This Preliminary Official Statement and the information contained herein, is subject to change, completion or amendment in a final Official Statement. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities offered hereby in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of any such jurisdiction.

NEW ISSUE
(Book-Entry Only)

RATING: See "RATING" herein

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 20, 2020

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

$3,270,000*
CITY OF WOODBURY
County of Gloucester, New Jersey
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020
Consisting of:
$1,105,000* General Improvement Refunding Bonds
$2,165,000* Water and Sewer Utility Refunding Bonds
(BANK QUALIFIED) (BOOK-ENTRY ONLY)
(NON-CALLABLE)

Dated: Date of Delivery

Due: November 1, as shown below

The $3,270,000* aggregate principal amount of General Obligation Refunding Bonds, Series 2020 ("Refunding Bonds"), of the City of Woodbury, County of Gloucester, New Jersey ("City"), shall be issued in fully registered book-entry only form without coupons. The Refunding Bonds consist of: (i) $1,105,000* General Improvement Refunding Bonds; and (ii) $2,165,000* Water and Sewer Utility Refunding Bonds. The principal of the Refunding Bonds shall be paid on their respective maturity dates in the amounts and in the years set forth on this cover page upon presentation and surrender of the Bonds at the offices of the City or the City's hereafter designated paying agent, if any. Interest on the Refunding Bonds is payable semiannually on May 1 and November 1, commencing November 1, 2020, in each year until maturity. The Refunding Bonds are **not** subject to redemption prior to their stated maturity dates.

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

The Refunding Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, constituting Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) a refunding bond ordinance, duly and finally adopted by the City Council on April 8, 2020, and published in accordance with the requirements of the Local Bond Law; and (iii) a resolution duly adopted by the City Council on May 13, 2020.

The Refunding Bonds are being issued by the City to provide funds which will be used to: (i) currently refund and redeem all of the City's outstanding callable General Obligation Bonds, Series 2009, maturing on November 1 in the years 2020 through 2029, both dates inclusive; and (ii) pay the costs and expenses incidental to the issuance and delivery of the Refunding Bonds.

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

MATURITIES, PRINCIPAL AMOUNTS*,
INTEREST RATES AND YIELDS

Maturity Date	General Improvement Refunding Bonds	Water & Sewer Utility Refunding Bonds	Total Principal Amount	Interest Rate	Yield	CUSIP**
2020	$215,000	$225,000	$440,000	%	%	
2021	210,000	200,000	410,000			
2022	210,000	210,000	420,000			
2023	235,000	235,000	470,000			
2024	235,000	230,000	465,000			
2025	0	215,000	215,000			
2026	0	215,000	215,000			
2027	0	215,000	215,000			
2028	0	210,000	210,000			
2029	0	210,000	210,000			

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

The Refunding Bonds are offered when, as and if issued, subject to the prior approval of legality by the law firm of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the City, and certain other conditions described herein. Certain legal matters will be passed upon for the City by its Solicitor, Timothy D. Scaffidi, Esq., Woodbury, New Jersey. Acacia Financial Group, Inc., Mount Laurel, New Jersey, has acted as Municipal Advisor to the City in connection with the issuance of the Refunding Bonds. It is anticipated that the Refunding Bonds in definitive form will be available for delivery through DTC in New York, New York, on or about September 10, 2020.

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* Preliminary, subject to change

** A registered trademark of the American Bankers Association. CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP numbers listed above are being provided solely for the convenience of Holders of the Refunding Bonds only at the time of issuance of the Refunding Bonds and the City does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity of the Refunding Bonds is subject to being changed after the issuance of the Refunding Bonds as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Refunding Bonds.

CITY OF WOODBURY
COUNTY OF GLOUCESTER, NEW JERSEY

Elected Officials

Jessica M. Floyd	**Mayor**
Tracey L. Parker	**Council President**
Donna Miller	**First Ward**
Danielle Carter	**First Ward**
Theodore Johnson, Jr.	**Second Ward**
William H. Fleming	**Second Ward**
Karlene O'Connor	**Second Ward**
Reed Merinuk	**Third Ward**
Ken McIlvaine	**Third Ward**
Philip D. Hagerty	**Third Ward**

City Administrator
Franklin Brown

Chief Financial Officer
Robert Law

Acting City Clerk
Cassidy Swanson

Tax & Utility Collector
Theresa Mulvenna

Solicitor
Law Office of Timothy D. Scaffidi
Woodbury, New Jersey

Auditor
Bowman & Company LLP
Voorhees, New Jersey

Bond Counsel
Parker McCay P.A.
Mount Laurel, New Jersey

Municipal Advisor
Acacia Financial Group, Inc.
Mount Laurel, New Jersey

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

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

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Refunding Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

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

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

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

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

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PAGE

OFFICIAL STATEMENT
Relating to

$3,270,000*
CITY OF WOODBURY
County of Gloucester, New Jersey
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020
Consisting of:
$1,105,000* General Improvement Refunding Bonds
$2,165,000* Water and Sewer Utility Refunding Bonds
(BANK QUALIFIED)
(BOOK-ENTRY ONLY) (NON-CALLABLE)

INTRODUCTION

The purpose of this Official Statement, including the cover page hereof and the appendices attached hereto, is to provide certain information relating to the issuance by the City of Woodbury, County of Gloucester, New Jersey ("City"), of its $3,270,000* aggregate principal amount of General Obligation Refunding Bonds, Series 2020 ("Refunding Bonds"). The Refunding Bonds consist of: (i) $1,105,000* General Improvement Refunding Bonds; and (ii) $2,165,000* Water and Sewer Utility Refunding Bonds.

The information contained herein relating to the City was furnished by the City unless otherwise indicated.

AUTHORIZATION FOR THE REFUNDING BONDS

The Refunding Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) a refunding bond ordinance, duly and finally adopted by the City Council ("Council") on April 8, 2020, and published in accordance with the requirements of the Local Bond Law; and (iii) a resolution duly adopted by City Council on May 13, 2020 ("Resolution").

PURPOSE OF THE REFUNDING BONDS

The Refunding Bonds are being issued by the City to provide funds which will be used to: (i) currently refund and redeem all of the City's outstanding callable General Obligation Bonds, Series 2009, maturing on November 1 in the years 2020 through 2029, both dates inclusive (collectively, the "Refunded Bonds"); and (ii) pay the costs and expenses incidental to the issuance and delivery of the Refunding Bonds.

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* Preliminary, subject to change.

Pursuant to an Escrow Deposit Agreement ("Escrow Agreement"), dated the date of issuance of the Refunding Bonds, between the City and Fulton Bank, National Association, Lancaster, Pennsylvania, as escrow agent ("Escrow Agent"), the City will irrevocably deposit direct noncallable obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America ("Government Obligations"), with the Escrow Agent, which Government Obligations will bear interest at such rates and will mature at such times and in such amounts so that, when paid in accordance with their terms, sufficient moneys will be available to make full and timely payment of the redemption price of and interest on the Refunded Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

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

Estimated Sources of Funds:

Principal Amount of Refunding Bonds	$_______
[Net] Original Issue [Premium/Discount]	_______
Total Estimated Sources	$_______

Estimated Uses of Funds:

Deposit to Escrow Fund	$_______
Costs of Issuance[1]	_______
Underwriter's Discount	_______
Total Estimated Uses	$_______

[1] Includes legal fees, municipal advisory fees, accounting fees, paying agent fees (if any) and Escrow Agent fees, printing costs, Rating Agency's fees, contingency and miscellaneous expenses incurred in connection with the issuance of the Refunding Bonds.

THE REFUNDING BONDS

Description

The Refunding Bonds will be issued in the aggregate principal amount of $3,270,000[*], will be dated their date of delivery, as shown on the cover page to this Official Statement, and will bear interest from that date at the rates set forth on the cover page hereof. Interest on the Refunding Bonds will be payable semiannually on May 1 and November 1 ("Interest Payment Dates"), commencing November 1, 2020, in each year until maturity. The Refunding Bonds will mature on November 1 in the years and in the principal amounts, all as shown on the cover page of this Official Statement. The Refunding Bonds are not subject to redemption prior to their stated maturity dates.

[*] Preliminary, subject to change.

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

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

Book-Entry-Only System[1]

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

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

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

[1] Source: The Depository Trust Company.

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

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

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

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

Redemption notices, if any, shall be sent to DTC. If less than all of the Refunding 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 Refunding Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City or its hereafter designated paying agent, if any, as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Refunding Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

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

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

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

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

Discontinuance of Book-Entry-Only System

In the event that the book-entry-only system is discontinued and the Beneficial Owners become registered owners of the Refunding Bonds, the following provisions would apply: (i) the Refunding Bonds may be exchanged for an equal aggregate principal amount of Refunding Bonds in other authorized denominations, of the same maturity, upon surrender thereof at the offices of the City or its hereafter designated paying agent, if any; (ii) the transfer of any Refunding Bonds may be registered on the books maintained by the City or its hereafter designated paying agent, if any, for such purpose only upon the surrender thereof to the City or its hereafter designated paying agent, if any, together with the duly executed assignment in form satisfactory to the City and paying agent; and (iii) for every exchange or registration of transfer of Refunding Bonds, the City or its hereafter designated paying agent, if any, may make a charge sufficient to reimburse for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Refunding Bonds. Interest on the Refunding Bonds will be payable by check or draft mailed on each Interest Payment Date to the registered owners thereof as of the close of business on the Record Date, whether or not a business day.

SECURITY AND SOURCES OF PAYMENT FOR THE REFUNDING BONDS

Taxing Power

The Refunding Bonds are legal, valid and binding general obligations of the City and the full faith, credit and taxing power of the City are irrevocably pledged for the payment of the principal of and interest on the Refunding Bonds.

The Refunding Bonds are payable as to principal and interest, if payment is not provided in any other manner, from *ad valorem* taxes to be levied upon all taxable real property located within the City without limitation as to rate or amount, except to the extent that enforcement of such payment may be limited by bankruptcy, insolvency or other similar laws or equitable principles affecting the enforcement of creditors' rights generally ("Creditors' Rights Limitations").

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

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

Local Bond Law

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

Debt Limits - The authorized bonded indebtedness of the City is limited by statute, subject to the exceptions noted below, to an amount equal to three and one-half percent (3.5%) of its equalized valuation basis. The equalized valuation basis of the City is set by statute as the average for the last three years of the equalized value of all taxable real property and improvements as annually determined by the New Jersey State Board of Taxation. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

Bonds, notes and long-term loans are included in the computation of debt for the statutory debt limit. The City, including the issuance of the Refunding Bonds, will not exceed its three and one-half percent (3.5%) debt limit.

Exceptions to Debt Limits – Extensions of Credit - The City may exceed its debt limit with the approval of the New Jersey Department of Community Affairs, Division of Local Government Services, Local Finance Board ("Local Finance Board"), a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the City 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 City or substantially reduce the ability of the City to meet its obligations or to provide essential public improvements and services, or make certain other statutory determinations, approval may be granted.

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

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

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

Local Fiscal Affairs Law

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

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

An independent examination of the City's books, accounts and financial transactions must be performed annually by a Registered Municipal Accountant who is licensed by the State Board of Public Accountants. The audit, conforming to the Division's "Requirements of Audit", includes recommendations for improvement of the municipality's financial procedures and must be filed with the report, together with all recommendations made. A Summary of Audit, together with recommendations, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2018 is on file with the Chief Financial Officer and is available for review during business hours.

The Local Fiscal Affairs Law also requires that the chief financial officer of the municipality file annually with the Director a verified statement of the financial condition of the municipality as of the close of the fiscal year to be made not later than February 10 for December 31 fiscal year end municipalities and August 10 for June 30 fiscal year end municipalities. The City's 2019 Annual Financial Statement and the audits for December 31, 2018 and December 31, 2017 are on file with the City Clerk and are available for review during business hours.

Local Budget Law

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

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

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

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

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

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

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

In response to the outbreak of the Coronavirus (as defined and described under the heading "CERTAIN RISK FACTORS – Recent Healthcare Developments" below), on March 24, 2020, the Local Finance Board released Local Finance Notice 2020-07 specifically permitting emergency appropriations for response to the Coronavirus subsequent to the adoption of a local unit's budget. In particular, such emergency appropriation must be approved by 2/3 vote of the governing body of the local unit and be accompanied by a certification of the Chief Financial Officer stating that the resolution covers expenses incurred during the emergency response to the Coronavirus. Moreover, to the extent that such Coronavirus-related emergency appropriations exceed the cost of providing similar services under non-emergency conditions, the deferred charge to be raised in the following year's budget is an eligible exception to both the levy cap and the appropriations cap.

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

Miscellaneous Revenues

N.J.S.A. 40A:4-26 provides that: "No miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit." Such determination may be made by the governing body and the Chief Financial Officer in any year during which the municipality is subject to local examination.

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

Real Estate Taxes

Receipts from Delinquent Taxes - Revenues are permitted by *N.J.S.A.* 40A:4-29 to be anticipated in the annual budget for collection of delinquent taxes of prior years. The maximum amount permitted to be anticipated is determined by applying the collection rate of the prior year's delinquent taxes to the total amount of delinquent taxes outstanding at the beginning of the current year.

Current Year Tax Levy and Reserve for Uncollected Taxes - The current year's taxes to be levied are determined by adding the sums of the cash required from taxes to support the municipal, school, county and special district budgets, if any, together with the amount of an appropriation required to be included in the annual municipal budget entitled "Reserve for Uncollected Taxes", less the total of anticipated revenues. The inclusion of the "Reserve for

Uncollected Taxes" appropriation in the current year's budget protects the municipality from taxes currently unpaid. The "Reserve for Uncollected Taxes" is required to be, at a minimum, an amount sufficient to provide for the same percentage of uncollected taxes in the current year as was experienced in the immediately preceding year, the average of the previous three years in accordance with P.L. 2000, c. 126, or the previous year collection percentage after reducing the previous year levy by tax appeal judgments of the county tax board pursuant to R.S.54:3-21 et seq., or the State tax court pursuant to R.S.54:48-1 et seq. in accordance with Chapter 56 of P.L. 2010.

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

Another provision requires that an additional amount (the "reserve for uncollected taxes") be added to the tax levy required for all current budget appropriations and school and county taxes of the current fiscal year. The reserve requirement is calculated as follows:

$$\frac{\text{Levy Required for Current Budget, School and County Taxes}}{\text{Prior Year's Percentage of Current Tax Collections (or Lesser \%)}} = \text{Total Taxes to be Levied}$$

In response to the outbreak of the Coronavirus, on May 4, 2020, the Local Finance Board released Local Finance Notice 2020-11 specifically permitting alternative methodologies for calculating the reserve for uncollected taxes. In particular, instead of using the methodology described above for purpose of calculating the reserve for uncollected taxes, one of the following two alternatives may be used: (i) *N.J.S.A.* 40A:4-41(c) allows for use of the average of the prior three (3) years' tax collection rate to mitigate a short-term decrease in the tax collection rate; or (ii) *N.J.S.A.* 40A:4-41(d) allows for a municipality to reduce the prior year's certified tax levy by the amount of any tax levy adjustment resulting from a tax appeal judgment. Use of either alternative calculation requires submission to DLGS of a resolution of the governing body and subsequent approval therefrom.

Deferral of Current Expenses

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

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

Budget Transfers

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

Capital Budget

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

Related Constitutional and Statutory Provisions

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

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

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

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

Rights and Remedies of Owners of Bonds

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

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

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

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

Limitation of Remedies Under Federal Bankruptcy Code

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

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

THE ABOVE REFERENCES TO THE BANKRUPTCY CODE ARE NOT TO BE CONSTRUED AS AN INDICATION THAT THE CITY EXPECTS TO RESORT TO THE

PROVISIONS OF SUCH BANKRUPTCY CODE OR THAT, IF IT DID, SUCH ACTION WOULD BE APPROVED BY THE COMMISSION, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCE OF PAYMENT OF AND SECURITY OF THE REFUNDING BONDS.

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

TAXATION

Procedure for Assessment and Collection of Taxes

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 results of maintaining new assessments on a like basis with established comparable properties for newly assessed or purchased properties resulting in a decrease of the assessment ratio to its present level of 90.64%. This method assures equitable treatment to like property owners. Because of the escalation of property resale values, annual adjustments could not keep pace with rising values. The last complete revaluation of property within the City occurred in the year 2011 and was effective for the year 2012.

Upon the filing of certified adopted budgets by the City, the School District, and the County of Gloucester ("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 provision for the assessment of property, 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 district.

Tax bills are due quarterly on February 1, May 1, August 1 and November 1. Installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first $1,500.00 of the delinquency and 18% per annum on any amounts in excess of $1,500.00. These interest penalties are the maximum permitted under New Jersey Statutes. Additionally, a 6% penalty is charged on any delinquencies in excess of $10,000.00 if not paid by the end of each year. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey Statutes. Tax liens retained by the City are periodically assigned to the Solicitor for "in rem foreclosures" in order to acquire title to these properties.

Tax Appeals

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

In response to the outbreak of the Coronavirus, on May 28, 2028, the Governor of the State of New Jersey signed legislation (A4157) extending the deadline to file 2020 property tax assessment appeals to July 1, and extending deadlines for county boards of taxation to decide on such cases to September 30, with certain exceptions. The bill took effect on May 28, 2020 and applies retroactively to April 1, 2020.

