Restricted for:						
Encumbrances	509,213.60					509,213.60
Debt Service				25.74		25.74
Excess surplus - prior year	14,724,907.26					14,724,907.26
Excess surplus - current year	23,508,315.42					23,508,315.42
Other purposes					123,077.65	123,077.65
Committed for:						
Capital projects			21,995,391.92			21,995,391.92
Assigned:						
Designated for Subsequent Years Expenditures	-					-
Unassigned	1,332,841.79					1,332,841.79
Total Fund balances	40,075,278.07	-	21,995,391.92	25.74	123,077.65	62,193,773.38
Total liabilities and fund balances	$ 40,396,670.08	$ 1,707,530.69	$ 21,995,391.92	$ 25.74	$ 123,077.65	$ 64,222,696.08

The accompanying Notes to Financial Statements are an integral part of this statement.

WOODBRIDGE TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:	$	62,193,773.38
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $217,885,783.49 and the accumulated depreciation is $102,791,559.40.		115,094,224.09
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Illustrative Note 4).		(92,920,038.35)
Short-term Liabilities, including accrued interest on long-term debt, are not due payable in the current period and therefore are not reported as liabilities in the funds.		(1,165,095.57)
Transactions related to a current refunding of a long-term debt, refinancing of lease agreement are not reported in the funds.		
Deferred amount on refunding, net of amortization		48,190.82
Issuance premium, net of amortization		(3,414,618.86)
The Net Pension Liability, and associated Deferred Inflows and Outflows of Resources of the District relating to its participation in the PERS system are not recognized in the funds using the current financial resources measurement focus, but are recognized in the statement of net position using the economic resources measurement focus. The decrease in net position is $37,811,450.00. The carrying amounts of the individual components are as follows:		
Deferred Outflows of Resources:		
Change in pension assumptions		10,036,029.00
Change in pension proportion		2,018,236.00
Pension payment subsequent to measurement date		2,118,182.00
Accounts payable for pension expense		(2,118,182.00)
Difference between expected and actual experience		1,172,974.00
Difference in pension earnings		339,207.00
Net pension liability		(49,815,115.00)
Deferred Inflows of Resources:		
Change in pension assumptions		(9,999,235.00)
Net assets of governmental activities	$	33,588,531.51

The accompanying Notes to Financial Statements are an integral part of this statement.

WOODBRIDGE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
REVENUES						
Local Tax Levy	$ 176,416,871.00			$ 5,186,506.00		$ 181,603,377.00
Tuition Charges	80,821.53					80,821.53
Miscellaneous	2,004,419.91				236.89	2,004,656.80
Local Sources		177,026.88				177,026.88
State Sources	62,401,824.21	362,725.62				62,764,549.83
Federal Sources	253,658.30	5,579,532.07				5,833,190.37
Total Revenues	241,157,594.95	6,119,284.57	-	5,186,506.00	236.89	252,463,622.41
EXPENDITURES						
Current:						
Regular Instruction	73,374,084.25	4,926,386.71			75,479.64	78,375,950.60
Special Education Instruction	15,815,052.34					15,815,052.34
Other Special Instruction	1,569,484.00					1,569,484.00
Other Instruction	2,519,133.38					2,519,133.38
Support Services and Undistributed Costs:						
Tuition	9,709,181.70					9,709,181.70
Student & Instruction Related Services	20,771,122.95	1,192,897.86				21,964,020.81
School Administrative Services	9,299,680.16					9,299,680.16
General & Other Administrative Services	7,677,059.19					7,677,059.19
Plant Operations and Maintenance	12,820,474.47					12,820,474.47
Pupil Transportation	11,895,595.75					11,895,595.75
Unallocated Benefits	64,080,027.20					64,080,027.20
Special Schools	603,974.46					603,974.46
Debt Service:						
Principal				3,130,000.00		3,130,000.00
Interest and Other Charges				2,056,506.26		2,056,506.26
Capital Outlay	5,320,471.06		6,903,726.16			12,224,197.22
Total Expenditures	235,455,340.91	6,119,284.57	6,903,726.16	5,186,506.26	75,479.64	253,740,337.54
Excess (Deficiency) of Revenues over Expenditures	5,702,254.04	-	(6,903,726.16)	(0.26)	(75,242.75)	(1,276,715.13)
OTHER FINANCING SOURCES (USES)						
Bond Proceeds and Transfers			27,445,000.00			27,445,000.00
Bond Sale Premiums			539,041.20			539,041.20
State Sources Adjusted			(1,075,254.52)			(1,075,254.52)
Capital Leases (non-budgeted)	889,573.14					889,573.14
Transfers out - Charter School	(19,613.00)					(19,613.00)
Total Other Financing Sources and Uses	869,960.14	-	26,908,786.68	-	-	27,778,746.82
Net change in Fund Balances	6,572,214.18	-	20,005,060.52	(0.26)	(75,242.75)	26,502,031.69
Fund Balance—July 1	33,503,063.89		1,990,331.40	26.00	198,320.40	35,691,741.69
Fund Balance—June 30	$ 40,075,278.07	$ -	$ 21,995,391.92	$ 25.74	$ 123,077.65	$ 62,193,773.38

The accompanying Notes to Financial Statements are an integral part of this exhibit.

Exhibit B-3

WOODBRIDGE TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Total net change in fund balances - governmental funds (from B-2)		$ 26,502,031.69
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of difference between capital outlays and depreciation in the period.		
Depreciation expense	(7,802,081.53)	
Capital outlays	11,348,815.56	3,546,734.03
Repayment of bond and lease obligation (long-term debt) principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		5,381,341.21
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.		
Proceeds of long-term debt		(27,445,000.00)
Premium on sale of bonds		(539,041.20)
Proceeds of refunding bonds		
Defeasance of refunded bonds		
Lease purchase agreements		-
Capital lease proceeds		(889,573.14)
In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (-)		-
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The difference in accrued interest is an addition/subtraction in the reconciliation.		(198,169.79)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-);when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		160,979.74
Transactions related to the refunding of long-term debt, refinancing of lease obligations (discounts and premium on refinancing, deferred amount on refinancing) Amortization adjustment - net		276,219.85
Pension expenditures in the governmental funds are recognized when paid or payable from expendable available financial resources. In the statement of activities, pension costs are recognized on a full accrual basis utilizing actuarial valuations. The amount by which actuarialy calculated pension expense differs from the expenditure reported in the funds is as recorded.		(2,239,120.00)
Change in net assets of governmental activities		$ 4,556,402.39

The accompanying Notes to Financial Statements are an integral part of this statement.

PROPRIETARY FUNDS

Exhibit B-4

WOODBRIDGE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

	Business-type Activities Enterprise Funds		
	Food Service	Latchkey Program	Total Enterprise
ASSETS			
Current assets:			
Cash and cash equivalents	$ 178,369.45	$ 167,466.35	$ 345,835.80
Accounts receivable	257,815.37	-	257,815.37
Inventories	56,270.37	-	56,270.37
Total current assets	492,455.19	167,466.35	659,921.54
Noncurrent assets:			
Furniture, machinery & equipment	2,049,971.15		2,049,971.15
Less accumulated depreciation	(1,291,173.65)	-	(1,291,173.65)
Total noncurrent assets	758,797.50	-	758,797.50
Total assets	1,251,252.69	167,466.35	1,418,719.04
LIABILITIES			
Current liabilities:			
Accounts payable	379,274.34		379,274.34
Deferred revenues	91,132.14		91,132.14
Total current liabilities	470,406.48	-	470,406.48
NET POSITION			
Invested in capital assets net of Related debt	758,797.50	-	758,797.50
Unrestricted	22,048.71	167,466.35	189,515.06
Total net position	780,846.21	167,466.35	948,312.56
Total liabilities and net position	$ 1,251,252.69	$ 167,466.35	$ 1,418,719.04

The accompanying Notes to Financial Statements are an integral part of this statement.

Exhibit - B-5

WOODBRIDGE TOWNSHIP SCHOOL DISTRICT
PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Business-Type Activities Enterprise Funds		
	Food Service	Latchkey Program	Total Enterprise
OPERATING REVENUES			
Charges for services:			
Daily sales - reimbursable programs	$ 2,125,245.91	$ -	$ 2,125,245.91
Daily sales - non-reimbursable programs	214,989.35	-	214,989.35
Community service activities	-	452,780.40	452,780.40
Total operating revenues	2,340,235.26	452,780.40	2,793,015.66
OPERATING EXPENSES			
Cost of sales:			
Reimbursable Program Food Cost	1,718,674.17	-	1,718,674.17
Nonreimbursable Program Food Cost	279,784.17	-	279,784.17
Nonreimbursable Paper Supplies	116,724.80	-	116,724.80
Total Cost of Sales	2,115,183.14	-	2,115,183.14
Food costs - food distribution program	355,094.37	-	355,094.37
District direct costs	74,180.34	438,183.58	512,363.92
General Supplies	-	6,977.50	6,977.50
Miscellaneous costs	448,616.46	6,753.99	455,370.45
General & Administrative - Fees	278,740.92	-	278,740.92
Salaries	2,078,848.14	-	2,078,848.14
Depreciation	176,744.38	-	176,744.38
	3,412,224.61	451,915.07	3,864,139.68
Total operating expenses	5,527,407.75	451,915.07	5,979,322.82
Operating income (loss)	(3,187,172.49)	865.33	(3,186,307.16)
Non-operating revenues:			
State sources:			
State school lunch program	58,207.49	-	58,207.49
Miscellaneous reimbursement	5,176.22	-	5,176.22
Federal sources:			
National school lunch program	2,062,820.73	-	2,062,820.73
National school lunch program - performance based	66,287.58	-	66,287.58
National school breakfast program	588,639.72	-	588,639.72
After School Snack Program	5,233.00	-	5,233.00
Food distribution program	355,094.37	-	355,094.37
Total non-operating revenues	3,141,459.11	-	3,141,459.11
Excess/(Deficit) of revenues over expenditures	(45,713.38)	865.33	(44,848.05)
Net position - beginning of the year	826,559.59	166,601.02	993,160.61
Net position - end of the year	$ 780,846.21	$ 167,466.35	$ 948,312.56

The accompanying Notes to Financial Statements are an integral part of this exhibit.