INFORMATION REGARDING THE CITY OF WOODBURY

General

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

Financial

Appendix "B" to this Official Statement contains (a) compiled financial statements of the City for the year ended December 31, 2019 and (b) audited financial statements of the City for the years ending December 31, 2018, 2017, 2016, 2015 and 2014. The compiled and audited financial data was provided by Bowman & Company LLP, Woodbury and Voorhees, New Jersey, and is included herein in reliance upon the authority of such firm. Bowman & Company LLP, Voorhees, New Jersey, has consented to the inclusion of their report in this Official Statement. Copies of the complete 2019 Annual Financial Statement (unaudited) and Reports of Audit may be obtained upon request to the office of the Chief Financial Officer of the City.

LITIGATION

Upon delivery of the Refunding Bonds, the City shall furnish an opinion of its solicitor, Timothy D. Scaffidi, Esq., Woodbury, New Jersey ("Solicitor"), dated the date of delivery of the Refunding Bonds, to the effect that there is no litigation of any nature, pending, to restrain or enjoin the issuance, sale, execution or delivery of the Refunding Bonds, or in any way contesting or affecting the validity of the Refunding Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Refunding Bonds. In addition, such opinion shall state that there is no litigation of any nature now pending by or against the City wherein an adverse judgment or ruling could have a material and adverse impact on the financial condition of the City or adversely affect the power to levy, collect and enforce the collection of taxes or other revenues for the payment of the Refunding Bonds, which has not been otherwise disclosed in this Official Statement.

TAX MATTERS

Federal

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

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

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

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

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

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The City has designated the Refunding Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. Eighty percent (80%) of the interest expense deemed incurred by banks, thrift institutions and other financial institutions to purchase or carry "qualified tax-exempt obligations" is deductible.

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

New Jersey

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

Changes in Federal and State Tax Law

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

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

CONTINUING DISCLOSURE

In accordance with the provisions of Rule 15c2-12, as amended and promulgated by the Securities and Exchange Commission ("SEC"), pursuant to the Securities Exchange Act of 1934, as amended, the City will, prior to the issuance of the Refunding Bonds, enter into a continuing disclosure agreement, substantially in the form set forth in Appendix "D" hereto.

In the past five (5) years, while the City's financial information for the year ending December 31, 2015 as well as certain operating data for the year ending December 31, 2016 was timely filed with EMMA, it was not properly linked to certain CUSIP numbers of the City's outstanding bonds. The City has subsequently correctly linked the financial information. Furthermore, the City's unaudited financial information for the year ending December 31, 2019 was not timely filed to EMMA with respect to the City's Taxable Refunding Bonds, Series 2003. The City has subsequently made these filings. As of the date hereof, the City has taken the necessary steps to ensure future compliance with the Rule. The City has retained Acacia Financial Group, Inc. to serve as Dissemination Agent to ensure future compliance with the Rule.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters incident to the authorization, issuance, sale and delivery of the Refunding Bonds are subject to the approval of Bond Counsel, whose approving legal opinion will be delivered with the Refunding Bonds substantially in the form set forth in Appendix "C" hereto. Certain legal matters will be passed on for the City by the Solicitor.

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

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

NO DEFAULT

There is no record of default in the payment of the principal of or interest on the bonds or notes of the City.

MUNICIPAL ADVISOR

Acacia Financial Group, Inc., Mount Laurel, New Jersey, has served as municipal advisor to the City ("Municipal Advisor") with respect to the issuance of the Refunding Bonds. 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 the Official Statement and the appendices hereto.

RATING

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC ("S&P"), has assigned a rating of "AA" to the Bonds based on the credit worthiness of the City.

The rating reflects only the views of S&P and an explanation of the significance of such rating may only be obtained from S&P. The City forwarded to S&P certain information and materials concerning the Refunding Bonds and the City. There can be no assurance that the rating will be maintained for any given period of time or that the rating may not be raised, lowered or withdrawn entirely, if in S&P'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 Refunding Bonds.

CERTAIN RISK FACTORS

Recent Healthcare Developments

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus ("Coronavirus"), which was first detected in China and has spread to other countries, including the United States, has been declared a pandemic by the World Health Organization, a national emergency by the President of the United States ("President") and a state of emergency by the Governor of the State ("Governor"). The spread of the Coronavirus has affected global economics and financial markets, which has led to volatility and reduced liquidity. Virtually all sectors of the United States economy, with the exception of essential services, have been reduced or shutdown resulting in significant reductions in the GDP. Additionally, unemployment in the United States has reached historic levels.

In response, and as noted above, the President declared a national emergency on March 13, 2020, which made available federal resources to combat the spread of the virus. Subsequently, the federal government has adopted multiple bills authorizing various forms of aid including, but not limited to, Medicaid expansion, unemployment benefits and paid emergency leave, immediate cash relief for individuals and a broad lending program for businesses and governmental entities. The Federal Reserve has also lowered its benchmark interest rate to nearly zero, introduced a large bond-buying program and established emergency lending and liquidity programs to banks, money market mutual funds, businesses and certain governmental entities.

The State has also taken action to assist residents affected by the Coronavirus after declaring the previously noted State of Emergency and Public Health Emergency by Executive Order 103 on March 9, 2020. In particular, on March 28, 2020, the Governor announced a ninety (90) day forbearance program for mortgage payments for borrowers economically impacted by the Coronavirus. Additionally, the income tax filing deadline and the corporation business tax filing deadline has been extended from April 15 to July 15 and the State fiscal year has been extended to September 30, 2020. Further, pursuant to Executive Order 130, the Governor authorized municipalities in the State to adopt a resolution instituting a grace period concluding on June 1, 2020 for: (i) the payment of second quarter taxes for municipalities on a calendar year budget cycle; and (ii) the payment of fourth quarter taxes for municipalities on a fiscal year budget cycle. The City did not adopt a resolution to extend the tax deadline. As part of a planned multi-stage approach to restart the State's economy, the Governor has signed a series of executive orders beginning on April 29, 2020 permitting the resumption of certain activities. On June 9, 2020, the Governor signed Executive Orders 151 and 152, explicitly rescinding Paragraph 2 of Executive Order 107, thereby lifting the "stay-at-home" order and the limits on indoor and outdoor gatherings and providing for the opening of certain outdoor recreational businesses. Additional executive orders relating to the resumption of certain activities may be executed by the Governor in the future as part of the planned multi-stage approach to restart the State's economy.

The City cannot predict, and does not predict, the duration, severity or ultimate impact of the Coronavirus, or the intervening legislative and gubernatorial measures in response thereto, upon global, State-wide and local economies and operations, including that of the City.

The City has provided and intends to continue to provide essential services in and for the City including, but limited to, emergency services, core health and human services, corrections, judiciary and prosecutorial functions, and public works, together with certain other vital services the City deems necessary to remain operations and responsive to public needs. In addition, the City is closely monitoring the spread and effects of the Coronavirus and interacts regularly with other appropriate governmental agencies in this regard, including taking such actions as it deems beneficial to prevent the spread of the Coronavirus.

Cyber Security

The City relies on a large and complex technology environment to conducts its various operations. As a result, the City faces certain cyber security threats at various times including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and digital networks and systems. To mitigate the risks of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, the City has invested in multiple forms of cybersecurity and operational safeguards. Specifically, the City has an extensive security system in place, including network firewalls and established administrative rights and restrictions, with varying level of approvals, implemented entity-wide, for access to network drives and applications that are reviewed regularly to ensure proper internal control and protections and provide relevant employees and staff with cyberattack training. In addition, the City maintains insurance coverage for cyberattacks and related events.

UNDERWRITING

The Refunding Bonds are being purchased from the City by Stifel, Nicolaus & Company, Incorporated, Philadelphia, Pennsylvania ("Underwriter"), pursuant to a bond purchase contract dated August __, 2020 ("Purchase Contract"), at a purchase price of $___________ ("Purchase Price"). The Purchase Price of the Refunding Bonds reflects the par amount of the Refunding Bonds, less an Underwriter's discount of $_________, [plus/less] [net] original issue [premium/discount] of $________. The Underwriter is obligated to purchase all of the Refunding Bonds if any of the Refunding Bonds are purchased. The obligation of the Underwriter to accept delivery of and pay for the Refunding Bonds is subject to various conditions contained in the Purchase Contract.

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

LEGALITY FOR INVESTMENT

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

PREPARATION OF OFFICIAL STATEMENT

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

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

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

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

Bowman & Company LLP, Woodbury and Voorhees, New Jersey, only takes responsibility for the financial statements, appearing in Appendix "B" hereto.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement may be directed to Acacia Financial Group, Inc., (856) 234-2266.

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

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

CITY OF WOODBURY, NEW JERSEY

By:____
ROBERT LAW, Chief Financial Officer

Dated: August __, 2020

APPENDIX A

GENERAL INFORMATION ON THE CITY

GENERAL INFORMATION REGARDING THE CITY OF WOODBURY

Overview

The City of Woodbury ("City"), County of Gloucester ("County"), New Jersey had its beginning in 1683 and was incorporated in 1871. The City is considered one of the oldest "small cities" in the United States, and is surrounded by the communities of National Park, West Deptford, Woodbury Heights, Wenonah, Mantua, East Greenwich, Deptford and Westville.

Covering an area of 2.13 square miles, the City is primarily a residential community with approximately 4,456 dwelling units and 10,174 residents, according to the 2010 US Census.

One important feature of the City is the extent of volunteer public participation in its civic affairs. The Library Board, Historic Preservation Commission, Human Rights Commission, Board of Health and Planning/Zoning Boards are staffed entirely by appointed City residents.

City Government

The City government is based on a City Council form of government, which exercises legislative power in the City. Members of the City Council serve three-year terms, staggered to provide continuity in the government. The Mayor is elected by the voters and is elected to a two-year term.

The day-to-day administrative duties are the responsibility of the City Administrator, who is appointed by the City Council. The City Administrator keeps City Council informed as to the conduct of City affairs, and the welfare and future needs of the City.

The financial affairs of the City are administrated by the Chief Financial Officer, who reports to City Council. Along with the City Administrator, the Chief Financial Officer prepares and then monitors the annual budget after adoption by City Council.

Growth and Development

In 2008, the City adopted a Redevelopment Plan for the Broad Street Commercial Business District ("District") the entire length of the City. The Redevelopment Plan designates specific projects to revitalize the District. It also gives the City the ability to assemble parcels to create new circulation infrastructure that will allow the City to grow while improving mobility and accessibility. The Plan has spurred much interest in the City. The City has identified priority sites and is currently speaking with redevelopers to implement the Redevelopment Plan projects and to create mixed-use infill to complement the 2014 redeveloped Green Block Building at Broad & Centre Streets. GG Green's Block is a historic building that was slated for demolition but instead, was renovated into a 50 unit affordable senior apartment complex with four retail units. The living space and three retail units are already filled. Similarly, in 2015, a former Masonic Lodge on Broad Street was revamped as office space and now houses 40 employees.

In late 2017, much of the northern portion of the City of Woodbury was designated as a Federal Opportunity Zone. The designation is intended to spur private investment in redevelopment projects in low- to moderate-income areas. Numerous projects are being developed and marketed in the Opportunity Zone, including the area surrounding one of the proposed stops on the light rail extension into Woodbury (see below). These two factors - being located in a designated Opportunity Zone and included in the Redevelopment Plan - have created an environment that has spurred developer interest in potential investment from a number of industry sectors.

The 100 block of Broad Street, also known as "Block 75" because of its tax designation, has received significant investment by the City. The initiative to purchase property in this block in order to create a unified redevelopment plan controlled by the City has been underway for nearly two years and has attracted numerous developers to the project. Woodbury City officials have had several discussions with developers about future redevelopment of the site and intend to continue planning to transform this central block of the City.

Over the past two years, an estimated 20 new businesses have opened across the City. The City has also become a destination for a variety of ethnic based restaurants from Italian and Mexican to Pho and Soul Food. There are over 30 different eateries throughout Woodbury.

The State of NJ has committed $500 million in funds to extend passenger rail service to Woodbury in the next five to seven years. This light-rail line would connect Woodbury to Philadelphia and Trenton, via Camden through an existing rail right-of-way, and link the City to the entire Northeast corridor. Long range plans are to extend the rail southward to Glassboro's Rowan University. There are two planned stops along the line in Woodbury, at Red Bank Avenue and Cooper Street. These stations will improve access and bring value to both the area surrounding Inspira Medical Center and the traditional "downtown." Given the successes of similar towns surrounding the "River Line" light rail from Camden to Trenton, this should bode well for Woodbury's resurgence.

With the anticipation of the light-rail, the DVRPC has awarded the City a TCDI grant to study the feasibility of creating a transit hub at the Red Bank site. This area is also part of the redevelopment plans currently being reviewed by several developers in association and partnership with the redevelopment plans for the Inspira Medical Center site.

The City is also in the process of conducting a transit-oriented business study to better understand best practices related to development surrounding transit hubs such as the proposed light-rail stops being planned for Woodbury. The study will investigate other similar hubs both nationwide and in the northeast region to understand how best to move forward with plans to create retail and residential development centered around rail access.

Gloucester County in recent years has recommitted to maintaining Woodbury as the center of County government. They have expanded the Justice Complex on Hunter Street to include Family Court, completed a new 6-story parking garage and renovated the former Family Court building to house the Freeholders' and Administration offices. Numerous other capital projects are being carried out throughout the City. This will ensure the health of the many private practice law offices that populate Woodbury. The fact that Woodbury remains the centers of government, law and medicine in our County indicates good prospects for future employment.

Transportation

An efficient system of highways, railroads and airlines is readily accessible to those residing and working in the City. Interstate 295, the North South Freeway (Route 42), State Highway 55, and the Atlantic City Expressway all reinforce the New Jersey Turnpike System. The City's highway system is augmented by its close proximity to the Benjamin Franklin Bridge, Walt Whitman Bridge, Commodore Barry Bridge and Delaware Memorial Bridge, which link New Jersey to Pennsylvania and Delaware. These modern highways and bridges provide easy access to all points in the Greater Delaware Valley, northern Delaware, and southern New Jersey. The Philadelphia International Airport is only twenty (20) minutes away by automobile. A recent traffic study revealed that the Broad Street corridor through downtown Woodbury is traveled by an estimated 19,000 vehicles per day.

The Delaware River Port Authority ("DRPA"), the New Jersey-Pennsylvania bi-state authority that operates the Benjamin Franklin, Walt Whitman, Commodore Barry, and Betsy Ross bridges, also operates a high speed rail transit system that transports several thousand New Jersey residents into Philadelphia each day. The DRPA operates the transit system as the Port Authority Transit Company ("PATCO"). City residents who use the PATCO system are able to travel to their destinations in Camden and center city Philadelphia within twenty minutes. The DRPA, in conjunction with the New Jersey Department of Transportation, has committed funds to begin the first phase of extending a new PATCO Transit Train Line from Camden, thru Woodbury, with an ultimate termination in Glassboro at

Rowan University. The City will benefit immensely from this transit expansion, since the City will be equipped with two train stops.

In addition to the PATCO rail system, the City is also served by New Jersey Transit, which operates buses throughout the County offering transit into Philadelphia and throughout the State. As part of the above noted commitment, New Jersey Transit and PATCO also propose a dedicated Bus Transit Corridor, to improve transit capabilities thru the county area, thus improving transit efficiency for the City.

Water and Sewer

Water and sewer facilities are City owned and managed by a Committee of City Council. Final disposal of sewerage is by contract with the Gloucester County Utilities Authority.

Utilities

Gas service is provided by Public Service Electric and Gas Company. Electric service is provided by Public Service Electric and Gas Company and Atlantic Electric.

Police

Police protection is offered through twenty-seven (27) full-time Officers, and five (5) part-time Special Law Enforcement Officers ("SLEO"). The Police Department is supervised by a Chief, one (1) Captain and one (1) Lieutenant, who are assisted by three (3) full-time clerical and evidence staff. The Police Department is an accredited department, participates in Community Policing and also has a bicycle patrol. In 2017, the department has a K-9 dog and officer in-training.

Public Works

The Public Works Department ("Department") consists of thirty-three (33) employees. The Department is responsible for trash collection, recyclables, water and sewer operation and the maintenance and repair of City-owned property, local roads and recreational areas.

Fire and Ambulance Services

Fire protection is provided through the Woodbury Fire Department and one (1) volunteer fire company, with two buildings strategically placed within the city boundary. There are four (4) paid career firefighters and three (3) part-time firefighters. They operate three (3) firefighting apparatus and one (1) fire rescue vehicle. The City's ambulance service is provided through an interlocal services agreement with Gloucester County Emergency Medical Service.

Library

The City has one (1) municipally supported free public library, which is run by an eight (8) member Board of Trustees made up of local residents and professionals. The Library is a member of LOGIN, a consortium of twenty-two (22) libraries in Gloucester, Salem & Cumberland Counties. A Woodbury Library card can be used at all LOGIN libraries with no fee.

Parks and Recreation

The City is home to a park and lake system of 200+ acres which features the following:

- Seven (7) Baseball Fields
- Three (3) Soccer Fields
- Five (5) Basketball Courts
- Two (2) Tennis Courts

- One (1) Midget Football Field
- Through an Inter-Local Service Agreement with the Board of Education of the City of Woodbury, residents have access to a running/walking track located at the high school stadium.

The Parks System offers both active and passive recreational opportunities.

Health Care

Inspira Medical Center ("Medical Center"), a nonprofit hospital, is located in the City and is continuing with its ER facility after the December 2019 move to Mullica Hill, NJ. Affiliated with Rowan University School of Osteopathic Medicine and Jefferson University located in Philadelphia and accredited by the Joint Commission, the Medical Center is Gloucester County's largest employer with over 1,800 full and part time employees. The Medical Center provides a comprehensive array of diagnostic, therapeutic and rehabilitative services in the comfort, convenience and security of a community hospital setting and is in the process of completing a $4 million upgrade to enhance communications to provide for the seamless transfer of clinical, business and patient business services data between the Medical Center hospitals.

City Employees

			December 31,		
	2019	**2018**	**2017**	**2016**	**2015**
Permanent	89	86	80	79	76
Part-time	47	48	56	42	46
Total	136	134	136	121	122

Employee Collective Bargaining Units

Bargaining Units	**Employees Represented**	**Contract Expiration Date**
Policemen's Benevolent Association	27	12/31/2023
United Food and Commercial Workers Union	47	12/31/2022
Firemen's Mutual Benevolent Association	4	12/31/2018 (current negotiations)

Compensated Absences

Vacation days and unused sick leave not used during the year may not be accumulated and carried forward to the subsequent year. The City does not compensate for unused sick leave upon termination or retirement.

Pension Plans

Those City employees who are eligible for pension coverage are enrolled in one of two pension systems established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are determined by the State. (See Appendix B: Financial Statements of the City, Note 12 to Financial Statements).

City Population (1)

2010 Federal Census	10,174
2000 Federal Census	10,307
1990 Federal Census	10,904
1980 Federal Census	10,353
1970 Federal Census	12,408

(1) Source: U.S. Department of Commerce, Bureau of Census

Selected Census 2017 Data for the City (1)

Median household income	$57,021
Median family income	$77,647
Per capita income	$30,674

Labor Force(2)

The following table discloses current labor force data for the City, County and State.

	2019	2018	2017	2016	2015
City					
Labor Force	4,936	4,883	4,950	5,034	5,045
Employment	4,731	4,641	4,680	4,751	4,702
Unemployment	205	242	270	283	343
Unemployment Rate	4.2%	5.0%	5.5%	5.6%	6.8%
County					
Labor Force	149,747	147,175	149,158	150,050	149,669
Employment	144,238	140,940	142,127	142,467	140,803
Unemployment	5,509	6,235	7,031	7,583	8,866
Unemployment Rate	3.7%	4.2%	4.7%	5.1%	5.9%
State					
Labor Force	4,493,100	4,422,900	4,453,500	4,524,300	4,543,800
Employment	4,333,300	4,239,600	4,247,500	4,299,900	4,288,800
Unemployment	159,800	183,400	206,000	224,300	255,000
Unemployment Rate	3.6%	4.1%	4.6%	5.0%	5.6%

TEN LARGEST EMPLOYERS IN THE COUNTY(3)

Employer	Nature of Business	Location	Number of Employees
Amazon	Online Retail	West Deptford	4,500
Rowan University	University	Glassboro	3,500
Inspira Healthcare Network	Hospital	Mullica Hill	2,051
Jefferson Health	Hospital	Turnersville	2,015
Shop Rite	Supermarket	West Deptford	1,300
Gloucester County	Government	Woodbury	1,200
U.S. Foods	Food Service	Bridgeport	1,014
Walmart Turnersville	Retail Superstore	Turnersville	800
Penske	Truck Rental	Deptford	700
Heritage’s Dairy Store	Retailer of Groceries	Thorofare	520

Building, Zoning and Development Codes

The City has established development regulations governing the size of lots for various types of construction. The land requirements are based on the type and nature of the building.

The City's building codes conform to standards of the Uniform Construction Code of New Jersey. These codes and other Municipal Codes are codified as a basis for improved administration and regulation.

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(1) Source: U.S. Department of Commerce, Bureau of Census
(2) Source: New Jersey Department of Labor
(3) Source: Gloucester County Economic Development website

In 1976, the City adopted the Municipal Land Use Law. The Municipal Land Use Law gave the City Planning and Zoning Board of Adjustment authority to regulate most land use other than single family residential use. In this way, the City is able to guide the approximate use or development of land to promote the public health, safety, and general welfare.

Building Permits(1)

Year	Number of Permits Issued	Value of Construction Work
2019(2)	120	$2,073,718
2018	528	10,702,982
2017	550	7,341,868
2016	609	5,442,889
2015	432	12,547,098
2014	426	9,271,471

EDUCATION (3)

Primary and Secondary

The Board of Education of the City of Woodbury ("School District") is a type II school district, consisting of nine members who are elected at large for three-year terms.

The City's public school system has a total of four schools: three elementary schools and one junior/senior high school with grade levels from Pre-kindergarten through twelfth.

The School District prepares annually a current expense and debt service budget. The amounts to be raised by taxation for current expense and debt service are submitted to the voters for approval if the amounts are disapproved, the City Council fixes an amount and certifies the same to the School District and the County Board of Taxation. If the School District determines that the amount certified by the City is insufficient to operate a thorough and efficient school system, the School District may appeal to the State Commissioner of Education to restore the local funds eliminated.

SCHOOL DISTRICT ENROLLMENTS (3)

			October 15		
Grade	2019	2018	2017	2016	2015
Pre-K	138	129	144	124	97
K	117	108	117	118	96
1	113	116	113	93	123
2	116	110	93	110	106
3	106	88	104	103	93
4	93	101	100	84	83
5	102	95	92	82	81
6	89	89	77	80	86
7	96	84	89	81	89
8	95	67	75	89	94
9	88	76	84	93	90
10	70	69	83	80	83
11	70	73	66	73	78
12	70	62	75	78	90
Spec. Ed.	252	253	249	229	224
Totals	1,615	1,522	1,561	1,517	1,513

(1) Source: City Construction Official
(2) As of April 1, 2020
(3) Source: Business Administrator/Board Secretary

PRESENT SCHOOL FACILITIES, ENROLLMENT AND CAPACITY (1)

Name of School	Date Constructed	Renovations/ Additions	Grades	Enrollment Oct. 15, 2019	Functional Capacity
Evergreen Avenue	1952	1956,1967,2000,2001	Pre-K-5	301	325
West End Elementary	1949	1955,1968,1999	K-5	449	380
Walnut Street	1898	1927,1967,2000	Pre-K-5	131	130
Woodbury Jr. Sr. High School	1908	1924,1958,1968,2000	6-12	734	765
				1,615	1,600

HIGHER EDUCATION FACILITIES

Rowan College of South Jersey

Rowan College of South Jersey formed on July 1, 2019 as the result of a historic jointure of two community colleges – Cumberland County College and Rowan College at Gloucester. It is fully accredited by the Middle States Commission on Higher Education, and is an open door, comprehensive, two-year public institution, dedicated to meeting the needs of area residents and employers for educational advancement and career training. It is the first partnership of its kind in New Jersey, with more than 100 years of combined experience in delivering affordable, quality education to students throughout the region.

Rowan College of South Jersey provides students with more choices, including the option to pursue advanced degrees at Rowan University and other four-year universities, without ever leaving the Rowan College of South Jersey campuses. It serves more than 10,000 full- and part-time students with degree and workforce development programs on campuses in Cumberland and Gloucester Counties. Together these two campuses offer more than 120 unique degrees and certificates, combining 100 years of experience to provide a variety of degree selections, cost-saving initiatives, and scholarship and internship opportunities, at one of the lowest tuition rates in the State.

The merger of these two community colleges, in conjunction with an expanded 10-year premier partnership agreement with Rowan University, leads the way to a future filled with diverse and one-of-a-kind educational opportunities. Students seeking can take classes and save money with high school dual enrollment programs, including “Rowan High School Start” and the High School Option Program (HSOP); two successful collaborations between Rowan College of South Jersey and local high schools. Through exclusive programs like Rowan Choice and “3+1” degree offerings, the education cost savings are substantial and students can easily transition to Rowan University for a bachelor’s degree. Academic and workforce-training programs ensure the availability of skilled employees, answering both professional and community needs.

The exciting connection between education, business and labor also extends into the medical field. The 27 miles along Route 55 between Rowan College of South Jersey’s Gloucester and Cumberland campuses integrates education, medical services and commerce to establish South Jersey’s first EDs, MEDs & Commerce Corridor. The premier partnership with Rowan University — a research university with two medical schools — and future campus construction intended to house both public and private medical, labor and business entities, will continue to increase the academic advantages for students while benefitting economic development in the South Jersey region.

(1) Source: Business Administrator/Board Secretary

Rowan University (1)

Rowan University ("University") is a public national research university located in Glassboro, Camden and Stratford, New Jersey. It is recognized for its nationally ranked academic and athletic programs, talented professors and high-tech facilities. Rowan prides itself on being able to provide its approximately 19,500 students an outstanding education at an exceptional value.

The University is comprised of seven academic colleges and five schools, including the William G. Rohrer College of Business; the Henry M. Rowan College of Engineering; the Colleges of Communication and Creative Arts, Education, Humanities and Social Sciences, Performing Arts, and Science and Mathematics; the Cooper Medical School of Rowan University; the Rowan University School of Osteopathic Medicine; the Graduate School of Biomedical Sciences; the School of Health Professions; and the School of Earth an Environment, along with an Honors College. Rowan's Division of Global Learning and Partnerships offers flexible undergraduate and graduate programs on campus and off site – including at two area community colleges – and online. Within these colleges and schools the University offers more than 75 bachelor's degrees, 44 master's degrees, six doctoral degrees (Ed.D. and Ph.D.) and two professional degrees.

Rowan is one of three universities in the nation to offer M.D. and D.O. medical degree programs. The institution is also home to the South Jersey Technology Park, which fosters the translation of applied research into commercial products and processes. U.S. News & World Report, in its "Best Colleges 2020" special edition, ranked Rowan University #79 among public universities and #166 among all National Universities. The Carnegie Classification of Institutions of Higher Education has designated Rowan as an R2 institution (high research activity), making it just one of 139 of more than 4,300 colleges and universities across the country with that distinction.

The State of New Jersey ("State") recognizes the University as a comprehensive research university and as a public institution of higher education. The New Jersey Legislature appropriates funds annually to support the University. However, the University operates autonomously from the State.

Gloucester County Institute of Technology

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

As of June 30, 2019, there are approximately 1,406 students are enrolled in the Institute's Academy and Career-Technical programs. Recent construction has added, among other things, a cafeteria, gymnasium and classrooms to the academic facilities in order to keep pace with demand.

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

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(1) Rowan University 2019 Audit

Gloucester County Special Services School District

Gloucester County Special Services School District ("GCSSSD") provides a wide range of educational services to the families of the County. GCSSSD serves children with special needs from birth to age 21. The enrollment for the 28-acre Bankbridge complex in Deptford, as of June 2019, was approximately 610 special needs students.

Bankbridge Regional opened its doors in September 2000 and serves secondary level students who have special needs. In September 2002, GCSSSD opened Bankbridge Elementary School. The elementary school is located next to Bankbridge Regional and serves special needs students from pre-kindergarten to grade six (6).

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

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

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

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

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

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

CERTAIN TAX INFORMATION

TEN LARGEST TAXPAYERS(1)

Name of Taxpayer	Nature of Business	2020 Assessed Valuation
Woodbury Meadows Associates	Senior Living	$7,250,000
Inspira Medical Center	Acute Care/Outpatient Svcs/Rehab	6,854,700
American Stores	Acme Supermarket	5,200,000
Verizon New Jersey	Telecommunications Products/Svcs	5,071,799
BKK Real Estate Holding LLC	Retail/Restaurant	3,975,000
Evergreen Associates	Medical Group Practice	3,900,000
Woodbury Manor Associates	Town House Community Living	3,736,000
SCP 2001A CSF 43 LLC	Retail/Restaurant	3,600,000
TCW Equities LLC	Car Dealership	3,512,900
Bell Lake Portfolio LLC	Apartments	3,487,100

CURRENT TAX COLLECTIONS(2)

Year	Total Levy	Current Collection Amount	Current Collection Percent	Outstanding Dec. 31 Amount	Outstanding Dec. 31 Percent
2019(3)	$27,470,687	$26,619,898	96.90%	$721,114	2.63%
2018	27,010,214	25,799,588	95.52	1,054,046	3.90
2017	26,726,540	25,640,675	95.94	865,548	3.24
2016	26,561,722	25,642,317	96.54	671,032	2.53
2015	26,206,867	25,150,909	95.97	798,959	3.05

DELINQUENT TAXES(2)

Year	Outstanding Jan. 1	Added	Collected Amount	Collected Percent	Transfer to Liens	Other Credits	Outstanding Dec. 31
2019(3)	$1,055,031	---	$1,026,898	97.33%	$6,288	$15,352	$6,493
2018	866,560	$3,000	817,417	94.00	29,488	21,671	984
2017	690,031	1,750	642,380	92.86	16,904	31,484	1,013
2016	799,010	1,250	678,330	84.76	2,003	100,927	19,000
2015	942,174	2,041	933,937	98.91	3,136	7,091	51

TAX TITLE LIENS(2)

Year	Balance Jan. 1	Added by Sales, Adjs. & Transfers	Collected	Transfers To Property Acquired for Taxes	Balance Dec. 31
2019(3)	$220,506	$96,224	---	---	$316,730
2018	150,237	94,863	$24,594	---	220,506
2017	68,310	85,715	3,788	---	150,237
2016	524,214	15,099	63,188	$407,815	68,310
2015	448,909	75,305	---	---	524,214

(1) Source: Gloucester County website
(2) Source: City Reports of Audit, unless otherwise noted.
(3) Source: Compiled Annual Financial Statement

FORECLOSED PROPERTY(1)(2)

Year	Balance Jan. 1	Transfers/ Adjustments	Sales of Property	Balance Dec. 31
2019(7)	$1,053,900	---	---	$1,053,900
2018	1,053,900	---	---	1,053,900
2017	1,141,600	---	$87,700	1,053,900
2016	429,700	$711,900	---	1,141,600
2015	429,700	---	---	429,700

CURRENT WATER-SEWER COLLECTIONS(1)

			Collected in Year of Levy		Outstanding Dec. 31	
Year	Beginning Balance	Total Levy	Amount	Percentage	Amount	Percentage
2019(7)	$64,722	$5,026,880	$5,019,148	98.58%	$43,420	0.85%
2018	88,330	5,000,978	5,017,664	98.59	64,722	1.27
2017	82,376	5,174,519	5,160,650	98.17	88,330	1.68
2016	105,485	5,099,933	5,119,066	98.34	82,376	1.58
2015	143,847	5,231,589	5,253,916	97.74	105,485	2.22

NET ASSESSED VALUATIONS AND ANNUAL TAX RATES (3)

		Tax Rate(4)			
Year	Net Valuation Taxable	Total	County	Local School	Municipal
2020	$572,806,799	N/A	N/A	N/A	N/A
2019	572,821,475	$4.772	$0.696	$2.449	$1.627
2018	577,763,282	4.666	0.683	2.395	1.588
2017	581,707,125	4.587	0.675	2.348	1.564
2016	586,645,741	4.523	0.704	2.300	1.519
2015	587,653,054	4.449	0.688	2.257	1.504

RATIO OF ASSESSED VALUATION TO TRUE VALUE AND TRUE VALUE PER CAPITA(5)

Year	Real Property Assessed Valuation	Percentage of True Value	True Value	True Value per Capita(6)
2020	$565,697,500	90.64%	$624,114,629	$61,344
2019	567,270,900	98.90	573,580,283	56,377
2018	572,337,000	100.30	570,625,125	56,087
2017	576,342,470	99.22	580,873,282	57,094
2016	582,923,270	95.33	611,479,356	60,102

(1) Source: City Reports of Audit
(2) These amounts are reflected on the basis of assessed value in the year of acquisition in accordance with the regulation of the Division of Local Government Services.
(3) Source: City Tax Collector
(4) Per $100 of assessed valuation
(5) Source: State of New Jersey, Department of Treasury, Division of Taxation
(6) Based on Census 2010 of 10,174
(7) Source: Compiled Annual Financial Statement

REAL PROPERTY CLASSIFICATION(1)

Year	Assessed Value Land and Improvements	Vacant Land	Residential	Commercial	Industrial	Apartment
2020	$565,697,500	$8,371,400	$400,795,000	$128,964,100	$3,556,800	$24,010,200
2019	567,270,900	8,416,500	399,947,200	131,340,200	3,556,800	24,010,200
2018	572,337,000	9,016,900	402,022,000	133,731,100	3,556,800	24,010,200
2017	576,342,470	8,356,500	402,926,870	137,492,100	3,556,800	24,010,200
2016	581,559,270	8,731,400	404,064,770	140,616,400	3,556,800	24,589,900

(1) Source: County Tax Assessor

CITY OF WOODBURY
2020 MUNICIPAL BUDGET(1)