Exhibit - B-6

WOODBRIDGE TOWNSHIP SCHOOL DISTRICT
PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	Business - Type Activities Enterprise Funds		
	Food Service	Latchkey Program	Total Enterprise
Cash Flows from Operating Activities:			
Receipts from customers	$ 2,372,260.45	$ 452,780.40	$ 2,825,040.85
Payments for direct expenses	(5,000,489.84)	(451,915.07)	(5,452,404.91)
Net cash provided by (used for) operating activities	(2,628,229.39)	865.33	(2,627,364.06)
Cash Flows from Non-Capital Financing Activities			
Federal and state sources	2,799,102.95		2,799,102.95
Net cash provided by (used for) non-capital financing activities	2,799,102.95	-	2,799,102.95
Cash Flows from Capital and Related Financing Activities			
Purchase of capital assets	(131,995.25)		(131,995.25)
Net increase (decrease) in cash and cash equivalents	38,878.31	865.33	39,743.64
Balances - beginning of year	139,491.14	$ 166,601.02	$ 306,092.16
Balances - end of year	$ 178,369.45	$ 167,466.35	$ 345,835.80
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating gain (loss)	$ (3,187,172.49)	$ 865.33	$ (3,186,307.16)
Adjust. to reconcile operating income (loss) to cash provided (used) by oper. activities:			
Depreciation	176,744.38		176,744.38
Federal commodities	355,094.37		355,094.37
(Increase)/Decrease in Accounts Receivable	32,025.19		32,025.19
(Increase) decrease in inventory	(8,406.17)		(8,406.17)
Increase (Decrease) in deferred revenues	1,481.83		1,481.83
Increase (Decrease) in deferred commodities	(4,393.75)		(4,393.75)
Increase (decrease) in accounts payable	6,397.25		6,397.25
Net cash provided (used) by operating activities	$ (2,628,229.39)	$ 865.33	$ (2,627,364.06)

The accompanying Notes to Financial Statements are an integral part of this exhibit.

FIDUCIARY FUNDS

Exhibit - B-7

WOODBRIDGE SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2018

	TRUST		AGENCY		TOTALS
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP FUND	STUDENT ACTIVITY	PAYROLL	2018
ASSETS					
Cash and Cash Equivalents	$ 2,397,602.32	$ 846,699.07	$ 553,913.18	$ 10,944,242.96	$ 14,742,457.53
Total Assets	$ 2,397,602.32	$ 846,699.07	$ 553,913.18	$ 10,944,242.96	$ 14,742,457.53
LIABILITIES AND NET ASSETS					
Accounts Payable	$ 42,356.26	$	$	$	42,356.26
Payable to Student Groups			553,913.18		553,913.18
Payroll Deductions and Withholdings				10,944,242.96	10,944,242.96
Total Liabilities	$ 42,356.26	-	$ 553,913.18	$ 10,944,242.96	$ 11,540,512.40
Net Assets:					
Held Trust for Unemployment Claims and Other Purposes	$ 2,355,246.06	$			$ 2,355,246.06
Reserved for Scholarships		846,699.07			846,699.07
Total Net Assets	2,355,246.06	846,699.07	-	-	3,201,945.13
Total Liabilities and Net Assets	$ 2,397,602.32	$ 846,699.07	$ 553,913.18	$ 10,944,242.96	$ 14,742,457.53

The accompanying Notes to Financial Statements are an integral part of this statement.

Exhibit - B-8

WOODBRIDGE SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Unemployment Compensation Trust	Private Purpose Scholarship Trust
ADDITIONS		
Contributions:		
District/Plan member	$ 310,726.05	$ -
Donations		4,255.00
Total Contributions	310,726.05	4,255.00
Investment earnings:		
Interest	-	1,300.20
Total additions	310,726.05	5,555.20
DEDUCTIONS		
Quarterly Contribution Reports	260,610.24	
Unemployment Claims		
Scholarships Awarded		23,600.00
Total deductions	260,610.24	23,600.00
Excess (Deficit) of Additions Over Deductions	50,115.81	(18,044.80)
Change in Net Position	50,115.81	(18,044.80)
Total Net Position - Beginning of Year	2,305,130.25	864,743.87
Total Net Position - End of year	$ 2,355,246.06	$ 846,699.07

The accompanying Notes to Financial Statements are an integral part of this exhibit.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

The financial statements of the Board of Education (Board) of Woodbridge Township School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB has issued codification and subsequent GASB pronouncements are recognized as U.S. generally accepted accounting principles for state and local governments. This financial report has been prepared in conformity with GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, issued in June 1999. The government-wide financial statements (i.e., the statement of net position and the statement of activities) of the District report information on all of the nonfiduciary activities of the primary government only. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. The District is not financially accountable for any legally separate component units, and no component units have been included in the government-wide financial statements.

The more significant of the Board's accounting policies are described below.

B. Reporting Entity

The Woodbridge Township School District is a Type II district located in the County of Middlesex, State of New Jersey, serving students domiciled in the Town of Woodbridge. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to staggered three-year terms. The purpose of the district is to educate students in grades K-12. The Woodbridge School District had an approximate enrollment at June 30, 2018 of 13,670 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, with each displayed in a separate column. Any remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. State Aid in the form of Economic Development Authority Grants under EFCFA are also financial resources of this fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

Permanent Fund - The Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the District's programs.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Basis of Presentation - Fund Financial Statements (Cont'd)

The District reports the following proprietary funds:

Food Service Fund – The Food Service Enterprise Fund is used to account for the activities of the cafeteria operations of the District. The Food Service Fund is considered a major fund of the District

The District also reports the following fiduciary fund types:

Food Service Fund:	
Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

Agency Fund – The Agency Fund is used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

Employee Benefit Trust (Unemployment Insurance) – Employee Benefit Trust should be used to report resources that are required to be held in trust for members and beneficiaries of employee benefit plans.

Private Purposes – The Private Purpose Scholarship Trust is used to report the trust arrangement under which principal and/or income benefit individuals, private organizations, or the governments.

During the course of its normal operations, the District will have activity between funds (interfund activity) for various purposes. Any residual interfund balances at year-end are reported as interfund accounts receivable/payable. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between funds included within governmental activities (the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, any interfund balances between business-type (enterprise) funds are eliminated so that only the net amount is included as internal balances in the business-type activities columns.

Further, interfund activity may occur during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. In the preparation of the government-wide financial statements, transfers between funds included as governmental activities are eliminated so that only net amounts of resources transferred from or to the governmental activities are reported. A similar treatment is afforded transfers of resources between enterprise funds for the preparation of business-type activity financial statements.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting refers to the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the fiscal period that the taxes are levied by the municipality(s) within which the District is domiciled. Ad Valorem (Property) Taxes are susceptible to accrual and under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Measurement Focus and Basis of Accounting (Cont'd)

The District recognizes the entire approved tax levy as revenue in the fiscal period for which they were levied. The District is entitled to receive moneys under an established payment schedule and any unpaid amount is considered to be an "accounts receivable".

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. State categorical aid revenues are recognized as District revenue during the fiscal period in which they are appropriated.

The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

For this purpose, the District generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual basis accounting. Exceptions to this general rule include debt service, for which interest and principal expenditures in the Debt Service Fund are recognized on their due dates, and expenditures relating to compensated absences, claims and judgments, which are recorded in the period when payment becomes due. General capital asset acquisitions are recorded as expenditures in the governmental funds and are not capitalized. The issuance of long-term debt for capital purposes and capital lease obligations incurred to acquire general capital assets are reported as "other financing sources".

The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Entitlements are recorded as revenue when all eligibility requirements, including timing of funding appropriations, are met, subject to the availability requirement for collection. Interest and tuition revenues are considered susceptible to accrual and have been recognized as revenues of the current fiscal period, subject to availability. Expenditure driven grant revenues are recorded as qualifying expenditures as incurred and all other eligibility requirements have been met, subject to availability requirements. All other revenue items are considered measurable and available only when cash is received by the District.

The District's proprietary funds, employee benefit trust fund and private purpose scholarship trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

F. Budgets/Budgetary Control

Annual budgets are adopted for the general, special revenue and debt service funds using a regulatory basis of accounting which differs from generally accepted accounting principles in one material respect; Budgetary revenues for certain nonexchange state aid transactions are recognized for budgetary purposes in the fiscal period prior to the period in which the state recognizes expenditures/expenses.

The amounts of the adjustments needed to reconcile the budgetary basis to the GAAP based fund financial statements are set forth in the explanation of differences schedules which follow.

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval.

Pursuant to changes in the Local District School Budget Law, statutorily conforming base budgets of Districts with annual school elections held in November (The District has chosen this option) are no longer required to be presented to the voters for approval on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

F. Budgets/Budgetary Control (Cont'd)

Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year.

New Jersey statutes place limits on the Board's ability to increase budgeted expenditures through the appropriation of previously undesignated fund balance and requires the District to obtain additional approvals when budgetary transfers, measured using the advertised budgetary account totals rather than line-item totals, exceed certain thresholds.

The Board of Education did not make any supplemental budgetary appropriations during the fiscal year that required additional approvals from oversight agencies.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Appropriations in the general and debt service funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances, for which the contracted performance is expected during the subsequent budget cycle, are legally restricted at year-end and are automatically re-appropriated and become part of the subsequent years' budget pursuant to state regulations.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial statements.

The following presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the Budgetary Comparison Schedules – General and Special Revenue Funds to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

F. Budgets/Budgetary Control (Cont'd)

Explanation of differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

		General Fund		Special Revenue Fund
Sources/Inflows of Resources:				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1)	$241,415,100	(C-2)	$6,119,285
Difference – Budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized.				
2016-2017 State aid payment recognized in 2017-2018 for GAAP statements.		4,542,495		
State aid payment recognized for budgetary purposes not recognized for GAAP statements.		(4,800,000)		
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance governmental funds	(B-2)	$241,157,595	(B-2)	$6,119,285
Uses/Outflows of Resources:				
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	(C-1)	$236,817,109	(C-2)	$6,119,285
Difference - Budget-to-GAAP:				
The district budgets for claims and compensated absences only to the extent expected to paid, rather than on the modified accrual basis				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purpose.				
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes				
Transfers to capital reserves are recorded as an expenditure for budgetary resources but are not expenditures for financial reporting purposes.				
Total expenditures as reported on the statement of revenues. expenditures, and changes in fund expenditures. and changes in fund balances	(B-2)	$236,817,109	(B-2)	$6,119,285

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

G. Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

H. Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. GUDPA was amended, effective July 1, 2010, by P.L. 2009, c. 326. The amendments provide a greater level of security protection for covered deposits by increasing collateralization requirements and revising the enforcement protocol to allow for timely response in the event that a member bank shows signs of stress.

Under the amended law, collateralization of GUDPA deposits up to 75% of New Jersey capital is based on a sliding scale that requires the minimum of 5% collateral for Well Capitalized institutions to a maximum of 120% collateral for Critically Undercapitalized institutions. All uninsured GUDPA deposits in excess of 75% of New Jersey capital require 100% collateral. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

I. Tuition Revenue

Tuition revenues for the fiscal year 2017-2018 were based on contractual per pupil rates established by and between the sending and receiving districts. These rates are not subject to change except through amendatory contracts.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

J. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditure during the year of purchase.

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The cost of such inventories is recorded as expenses when consumed rather than when purchased

Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2018.

K. Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

L. Capital Assets

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of $2,000 or more for capitalizing capital assets. The system for accumulation of fixed assets cost data does not provide the means for determining the percentage of assets valued at actual and those valued at estimated cost.

Capital assets are recorded in the District-wide financial statement, but are not reported in the Fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes.

Useful lives vary from 50 to 100 years for building and improvements, 18 years for vehicles, and 5 to 20 years for furniture and equipment.

Capital assets not being depreciated include land and construction in progress.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund	
Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

M. Accounts Receivable State – Capital Projects Fund

The District recognizes SDA grant revenue as earned, i.e., as eligible expenditures are incurred. At June 30, 2018, the District has recorded accounts receivable as reported in Exhibit B-1.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

N. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued in the government-wide financial statements as the employees earn the rights to the benefits. Compensated absences that related to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place. The School District reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences".

In the governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as a fund liability and expenditure in the fund that will pay for the compensated absence. The noncurrent portion for governmental funds is maintained separately and is a reconciling item between the fund and government-wide presentations.

O. Pensions

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

P. Other Post-Employment Benefits

Pursuant to State Statute, the State Health Benefits Local Education Retirees Employees Plan was established to oversee the funding and payment of post-employment medical benefits for eligible LEA employees. This plan is a multi-employer defined benefit OPEB Plan that is administered on a pay-as-you-go basis. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75. The Plan is a "Special Funding Situation" as defined in GASB Statement No. 75 as the State of New Jersey is solely responsible for funding the Plan's obligations (net of employee contributions). Accordingly, no net OPEB liability is reported on the District's Statement of Net Position. In the Statement of Activities, the District reports an annual OPEB expense and a corresponding revenue, equal to the allocated expense of the District as reported by the State.

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recorded as an outflow of resources (expenditure/expense) until that time. The District is reporting six items in this category; The Deferred Amount on Refunding and Pension related items including the Change in Pension Assumption, difference between expected and actual, and the amounts of pension payments made by the District subsequent to the pension measurement date, and the Difference in Pension Earnings and the Change in Pension Proportion. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is amortized over the shorter of the life of the refunded or refunding bonds. Deferred Outflows for Changes in Pension Assumptions future outflows of resources resulting from changes in actuarial assumptions used in the valuation of the pension liability. Deferred outflows for subsequent pension payments reflects payments made by the District to the pension system subsequent to the date of the most recent measurement date of June 30, 2017, which is utilized in the June 30, 2018 valuation.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Q. Deferred Outflows/Inflows of Resources (Con't)

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recorded as an inflow of resources (revenue) until that time. The District is reporting one item in this category. Deferred inflows for the Difference in Pension Earnings represents the favorable impact of a decline in the District's proportionate share of system wide net pension liability.

R. Unearned Revenue/Advances from Grantors

Unearned revenue represents cash advances received relating to services (expenditures/expenses) that will be provided in a subsequent fiscal period. Similarly, for expenditure-driven grants, amounts advanced to the District in excess of the amounts expended and earned are recorded as advances from grantors.

S. Net Position Flow Assumption (District-Wide and Proprietary Fund Financial Statements)

Periodically, the District may fund outlays for a particular purpose from both restricted resources, such as bond referendum proceeds and/or grant proceeds, and unrestricted resources. To determine the amounts of net position- restricted and unrestricted that should be reported in the government-wide and proprietary fund, financial statements, a flow assumption must be made to establish the order in which resources are considered to be applied. In the absence of specific grant compliance requirements to the contrary, the District policy is to utilize all amounts of available restricted net position prior to applying unrestricted net position to fund acquisition costs.

T. Fund Balance Flow Assumption (Governmental Fund Financial Statements)

Periodically, the District may fund outlays for a particular purpose from both restricted resources and unrestricted resources (the total of the committed, assigned and unassigned fund balance). To determine the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made to establish the order in which resources are considered to be applied. In the absence of specific grant compliance requirements to the contrary, the District policy is to utilize all amounts of available restricted fund balance prior to applying any component of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance, with unassigned fund balance applied last.

U. Fund Balance Policies

Fund balance of the governmental funds is reported in various categories based upon the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through actions to transfer amounts to legally restricted reserve accounts (capital, maintenance and emergency reserves), or actions to commit or assign fund balance.

The committed fund balance includes amounts that can only be used for the specific purposes determined by a formal action of the Board of Education. Commitments of fund balance remain in place until the committed fund balance is fully depleted or an amendatory action is taken by the Board of Education.

Assignments of fund balance are made by the Board of Education for specific purposes that do not the criteria to be classified as committed. The Board of education also assigns fund balance when it appropriates unrestricted/unassigned fund balance to bridge a gap between estimated revenue and appropriations in the subsequent year budget. Unlike commitments, assignments are generally temporary in nature, and additional actions of the Board are generally not required to remove an assignment, whereas an action of the Board is essential to the modification or elimination of an unexpended committed fund balance.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

V. District-Wide Financial Statement Classifications

1. Program Revenues – Amounts reported as program revenues include a) charges to customers or applicants who purchase, use or benefit from goods services or privileges provided by a given function or segment and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.
2. General Revenues – All taxes, including those designated for specific purposes such as debt service, are reported as general revenues. All other resources, including internally dedicated resources, unrestricted entitlements, and investment income are reported as general revenues.
3. Capital Assets – In the statement of net position, capital assets are reported, net of accumulated depreciation as assets of the governmental activities and business-type activities.
4. Long-term Debt - In the statement of net position, long-term debt is reported as a component of long-term liabilities of the governmental activities and business-type activities.
5. Net Investment in Fixed Assets – In the statement of Net Position, the net undepreciated value of capital assets, less the value of outstanding debt issued to purchase acquire or build those capital assets, is reported as Net Investment in Fixed assets as a component of net position for the governmental activities and business-type activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and products in connection with the primary purpose or function for which the fund was established. The District's Food Service proprietary fund reports operating revenues from the sales of lunches and a la carte items, and operating expenses include the costs of sales (food, supplies and labor), administrative costs and depreciation on capital assets. Revenues earned through the District's participation in the National School Lunch Program are classified as nonoperating revenues, notwithstanding the limitations on the pricing of Type A student lunches that is required for program participation.

W. Reconciliation of District-Wide and Fund Financial Statements

Differences between governmental fund balance sheet and District-wide statement of net position and the differences between governmental fund statement of revenues, expenditures and changes in fund balances and District-wide statement of activities are set forth in Exhibits B-1 and B-3, respectively.

X. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

State statutes set forth deposit requirements and investments that may be purchased by local units and the District deposits and invests its funds pursuant to statutory requirements, its policies and an adopted cash management plan.

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey that are insured by the Federal Deposit Insurance Corporation (FDIC), New Jersey's Governmental Unit Deposit Protection Act, by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund. The New Jersey Governmental Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain collateral in the amount of 5% of the average public deposits and deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Cash on deposit is partially insured by federal deposit insurance in the amount of $250,000.00 in each depository. Balances above the federal deposit insurance amount are insured by the Government Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:941, et seq., which insures all New Jersey governmental units' deposits in excess of the federal deposit insurance maximums.

Based upon GASB criteria, the District considers cash and cash equivalents to include petty cash, change funds, demand deposits, money market accounts and short-term investments and are either any direct and general obligation of the United States of America or certificates of deposit issued by any bank, savings and bank or national banking association if qualified to serve as a depository for public funds under the provisions of the Governmental Unit Depository Protection Act.

At June 30, 2018, the book value of the District's cash, cash equivalents and investments were $76,043,071.59. At year-end, of the cash and cash equivalents on deposit, $1,808,301.80 was covered by federal depository insurance and $76,284,222.89 was covered under the provisions of NJGUDPA.