CURRENT FUND

Anticipated Revenues:	
Fund Balance	$ 690,000.00
Miscellaneous Revenues:	
Local Revenues	699,050.00
State Aid without Offsetting Appropriations	1,432,199.00
Shared Service Agreements	396,757.00
Public and Private Programs Offset with Appropriations	68,241.54
Other Special Items of Revenue	798,513.10
Receipts from Delinquent Taxes	700,000.00
Amount to be Raised by Taxation for Municipal Purposes	9,594,715.23
Total Appropriated Revenues	$ 14,379,475.87
Appropriations:	
Within CAPS:	
Operations	$ 9,629,000.00
Deferred Charges and Statutory Expenditures	1,325,623.00
Excluded from CAPS:	
Other Operations	276,000.00
Shared Service Agreements	506,757.00
Public and Private Programs	71,491.54
Capital Improvements	75,000.00
Debt Service	1,227,465.59
Reserve for Uncollected Taxes	1,268,138.74
Total Appropriations	$ 14,379,475.87

WATER/SEWER UTILITY

Anticipated Revenues:	
Fund Balance	$ 744,934.35
Rents	5,030,065.65
Miscellaneous	20,000.00
Total Anticipated Revenues	$ 5,795,000.00
Appropriations:	
Operating	$ 3,958,609.94
Capital Improvements	50,000.00
Debt Service	1,324,455.61
Deferred Charges and Statutory Expenditures	271,934.45
Surplus (General Budget)	190,000.00
Total Appropriations	$ 5,795,000.00

(1) As adopted

CITY OF WOODBURY
STATEMENT OF INDEBTEDNESS (1)

The following table summarizes the direct debt of the City in accordance with the requirements of the Local Bond Law of the State of New Jersey (N.J.S.A. 40A:2-2-et.seq.). The gross debt comprises short and long-term debt issued and debt authorized but not issued, including General, Water and Sewer Utility, and debt of the local school district. Deductions from gross debt to arrive at net debt include debt considered to be self-liquidating, and deductible school debt. The resulting net debt of $19,318,472 represents 3.257% of the average of equalized valuations for the City for the last three years, within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

	Debt Issued			Debt Auth. But Not	Gross	Deductions		Net
	Bonds	Loans	Notes	Issued	Debt	Self Liquidating	School Debt	Debt
General	$11,470,000	$441,211	$2,650,000	$4,757,262	$19,318,472			$19,318,472
Local School District	3,350,000				3,350,000		$3,350,000	
Water and Sewer Utility	7,555,000	3,269,487	1,420,000	1,117,378	13,361,864	$13,361,864		
	$22,375,000	$3,710,697	$4,070,000	$5,874,639	$36,030,337	$13,361,864	$3,350,000	$19,318,472

(1) As of December 31, 2019
Source: Annual Debt Statement

DEBT RATIOS AND VALUATIONS(1)

Average of Equalized Valuations of Real Property with Improvements and Second Class Railroad for 2017, 2018 and 2019	$593,057,284
Statutory Net Debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2017, 2018 and 2019	3.26%
2020 Net Valuation Taxable	$570,769,299
2020 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	$629,186,428
Gross Debt (2):	
As a percentage of 2020 Net Valuation Taxable	6.31%
As a percentage of 2020 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	5.73%
Net Debt (2):	
As a percentage of 2020 Net Valuation Taxable	3.38%
As a percentage of 2020 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	3.07%
Gross Debt Per Capita (3)	$3,541
Net Debt Per Capita (3)	$1,899

CITY BORROWING CAPACITY(1)

3.5% of Averaged (2017-19) Equalized Valuation of Real Property including Improvements ($593,057,284)	$20,757,005
Net Debt	19,318,472
Remaining Borrowing Capacity	$1,438,532

SCHOOL DISTRICT BORROWING CAPACITY(1)

4% of Averaged (2017-19) Equalized Valuation of Real Property including Improvements ($593,057,284)	$23,722,291
School Debt	3,350,000
Remaining Borrowing Capacity	$20,372,291

(1) As of December 31, 2019
(2) Excluding overlapping debt
(3) Based on 2010 Federal Census of 10,174

CITY OF WOODBURY
OVERLAPPING DEBT
AS OF DECEMBER 31, 2019

	DEBT ISSUED				
	Debt Outstanding	Deduction	Net Debt Outstanding	Net Debt Outstanding Allocated to the Issuer	**Debt Auth. but not Issued**
County of Gloucester(1):					
General	$ 238,747,000	$ 13,868,446 (2)	$ 224,878,554	$ 4,834,889 (4)	
Bonds Issued by Other Public Bodies Guaranteed by the County	192,032,966	192,032,966 (3)	-		
	$ 430,779,966	$ 205,901,412	$ 224,878,554	$ 4,834,889	$ -

(1) Source: County's Annual Debt Statement.
(2) Includes Reserve for Payment of Debt and County College Bonds.
(3) Deductible in accordance with N.J.S. 40:37A-80.
(4) Such debt is allocated as a proportion of the Issuer's share of the total 2019 Net Valuation on which County taxes are apportioned, which is 2.15%.

CITY OF WOODBURY
SCHEDULE OF DEBT SERVICE (1)
(BONDED DEBT ONLY)

	General			Water and Sewer			Existing
Year	Principal(2)	Interest	Total	Principal(2)	Interest	Total	Total
2020	$ 790,000.00	$ 340,455.00	$ 1,130,455.00	$ 705,000.00	$ 249,187.50	$ 954,187.50	$ 2,084,642.50
2021	815,000.00	316,180.00	1,131,180.00	730,000.00	224,437.50	954,437.50	2,085,617.50
2022	845,000.00	290,455.00	1,135,455.00	765,000.00	198,787.50	963,787.50	2,099,242.50
2023	875,000.00	264,287.50	1,139,287.50	440,000.00	171,837.50	611,837.50	1,751,125.00
2024	905,000.00	236,215.00	1,141,215.00	445,000.00	157,987.50	602,987.50	1,744,202.50
2025	660,000.00	207,145.00	867,145.00	450,000.00	144,037.50	594,037.50	1,461,182.50
2026	735,000.00	186,375.00	921,375.00	460,000.00	128,887.50	588,887.50	1,510,262.50
2027	735,000.00	164,325.00	899,325.00	465,000.00	112,512.50	577,512.50	1,476,837.50
2028	735,000.00	142,275.00	877,275.00	470,000.00	95,675.00	565,675.00	1,442,950.00
2029	735,000.00	120,225.00	855,225.00	480,000.00	78,425.00	558,425.00	1,413,650.00
2030	735,000.00	98,175.00	833,175.00	235,000.00	60,825.00	295,825.00	1,129,000.00
2031	735,000.00	76,125.00	811,125.00	245,000.00	53,625.00	298,625.00	1,109,750.00
2032	700,000.00	54,600.00	754,600.00	255,000.00	46,125.00	301,125.00	1,055,725.00
2033	735,000.00	33,075.00	768,075.00	260,000.00	38,400.00	298,400.00	1,066,475.00
2034	735,000.00	11,025.00	746,025.00	275,000.00	30,375.00	305,375.00	1,051,400.00
2035				285,000.00	21,975.00	306,975.00	306,975.00
2036				295,000.00	13,275.00	308,275.00	308,275.00
2037				295,000.00	4,425.00	299,425.00	299,425.00
	$11,470,000.00	$2,540,937.50	$14,010,937.50	$7,555,000.00	$1,830,800.00	$9,385,800.00	$23,396,737.50

(1) As of December 31, 2019

(2) Excludes a Green Acres Loan of $441,211 and an EIT Loan of $3,269,487

Source: City Auditor

APPENDIX B

COMPILED AND AUDITED FINANCIAL STATEMENTS OF THE CITY OF WOODBURY, IN THE COUNTY OF GLOUCESTER, NEW JERSEY

FOR THE YEAR ENDED 2019

COMPILED FINANCIAL STATEMENTS

BOWMAN & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

The Honorable Mayor and
Members of the City Council
City of Woodbury
Woodbury, New Jersey 08096

Management is responsible for the accompanying financial statements of the City of Woodbury, in the County of Gloucester, New Jersey, which comprise the statement of assets, liabilities, reserves and fund balance--regulatory basis of the various funds as of December 31, 2019 and the related statements of operations and changes in fund balances-- regulatory basis for the year then ended, in accordance with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and for determining that this regulatory basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

Respectfully submitted,

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

/s/ Michael D. Cesaro
Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
June 24, 2020

601 White Horse Road | Voorhees, NJ 08043 | P 856.435.6200 | F 856.435.0440 | www.bowmanllp.com

CITY OF WOODBURY
CURRENT FUND
Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2019

Assets	
Regular Fund:	
Cash	$ 4,666,857.03
Receivables and Other Assets with Full Reserves:	
Delinquent Property Taxes Receivable	727,606.85
Tax Title Liens Receivable	316,730.03
Property Acquired for Taxes--Assessed Valuation	1,053,900.00
Miscellaneous Accounts Receivable	4,200.00
Due from Federal and State Grant Fund	235,112.76
Due from CDBG Trust Fund	946.30
Due from Water and Sewer Operating Fund	804,280.45
Due from Bank	1,400.45
	3,144,176.84
	7,811,033.87
Federal and State Grant Fund:	
Due from Current Fund	
Due from General Capital Fund	
Federal and State Grants Receivable	540,838.98
	478,783.67
	$ 8,656,039.46

(Contined)

CITY OF WOODBURY

CURRENT FUND

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

As of December 31, 2019

Liabilities, Reserves and Fund Balance

Regular Fund:		
Liabilities:		
Appropriation Reserves	$	422,257.28
Reserve for Encumbrances		153,159.61
Accounts Payable		53,972.66
Prepaid Taxes		308,250.83
Tax Overpayments		58,848.39
Due to State of New Jersey--Veterans' and Senior Citizens' Deductions (Ch. 73, P.L. 1976)		24,299.09
Due to State of New Jersey--License Fees		763.00
Due County for Added and Omitted Taxes		7,445.42
Due Other Trust Funds		21,809.46
Due to Dog Trust Fund		13.61
Due to General Capital Fund		2,504,064.59
Due to Water and Sewer Utility Capital Fund		100,000.00
Reserve for Debt Service - BAN Premiums		5,413.10
Reserve for Sale of Municipal Assets		5,853.81
		3,666,150.85
Reserve for Receivables and Other Assets		3,144,176.84
Fund Balance		1,000,706.18
		7,811,033.87
Federal and State Grant Fund:		
Due to City of Woodbury Library		5,798.30
Due from/to Current Fund		235,112.76
Reserve for Encumbrances		19,738.06
Reserve for Federal and State Grants--Unappropriated		60,391.37
Reserve for Federal and State Grants--Appropriated		219,798.49
		540,838.98
	$	8,656,039.46

See Independent Accountant's Compilation Report and selected notes.

CITY OF WOODBURY
CURRENT FUND
Statement of Operations and Changes in Fund Balance--Regulatory Basis
For the Year Ended December 31, 2019

Revenue and Other Income Realized	
Fund Balance Utilized	$ 1,080,000.00
Miscellaneous Revenues Anticipated	3,382,328.23
Receipts from Delinquent Taxes	1,026,897.94
Receipts from Current Taxes	26,619,898.01
Non-Budget Revenues	134,497.82
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	183,866.21
Sale of Municipal Assets	3,697.00
Prior Years Interfunds Returned in 2019	18,243.86
Total Income	32,449,429.07
Expenditures	
Budget Appropriations:	
Operations Within "CAPS"	
Salaries and Wages	5,808,420.00
Other Expenses	3,966,400.00
Deferred Charges and Statutory Expenditures Within "CAPS"	1,303,968.00
Operations Excluded from "CAPS":	
Salaries and Wages	157,520.09
Other Expenses	834,822.96
Capital Improvements Excluded from "CAPS"	75,000.00
Municipal Debt Service Excluded from "CAPS"	1,184,357.39
County Taxes	3,977,744.46
Due County for Added and Omitted Taxes	7,444.43
Local School Taxes	14,025,744.00
Create Reserves for:	
Due from Water Sewer Utility Operating Fund	585,893.83
Total Expenditures	31,927,315.16
Excess in Revenues	522,113.91
Fund Balance	
Balance Jan. 1	1,558,592.27
	2,080,706.18
Decreased by:	
Utilized as Revenue	1,080,000.00
Balance Dec. 31	$ 1,000,706.18

See Independent Accountant's Compilation Report and selected notes.

CITY OF WOODBURY
TRUST FUND
Statement of Assets, Liabilities and Reserves--Regulatory Basis
As of December 31, 2019

ASSETS	
Animal Control Fund:	
Cash	$ 10,002.96
Due Current Fund	13.61
	10,016.57
Other Funds:	
Cash	1,734,332.74
Due from Bank	7,272.07
Community Development Block Grant Receivable	
Due from Current Fund	21,809.46
	1,763,414.27
	$ 1,773,430.84
LIABILITIES AND RESERVES	
Animal Control Fund:	
Reserve for Dog Fund	$ 10,002.77
Due State of New Jersey	13.80
	10,016.57
Other Funds:	
Reserve for Performance Bonds	10,607.50
Due to Current Fund	946.3
Reserve for Recycling Fees	43,620.41
Reserve for Regional Contributions Agreement Trust	63,102.73
Reserve for Tax Sale Premiums	829,900.00
Reserve for Disposal of Forfeited Property - County	989.30
Reserve for Tax Title Lien Redemption	491,022.94
Reserve for Outside Employment of Off-Duty Municipal Police Officer	52,268.73
Reserve for Recreation Donations NJSA 40A:5-29	79,997.10
Reserve for E. Red Bank Streetscape Improvements	6,862.00
Reserve for Elections	6,777.92
Reserve for Street Opening Deposits	19,735.05
Reserve for Subdivision Escrow Deposits	29,801.52
Reserve for New Jersey Unemployment Compensation Insurance	58,083.29
Reserve for Fire Safety Penalty Monies	141.67
Payroll Deductions Payable	69,557.81
	1,763,414.27
	$ 1,773,430.84

See Independent Accountant's Compilation Report and selected notes.

CITY OF WOODBURY
GENERAL CAPITAL FUND
Statement of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
As of December 31, 2019

ASSETS

Cash	$	685,954.21
Deferred Charges to Future Taxation:		
Funded		11,898,224.27
Unfunded		7,074,566.72
Due from N.J. Green Acres Program - Grant		849,042.00
Due from NJ DOT - E. Red Bank Ave		6,876.92
Due from NJ DOT - W. Barber Ave		633.58
Due from Current Fund		2,504,064.59
	$	23,019,362.29

LIABILITIES, RESERVES and FUND BALANCE

Capital Improvement Fund	$	9,379.97
Improvement Authorizations:		
Funded		465,099.79
Unfunded		3,502,806.88
Reserve for Encumbrances		533,393.23
Green Acres Loan Payable		441,210.77
Reserve for Capital Projects		30,000.00
General Serial Bonds		11,470,000.00
Bond Anticipation Notes		2,650,000.00
Due to Water-Sewer Capital Fund		3,915,000.00
Fund Balance		2,471.65
	$	23,019,362.29

See Independent Accountant's Compilation Report and selected notes.

CITY OF WOODBURY

WATER - SEWER UTILITY FUND

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

As of December 31, 2019

ASSETS	
Operating Fund:	
Cash	$ 16,842.58
Due from Water-Sewer Utility Capital Fund	1,852,540.86
	1,869,383.44
Receivables with Full Reserves:	
Consumer Accounts Receivable	43,420.27
Utility Liens Receivable	33,588.06
	77,008.33
Deferred Charges	144,934.45
Total Operating Fund	2,091,326.22
Capital Fund:	
Cash	364,623.15
Due from Current Fund	100,000.00
Due from General Capital Fund	3,915,000.00
Fixed Capital	26,144,838.18
Fixed Capital Authorized and Uncompleted	13,127,080.56
Total Capital Fund	43,651,541.89
	$ 45,742,868.11

(Continued)

CITY OF WOODBURY

WATER - SEWER UTILITY FUND

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

As of December 31, 2019

LIABILITIES, RESERVES AND FUND BALANCE

Operating Fund:	
Liabilities:	
Appropriation Reserves	$ 26,632.67
Overpayments	46,064.08
Reserve for Encumbrances	79,184.24
Accounts Payable	3,062.67
Accrued Interest on Bonds and Notes	73,940.83
Due Current Fund	804,280.45
	1,033,164.94
Reserve for Receivables	77,008.33
Fund Balance	981,152.95
Total Operating Fund	2,091,326.22
Capital Fund:	
Serial Bonds	7,555,000.00
Bond Anticipation Notes	1,420,000.00
NJ Environmental Infrastructure Trust Loan Payable	3,269,486.57
Improvement Authorizations:	
Funded	1,808,323.92
Unfunded	782,054.80
Reserve for Encumbrances	519,735.99
Capital Improvement Fund	444,105.18
Due to Water and Sewer Operating	1,852,540.86
Reserves for:	
Amortization	25,718,968.35
Deferred Amortization	191,575.00
Fund Balance	89,751.22
Total Capital Fund	43,651,541.89
	$ 45,742,868.11

See Independent Accountant's Compilation Report and selected notes.

CITY OF WOODBURY
WATER - SEWER UTILITY OPERATING FUND
Statement of Operations and Changes in Fund Balance--Regulatory Basis
For the Years Ended December 31, 2019

Revenue and Other Income Realized	
Fund Balance Utilized	$ 827,228.36
Rents	5,030,640.10
Miscellaneous	33,515.68
Non-Budget Revenues	156,616.99
Other Credits to Income:	
Unexpended Balance of Appropriation Reserves	27,296.64
Total Income	6,075,297.77
Expenditures	
Operating	4,344,103.71
Capital Improvements	50,000.00
Debt Service	1,271,157.75
Deferred Charges and Statutory Expenditures	319,059.00
Total Expenditures	5,984,320.46
Excess (Deficit) in Revenue	90,977.31
Adjustments to Income before Surplus:	
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	144,934.45
Statutory Excess to Fund Balance	235,911.76
Fund Balance	
Balance Jan. 1	1,572,469.55
	1,808,381.31
Decreased by:	
Utilized by Water-Sewer Operating Budget	827,228.36
Balance Dec. 31	$ 981,152.95

See Independent Accountant's Compilation Report and selected notes.

CITY OF WOODBURY
Selected Information – Substantially All Disclosures Required
By the Regulatory Basis of Accounting Have Been Omitted
For the Year Ended December 31, 2019

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The City of Woodbury (hereafter referred to as the "City") was incorporated in January, 1871 and is located in southwest New Jersey approximately ten miles southeast of the City of Philadelphia. The population according to the 2010 census is 10,174.

The City has a form of government known as the Mayor-Council Plan A under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. The Mayor is separately elected. Executive and administrative responsibility rests with the Mayor, who is assisted by the City Administrator, Deputy City Administrator and City Clerk.

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

Woodbury Public Library
33 Delaware Street
Woodbury, New Jersey 08096

Annual financial reports may be inspected directly at the office of this component unit during regular business hours.

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

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

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

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

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

Water - Sewer Utility Operating and Capital Funds - The water - sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned water and sewer operations.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont’d)

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

Budgets and Budgetary Accounting - The City must adopt an annual budget for its current and water-sewer utility funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

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

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded. Investments recorded in the trust fund for the City’s length of service awards program, however, are stated at fair value.

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

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

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

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

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

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The City has adopted a capitalization threshold of $5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The City is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the City's basic financial statements.

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

Utility Fixed Assets - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment, improvements, and contributed capital.

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the general fixed asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

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

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

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

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

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the City's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the City's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the City which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the City's annual budget, but also the amounts required in support of the budgets of the County of Gloucester and the City of Woodbury School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The City is responsible for levying, collecting, and remitting school taxes for the City of Woodbury School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31.

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

Reserve for Uncollected Taxes - The inclusion of the "reserve for uncollected taxes" appropriation in the City's annual budget protects the City from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

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

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

Expenditures (Cont'd) - Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as income.

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital and utility capital funds. Where an improvement is a “local Improvement”, i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

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

FOR THE YEARS ENDED 2018, 2017, 2016, 2015 AND 2014

AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City Council
City of Woodbury
Woodbury, New Jersey 08096

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the City of Woodbury, in the County of Gloucester, State of New Jersey, as of December 31, 2018, 2017, 2016, 2015 and 2014, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey; 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 fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City'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 City'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.

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Opinions

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

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

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

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

In our opinion, because of the significance of the matter discussed in the "*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Woodbury, in the County of Gloucester, State of New Jersey, as of December 31, 2018, 2017, 2016, 2015 and 2014, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the City of Woodbury, in the County of Gloucester, State of New Jersey, as of December 31, 2018, 2017, 2016, 2015 and 2014, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Emphasis of Matter

Adoption of New Accounting Principles

As discussed in note 1 to the financial statements, during the year ended December 31, 2018, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75*, Accounting and Financial Reporting for Postemployment Benefits other than Pensions.* The adoption of this new accounting principle resulted in a material note disclosure (see note 9). As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this Statement only required financial statement disclosures. Our opinions are not modified with respect to this matter.

Respectfully submitted,

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

/s/ Michael D. Cesaro
Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
April 28, 2020

CITY OF WOODBURY
CURRENT FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--
Regulatory Basis

	As of December 31,				
	2018	2017	2016	2015	2014
ASSETS					
Cash	$5,370,929	$4,110,069	$4,082,051	$4,019,971	$3,995,055
Receivables with Full Reserves:					
Delinquent Property Taxes Receivable	1,055,031	866,560	690,031	799,010	942,174
Delinquent Tax Penalty Receivable					1,286
Tax Title Liens Receivable	220,506	150,237	68,310	524,214	448,909
Property Acquired for Taxes--Assessed Valuation	1,053,900	1,053,900	1,141,600	429,700	429,700
Revenue Accounts Receivable					20,164
Miscellaneous Accounts Receivable	4,200	4,200	4,200	4,200	4,200
Interfunds Receivable	493,890	80,609	6,702	41,985	112,849
Deferred Charges				55,057	
Federal and State Grant Funds Receivable	457,583	202,119	244,214	406,473	445,842
Total Assets	$8,656,039	$6,467,695	$6,237,109	$6,280,610	$6,400,180
LIABILITIES, RESERVES AND FUND BALANCE					
Appropriation Reserves	$256,568	$521,051	$305,025	$440,902	$482,579
Accounts Payable	23,376	54,357	33,647	53,240	30,511
Reserve for Encumbrances	488,319	161,533	238,023	321,184	185,098
Prepaid Taxes	324,874	709,043	259,989	206,609	187,066
Tax Overpayments	51,549	65,752	204,637	32,149	24,126
Due County for Added and Omitted Taxes	7,581	6,427	4,309	9,614	6,435
Due to Other Municipalities--Construction Local					16,307
Interfunds Payable	2,933,753	395,412	226,053	29,836	110,104
Due to State of New Jersey	25,152	25,727	24,937	26,283	24,963
Deposit for the Sale of Assets	5,854	5,854	5,854	5,854	5,854
Due to City of Woodbury Library	5,798	5,798	5,798	5,798	5,798
Reserve for Receivables and Other Assets	2,806,327	2,120,930	1,907,770	1,770,852	1,850,757
Reserve for Economic Development -- GCIA Interlocal Prepayment			40,000	40,000	
Reserve for FEMA Storm Expenses				16,562	
Reserve for Payment of Debt Service				45,163	24,370
Reserve for Federal and State Grants	168,296	211,126	218,537	209,768	548,569
Fund Balance	1,558,592	2,184,684	2,762,529	3,066,794	2,897,640
Total Liabilities, Reserves and Fund Balance	$8,656,039	$6,467,695	$6,237,109	$6,280,610	$6,400,180

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

CITY OF WOODBURY
CURRENT FUND
Statements of Operations and Changes in Fund Balance--
Regulatory Basis

	Years Ended December 31,				
	2018	2017	2016	2015	2014
Revenue Realized:					
Current Tax Collections	$25,799,588	$25,640,675	$25,642,317	$25,150,909	$24,815,525
Delinquent Tax Collections	854,432	661,777	757,054	955,735	788,191
Total Taxes	26,654,020	26,302,453	26,399,371	26,106,644	25,603,715
Miscellaneous Revenues Anticipated	3,475,785	3,143,219	3,372,783	3,160,742	3,186,614
Non-Budget and Other Income	726,832	558,157	599,183	681,235	488,344
Fund Balance Utilized	1,080,000	1,080,000	1,080,000	975,000	1,000,000
Total Income	31,936,637	31,083,829	31,451,338	30,923,621	30,278,673
Expenditures and Encumbrances:					
Operating	10,770,147	10,603,368	10,271,897	10,151,017	10,083,301
Capital Improvements	75,000	75,000	200,000	100,000	200,000
Debt Service	1,189,244	1,101,617	1,202,472	1,056,416	1,152,509
Deferred Charges--Excluded from CAPS			55,057		
Deferred Charges and Statutory Expenditures	1,237,885	1,173,013	1,158,990	1,139,402	1,063,753
County Taxes	3,947,405	3,925,426	4,132,791	4,044,985	3,978,162
Local District School Tax	13,833,390	13,659,097	13,491,507	13,261,959	13,017,827
Due State of New Jersey--Prior Year Taxes	3,000	1,750	1,250	2,042	1,843
Federal and State Grants Receivable Canceled				69,300	
Refund of a Prior Year Revenue			81,168		
Prior Year Tax Overpayments Created			80,472		
Creation of Reserves	426,657	42,404		9,404	306
Total Expenditures and Encumbrances	31,482,728	30,581,675	30,675,603	29,834,524	29,497,701
Excess in Revenues	453,909	502,154	775,735	1,089,097	780,972
Adjustments to Income Before Surplus:					
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year				55,057	
Statutory Excess to Fund Balance	453,909	502,154	775,735	1,144,154	780,972
Fund Balance Beginning of Year	2,184,684	2,762,529	3,066,794	2,897,640	3,116,669
	2,638,592	3,264,684	3,842,529	4,041,794	3,897,640
Decreased by:					
Utilized as Revenue	1,080,000	1,080,000	1,080,000	975,000	1,000,000
Fund Balance Ending of Year	$1,558,592	$2,184,684	$2,762,529	$3,066,794	$2,897,640

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

CITY OF WOODBURY
TRUST FUND
Statements of Assets, Liabilities, and Reserves --
Regulatory Basis

	As of December 31,				
	2018	2017	2016	2015	2014
ASSETS					
Cash	$993,237	$1,251,944	$1,393,189	$1,497,486	$1,325,789
Interfunds Receivable	80,525		8,433		
Investments - Length of Service Awards Program	243,676	254,088	235,987	222,818	
Due from State of New Jersey					
Due from Bank	7,272	7,272	7,272	7,272	7,272
Community Development Block Grant Receivable	152,300	102,300	78,300	64,000	
Other Accounts Receivable	125	125	125	125	125
Total Assets	$1,477,135	$1,615,729	$1,723,306	$1,791,701	$1,333,186
LIABILITIES AND RESERVES					
Interfund Loans Payable	$7,159	$7,159	$3,629	$9,903	$4,324
Other Liabilities and Reserve for Special Funds	1,469,976	1,608,570	1,719,678	1,781,798	1,328,862
Total Liabilities and Reserves	$1,477,135	$1,615,729	$1,723,306	$1,791,701	$1,333,186

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

CITY OF WOODBURY
GENERAL CAPITAL FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--
Regulatory Basis

	As of December 31,				
	2018	2017	2016	2015	2014
ASSETS					
Cash	$91,446	$4,185,854	$3,029,716	$95,146	$2,859,450
Deferred Charges to Future Taxation:					
Funded	12,712,034	13,402,713	3,758,038	4,589,401	5,394,808
Unfunded	4,984,567	3,418,758	12,848,271	10,947,771	9,709,000
Interfunds Receivable	2,927,092	360,835	214,547		
Other Accounts Receivable	934,900	856,553	648,909	298,901	50,000
Total Assets	$21,650,039	$22,224,713	$20,499,482	$15,931,220	$18,013,258
LIABILITIES, RESERVES AND FUND BALANCE					
General Serial Bonds	$12,235,000	$12,870,000	$3,150,000	$3,920,000	$4,665,000
Bond Anticipation Notes			10,135,000	4,769,000	4,769,000
State of New Jersey Green Acres Loan	490,021	545,700	608,038	669,401	729,808
Improvement Authorizations:					
Funded	721,401	838,211			193,899
Unfunded	3,888,045	3,258,857	3,741,645	2,672,619	4,948,659
Reserve for Encumbrances	309,182	712,683	375,995	1,220,392	2,692,157
Reserve for Donations			2,041	2,041	2,041
Reserve for Spot Blight	30,000	30,000			
Interfunds Payable	3,929,539	3,915,000	2,450,000	2,453,825	
Capital Improvement Fund	44,380	51,791	34,291	21,471	1,601
Other Liabilities and Reserve for Special Funds					
Fund Balance	2,472	2,472	2,472	202,472	11,094
Total Liabilities, Reserves and Fund Balance	$21,650,039	$22,224,713	$20,499,482	$15,931,220	$18,013,258

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

CITY OF WOODBURY
WATER AND SEWER UTILITY FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--
Regulatory Basis

	As of December 31,				
	2018	2017	2016	2015	2014
ASSETS					
Operating Fund:					
Cash	$479,465	$584,233	$806,594	$856,990	$740,070
Interfunds Receivable	1,889,875	1,810,168	1,810,269	1,785,133	1,784,752
Receivables with Full Reserves:					
Consumer Accounts Receivable	64,722	88,330	82,376	105,485	143,847
Liens Receivable	29,963	23,040	14,756	58,288	40,096
Miscellaneous Accounts Receivable					
Total Operating Fund	2,464,025	2,505,771	2,713,995	2,805,896	2,708,765
Capital Fund:					
Cash	31,012	582,295	629,956	427,680	293,692
Interfunds Receivable	3,915,000	3,915,000	2,450,000	2,450,000	
Fixed Capital	26,144,838	26,060,861	26,060,861	26,060,861	20,222,209
Fixed Capital Authorized and Uncompleted	12,017,081	11,172,081	10,597,081	8,197,081	13,669,212
Amount Due from New Jersey EIT					2,760,474
Total Capital Fund	42,107,931	41,730,237	39,737,898	37,135,621	36,945,587
Total Assets	$44,571,956	$44,236,008	$42,451,893	$39,941,517	$39,654,352

(Continued)

CITY OF WOODBURY
WATER AND SEWER UTILITY FUND
Statements of Assets, Liabilities, Reserves and Fund Balance--
Regulatory Basis

	As of December 31,				
	2018	2017	2016	2015	2014
LIABILITIES, RESERVES AND FUND BALANCE					
Operating Fund:					
Appropriation Reserves	$44,024	$74,087	$385,449	$373,021	$208,472
Accounts Payable	11,080	8,622	8,601	40,021	32,855
Accrued Interest on Bonds and Notes	80,844	137,008	78,914	87,093	93,532
Overpayments	53,260	7,130	15,548	9,674	36,093
Prepaid Rents	3,749	4,121	3,734	3,021	4,352
Reserve for Payment of Debt Service				23,969	13,444
Interfunds Payable	534,971	34,804			
Reserve for Encumbrances	68,942	124,374	67,855	117,073	79,543
Reserve for Receivables and Other Assets	94,685	111,371	97,131	163,773	183,943
Fund Balance	1,572,470	2,004,255	2,056,761	1,988,250	2,056,531
Total Operating Fund	2,464,025	2,505,771	2,713,995	2,805,896	2,708,765
Capital Fund:					
Serial Bonds	8,230,000	8,860,000	4,850,000	5,465,000	6,075,000
Bond Anticipation Notes			2,665,000	2,531,000	2,631,000
NJEIT Loan Payable	3,539,590	3,811,693	4,103,797	4,365,900	4,755,199
Interfunds Payable	1,889,875	1,810,168	1,810,269	1,783,553	1,783,173
Reserve for Encumbrances	36,262	12,100	437,386	81,119	137,276
Improvement Authorizations:					
Funded	1,975,892	2,174,112	338,221	340,705	1,308,800
Unfunded	937,016	548,948	2,067,112	179,335	446,358
Reserve for Payment of Bond Anticipation Notes				744,825	
Reserve for Amortization	24,773,865	23,787,785	22,840,681	20,418,753	19,342,380
Deferred Reserve for Amortization	191,575	191,575	191,575	191,575	295,844
Capital Improvement Fund	444,105	444,105	344,105	244,105	144,105
Fund Balance	89,751	89,751	89,751	789,751	26,452
Total Capital Fund	42,107,931	41,730,237	39,737,898	37,135,621	36,945,587
Total Liabilities, Reserves and Fund Balance	$44,571,956	$44,236,008	$42,451,893	$39,941,517	$39,654,352

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

CITY OF WOODBURY
WATER AND SEWER UTILITY FUND
Statements of Operations and Changes in Fund Balance--
Regulatory Basis

	Years Ended December 31,				
	2018	2017	2016	2015	2014
Revenue Realized:					
Fund Balance Utilized	$590,000	$590,000	$400,000	$400,000	$400,000
Rents	5,017,664	5,160,650	5,119,066	5,253,916	5,219,497
Miscellaneous Revenue Anticipated	34,804	35,835	41,565	32,360	21,937
Miscellaneous Revenue Not Anticipated	93,028	73,811	20,876	26,599	4,887
Reserve for Debt Service			23,969	13,444	
Capital Surplus			700,000		
Other Credits to Income	40,503	274,032	300,873	64,633	291,392
Total Income	5,775,999	6,134,328	6,606,349	5,790,952	5,937,713
Expenditures:					
Operating	3,970,000	3,820,000	3,845,000	3,867,000	3,837,000
Capital Improvements	80,265	192,500	100,000	100,000	19,000
Debt Service	1,252,784	1,267,834	2,011,838	1,310,233	1,452,099
Deferred Charges & Statutory Expenditures	314,735	316,500	181,000	182,000	171,000
Total Expenditures	5,617,784	5,596,834	6,137,838	5,459,233	5,479,099
Statutory Excess to Fund Balance	158,214	537,494	468,511	331,719	458,614
Fund Balance January 1	2,004,255	2,056,761	1,988,250	2,056,531	2,197,917
	2,162,470	2,594,255	2,456,761	2,388,250	2,656,531
Decreased by:					
Utilized by Water-Sewer Operating Budget	590,000	590,000	400,000	400,000	400,000
Utilized by Current Fund Budget					200,000
Fund Balance December 31	$1,572,470	$2,004,255	$2,056,761	$1,988,250	$2,056,531

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

CITY OF WOODBURY
Notes to Financial Statements
For the Year Ended December 31, 2018

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The City of Woodbury (hereafter referred to as the “City”) was incorporated in January, 1871 and is located in southwest New Jersey approximately ten miles southeast of the City of Philadelphia. The population according to the 2010 census is 10,174.