The Woodbridge Board of Education had the following depository accounts. All deposits are carried at cost plus accrued interest. The government does not have a deposit policy.

Depository Account	Bank Balance
Insured--FDIC	$1,808,301.80
Insured—NJGUDPA (N.J.S.A. 17:941)	76,284,222.89
Total	$78,092,524.69

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the board's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2018, based upon the insured balances as provided by FDIC and NJGUDPA coverage, none of the Board's bank balance of $78,092,524.69 was considered exposed to custodial credit risk. (See Note 1-H relating to statutory mitigations of custodial risk in the event of a bank failure.) Based upon existing deposit and investment policies, the District is generally not exposed to credit risk, concentration of credit risk and interest rate risk nor is it exposed to foreign currency risk for its deposits and investments.

Concentration of Credit Risk – This is the risk associated with the amount of investments that the Board has with any one issuer that exceeds 5 percent or more of its total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

Credit Risk – GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. In general, the Board does not have an investment policy regarding Credit Risk except to the extent outlined under the Board's investment policy.

New Jersey Cash Management Fund – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. The District had no funds on deposit with the New Jersey Cash Management Fund at June 30, 2018.

Note 3: CAPITAL ASSETS NOTE DISCLOSURE

The following is disclosure of information about capital assets. Capital asset activity for the year ended June 30, 2018 was as follows:

	Beginning Balance	Additions	Adjustments/ Retirements	Ending Balance
Governmental Activities:				
Capital Assets That Are Not Being Depreciated:				
Land	$ 5,868,569.00	$	$	$ 5,868,569.00
Construction in Progress	7,130,934.60	6,903,726.16		14,034,660.76
Total Capital Assets Not Being Depreciated	12,999,503.60	6,903,726.16	-	19,903,229.76
Capital Assets That Are Being Depreciated:				
Building and Building Improvements	168,123,815.65	197,110.36		168,320,926.01
Equipment	25,413,648.68	3,871,778.56	(376,200.48)	29,661,627.72
Totals at Historical Cost	193,537,464.33	4,068,888.92	(376,200.48)	197,982,553.73
Less Accumulated Depreciation For:				
Building, Improvements and Equipment	94,989,477.87	7,802,081.53		102,791,559.40
Total Accumulated Depreciation*	94,989,477.87	7,802,081.53	-	102,791,559.40
Total Capital Assets Being Depreciated (Net of Accumulated Depreciation)	98,547,986.46	(3,733,192.61)	(376,200.48)	95,190,994.33
Government Activities Capital Assets, Net	$ 111,547,490.06	$ 3,170,533.55	$ (376,200.48)	$ 115,094,224.09
Business-type Activities				
Equipment	1,917,975.90	350,712.04		2,268,687.94
Less Accumulated Depreciation for:				
Equipment	1,114,429.27	189,901.31		1,304,330.58
Business-type Activities Capital Assets, Net	$ 803,546.63	$ 160,810.73	$ -	$ 964,357.36

* Depreciation expense was charged to governmental functions as follows:

Instruction	$ 6,241,665.22
Direct Expense of various functions	1,560,416.31
Total Depreciation expense	$ 7,802,081.53

Note 4: LONG TERM DEBT DISCLOSURE

The following is disclosure of information about long term liabilities. Long-term liability activity for the year ended June 30, 2018 was as follows:

	Beginning Balance	Additions/ Adjustments	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	$ 60,515,000.00	$ 27,445,000.00	$ 3,130,000.00	$ 84,830,000.00	$ 3,190,000.00
Total Bonds Payable	60,515,000.00	27,445,000.00	3,130,000.00	84,830,000.00	3,190,000.00
Other Liabilities:					
Obligations Under Capital Lease	3,432,613.10	889,573.14	2,251,341.21	2,070,845.03	1,774,320.65
Compensated Absences Payable	6,180,173.06	342,488.00	503,467.74	6,019,193.32	
Total Other Liabilities	9,612,786.16	1,232,061.14	2,754,808.95	8,090,038.35	1,774,320.65
Subtotal Bonds and Other Liabilities	70,127,786.16	28,677,061.14	5,884,808.95	92,920,038.35	4,964,320.65
Bond Premiums/(Discount)	3,156,178.49	539,041.20	280,600.83	3,414,618.86	281,999.01
Net Pension Liability (PERS)	62,609,403.00		12,794,288.00	49,815,115.00	
Total Liabilities	$ 135,893,367.65	$ 29,216,102.34	$ 18,959,697.78	$ 146,149,772.21	$ 5,246,319.66

A. Bonds Payable - Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

As of June 30, 2018, the Board's long-term debt is as follows:

$41,460,000, Refunding Bonds of 2014 due in annual installments of $15,000 to $3,565,000 through July 15, 2029, interest at rates from 3.00% to 4.50%	$ 34,555,000.00
$27,000,000 General Improvement Bonds issued November 2013 due in annual installments of $825,000 to $1,260,000 interest at rates from 2.00% to 3.00%	22,830,000.00
$10,000,000, General Improvement Bonds issued September 2017 due in annual installments of $260,000 to $520,000 interest at rates from 3.000% to 3.375%	10,000,000.00
$17,445,000 General Improvement Bonds issued January 2018 due in annual installments of $340,000 to $680,000 interest at rates from 3.125% to 3.500%	17,445,000.00
	$ 84,830,000.00

Note 4: LONG TERM DEBT DISCLOSURE (CONT'D.)

Year ending June 30,		Principal	Interest	Total
2019	$	3,190,000.00	$ 3,120,878.34	$ 6,310,878.34
2020		3,925,000.00	2,710,787.50	6,635,787.50
2021		4,090,000.00	2,575,625.00	6,665,625.00
2022		4,270,000.00	2,434,475.00	6,704,475.00
2023		4,445,000.00	2,287,175.00	6,732,175.00
2024		4,625,000.00	2,130,387.50	6,755,387.50
2025		4,840,000.00	1,962,540.63	6,802,540.63
2026		5,045,000.00	1,789,606.25	6,834,606.25
2027		5,265,000.00	1,604,218.75	6,869,218.75
2028		5,500,000.00	1,400,768.75	6,900,768.75
2029		5,460,000.00	1,198,043.75	6,658,043.75
2030		5,685,000.00	998,293.75	6,683,293.75
2031		2,225,000.00	863,631.25	3,088,631.25
2032		2,385,000.00	795,693.75	3,180,693.75
2033		2,435,000.00	723,181.25	3,158,181.25
2034		2,335,000.00	649,609.38	2,984,609.38
2035		2,385,000.00	576,465.63	2,961,465.63
2036		2,435,000.00	501,500.00	2,936,500.00
2037		2,450,000.00	425,237.50	2,875,237.50
2038		2,455,000.00	348,675.00	2,803,675.00
2039		1,195,000.00	290,937.50	1,485,937.50
2040		1,195,000.00	252,100.00	1,447,100.00
2041		1,195,000.00	212,940.63	1,407,940.63
2042		1,200,000.00	173,375.00	1,373,375.00
2043		1,200,000.00	133,725.00	1,333,725.00
2044		680,000.00	102,850.00	782,850.00
2045		680,000.00	80,750.00	760,750.00
2046		680,000.00	58,650.00	738,650.00
2047		680,000.00	35,700.00	715,700.00
2048		680,000.00	11,900.00	691,900.00
	$	84,830,000.00	$ 30,449,722.09	$ 115,279,722.09

B. Capital Leases:
The District is leasing a copier, telephone, computer and other equipment under capital leases. All capital leases are for the terms of three to five years. The following is a schedule of the future minimum lease payments under this capital lease and including principal and interest payments.

Year ending June 30,		Total
2019	$	1,789,122.75
2020		296,524.38
Total Minimum Lease Payments		2,085,647.13
Less: Amount of Representing Interest		14,802.10
Present Value of Net Minimun Lease Payment	$	2,070,845.03

C. Bond Referendum:
On March 28, 2017, the voters of the District approved a bond referendum for various school projects in an amount not to exceed $59,218,113, which expenditure shall be funded with bonds of the School District in the amount not to exceed $57,688,113 for the St. Cecelia School, the Ross Elementary School and the Woodbridge Middle School projects. The technology and security upgrades in the amount of $1,550,000 are to be funded from the District capital funds.

D. School Bonds, Series 2017 and Series 2018
The Board authorized the issuance of School Bonds, Series 2017, dated August 15, 2017 in the amount of $10,000,000. The Bonds mature September 1, 2019 through 2042 in principal amounts ranging between $260,000 - $520,000, at interest rates ranging from 3.000% to 3.375%. The Bonds were issued pursuant to the approved special election held March 28, 2017 which received voter approval.

The Board also authorized the issuance of School Bonds, Series 2018, dated December 14, 2017 in the amount of $17,445,000. The Bonds mature October 1, 2019 through 2047 in principal amounts ranging between $340,000 - $680,000, at interest rates ranging from 3.125% to 3.500%. The Bonds were issued pursuant to the approved special election held March 28, 2017 which received voter approval.

NOTE 5. PENSION PLANS

Description of Plans

The State of New Jersey, Division of Pension and Benefits (the Division) was created and exists pursuant to N.J.S.A. 52:18A to oversee and administer the pension trust and other postemployment benefit plans sponsored by the State of New Jersey (the State). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the plans terminate. Each defined benefit pension plan's designated purpose is to provide retirement, death and disability benefits to its members. The authority to amend the provision of plan rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for the public Employees Retirement System (PERS) and the Teachers' Pension and Annuity Fund (TPAF), once a Target Funded Ratio (TFR) is met, that will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committee will also have the authority to reactivate the cost of living adjustment (COLA) on pensions.