The City has a form of government known as the Mayor-Council Plan A under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. The Mayor is separately elected. Executive and administrative responsibility rests with the Mayor, who is assisted by the City Administrator, Deputy City Administrator and City Clerk.

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

Woodbury Public Library
33 Delaware Street
Woodbury, New Jersey 08096

Annual financial reports may be inspected directly at the office of this component unit during regular business hours.

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

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

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

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

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

Water - Sewer Utility Operating and Capital Funds - The water - sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned water and sewer operations.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)

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

Budgets and Budgetary Accounting - The City must adopt an annual budget for its current and water-sewer utility funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

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

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded. Investments recorded in the trust fund for the City's length of service awards program, however, are stated at fair value.

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

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

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

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

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

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The City has adopted a capitalization threshold of $5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The City is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the City's basic financial statements.

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

Utility Fixed Assets - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment, improvements, and contributed capital.

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the general fixed asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

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

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

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

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

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the City's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the City's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the City which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the City's annual budget, but also the amounts required in support of the budgets of the County of Gloucester and the City of Woodbury School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The City is responsible for levying, collecting, and remitting school taxes for the City of Woodbury School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31.

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

Reserve for Uncollected Taxes - The inclusion of the "reserve for uncollected taxes" appropriation in the City's annual budget protects the City from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

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

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

Expenditures (Cont'd) - Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as income.

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital and utility capital funds. Where an improvement is a “local Improvement”, i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

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

Note 2: CASH AND CASH EQUIVALENTS

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

As of December 31, 2018, all of the City’s bank balances of $8,588,336.59 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	$ 8,588,336.59
Uninsured and Uncollateralized	-
Total	$ 8,588,336.59

New Jersey Cash Management Fund - During the year, the City participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At December 31, 2018, the City’s deposits with the New Jersey Cash Management Fund were $1,500,098.74.

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	Year Ended				
	2018	**2017**	**2016**	**2015**	**2014**
Tax Rate	$ 4.666	$ 4.587	$ 4.523	$ 4.449	$ 4.379
Apportionment of Tax Rate:					
Municipal	$ 1.555	$ 1.531	$ 1.484	$ 1.469	$ 1.469
Municipal Library	.033	.033	.035	.035	.036
County	.642	.634	.661	.644	.628
County Open Space Preservation Trust Fund	.041	.041	.043	.044	.044
Local School	2.395	2.348	2.300	2.257	2.202

Assessed Valuation

Year	Amount
2018	$ 577,763,282.00
2017	581,707,125.00
2016	586,645,741.00
2015	587,653,054.00
2014	591,432,151.00

Comparison of Tax Levies and Collections

Year	Tax Levy	Collections	Percentage of Collections
2018	$ 27,010,214.18	$ 25,799,587.89	95.52%
2017	26,726,540.05	25,640,675.23	95.94%
2016	26,561,722.24	25,642,317.11	96.54%
2015	26,206,867.00	25,150,909.32	95.97%
2014	25,940,870.68	24,815,524.55	95.66%

Note 3: PROPERTY TAXES (CONT'D)

Delinquent Taxes and Tax Title Liens

Year	Tax Title Liens	Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2018	$ 220,506.27	$ 1,055,030.75	$ 1,275,537.02	4.72%
2017	150,237.21	866,560.12	1,016,797.33	3.80%
2016	68,310.40	690,031.04	758,341.44	2.86%
2015	524,214.20	799,009.89	1,323,224.09	5.05%
2014	448,908.84	942,173.92	1,391,082.76	5.36%

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, for the current and previous four years was as follows:

Year	Amount
2018	$ 1,053,900.00
2017	1,053,900.00
2016	1,141,600.00
2015	429,700.00
2014	429,700.00

Note 5: WATER-SEWER UTILITY SERVICE CHARGES

The following is a five-year comparison of water-sewer utility service charges (rents) for the current and previous four years:

	Balance Beginning of Year				
Year	Receivable	Liens	Levy	Total	Collections
2018	$ 88,330.25	$ 23,040.40	$ 5,000,978.08	$ 5,112,348.73	$ 5,017,663.80
2017	82,375.96	14,755.53	5,174,519.04	5,271,650.53	5,160,649.94
2016	105,485.42	58,287.65	5,099,933.00	5,263,706.07	5,119,066.20
2015	143,847.35	40,096.14	5,231,588.59	5,415,532.08	5,253,915.75
2014	87,378.74	53,562.32	5,290,008.46	5,430,949.52	5,069,179.82

Note 6: FUND BALANCES APPROPRIATED

The following schedules detail the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

Current Fund

Year	Balance December 31,	Utilized in Budget of Succeeding Year	Percentage of Fund Balance Used
2018	$ 1,558,592.27	$ 1,080,000.00	69.29%
2017	2,184,683.57	1,080,000.00	49.44%
2016	2,762,529.10	1,080,000.00	39.09%
2015	3,066,794.49	1,080,000.00	35.22%
2014	2,699,219.50	975,000.00	36.12%

Water - Sewer Utility Fund

Year	Balance December 31,	Utilized in Budget of Succeeding Year	Percentage of Fund Balance Used
2018	$ 1,572,469.55	$ 827,228.36	52.61%
2017	2,004,255.10	590,000.00	29.44%
2016	2,056,761.36	590,000.00	28.69%
2015	1,988,250.25	400,000.00	20.12%
2014	2,056,531.43	400,000.00	19.45%

Note 7: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2018:

Fund	Interfunds Receivable	Interfunds Payable
Current	$ 472,689.54	$ 2,933,753.22
Federal and State Grant	21,200.19	
Trust - Animal Control		9,849.64
Trust - Other	80,525.25	8,394.22
General Capital	2,927,092.03	3,929,539.00
Water - Sewer Utility - Operating	1,889,875.02	534,970.93
Water - Sewer Utility - Capital	3,915,000.00	1,889,875.02
	$ 9,306,382.03	$ 9,306,382.03

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2019, the City expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: <u>PENSION PLANS</u>

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

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

<u>General Information about the Pension Plans</u>

Plan Descriptions

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

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

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least $5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least $5,000.00 annually.

Note 8: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the 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 to enroll on or after November 2, 2008 and prior to May 21, 2010
4	Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

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

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

The following represents the membership tiers for PFRS:

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

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

Note 8: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Vesting and Benefit Provisions (Cont'd)

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

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of 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 7.34% in State fiscal year 2018. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) was 10% in State fiscal year 2018. Employers' contribution are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The City's contractually required contribution rate for the year ended December 31, 2018 was 16.29% of the City's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2018, the City's contractually required contribution to the pension plan for the year ended December 31, 2018 is $343,641.00, and was payable by April 1, 2019. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2017, the City's contractually required contribution to the pension plan for the year ended December 31, 2017 was $319,391.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were $158,778.65.

Police and Firemen's Retirement System - The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the active member contribution rate was 10% in State fiscal year 2018. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

Note 8: <u>PENSION PLANS (CONT'D)</u>

General Information about the Pension Plans (Cont'd)

Contributions (Cont'd)

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

The City's contractually required contribution rate for the year ended December 31, 2018 was 28.23% of the City's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2018, the City's contractually required contribution to the pension plan for the year ended December 31, 2018 is $760,334.00, and was payable by April 1, 2019. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2017, the City's contractually required contribution to the pension plan for the year ended December 31, 2017 was $728,955.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were $274,020.00.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the City, for the year ended December 31, 2018 was 3.14% of the City's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2018, the State's contractually required contribution, on-behalf of the City, to the pension plan for the year ended December 31, 2018 is $84,660.00, and was payable by April 1, 2019. Based on the PFRS measurement date of June 30, 2017, the State's contractually required contribution, on-behalf of the City, to the pension plan for the year ended December 31, 2017 was $71,219.00, which was paid on April 1, 2018.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the City contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the year ended December 31, 2018, employee contributions totaled $11,716.63, and the City's contributions were $6,390.89. There were no forfeitures during the year.

Note 8: PENSION PLANS (CONT'D)

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

Public Employees' Retirement System - At December 31, 2018, the City's proportionate share of the PERS net pension liability was $6,802,329.00. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2018 measurement date, the City's proportion was 0.0345480018%, which was an increase of 0.0000711728% from its proportion measured as of June 30, 2017.

At December 31, 2018, the City's proportionate share of the PERS pension expense, calculated by the Plan as of the June 30, 2018 measurement date is $185,281.00. This expense is not recognized by the City because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2018, the City's contribution to PERS was $319,391.00, and was paid on April 1, 2018.

Police and Firemen's Retirement System - At December 31, 2018, the City's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

City's Proportionate Share of Net Pension Liability	$ 10,523,808.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the City	1,429,485.00
	$ 11,953,293.00

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2018 measurement date, the City's proportion was 0.0777718073%, which was a decrease of (0.0045942714%) from its proportion measured as of June 30, 2017. Likewise, at June 30, 2018, the State of New Jersey's proportion, on-behalf of the City, was 0.0777718073%, which was a decrease of (0.0045942714%) from its proportion, on-behalf of the City, measured as of June 30, 2017.

At December 31, 2018, the City's proportionate share of the PFRS pension expense, calculated by the Plan as of the June 30, 2018 measurement date is $627,856.00. This expense is not recognized by the City because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2018, the City's contribution to PFRS was $728,955.00, and was paid on April 1, 2018.

At December 31, 2018, the State's proportionate share of the PFRS pension expense, associated with the City, calculated by the Plan as of the June 30, 2018 measurement date is $169,320.00. This on-behalf expense is not recognized by the City because of the regulatory basis of accounting as described in note 1.

Note 8: <u>PENSION PLANS (CONT'D)</u>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2018, the City had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	$ 129,721.00	$ 107,066.00	$ 236,787.00	$ 35,075.00	$ 43,550.00	$ 78,625.00
Changes of Assumptions	1,120,911.00	903,327.00	2,024,238.00	2,175,023.00	2,697,070.00	4,872,093.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	63,806.00	57,575.00	121,381.00
Changes in Proportion and Differences between City Contributions and Proportionate Share of Contributions	60,338.00	41,791.00	102,129.00	502,136.00	789,032.00	1,291,168.00
City Contributions Subsequent to the Measurement Date	171,821.00	380,167.00	551,988.00	-	-	-
	$ 1,482,791.00	$ 1,432,351.00	$ 2,915,142.00	$ 2,776,040.00	$ 3,587,227.00	$ 6,363,267.00

$171,821.00 and $380,167.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2019. These amounts were based on an estimated April 1, 2020 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2018 to the City's year end of December 31, 2018.

Note 8: PENSION PLANS (CONT'D)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

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

	PERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014	-	-	-	-
June 30, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
June 30, 2018	-	5.63	5.73	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	-
June 30, 2017	-	5.48	-	5.59
June 30, 2018	-	5.63	-	5.73
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014	-	5.00	-	5.00
June 30, 2015	5.00	-	5.00	-
June 30, 2016	5.00	-	5.00	-
June 30, 2017	-	5.00	-	5.00
June 30, 2018	-	5.00	-	5.00
Changes in Proportion and Differences between City Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58
June 30, 2017	5.48	5.48	5.59	5.59
June 30, 2018	5.63	5.63	5.73	5.73

Note 8: PENSION PLANS (CONT'D)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

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

Year Ending Dec 31,	PERS	PFRS	Total
2019	$ (146,109.00)	$ (97,865.00)	$ (243,974.00)
2020	(247,463.00)	(485,542.00)	(733,005.00)
2021	(543,412.00)	(1,000,638.00)	(1,544,050.00)
2022	(399,781.00)	(686,987.00)	(1,086,768.00)
2023	(128,305.00)	(264,011.00)	(392,316.00)
	$ (1,465,070.00)	$ (2,535,043.00)	$ (4,000,113.00)

Actuarial Assumptions

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	PERS	PFRS
Inflation Rate	2.25%	2.25%
Salary Increases:		
Through 2026	1.65% - 4.15% Based on Age	2.10% - 8.98% Based on Age
Thereafter	2.65% - 5.15% Based on Age	3.10% - 9.98% Based on Age
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014	July 1, 2010 - June 30, 2013

Note 8: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

For PERS, preretirement 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 Conduent modified 2014 projection scale. Postretirement 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent modified 2014 projection scale thereafter. 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).

For PFRS, preretirement mortality rates were based on the RP-2000 Combined Healthy Mortality tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. For preretirement accidental mortality, a custom table with representative rates was used and there is no mortality improvements assumed. Post-retirement mortality rates for male service retirements are based the RP-2000 Combined Healthy Mortality Tables projected on a generational basis using Projection Scale AA from the base year of 2012 to 2013 and the Conduent modified 2014 projection scale thereafter. Postretirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis from the base year 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. Disability mortality rates were based on a custom table with representative rates and no mortality improvements assumed.

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' and PFRS' target asset allocation as of June 30, 2018 are summarized in the following table:

Note 8: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
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%
	100.00%	

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2018 was 5.66% for PERS and 6.51% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension Plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, 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 rates assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% 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 2046 for PERS and through 2062 for PFRS; therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments through 2046 for PERS and through 2062 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

Note 8: PENSION PLANS (CONT'D)

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

Public Employees' Retirement System (PERS) - The following presents the City's proportionate share of the net pension liability at June 30, 2018, the Plan's measurement date, calculated using a discount rate of 5.66%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
City's Proportionate Share of the Net Pension Liability	$ 8,553,145.00	$ 6,802,329.00	$ 5,333,507.00

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the City's annual required contribution. As such, the net pension liability as of June 30, 2018, the Plan's measurement date, for the City and the State of New Jersey, calculated using a discount rate of 6.51%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	PFRS		
	1% Decrease (5.51%)	Current Discount Rate (6.51%)	1% Increase (7.51%)
City's Proportionate Share of the Net Pension Liability	$ 14,084,811.00	$ 10,523,808.00	$ 7,586,629.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the City	1,913,188.28	1,429,485.00	1,030,517.90
	$ 15,997,999.28	$ 11,953,293.00	$ 8,617,146.90

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS and PFRS, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at https://www.nj.gov/treasury/pensions/financial-reports.shtml.

Note 8: PENSION PLANS (CONT'D)

Supplementary Pension Information

In accordance with GASBS 68, the following information is also presented for the PERS and PFRS Pension Plans. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the City's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Six Years)

	Measurement Date Ended June 30,		
	2018	**2017**	**2016**
City's Proportion of the Net Pension Liability	0.0345480018%	0.0344768290%	0.0342851077%
City's Proportionate Share of the Net Pension Liability	$ 6,802,329.00	$ 8,025,655.00	$ 10,154,266.00
City's Covered Payroll (Plan Measurement Period)	$ 2,364,060.00	$ 2,357,556.00	$ 2,360,252.00
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	287.74%	340.42%	430.22%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%

	Measurement Date Ended June 30,		
	2015	**2014**	**2013**
City's Proportion of the Net Pension Liability	0.0384752545%	0.0405159927%	0.0400341310%
City's Proportionate Share of the Net Pension Liability	$ 8,636,924.00	$ 7,585,702.00	$ 7,651,318.00
City's Covered Payroll (Plan Measurement Period)	$ 2,659,060.00	$ 2,739,728.00	$ 2,812,020.00
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	324.81%	276.88%	272.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

Note 8: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

Schedule of the City's Contributions - Public Employees' Retirement System (PERS) (Last Six Years)

	Year Ended December 31,		
	2018	**2017**	**2016**
City's Contractually Required Contribution	$ 343,641.00	$ 319,391.00	$ 304,584.00
City's Contribution in Relation to the Contractually Required Contribution	(343,641.00)	(319,391.00)	(304,584.00)
City's Contribution Deficiency (Excess)	$ -	$ -	$ -
City's Covered Payroll (Calendar Year)	$ 2,109,824.00	$ 2,273,975.00	$ 2,355,219.00
City's Contributions as a Percentage of Covered Payroll	16.29%	14.05%	12.93%

	Year Ended December 31,		
	2015	**2014**	**2013**
City's Contractually Required Contribution	$ 330,784.00	$ 334,008.00	$ 301,649.00
City's Contribution in Relation to the Contractually Required Contribution	(330,784.00)	(334,008.00)	(301,649.00)
City's Contribution Deficiency (Excess)	$ -	$ -	$ -
City's Covered Payroll (Calendar Year)	$ 2,373,870.00	$ 2,613,991.00	$ 2,702,834.00
City's Contributions as a Percentage of Covered Payroll	13.93%	12.78%	11.16%

Note 8: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

Schedule of the City's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Six Years)