However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a projection period. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the plans. This report may be accessed via the Division of Pensions and Benefits website, at www.state.nj.us/treasury/pensions, or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM

The Public Employee Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

Plan Membership and Contributing Employers- Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction's pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2017:

Inactive plan members or beneficiaries currently receiving benefits	170,124
Inactive plan members entitled to but not yet receiving benefits	650
Active plan members	254,685
Total	425,459

Contributing Employers – 1,705.

Significant Legislation – Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State Fiscal Year 2009. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of PERS, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.

NOTE 5. PENSION PLANS (CONT'D)

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (Cont'd)

For the year ended June 30, 2018 the Board's total payroll for all employees was $131,166,398. Total PERS covered payroll was $15,391,079. Covered payroll refers to all compensation paid by the Board to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A 43:15 and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.20% in State fiscal year 2017 and increased to 7.34% for State fiscal year 2018, commencing July 1, 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. Employers contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The School Board's contributions to the Plan for the years ended June 30, 2017 and 2018 were $1,885,069 and $2,003,769, respectively. School Board contributions are due and payable in the fiscal period subsequent to plan year for which the contributions requirements were calculated.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

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

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At June 30, 2018, the School Board reported a liability of $49,815,115 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Board's proportion of the net pension liability was based on a projection of the Boards long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2017, the Boards proportion was 0.2139971448%, which was an increase of 0.0026012428% from its proportion measure as of June 30, 2016.

NOTE 5. PENSION PLANS (CONT'D)

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (Cont'd)

For the year ended June 30, 2018, the Board recognized pension expenses of $4,222,297. At June 30, 2018, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Changes in assumptions	$ 10,036,029	$9,999,235
Net difference between projected and actual earnings on Plan investments	339,207	
Change in Pension Proportion	2,018,236	
Difference between expected and actual Experience	1,172,974	
Board Contributions subsequent to the measurement date	2,118,182	
Total	$15,684,628	$9,999,235

The $2,118,182 of deferred outflows of resources resulting from the Boards contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending June 30,	
2018	$1,794,038
2019	2,356,907
2020	1,555,351
2021	(1,162,668)
2022	(976,417)

Actuarial Assumptions- The collective total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Inflation	2.25%
Salary Increases (Through 2026)	1.65-4.15% Based on age
Thereafter	2.65-5.15% Based on age
Investment rate of return	7.00%

NOTE 5. PENSION PLANS (CONT'D)

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (Cont'd)

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) was determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
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 estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

NOTE 5. PENSION PLANS (CONT'D)

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (Cont'd)

Discount Rate – The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of Net Pension Liability – the following presents the net pension liability of PERS participating employers as of June 30, 2017, calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

	At 1% Decrease (4.00%)	At current discount rate (5.00%)	At 1% increase (6.00%)
State	$29,818,581,732	$25,645,622,797	$22,179,578,513
Local	28,878,437,027	23,278,401,588	18,612,878,069
PERS Plan Total	$58,697,018,759	$48,924,024,385	$40,792,456,582
District's Proportionate Share of Net Pension Liability	$61,799,031	$49,815,115	$39,831,028

Components of Net Pension Liability – The components of the net pension liability for PERS, including the State of New Jersey, at June 30, 2017 is as follows:

	State	Local	Total
Total Pension Liability	$32,535,896,852	$44,852,367,051	$77,388,263,903
Plan Fiduciary Net Position	6,890,274,055	21,573,965,463	28,464,239,518
Net Pension Liability	$25,645,622,797	$23,278,401,588	$48,924,024,385

B. TEACHERS PENSION AND ANNUITY FUND

The Teachers' Pension and Annuity Fund is a cost-sharing, multiple employer defined benefit pension plan with a special funding situation as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the TPAF Plan are as follows:

NOTE 5. PENSION PLANS (CONT'D)

B. TEACHERS PENSION AND ANNUITY FUND (Cont'd)

Plan Membership and Contributing Employers- Substantially all teachers or members of the professional staff of Local Education Agencies that are certified by the State Board of Examiners, and Employees of the Department of Education who have titles that are unclassified, professional and certified are enrolled in the TPAF. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2017:

Inactive plan members or beneficiaries currently receiving benefits	101,246
Inactive plan members entitled to but not yet receiving benefits	222
Active plan members	140,563
Total	242,031

In addition to the State, who is the sole payer of regular employer contributions to the fund, TPAF's contributing employers include boards of education who elected to participate in the Early Retirement Incentive Program (ERIP) and are legally responsible to continue to pay towards their incurred liability. The current number of ERIP Contributing Employers is 24.

Significant Legislation – Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of TPAF.

For the year ended June 30, 2018 the Board's total payroll for all employees was $131,166,398. Total TPAF covered payroll was $107,107,633. Covered payroll refers to all compensation paid by the Board to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contributions rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.20% in State fiscal year 2017 and increased to 7.34% for State fiscal year 2018, commencing July 1, 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State of New Jersey contribution amount is based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. For fiscal year 2018, the State's pension contribution was less than the actuarially determined amount.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

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

NOTE 5. PENSION PLANS (CONT'D):

B. TEACHERS PENSION AND ANNUITY FUND (Cont'd)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – The State of New Jersey is solely responsible for funding the normal pension obligations of the TPAF, including 100% of the obligations of LEAs within the State. Accordingly, the District does not report TPAF pension liabilities or deferred inflows and outflows of financial resources in its financial statements. Payments made by the State to the TPAF "on-behalf" of the LEAs are reported to the LEAs and reported as TPAF pension expenditures/expenses as made.

Three-Year Trend Information for TPAF (Paid on-behalf of the District, excluding post-retirement medical benefits which are reported in Note 6)

Year Funding		Annual Pension Cost (APC)	Percentage of APC Contributed		Net Pension Obligation
6/30/18	$	15,025,521	Unknown	$	-0-
6/30/17		11,124,009	Unknown		-0-
6/30/16		7,869,982	Unknown		-0-

At June 30, 2017, the TPAF reported a net pension liability of $67,423,605,859 for its Non-State Employer Member Group. The proportionate share of the State of New Jersey's the net pension liability for the Non-State Employer Member Group that is attributable to the District was $666,801,824 or 0.9889738%.

Actuarial Assumptions- The total pension liability in the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation	2.25%
Salary Increases (2012-2021)	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.00%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

NOTE 5. PENSION PLANS (CONT'D):

B. TEACHERS PENSION AND ANNUITY FUND (Cont'd)

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 rates 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 TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
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 estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

Discount Rate – The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 40% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of Net Pension Liability to Changes in the Discount Rate the following presents the net pension liability of TPAF as of June 30, 2017 calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

	At 1% Decrease (3.25%)	At current Discount rate (4.25%)	At 1% Increase (5.25%)
TPAF	$80,394,331,171	$67,670,209,171	$57,188,022,171

NOTE 5. PENSION PLANS (CONT'D):

B. TEACHERS PENSION AND ANNUITY FUND (Cont'd)

Components of Net Pension Liability – The components of the net pension liability for TPAF, including the State of New Jersey, at June 30, 2017 is as follows:

Total Pension Liability	$ 90,726,371,000
Plan Fiduciary Net Position	23,056,161,829
Net Pension Liability	$ 67,670,209,171
Plan Fiduciary Net Position as a percentage of the total pension liability	25.41%

Additional Information – Collective balances at June 30, 2017 were as follows:

Collective Deferred Outflows of Resources	$ 14,160,879,257
Collective Deferred Inflows of Resources	11,800,239,661
State's Total Non-employer Net Pension Liability	67,423,605,859
District's Proportion	0.988973840%

C. Defined Contribution Retirement System (DCRP)

The Defined Contribution Retirement Plan (DCRP) is a multiple employer defined contribution plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the DCRP are as follows:

Plan Membership and Contributing Employers- Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least $5,000 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least $5,000 annually. At June 30, 2017, the membership in the DCRP, based on the information within the Division's database, was 43,516.

Contribution Requirement and Benefit Provisions - State and local government employers contribute 3% of the employee's base salary. Active members contribute 5.5% of base salary.

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

For the year ended June 30, 2018 the Board's total payroll for all employees was $131,166,398. Total DCRP covered payroll was $1,480,218. Covered payroll refers to all compensation paid by the Board to active employees covered by the Plan. The Board and employee contributions to the DCRP for the year ended June 30, 2018 were $44,406 and $81,392, respectively.

NOTE 6. POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan:

Plan Description and Benefits Provided:
P.L. 1987, c.384 and P.L. 1990, c.6. required the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees Retirement System (PERS), respectively, to fund post-retirement medical benefits for those members who retire after accumulating a minimum of 25 years of credited service or on a disability retirement. Pursuant to P.L 2007, c.103, separate funds outside the pension plans were established for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. Pursuant to this Act, the State Health Benefits Local Education Retired Employees Plan (SHBLEREP) was established to oversee the funding and payment of post-employment medical benefits for eligible LEA employees. The SHBPLEREP is a multiple employer defined benefit OPEB plan that is administered on a pay-as-you-go basis in accordance with P.L. 1994, c.62. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria set forth in paragraph 4 of GASB Statement No. 75. The SHBPLEREP provides medical, prescription drug and Medicare Part B reimbursement to retirees and retiree dependents of local education employers.

Coverage is provided at no cost to members of the TPAF and PERS that had retired on a disability retirement or retired after accumulating 25 years of creditable service prior to June 28, 2011 and to those who had a minimum of 20 years of creditable service on June 28, 2011 and who subsequently retire after accumulating 25 years of credited service or on a disability retirement. Employees who had less than 20 years of creditable service on June 28, 2011 and subsequently retire after accumulating a minimum of 25 years of creditable service are required by Chapter 78, P.L. 2011 to contribute a percentage of the cost of their health care coverage in retirement. The percentage of the premium that will be the responsibility of the retiree is determined based upon the retiree's annual retirement benefit and level of coverage. Chapter 78 retirees opting for single will make contributions that escalate from 4.5% for annual retirement allowance under $20,000 to 35.0% for annual retirement allowances exceeding $110,000 per annum. Chapter 78 retirees opting for family coverage will range from 3.43% for annual retirement allowances under $25,000 per annum to 35.0% for annual retirement allowances exceeding $110,000 per annum.

The State is also responsible for the costs attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage.

Covered Retirees and State Contributions:
At June 30, 2017, there were approximately 112,966 TPAF retirees receiving State paid post-employment health benefits, and the State contributed $1.39 billion on their behalf.

The State paid $238.9 million toward Chapter 126 post-employment benefits for 20,913 eligible PERS retired members in Fiscal Year 2017.

Total OPEB Liability
The State, a non-employer contributing entity, is the only entity that has a legal obligation to make contributions to OPEB for qualified retired SHBLEREP participants. The State of New Jersey's Total Non-employer OPEB Liability for the SHBLEREP was $53,639,841,858 and $57,831,784,184 at June 30, 2017 and 2016, respectively. The amounts of the State's Non-employer OPEB Liability that are attributable to employees and retirees of the Woodbridge Township School District was $466,974,014 and $505,583,741 at June 30, 2017 and 2016, respectively. These allocated liabilities represent 0.87% of the State's Total Non-employer OPEB Liability for each of the years reported. However, the Woodbridge Township School District's proportionate share percentage as determined in accordance with the provisions of paragraphs 193 and 203 to 205 of GASB Statement No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Based upon the preceding, the OPEB liability information that follows is reported at the State's level and does not reflect expenses and liabilities of the District that are required to be funded through annual District budgets.

NOTE 6. POST-EMPLOYMENT BENEFITS (CONT'D)

Actuarial Assumptions and Other Inputs:
The total non-employer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016 that was rolled forward to June 30, 2017. The total non-employer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending upon the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%	
	TPAF/ABP	PERS
Salary Increases:		
Through 2026	1.55-4.55% Based on Years of Service	2.15-4.15% Based on Age
Thereafter	2.00-5.45% Based on Years of Service	3.15-5.15% Based on Age

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012-June 30, 2015, and July 1, 2011-June 30, 2014 for TPAF and PERS, respectively.

Healthcare Trend Assumptions:
For pre-Medicare preferred provider organization (PPO) benefits, this amount is initially 5.9% per annum and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% per annum and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight years. For Medicare Part B reimbursement, the trend rate is 5.0% The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate:
The discount rates for June 30, 2017 and 2016 were 3.58% and 2.85%, respectively. The source is the Bond Buyer G.O. 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of Aa/AA or higher.

NOTE 6. POST-EMPLOYMENT BENEFITS (CONT'D)

Changes in the Total Non-employer OPEB Liability reported by the State of New Jersey:
Changes to the State's Total Non-employer OPEB Liability and the District's Allocation during the fiscal year ended June 30, 2017 were as follows:

	State Totals	District Allocation
Non-employer OPEB Liability Balance-June 30, 2016	$57,831,784,184	$505,583,741
Changes During the Current Year:		
Service Cost	2,391,878,884	19,232,050
Interest on the Total OPEB Liability	1,699,441,736	14,809,839
Changes in Assumptions	(7,086,599,129)	(62,233,783)
Gross Benefit Payments	(1,242,412,566)	(10,816,109)
Employee Contributions	45,748,749	398,276
Net Changes	(4,191,942,326)	(38,609,727)
Non-employer OPEB Liability Balance-June 30, 2017	$53,639,841,858	$466,974,014

Changes in Assumptions-Reflects a change in the discount rate from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017.

Sensitivity of the State's Total Non-employer OPEB Liability to Changes in the Discount Rate:
The following table sets forth the State's Total Non-employer OPEB Liability as of June 30, 2017, calculated using the discount rate as disclosed above, as well as what the State's Total Non-employer OPEB Liability would be if it was calculated using a discount rate that is one percentage point (1%) higher and lower than the actual discount rate that was utilized in the current period:

	1% Decrease (2.58%)	At Discount Rate (3.58%)	1% Increase (4.58%)
Total Non-employer OPEB Liability (New Jersey LEA Retirees)	$63,674,362,200	$53,639,841,858	$45,680,364,953

Sensitivity of the State's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates:
The following table sets forth the State's Total Non-employer OPEB Liability as of June 30, 2017, calculated using the healthcare trend rates rate as disclosed above, as well as what the State's Total Non-employer OPEB Liability would be if it was calculated using a healthcare trend rate that is one percentage point (1%) higher and lower than the actual healthcare trend rate that was utilized in the current period:

	1% Decrease	Healthcare Cost Trent Rate	1% Increase
Total Non-employer OPEB Liability (New Jersey LEA Retirees)	$44,113,584,560	$53,639,841,858	$66,290,599,457

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:
For the year ended June 30, 2018, in the Statement of Activities, the School District recognized OPEB expense of $27,364,285. This amount was determined by the State of New Jersey as the District's allocated special funding share of the State's $3,348,490,523 Total OPEB Non-employer Expense for the year ended June 30, 2017. These expense amounts represent calculations in accordance with GASB Statement No. 75 for the defined benefit OPEB Plan that is not operated through a trust that meets the criteria of paragraph 4 of the Statement and in which there is a special funding situation. As the State of New Jersey is the only entity with a legal responsibility to fund SHBLEREP OPEB obligations, the District's recognized OPEB expense is offset by Program Revenues/Operating Contributions in an equal amount in the Statement of Activities. Due to this special funding situation, there is no recognition of the allocation of the proportionate shares of deferred outflows of resources and deferred inflows of resources in the District's financial statements.

NOTE 6. POST-EMPLOYMENT BENEFITS (CONT'D)

On-behalf Payments by the State of New Jersey for Retiree Health Benefits Costs:
As noted above, the State of New Jersey, pursuant to P.L. 1994, c. 62, administers the OPEB Plan on a pay-as-you-go basis. The following table sets forth the amounts of State contributions to the SHBLEREP allocated to the District for the last three years for post-employment medical costs. These amounts are reported in the governmental funds and budgetary comparison schedules as revenues and expenditures.

Three-Year Trend Information for TPAF Retiree Health Benefits (Paid on-behalf of the District)

Year Funding		Annual Post-Retirement Medical Cost (APC)	Percentage of APC Contributed
6/30/18	$	9,704,664	100%
6/30/17		9,268,829	100%
6/30/16		9,370,975	100%

Additional Information:
Collective balances of the SHBLEREP at June 30, 2017 were as follows:

Deferred Outflows of Resources	$	0
Deferred Inflows of Resources		56,899,006
State's Total Non-employer OPEB Liability		53,639,841,858
District's Proportion		0.870573063%

NOTE 7. COMPENSATED ABSENCES

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and accumulate for use in future years. Upon the attainment of specified years of service or upon reaching normal retirement age, employees become eligible to receive compensation for unused accumulated sick leave. The specific terms for eligibility and compensation are governed by the various collective bargaining agreements and employment contracts.

In the district-wide *Statement of Net Assets*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

NOTE 8. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans (the "Plans") created in accordance with Internal Revenue Code Section 403(b). The Plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the Plans are not available to employees until termination, retirement, death or unforeseeable emergency. The Plan administrators are as follows:

The Variable Annuity Life Insurance Company First
Investors Corporation MetLife Investors Group, Inc.
The Copeland Companies
Paul Revere Company
Lincoln Investment Planning Inc.
The Equitable Financial Companies
Vanguard Fiduciary Group
Thomas Seely Agency, Inc.
Metropolitan Life & Affiliated Companies
Prudential Insurance Company of America
Fidelity Investments
Primerica Financial Services

NOTE 9. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - During the school year ended June 30, 2018, the District continued to transfer its insurable risks through the purchase of commercial insurance policies.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District 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 District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

Fiscal Year		District/ Employee Contributions		Amount Reimbursed		Ending Balance
2017-2018	$	310,726	$	260,610	$	2,355,246
2016-2017	$	301,398	$	176,281	$	2,305,130
2015-2016	$	285,166	$	254,930	$	2,180,014

In prior years, the Board instituted a risk management program, which combines risk retention and reinsurance coverage for claims relating to statutory worker's compensation. The Board also obtained specific excess workers' compensation insurance coverage. Effective for the fiscal year beginning July 1, 2011, the Board has obtained workers' compensation insurance through a premium based risk transfer policy.

NOTE 10. INTERFUND RECEIVABLES AND PAYABLES

No interfund balances remained on the balance sheet at June 30, 2018.

NOTE 11. INVENTORY

Inventory in the Food Service Fund at June 30, 2018 consisted of the following:

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

Food & Supplies	$ 32,951.60
USDA Commodities	$ 23,318.77

NOTE 12. CAPITAL RESERVE/CAPITAL OUTLAY

A capital reserve account was originally established by the Woodbridge Township Board of Education in the amount of $1.00 on October 19, 2000. The capital reserve account is for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget; however, no fund balance currently exists with the capital reserve account.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submissions of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any anticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:26-9(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP. There is no balance at June 30, 2018.

NOTE 13. FUND BALANCE APPROPRIATED

General Fund - Of the $40,075,278.07 General Fund balance at June 30, 2018, $509,213.60 is reserved for encumbrances; $14,724,907.26 is designated for subsequent year's expenditures; $23,508,315.42 is excess surplus and $1,332,841.79 is unreserved and undesignated.

Capital Projects Fund – The Capital Projects Fund reports a fund balance of $21,995,391.92. The entire amount of the $21,995,391.92 is committed to District Capital Projects.