	Measurement Date Ended June 30,		
	2018	**2017**	**2016**
City's Proportion of the Net Pension Liability	0.0777718073%	0.0823660787%	0.0831570274%
City's Proportionate Share of the Net Pension Liability	$ 10,523,808.00	$ 12,715,730.00	$ 15,885,119.00
State's Proportionate Share of the Net Pension Liability associated with the City	1,429,485.00	1,424,269.00	1,333,956.00
Total	$ 11,953,293.00	$ 14,139,999.00	$ 17,219,075.00
City's Covered Payroll (Plan Measurement Period)	$ 2,585,472.00	$ 2,666,164.00	$ 2,564,700.00
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	407.04%	476.93%	619.38%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.48%	58.60%	52.01%

	Measurement Date Ended June 30,		
	2015	**2014**	**2013**
City's Proportion of the Net Pension Liability	0.0831013469%	0.0861774062%	0.0846628071%
City's Proportionate Share of the Net Pension Liability	$ 13,841,788.00	$ 10,840,318.00	$ 11,255,156.00
State's Proportionate Share of the Net Pension Liability associated with the City	1,213,878.00	1,167,320.00	1,049,117.00
Total	$ 15,055,666.00	$ 12,007,638.00	$ 12,304,273.00
City's Covered Payroll (Plan Measurement Period)	$ 2,599,744.00	$ 2,721,904.00	$ 2,645,540.00
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	532.43%	398.26%	425.44%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%	58.70%

Note 8: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

Schedule of the City's Contributions - Police and Firemen's Retirement System (PFRS) (Last Six Years)

	Year Ended December 31,		
	2018	**2017**	**2016**
City's Contractually Required Contribution	$ 760,334.00	$ 728,955.00	$ 678,013.00
City's Contribution in Relation to the Contractually Required Contribution	(760,334.00)	(728,955.00)	(678,013.00)
City's Contribution Deficiency (Excess)	$ -	$ -	$ -
City's Covered Payroll (Calendar Year)	$ 2,693,272.00	$ 2,619,948.00	$ 2,657,229.00
City's Contributions as a Percentage of Covered Payroll	28.23%	27.82%	25.52%

	Year Ended December 31,		
	2015	**2014**	**2013**
City's Contractually Required Contribution	$ 675,490.00	$ 661,902.00	$ 617,681.00
City's Contribution in Relation to the Contractually Required Contribution	(675,490.00)	(661,902.00)	(617,681.00)
City's Contribution Deficiency (Excess)	$ -	$ -	$ -
City's Covered Payroll (Calendar Year)	$ 2,532,514.00	$ 2,600,055.00	$ 2,645,494.00
City's Contributions as a Percentage of Covered Payroll	26.67%	25.46%	23.35%

Note 8: PENSION PLANS (CONT'D)

Other Notes to Supplementary Pension Information

Public Employees' Retirement System (PERS)

Changes in Benefit Terms
None

Changes in Assumptions
The Discount Rate changed at June 30th over the following years, 5.39% 2014, 4.90% 2015, 3.98% 2016, 5.00% 2017 and 5.66% 2018.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017 and 2018.

For 2016, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the Plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter.

For 2015, the social security wage base was set at $118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at $265,000.00 for 2015, increasing 3.00% per annum, compounded annually.

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms
In 2017, Chapter 26, P.L. 2016 increased the accidental death benefit payable to children if there is no surviving spouse to 70% of final compensation.

Changes in Assumptions
The Discount Rate changed at June 30th over the following years, 6.32% 2014, 5.79% 2015, 5.55% 2016, 6.14% 2017 and 6.51% 2018.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017 and 2018.

For 2016, the mortality improvement scale incorporated the Plan actuary's modified 2014 projection scale. Further, salary increases were assumed to increase between 2.10% and 8.98% (based on age) through fiscal year 2026 and 3.10% and 9.98% (based on age) for each fiscal year thereafter.

For 2015, demographic assumptions were revised in accordance with the results of the July 1, 2010 - June 30, 2013 experience study.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description and Benefits Provided - The City provides a postretirement health care benefit for retirees, which includes reimbursement of the Medicare Part B premium for retirees or surviving spouses. The City provides a single employer post-employment healthcare plan, which is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, and covers the following retiree population: police officers, firemen, and employees of the department of public works with the City and who have at least twenty-five (25) years of public employment, of which at least twenty (20) are in service with the City. Reimbursement of Medicare Part B premiums are provided to eligible retired employees and their surviving spouses. Currently, medical and prescription drug benefits are provided by the State Health Benefits Plan. Therefore, the liabilities are not included in this valuation. The reimbursement of the Medicare Part B premium for retirees or surviving Spouses upon the death of the retiree is included in this valuation for the Police (PBA) and Fire (FMBA) unions. Those covered under DPW with 25 years of service as of November 27, 2018 are also entitled to receive the Medicare reimbursement. Dental benefits and life insurance are not provided to retired employees or spouses.

Employees Covered by Benefit Terms - As of December 31, 2018, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	21
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	35
	56

Total OPEB Liability

The City's total OPEB liability of $896,020.00 was measured as of December 31, 2018 and was determined by an actuarial valuation as of this same date.

Actuarial Assumptions and Other Inputs - The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Mortality Rate	RP-2000 Combined Mortality Table
Discount Rate	3.64%
Age at Retirement	No earlier than age 55
Healthcare Cost Trend Rates	Medical: Gross costs will increase an annual rate of 7.0% for Pre-Medicare medical benefits and 5% for Post-Medicare medical benefits.
Administration Expenses	Annual cost to administer the retiree claims is approximately 2% and is included in the annual health care costs.

The discount rate was based on the 20-Bond General Obligation (GO) Index.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Changes in Total OPEB Liability

Balance at December 31, 2017		$ 704,305.00
Changes for the Year:		
Service Cost	$ 33,088.00	
Interest Cost	25,015.00	
Benefit Payments	(34,146.00)	
Changes in Assumptions	(80,395.00)	
Difference Between Expected and Actual Experience	248,153.00	
Net Changes		191,715.00
Balance at December 31, 2018		$ 896,020.00

Sensitivity of Total OPEB Liability to Changes in Discount Rate - The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated for using a discount rate that is 1-percentage -point lower or 1-percentage-point higher than the current discount rate:

	1.00% Decrease (2.44%)	Current Discount Rate (3.44%)	1.00% Increase (4.44%)
Total OPEB Liability	$ 1,074,813.00	$ 896,020.00	$ 756,634.00

Sensitivity of Total OPEB Liability to Changes in Healthcare Cost Trend Rates - The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
Total OPEB Liability	$ 731,539.00	$ 896,020.00	$ 1,121,795.00

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the City recognized OPEB expense of $58,103.00. As of December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	$ -	$ -
Difference Between Expected and Actual Experience	-	-
Contributions Subsequent to the Measurement Date	3,301,240.00	-
	$ 3,301,240.00	$ -

Note 9: <u>POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)</u>

Supplementary OPEB Information

In accordance with GASBS No. 75, the following information is also presented for the City's OPEB Plan. This schedule is presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Total OPEB Liability

Service Cost	$ 33,088.000
Interest Cost	25,015.00
Benefit Payments	(34,146.00)
Changes in Assumptions	(80,395.00)
Difference Between Expected and Actual Experience	248,153.00
Net Change in Total OPEB Liability	191,715.00
Total OPEB Liability - Beginning of Year	704,305.00
Total OPEB Liability - End of Year	$ 896,020.00
Covered-Employee Payroll	$ 4,803,096.00
Total OPEB Liability as a Percentage of Covered-Employee Payroll	18.66%

Notes to Schedule:

Changes of Benefit Terms:
None

Changes of Assumptions:
The mortality, discount rate and retirement age assumptions were changed from the prior valuation to more closely represent current actuarial trends and requirements under GASB 75.
The assumption was changed that retirees and spouses would both receive Medicare Part B reimbursements.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

General Information about the OPEB Plan

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

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

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

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

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

The City was billed monthly by the Plan and paid $1,242,274.56 for the year ended December 31, 2018, representing 25.86% of the City's covered payroll. During the year ended December 31, 2018, retirees were required to contribute $411.00.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

General Information about the OPEB Plan (Cont'd)

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

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80% of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the City, is not known, however, under the Special Funding Situation, the State's OPEB expense, on-behalf of the City, is $205,204.00 for the year ended December 31, 2018 representing 4.27% of the City's covered payroll.

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

OPEB Liability - At December 31, 2018 the City's and State's proportionate share of the net OPEB liability were as follows:

City's Proportionate Share of Net OPEB Liability	$ 17,094,160.00
State of New Jersey's Proportionate Share of Net OPEB Liability Associated with the City	6,778,869.00
	$ 23,873,029.00

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018.

The City's proportion of the net OPEB liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2017 through June 30, 2018. For the June 30, 2018 measurement date, the City's proportion was 0.109112% which was an increase of 0.000454% from its proportion measured as of the June 30, 2017 measurement date.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)

OPEB Liability (cont'd) - The State's proportion of the net OPEB liability, on-behalf of the City was based on the ratio of the plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2017 through June 30, 2018. For the June 30, 2018 measurement date, the State's proportion on-behalf of the City was 0.109093% which was an increase of 0.004908% from its proportion measured as of the June 30, 2017 measurement date.

OPEB Expense - At December 31, 2018, the City's proportionate share of the OPEB expense, calculated by the Plan as of the June 30, 2018 measurement date is $426,412.00. This expense is not recognized by the City because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2018, the City made contributions to the Plan totaling $1,242,274.56.

At December 31, 2018, the State's proportionate share of the OPEB expense, associated with the City, calculated by the Plan as of the June 30, 2018 measurement date is $205,204.00. This on-behalf expense is not recognized by the City because of the regulatory basis of accounting as described in note 1.

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2018, the City had deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ -	$ 3,470,724.00
Changes of Assumptions	-	4,336,158.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	9,034.00	-
Changes in Proportion and Differences between City Contributions and Proportionate Share of Contributions	90,310.00	1,519,263.00
City Contributions Subsequent to the Measurement Date	724,273.04	-
	$ 823,617.04	$ 9,326,145.00

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - $724,273.04 reported as deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be included as a reduction of the City's net OPEB liability during the year ending December 31, 2019. The City will amortize the above other deferred outflow of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions		
Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04
June 30, 2018	-	8.14
Net Difference between Projected and Actual Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:		
June 30, 2017	5.00	-
June 30, 2018	5.00	-
Changes in Proportion and Differences between City Contributions and Proportionate Share of Contributions		
Year of OPEB Plan Deferral:		
June 30, 2017	8.04	8.04
June 30, 2018	8.14	8.14

Other amounts included as deferred outflows of resources and deferred inflows of resources related to the OPEB liability will be recognized in future periods as follows:

Year Ending Dec. 31,	
2019	$ (1,383,896.00)
2020	(1,383,896.00)
2021	(1,383,896.00)
2022	(1,384,851.00)
2023	(1,386,393.00)
Thereafter	(2,303,869.00)
	$ (9,226,801.00)

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Actuarial Assumptions

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2018 used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases *	
Through 2026	1.65% - 8.98%
Thereafter	2.65% - 9.98%

* Salary Increases are Based on the Defined Benefit Plan that the Member is Enrolled in and his or her Age.

Preretirement mortality rates were based on the RP-2006 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-2006 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-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the July 1, 2017 valuation were based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan – the Police and Firemen Retirement System (PFRS) and the Public Employees' Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2010 to June 30, 2013 and July 1, 2011 to June 30, 2014, respectively.

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

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

Discount Rate - The discount rate used to measure the OPEB Liability at June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Health Care Trend Assumptions - For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

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

As previously mentioned, the OPEB Plan has a special funding situation where the State of New Jersey pays a portion of the City's contributions for certain eligible employees. As such, the proportionate share of the net OPEB liability as of June 30, 2018, the Plans measurement date, for the City and the State of New Jersey, calculated using a discount rate of 3.87%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
City's Proportionate Share of the Net OPEB Liability	$ 20,055,969.00	$ 17,094,160.00	$ 14,728,345.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the City	7,953,406.00	6,778,869.00	5,840,680.00
	$ 28,009,375.00	$ 23,873,029.00	$ 20,569,025.00

Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The City's and State's proportionate share of the net OPEB Liability as of June 30, 2018, the Plans measurement date, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
City's Proportionate Share of the Net OPEB Liability	$ 14,259,270.00	$ 17,094,160.00	$ 20,762,929.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the City	5,654,664.00	6,778,869.00	8,233,758.00
	$ 19,913,934.00	$ 23,873,029.00	$ 28,996,687.00

OPEB Plan Fiduciary Net Position

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about the Plan, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at https://www.state.nj.us/treasury/pensions/financial-reports.shtml.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Supplementary OPEB Information

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

Schedule of the City's Proportionate Share of the net OPEB Liability (Last 2 Years)

	Measurement Date Ended June 30,	
	2018	**2017**
City's Proportion of the Net OPEB Liability	0.109112%	0.108658%
City's Proportionate Share of the Net OPEB Liability	$ 17,094,160.00	$ 22,183,388.00
State's Proportionate Share of the Net OPEB Liability Associated with the City	6,778,869.00	9,059,316.00
Total	$ 23,873,029.00	$ 31,242,704.00
City's Covered Payroll (Plan Measurement Period)	$ 4,814,954.00	$ 5,006,782.00
City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	355.02%	443.07%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.97%	1.03%

Schedule of the City's Contributions (Last 2 Years)

	Year Ended December 31,	
	2018	**2017**
City's Required Contributions	$ 1,242,274.56	$ 1,224,308.78
City's Contributions in Relation to the Required Contribution	(1,242,274.56)	(1,224,308.78)
City's Contribution Deficiency (Excess)	$ -	$ -
City's Covered Payroll (Calendar Year)	$ 4,803,096.00	$ 4,893,923.00
City's Contributions as a Percentage of Covered Payroll	25.86%	25.02%

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms

None

Changes in Assumptions

In 2017, the discount rate changed to 3.58% from 2.85%. In 2018, the discount rate changed to 3.87% from 3.58%, there were changes in the census, claims and premiums experience and a decrease in the assumed health care cost trend and excise tax assumptions.

Note 10: COMPENSATED ABSENCES

Vacation days and unused sick leave may not be accumulated and carried forward to the subsequent year.

The City of Woodbury does not compensate employees for unused sick leave upon termination or retirement.

Note 11: DEFERRED COMPENSATION SALARY ACCOUNT

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

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

Note 12: CAPITAL DEBT

Long Term Loans - General Capital Fund

State of New Jersey Green Acres Assistance Loan Payable:

The City of Woodbury has entered into loan agreements with the State of New Jersey under the Green Acres Program. The loans shall be repaid in semi-annual installments over a period not to exceed 20 years. Interest shall accrue at a rate of not more than 2.00%.

	Interest Rate	Original Amounts	Last Maturity Date	Balance Dec. 31, 2018
Green Acres Assistance Loans	2.00%	$ 1,166,000.00	2030	$ 490,020.50

Note 12: CAPITAL DEBT (CONT'D)

Long-Term Loans – Water-Sewer Utility Capital Fund

State of New Jersey Environmental Infrastructure Loan Payable:

The City of Woodbury entered into a loan agreements with the State of New Jersey Environmental Infrastructure Trust in 2010 and 2013. The loan consists of two parts- a Trust Loan repayable at market interest rates and a Fund Loan repayable with no interest.

	Interest Rate	Last Maturity Date	Amount Issued	Balance Dec. 31, 2018
2013 Trust Loan	3% to 5%	2032	$ 1,265,000.00	$ 1,015,000.00
2013 Fund Loan	None	2032	1,339,883.00	946,763.38
2010 Trust Loan	4% to 5%	2029	725,000.00	465,000.00
2010 Fund Loan	None	2028	2,217,010.00	1,112,826.56
			$ 5,546,893.00	$ 3,539,589.94

Schedule of Annual Debt Service for Principal and Interest for Long-Term Loans

	General		Water-Sewer Utility		
Year	Principal	Interest	Principal	Interest	Total
2019	$ 48,809.75	$ 6,672.64	$ 270,103.37	$ 60,120.00	$ 385,705.76
2020	49,533.15	5,949.26	280,103.37	56,600.00	392,185.78
2021	50,271.06	5,211.34	279,103.37	52,680.00	387,265.77
2022	51,023.83	4,458.58	285,103.37	48,800.00	389,385.78
2023	51,791.69	3,690.70	285,103.37	44,680.00	385,265.76
2024-2028	219,360.24	6,928.64	1,495,050.21	154,780.00	1,876,119.09
2029-2032	19,230.78	-	645,022.88	45,385.00	709,638.66
	$ 490,020.50	$ 32,911.16	$ 3,539,589.94	$ 463,045.00	$ 4,525,566.60

General Improvement Bonds

Taxable Refunding Bonds, Series 2003 - On April 1, 2003, the City issued $1,345,000.00 of taxable refunding bonds, with interest rates ranging from 5.60% to 5.70%. The bonds were issued in accordance with the Early Retirement Refinancing Act, P.L. 2002, c.42 to fund the costs and expenses of retiring the present value of the unfunded accrued liability due and owing for early retirement incentive benefits. The final maturity of the bonds is April 1, 2025. The bonds will be paid from property taxes.

General Obligation Bonds, Series 2009 - On November 4, 2009, the City issued $6,550,000.00 of general obligation bonds consisting of $2,665,000.00 General Capital Improvement Bonds and $3,885,000.00 Water and Sewer Utility Bonds, with interest rates ranging from 3.00% to 4.25%. The final maturity of these bonds is November 1, 2029. The General Capital bonds will be paid from property taxes and the Water and Sewer Utility Bonds will be paid from rents.