Debt Service Fund - The Debt Service Fund reports a fund balance of $25.74 at June 30, 2018 as restricted. Of the fund balance at June 30, 2018, the full amount has been appropriated as revenue in the 2017-2018 school budget.

NOTE 14. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance -- Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. Based upon the reduction in the maximum undesignated surplus permitted as a result of the enactment of S1701, the District had current year excess surplus at June 30, 2018 in the amount of $23,508,315.42. This amount is required to be utilized as tax relief in the 2018-2019 budget.

NOTE 15. DEFICIT FUND BALANCES

The District did not have a deficit total governmental fund balances at June 30, 2018 reported in the fund statements (modified accrual basis). P.L. 2003 c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, ie., if one government recognizes and asset, the other government recognizes a liability. Since the District is not recording the last state aid payment on the GAAP financial statements until the year the State records the payable, it is possible that a positive fund balance could be reported on a mandated budgetary basis while a deficit is reported on a GAAP basis based upon nonrecognition of revenue on the GAAP basis for the final state aid payment.

Pursuant to *N.J.S.A.* 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action.

NOTE 16. PENDING LITIGATION AND CONTINGENT LIABILITIES

Federal and State Assistance Programs

The Board participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of June 30, 2018, the Board does not believe that any material liabilities will result from such audits.

Contingencies

The District is involved in several claims and lawsuits incidental to its operation, which are generally defended through the Board's insurance carriers. Certain claims are in their discovery stage and the potential financial exposure to the Board, if any, cannot currently be ascertained. Except as follows, management indicates there was no litigation pending which, in the event of an adverse or unfavorable outcome, would materially impair the financial position of the Township of Woodbridge School District.

NOTE 17. TAX ABATEMENTS

The Township of Woodbridge participates in long-term tax exemption programs for redevelopment, as authorized and permitted by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. Taxes abated by other governments include local, school, county, and, in some cases, fire district taxes. The tax-exempt project makes payments to the municipalities in lieu of taxes (PILOT payments). School districts are not authorized by New Jersey statute to enter into tax abatement agreements. A municipal or county tax abatement agreement will not directly affect the school district's local tax revenue as N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be raised by the tax base. The most recent Township information indicates PILOT billings for 2018 were $12,367,570; whereas the amount of property taxes that otherwise may have been billed based upon the assessed valuations of these projects is calculated to be $17,836,783. The Township also indicates that in most cases these redevelopment projects would not have taken place without the benefit of the tax abatement program.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions of N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property and wealth.

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NOTE 18. SUBSEQUENT EVENTS

As at the date of the audit report, no events have occurred that would have a material effect on the financial statements.

APPENDIX C

Form of Bond Counsel's Approving Legal Opinion

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WILENTZ
—ATTORNEYS AT LAW—

90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, NJ 07095-0958
732.636.8000

__________, 2019

The Board of Education of the
Township of Woodbridge
Woodbridge, New Jersey

Ladies and Gentlemen:

We have served as bond counsel in connection with the authorization, sale and issuance of $1,901,000 aggregate principal amount of School Bonds, Series 2019B (the "Bonds") of The Board of Education of the Township of Woodbridge in the County of Bergen, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed by the Board).

The Bonds are issued pursuant to: (i) Title 18A, Chapter 24 of the New Jersey Statutes, as amended and supplemented (the "Education Law"); (ii) a proposal adopted by the Board on February 16, 2017 (the "Proposal") and approved by the affirmative vote of a majority of the legal voters present and voting at a special School District election held on March 28, 2017 and (iii) a resolution adopted by the Board on October 17, 2019 (the "Resolution").

The Bonds are issued in fully registered book-entry only form, without coupons, initially registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and clearing house for securities transactions. Purchases of the Bonds will be made in book-entry only form in principal amounts of $1,000 each or any integral multiple thereof with a minimum purchase of $5,000 required, through book entries made on the books and records of DTC and its participants. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Board directly to Cede & Co., as nominee for DTC. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners of the Bonds is the responsibility of DTC participants.

The Bonds are dated their date of delivery and shall bear interest from such date, which interest shall be payable commencing July 15, 2020 and semi-annually thereafter on the fifteenth day of January and July in each year until maturity or prior redemption, and shall mature on July 15 of the years and in the principal amounts as follows:

Year	Principal Amount	Interest Rate	Year	Principal Amount	Interest Rate
2021	$196,000		2026	$215,000	
2022	200,000		2027	220,000	
2023	200,000		2028	225,000	
2024	205,000		2029	230,000	
2025	210,000				

The Bonds of this issue are subject to optional redemption prior to their stated maturities.

We have examined such matters of law, certified copies of the proceedings, including the bond referendum proceedings, and other documents and proofs relative to the issuance and sale of the Bonds as we have deemed necessary or appropriate for the purposes of the opinion rendered below. 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 are of the opinion that: (i) such proceedings and proofs show lawful authority for the sale and issuance of the Bonds pursuant to the Education Law, the Proposal and the Resolution; (ii) the Bonds are valid and legally binding obligations of the Board; and (iii) all the taxable real property within the School District is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for the payment of principal of and interest on the Bonds.

The Internal Revenue Code of 1986, as amended (the “Code”), sets forth certain requirements which must be met subsequent to the issuance and delivery of the Bonds for the interest thereon to be and remain excludable from gross income for Federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds to be included in gross income for Federal income tax purposes retroactive to the date of the issuance of the Bonds. The Board has covenanted to maintain the exclusion of the interest on the Bonds from gross income for Federal income tax purposes pursuant to Section 103(a) of the Code.

In our opinion, under existing law, and assuming continuing compliance by the Board with the aforementioned covenant, under existing statutes, regulations, rulings and court decisions, interest on the Bonds is not includable for Federal income tax purposes in the gross income of the owners of the Bonds pursuant to Section 103 of the Code. The Bonds are not “specified private activity bonds” within the meaning of Section 57 of the Code and, therefore, the interest on the Bonds will not be treated as a preference item for purposes of computing the Federal alternative minimum tax.

We are also of the opinion that, under existing laws of the State of New Jersey, interest on the Bonds and any gain on the sale thereof is not includable in gross income under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended and supplemented.

[The Bonds maturing on July 15 in the years 20__ through 20__, inclusive (the "[Premium] Bonds"), have been sold to the public at a premium. Section 171 of the Code provides rules under which a bond premium may be amortized and a deduction allowed for the amount of the amortizable bond premium for a taxable year. Under Section 171(a)(2) of the Code, however, no deduction is allowable for the amortizable bond premium in the case of bonds, like the [Premium] Bonds, the interest on which is excludable from gross income. Under Section 1016(a)(5) of the Code, the purchaser's basis in a [Premium] Bond will be reduced by the amount of the amortizable bond premium disallowable as a deduction under Section 171(2) of the Code. Proceeds received from the sale, exchange, redemption or payment of a [Premium] Bond in excess of the owner's adjusted basis (as reduced pursuant to Section 1016(a)(5) of the Code), will be treated as a gain from the sale or exchange of such [Premium] Bonds and not as interest.]

[We are also of the opinion that the difference between the stated principal amount of the Bonds maturing on July 15 in the years 20__ through 20__, inclusive (the "[Discount] Bonds") and their respective initial offering prices to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers), at which price a substantial amount of the [Discount] Bonds of the same maturity and interest rate were sold, constitutes original issue discount which is excluded from gross income for Federal income tax purposes to the same extent as interest on the [Discount] Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each [Discount] Bond and the basis of each [Discount] Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount.]

Except as stated in the preceding _____ (__) paragraphs, we express no opinion as to any Federal, state or local tax consequences of the ownership or disposition of the Bonds. Furthermore, we express no opinion as to any Federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other bond counsel.

This opinion is qualified to the extent that the enforceability of the rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined one of the executed Bonds and, in our opinion, its form and execution are regular and proper.

Very truly yours,

WILENTZ, GOLDMAN & SPITZER, P.A.

APPENDIX D

Form of Continuing Disclosure Certificate

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate dated as of __________, 2019 (the "Disclosure Certificate") is executed and delivered by The Board of Education of the Township of Woodbridge in the County of Middlesex, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed by the Board) in connection with the issuance of its $1,901,000 aggregate principal amount of School Bonds, Series 2019B dated their date of delivery (the "Bonds"). The Bonds are being issued by virtue of a proposal adopted by the Board on February 16, 2017 and approved by the affirmative vote of a majority of the legal voters present and voting at a special School District election held on March 28, 2017 and pursuant to a resolution entitled, "RESOLUTION DETERMINING THE FORM AND OTHER DETAILS OF $1,901,000 AGGREGATE PRINCIPAL AMOUNT OF SCHOOL BONDS, SERIES 2019B OF THE BOARD OF EDUCATION OF THE TOWNSHIP OF WOODBRIDGE IN THE COUNTY OF MIDDLESEX, NEW JERSEY, PROVIDING FOR THEIR SALE AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH", duly adopted by the Board on October 17, 2019 (the "Bond Resolution"). The Board covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Board for the benefit of the Bondholders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter(s) in complying with the Rule (as defined below). The Board acknowledges it is an "Obligated Person" under the Rule (as defined below).

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

"Annual Report" shall mean any Annual Report provided by the Board pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

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

"Continuing Disclosure Information" shall mean, collectively, (i) each Annual Report, (ii) any notice required to be filed by the Board with the EMMA (as defined herein) pursuant to Section 3 of this Disclosure Agreement, and (iii) any notice of a Listed Event required to be filed by the Authority with EMMA pursuant to Section 5 of this Disclosure Agreement.

“Disclosure Representative” shall mean the Business Administrator/Board Secretary of the Board or his/her designee, or such other person as the Board shall designate in writing from time to time for the purposes of this Disclosure Certificate.

“Dissemination Agent” shall mean, initially, the Board or any Dissemination Agent subsequently designated in writing by the Board which has filed with the Board a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access system, a website created by the MSRB (as defined herein) and approved by the SEC (as defined herein) to provide a central location where investors can obtain municipal bond information including disclosure documents. The Board or the Dissemination Agent shall submit disclosure documents to EMMA as a PDF file to www.emma.msrb.org.

“Financial Obligation” shall mean a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) listed hereinabove. The term “*Financial Obligation*” shall not include municipal securities as to which a final official statement has been provided to the MSRB (as defined below) consistent with the Rule (as defined below).

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

“MSRB” shall mean the Municipal Securities Rulemaking Board.

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

“SEC” shall mean the United States Securities and Exchange Commission.

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

“State” shall mean the State of New Jersey.

“Underwriters” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the purchase of the Bonds.

SECTION 3. Provision of Annual Reports. (a) The Board shall provide or cause to be provided to the Dissemination Agent not later than December 31 of each year, commencing December 31, 2019 (for the fiscal year ending June 30, 2019), an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Each Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Board may be submitted separately from the balance of the Annual Report; and provided, further, that if the audited financial statements of the Board are not available by December 31, the Board shall include unaudited financial statements with its Annual Report and when such audited financial statements become available to the Board, the same shall be submitted to the Dissemination Agent no later than thirty (30) days after the receipt of the same by the Board.

(b) Not later than January 31 of each year (commencing January 31, 2020) the Dissemination Agent shall provide to EMMA a copy of the Annual Report received by the Dissemination Agent pursuant to subsection (a) hereof.

(c) If the Board does not provide or is unable to provide an Annual Report by the applicable date required in subsection (a) above, such that the Dissemination Agent cannot file the Annual Report with EMMA in accordance with subsection (b) above, the Dissemination Agent shall, in a timely manner, send a notice of such event to EMMA in substantially the form attached hereto as Exhibit A, with copies to the Board (if the Dissemination Agent is not the Board).

(d) Each year the Dissemination Agent shall file a report with the Board (if the Dissemination Agent is not the Board), certifying that the Annual Report has been provided to EMMA pursuant to this Disclosure Certificate, stating the date it was provided.

(e) If the fiscal year of the Board changes, the Board shall give written notice of such change to the Dissemination Agent and the Dissemination Agent shall, within five (5) business days after the receipt thereof from the Board, forward a notice of such change to EMMA in the manner provided in Section 5(e) hereof.

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

(1) The audited financial statements of the Board (or unaudited financial statements if audited financial statements are not then available, which audited financial statements will be delivered when and if available).

The audited financial statements are to be prepared in accordance with generally accepted accounting principles (GAAP).

(2) The general financial information and operating data of the Board consistent with the information set forth in the Official Statement dated March 7, 2019, prepared in connection with the sale of the Bonds (the "Official Statement") in Appendix A consisting of (1) Board indebtedness; (2) property valuation information; and (3) tax rate, levy and collection data.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Board is an "Obligated Person" (as defined by the Rule), which have been filed with EMMA or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Board shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events. (a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Bonds:

(3) Principal and interest payment delinquencies;

(4) Nonpayment related defaults, if material;

(5) Unscheduled draws on debt service reserves reflecting financial difficulties;

(6) Unscheduled draws on credit enhancements reflecting financial difficulties;

(7) Substitution of credit or liquidity providers, or their failure to perform;

(8) 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;

(9) Modifications to rights of Bondholders, if material;

(10) Bond calls, if material, and tender offers;

(11) Defeasances of the Bonds;

(12) Release, substitution or sale of property securing repayment of the Bonds, if material;

(13) Ratings changes rating to the Bonds;

(12) Bankruptcy, insolvency, receivership or similar event of the Board;

(13) The consummation of a merger, consolidation, or acquisition involving the Board or the sale of all or substantially all of the assets of the Board, 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 for the Bonds or the change of name of a trustee for the Bonds, if material;

(15) Incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, 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, any of which reflect financial difficulties.

The Board shall, in a timely manner not in excess of ten (10) business days after the occurrence of any Listed Event, file a notice of the occurrence of such Listed Event with the MSRB in accordance with the provisions of Section 5 of this Disclosure Certificate. In determining the materiality of any of the Listed Events specified in this subsection (a) of this section 5, the Board may, but shall not be required to, rely conclusively on an opinion of counsel.

(b) Whenever the Board has or obtains knowledge of the occurrence of any of the Listed Events, the Board shall, as soon as possible, determine if such event would constitute information material to the Beneficial Owners of the Bonds.

(c) If the Board determines that the occurrence of a Listed Event would be material to the Beneficial Owners of the Bonds, the Board shall promptly notify the Dissemination Agent in writing (if the Board is not the Dissemination Agent) and the Board shall instruct the Dissemination Agent to report such Listed Event and the Dissemination Agent shall report the occurrence of such Listed Event pursuant to subsection (e) hereof.

(d) If the Board determines that the occurrence of a Listed Event would not be material to the Beneficial Owners of the Bonds, the Board shall promptly notify the Dissemination Agent in writing (if the Dissemination Agent is not the Board) and the Dissemination Agent (if the Dissemination Agent is not the Board) shall be instructed by the Board not to report the occurrence.

(e) If the Dissemination Agent has been instructed in writing by the Board to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with EMMA, with a copy to the Board (if the Dissemination Agent is not the Board). Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(4) and (5) hereof need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Beneficial Owner of the affected Bonds pursuant to the Bond Resolution.

SECTION 6. Termination of Reporting Obligation. The Board's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds or when the Board is no longer an "Obligated Person" (as defined in the Rule). The Board shall file a notice of the termination of its reporting obligations pursuant to the provisions hereof with the Dissemination Agent, which notice shall be filed with EMMA in accordance with the provisions of Section 5(e) hereof.

SECTION 7. Dissemination Agent; Compensation. The Board may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Board. The Board shall compensate the Dissemination Agent (which shall be appointed) for the performance of its obligations hereunder in accordance with an agreed upon fee structure.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Board may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, if such amendment or waiver (supported by an opinion of counsel expert in Federal securities laws acceptable to the Board to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof) is (a) made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted; (b) the undertaking, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment or waiver does not materially impair the interests of holders, as determined either by parties unaffiliated with the Board or "Obligated Person," or by approving vote of the Beneficial Owners of the Bonds, as applicable pursuant to the terms of the Bond Resolution at the time of the amendment. The Board shall give notice of such amendment or waiver to this Disclosure Certificate to the Dissemination Agent, which notice shall be filed in accordance with the provisions of Section 5 hereof. Notwithstanding the above, the addition of or change in the Dissemination Agent shall not be construed to be an amendment under the provisions hereof.

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

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

SECTION 10. Default. In the event of a failure of the Board to comply with any provision of this Disclosure Certificate, the Holders of at least 25% aggregate principal amount of Outstanding Bonds or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Board to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default on the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the Board to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of the Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and, to the extent permitted by law, the Board agrees to indemnify and hold the Dissemination Agent (if the Dissemination Agent is not the Board) and its respective officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. To the extent permitted by law, the Board further releases the Dissemination Agent from any liability for the disclosure of any information required by the Rule and this Disclosure Certificate. The obligations of the Board under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Board, the Dissemination Agent, the Underwriters, and the Beneficial Owners of the Bonds, including Bondholders, and shall create no rights in any other person or entity.

SECTION 13. Notices. All notices and submissions required hereunder shall be given to the following, or their successors, by facsimile transmission (with written confirmation of receipt), followed by hard copy sent by certified or registered mail, personal delivery or recognized overnight delivery:

(a) If to the Board of Education:

The Board of Education of the
Township of Woodbridge
P.O. Box 428
School Street
Woodbridge, New Jersey 07095
Attention: Business Administrator/Board Secretary

(b) Copies of all notices to the Dissemination Agent from time to time with respect to the Bonds, initially:

The Board of Education of the
Township of Woodbridge
P.O. Box 428
School Street
Woodbridge, New Jersey 07095
Attention: Business Administrator/Board Secretary

Each party shall give notice from time to time to the other parties, in the manner specified herein, of any change of the identity or address of anyone listed herein.

SECTION 14. Counterparts. This Disclosure Certificate may be executed in any number of counterparts which shall be executed by authorized signatories of the Board and the Dissemination Agent, as applicable, and all of which together shall be regarded for all purposes as one original and shall constitute and be but one and the same.

SECTION 15. Severability. If any one or more of the covenants or agreements in this Disclosure Certificate to be performed on the part of the Board and the Dissemination Agent should be contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed severable from the remaining covenants and agreements and shall in no way affect the validity of the other provisions of this Disclosure Certificate.

SECTION 16. Governing Law. This Disclosure Certificate shall be construed in accordance with and governed by the Laws of the United States of America and the State of New Jersey as applicable.

THE BOARD OF EDUCATION OF THE TOWNSHIP OF WOODBRIDGE

By:____________________________________
BRIAN WOLFERMAN,
Business Administrator/
Board Secretary

EXHIBIT A

NOTICE TO EMMA OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	The Board of Education of the Township of Woodbridge in the County of Middlesex, New Jersey
Name of Issue:	$1,901,000 School Bonds, Series 2019B Dated: __________, 2019 (CUSIP Number: 978879___)
Date of Issuance:	__________, 2019

NOTICE IS HEREBY GIVEN that the above designated Board has not provided an Annual Report with respect to the above-named Bonds as required by the Bond Resolution and a Continuing Disclosure Certificate for the Bonds dated as of __________, 2019 executed by the Board.

DATED: ________________________

____
DISSEMINATION AGENT
(on behalf of the Board)

cc: The Board

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