Note 12: CAPITAL DEBT (CONT'D)

General Improvement Bonds (Cont'd)

General Obligation Refunding Bonds, Series 2011 - On September 28, 2011, the City issued $4,655,000.00 of general obligation bonds consisting of $1,720,000.00 General Capital Improvement Bonds and $2,935,000.00 Water and Sewer Utility Bonds, with interest rates ranging from 2.00% to 4.00%. The final maturity of these bonds is August 1, 2022. The General Capital bonds will be paid from property taxes and the Water and Sewer Utility Bonds will be paid from rents.

General Obligation Bonds, Series 2017 - On June 7, 2017, the City issued $14,800,000.00 of general obligation bonds consisting of $10,335,000.00 General Capital Improvement Bonds and $4,465,000.00 Water and Sewer Utility Bonds, with interest rates ranging from 1.25% to 3.00%. The final maturity of these bonds is May 1, 2037. The General Capital bonds will be paid from property taxes and the Water and Sewer Utility Bonds will be paid from rents.

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

	General		Water-Sewer Utility		
Year	Principal	Interest	Principal	Interest	Total
2019	$ 765,000.00	$ 363,875.00	$ 675,000.00	$ 272,837.50	$ 2,076,712.50
2020	790,000.00	340,455.00	705,000.00	249,187.50	2,084,642.50
2021	815,000.00	316,180.00	730,000.00	224,437.50	2,085,617.50
2022	845,000.00	290,455.00	765,000.00	198,787.50	2,099,242.50
2023	875,000.00	264,287.50	440,000.00	171,837.50	1,751,125.00
2024-2028	3,770,000.00	936,335.00	2,290,000.00	639,100.00	7,635,435.00
2029-2033	3,640,000.00	382,200.00	1,475,000.00	277,400.00	5,774,600.00
2034-2037	735,000.00	11,025.00	1,150,000.00	70,050.00	1,966,075.00
	$ 12,235,000.00	$ 2,904,812.50	$ 8,230,000.00	$ 2,103,637.50	$ 25,473,450.00

Note 12: CAPITAL DEBT (CONT'D)

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

	2018	2017	2016
Issued			
General:			
Bonds and Notes	$ 12,725,020.52	$ 13,415,699.88	$ 13,893,038.46
Water - Sewer Utility:			
Bonds and Notes	11,769,589.94	12,671,693.31	11,618,796.68
Total Issued	24,494,610.46	26,087,393.19	25,511,835.14
Authorized but not Issued			
General:			
Bonds and Notes	4,984,566.72	3,418,757.72	2,726,257.72
Water - Sewer Utility:			
Bonds and Notes	1,427,377.72	582,377.72	2,007,377.72
Total Authorized but not Issued	6,411,944.44	4,001,135.44	4,733,635.44
Total Issued and Authorized but not Issued	30,906,554.90	30,088,528.63	30,245,470.58
Deductions			
Cash Pledged to the Payment of Bonds --			
General Fund	12,986.50	12,986.50	12,986.50
Water-Sewer Utility	488.90	488.90	488.90
Self-Liquidating	13,196,478.76	13,253,582.13	13,625,685.50
Total Deductions	13,209,954.16	13,267,057.53	13,639,160.90
Net Debt	$ 17,696,600.74	$ 16,821,471.10	$ 16,606,309.68

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 3.052%.

	Gross Debt	Deductions	Net Debt
Local School District	$ 4,190,000.00	$ 4,190,000.00	
Water - Sewer Utility	13,196,967.66	13,196,967.66	
General	17,709,587.24	12,986.50	$ 17,696,600.74
	$ 35,096,554.90	$ 17,399,954.16	$ 17,696,600.74

Net debt $17,696,600.74 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, $579,817,479.00, equals 3.052%.

3 1/2% of Equalized Valuation Basis (Municipal)	$ 20,293,611.77
Less: Net Debt	17,696,600.74
Remaining Borrowing Power	$ 2,597,011.03

Note 12: CAPITAL DEBT (CONT'D)

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year		$ 5,735,495.84
Deductions:		
Operating and Maintenance Costs	$ 4,094,735.00	
Debt Service	1,252,784.43	
Total Deductions		5,347,519.43
Excess in Revenue		$ 387,976.41

A revised Annual Debt Statement should be filed by the Chief Financial Officer.

Note 13: RISK MANAGEMENT

The City 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.

New Jersey Unemployment Compensation Insurance - The City has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the City 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 City is billed quarterly for amounts due to the State.

The following is a summary of City contributions, reimbursements to the State for benefits paid and the ending balance of the City's trust fund for the current and previous two years:

Year	City Contributions	Interest Earnings	Amount Reimbursed	Ending Balance
2018	$ -	$ -	$ 18,081.61	$ 54,137.39
2017	25,000.00	42.00	9,462.61	72,219.00
2016	30,000.00	8.08	15,856.50	56,639.61

Joint Insurance Pool - The City is a member of the Gloucester, Salem and Cumberland County Insurance Pool Joint Insurance Fund. The Fund provides its members with the following coverage:

General Liability
Automobile Liability
Property (Including Auto Physical Damage)
Fidelity and Performance (Blanket)
Boiler and Machinery
Workers' Compensation
Police Professional
Public Officials and Employment Practices Liability (EPL)
Motor Vehicles

Note 13: <u>RISK MANAGEMENT (CONT'D)</u>

<u>Joint Insurance Pool (cont'd)</u> - Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The Fund publishes its own financial report for the year ended December 31, 2018, which can be obtained from:

Gloucester, Salem, Cumberland Counties
Municipal Joint Insurance Fund
P.O. Box 345
Voorhees, New Jersey 08043

Note 14: <u>CONTINGENCIES</u>

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

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

Note 15: <u>LENGTH OF SERVICE AWARDS PROGRAM</u>

<u>Plan Description</u> - The City's length of service awards program (the "Plan"), which is a defined contribution plan reported in the City's trust fund, was created by a City Resolution adopted on May 11, 1993 pursuant to Section 457(e)(11)(B) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the length of service award program as enacted into federal law in 1997. The City also submitted notification on March 12, 1998 of a LOSAP program to the Division of Local Government Services for a program established prior to the 1997 provisions. The Plan provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel, and is administered by Lincoln National Life Insurance Company ("Plan Administrator"), a State of New Jersey approved length of service awards program provider. The City's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator. The accumulated assets of the Plan are not administered through a trust that meets the criteria of paragraph 4 of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27.*

The tax deferred income benefits for active volunteer firefighters and emergency medical personnel come from contributions made solely by the governing body of the City, on behalf of those volunteers who meet the criteria of the Plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Note 15: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)

Plan Amendments - The City may make minor amendments to the provisions of the Plan at any time, provided, however, that no amendment affects the rights of participants or their beneficiaries regarding vested accumulated deferrals at the time of the amendment. The Plan can only be amended by resolution of the governing body of the City, and the following procedures must be followed: (a) any amendment to the Plan shall be submitted for review and approval by the Director of Local Government Services, State of New Jersey (the "Director") prior to implementation by the City's governing body, provided, however, that any amendment required by the IRS, may be adopted by the City's governing body without the advance approval of the Director (although such amendment shall be filed with the Director); (b) the documentation submitted to the Director shall identify the regulatory authority for the amendment and the specific language of the change; and (c) the City shall adopt the amendment by resolution of the governing body, and a certified copy of the resolution shall be forwarded to the Director. The City may amend the Plan agreement to accommodate changes in the Internal Revenue Code, Federal statutes, state laws or rules or operational experience. In cases of all amendments to the Plan, the City shall notify all participants in writing prior to making any amendment to the Plan.

Contributions - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of $100.00 and a maximum contribution of $1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually.

The City elected to contribute between $100.00 and $1,000.00 for the year ended December 31, 2018, per eligible volunteer, into the Plan, depending on how many years the volunteer has served. Participants direct the investment of the contributions into various investment options offered by the Plan. The City has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the Plan Administrator.

Participant Accounts - Each participant's account is credited with the City's contribution and Plan earnings, and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The City has placed the amounts deferred, including earnings, in an account maintained by a third-party administrator for the exclusive benefit of the Plan participants and their beneficiaries. The contributions from the City to the Plan, and the related earnings, are not irrevocable, and such funds are not legally protected from the creditors of the City. These funds, however, are not available for funding the operations of the City.

Vesting - The City, in accordance with N.J.S.A. 40A:14-188 and N.J.A.C. 5:30-11.63 may make a yearly contribution to the length of service awards program account in the deferred income program for an active volunteer who has satisfied the requirements for receipt of an award, but the volunteer shall not be able to receive a distribution of the funds until the completion of a five year vesting period or be in accordance with changes to vesting conveyed through the issuance of a Local Finance Notice and/or publication of a public notice in the New Jersey Register, with payment of that benefit only being as otherwise permitted by the Plan.

Payment of Benefits - Upon separation from volunteer service, retirement or disability, termination of the Plan, participants may select various payout options of vested accumulated deferrals, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate.

In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals.

Note 15: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)

Forfeited Accounts - For the year ended December 31, 2018, no accounts were forfeited.

Investments - The investments of the length of service awards program reported in the trust funds on the statements of assets, liabilities, reserves, and fund balance - regulatory basis are recorded at fair value.

Plan Information - Additional information about the City's length of service awards program can be obtained by contacting the Plan Administrator.

Note 16: SUBSEQUENT EVENTS

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

Purpose	Adoption	Authorization
General Improvements		
Various water and sewer utility improvements in the City	04/09/19	$ 250,000.00
Reconstruction and/or repair of stormwater drainage system at various locations throughout the City	08/13/19	1,140,000.00
Various Capital Improvements and the Acquisition of Various Capital Equipment	09/10/19	950,000.00
Various Water and Sewer Utility Improvements	09/10/19	860,000.00

Note 17: TAX ABATEMENTS

The City enters into property tax abatement agreements with local businesses under the Long Term Tax Exemption Law, Five-Year Exemption and Abatement Law and Local Redevelopment and House Law. Under these laws, municipalities may grant property tax abatements of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions or to help entities undertake urban renewal projects. The abatements may be granted to any business located within or promising to relocate to the City.

For the year ended December 31, 2018, the City abated property taxes totaling $2,464,492.55 under these laws, including the following tax abatement agreements that each exceeded ten percent (10%) of the total amount abated:

- Eleven percent (11%) of the total property tax abatement to an affordable housing project. The abatement amounted to $262,117.22.
- Twenty-two percent (22%) of the total property tax abatement to a commercial / industry project for patient rehabilitation. The abatement amounted to $533,067.17.
- Twenty-four percent (24%) of the total property tax abatement to an affordable housing project. The abatement amounted to $600,574.86.
- Thirty-two percent (32%) of the total property tax abatement for a nursing home and assisted living in an area in need of redevelopment in accordance with New Jersey Local Redevelopment and Housing Law. The abatement amounted to $785,395.12.

APPENDIX C

FORM OF BOND COUNSEL'S OPINION

PARKER McCAY

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September __, 2020

Mayor and City Council
of the City of Woodbury
33 Delaware Street
Woodbury, New Jersey

RE: $__________ CITY OF WOODBURY, COUNTY OF GLOUCESTER, NEW JERSEY, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020

Ladies and Gentlemen:

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

The Refunding Bonds are authorized to be issued pursuant to: (i) the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, as amended and supplemented ("Local Bond Law"); (ii) a refunding bond ordinance ("Refunding Bond Ordinance"), duly and finally adopted by the City Council on April 8, 2020 and published in accordance with the requirements of the Local Bond Law; and (iii) a resolution duly adopted by the City Council on May 13, 2020 ("Resolution").

The Refunding Bonds are being issued to provide funds which will be used to: (i) current refund and redeem all of the City's outstanding callable General Obligation Bonds, Series 2009, maturing on November 1 in the years 2020 through 2029, both dates inclusive; and (ii) pay the costs and expenses related to the issuance, sale and delivery of the Refunding Bonds.

The Refunding Bonds are dated their date of issuance, mature on November 1 in each of the years and in the respective principal amounts set opposite each such year in the table below and bear interest at the rates per annum below, payable semi-annually on May 1 and November 1, commencing November 1, 2020, in each year until maturity.

Year	Principal Amount	Interest Rate	Year	Principal Amount	Interest Rate
2020	$	%	2025	$	%
2021			2026		
2022			2027		
2023			2028		
2024			2029		

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

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

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

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

1. The Refunding Bonds are legal, valid and binding obligations of the City enforceable in accordance with the terms thereof, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency or other laws or equitable principles affecting the enforcement of creditors' rights generally ("Creditors' Rights Limitations").

2. For the payment of principal of and interest on the Refunding Bonds, the City has the power and is obligated, to the extent payment is not otherwise provided, to levy ad valorem taxes upon all taxable real property within the City without limitation as to rate or amount, except to the extent that enforcement thereof may be affected by Creditors' Rights Limitations.

3. Interest on the Refunding Bonds is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Code and does not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals.

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

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

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

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

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The City has designated the Refunding Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. Eighty percent (80%) of the interest expense deemed incurred by banks, thrift institutions and other financial institutions to purchase or carry "qualified tax-exempt obligations" is deductible.

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

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

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

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

The opinions expressed in the numbered paragraphs above are being rendered on the basis of federal law and the laws of the State of New Jersey, as presently enacted and construed, and we assume no responsibility to advise any party as to any changes in law or fact subsequent to the date hereof.

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

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

Very truly yours,

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT ("Disclosure Agreement") is made on this 10th day of September, 2020 between the City of Woodbury, County of Gloucester, New Jersey ("City") and the Dissemination Agent (hereinafter defined). This Disclosure Agreement is entered into in connection with the issuance and sale by the City of its General Obligation Refunding Bonds, Series 2020, in the principal amount of $___________ ("Refunding Bonds").

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

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

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

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

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

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

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

"EMMA" shall mean the Electronic Municipal Market Access System, an internet based filing system created and maintained by the MSRB in accordance with Release No. 34-59062 of the Commission, dated December 5, 2008, pursuant to which issuers of tax-exempt Refunding Bonds, including the Refunding Bonds, and other filers on behalf of such issuers shall upload Continuing Disclosure Information to assist underwriters in complying with the Rule and to provide the general public with access to such Continuing Disclosure Information.

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

"MSRB" shall mean the Municipal Securities Rulemaking Board.

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

"**<u>Official Statement</u>**" shall mean the Official Statement of the City dated August __, 2020 relating to the Refunding Bonds.

"**<u>Opinion of Counsel</u>**" shall mean a written opinion of counsel expert in federal securities law acceptable to the City.

"**<u>Rule</u>**" shall have the meaning set forth in Section 1 of this Disclosure Agreement.

SECTION 3. <u>Provision of Annual Report</u>.

(a) The City shall not later than two hundred seventy (270) days after the end of its fiscal year (currently December 31) for each fiscal year until termination of the City's reporting obligations under this Disclosure Agreement pursuant to the provisions of Section 6 hereof provide to the Dissemination Agent the Annual Report prepared for the preceding fiscal year of the City (commencing for the fiscal year ending December 31, 2020). Each Annual Report provided to the Dissemination Agent by the City shall comply with the requirements of Section 4 of this Disclosure Agreement but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to the National Repository. Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the Commission.

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

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

SECTION 4. <u>Contents of Annual Report</u>. Annual Report shall mean: (i) the City's annual financial statements, substantially in the form set forth in Appendix B to the Official Statement, audited by an independent certified public accountant, provided that the annual audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required in Section 3(a) hereof for the filing of the Annual Report if the annual audited financial statements are not available by that date, but only if the unaudited financial statements of the City are included in the Annual Report; and (ii) the general financial information and operating data of the City, excluding any demographic information, consistent with the information set forth in Appendix A to the Official Statement. Each annual audited financial statements will conform to generally accepted accounting principles applicable to governmental units or will be prepared in accordance with the standards of the Governmental Accounting Standards Board and requirements of the Division of Local Government Services in the New Jersey Department of Community Affairs as such principles, standards and requirements exist at the time of the filing of the particular annual audited financial statements.

SECTION 5. Reporting of Significant Events.

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

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

(b) The City shall within eight (8) Business Days of the occurrence of any of the Listed Events, notify the Dissemination Agent in writing to report the event pursuant to subsection (c) of this Section 5. In determining the materiality of a Listed Event specified clauses (2), (7), (8), (10),

[1] The term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with Rule 15c2-12.

(13), (14) or (15) of subsection (a) of this Section 5, the City may, but shall not be required to, rely conclusively on an Opinion of Counsel.

(c) If the Dissemination Agent has been instructed by the City to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the National Repository within two (2) Business Days of the receipt of such instruction, but not later than ten (10) days after the occurrence of any of the Listed Events, with a copy of such notice provided by the Dissemination Agent to the City.

SECTION 6. Termination of Reporting Obligations. The reporting obligations of the City under this Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Refunding Bonds or when the City is no longer an Obligated Person (as defined in the Rule) with respect to the Refunding Bonds.

SECTION 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the City may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if the City has received an opinion of counsel knowledgeable in federal securities laws 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 but taking into account any subsequent change in or official interpretation of the Rule.

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

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

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

(i) If to the City:

City of Woodbury
33 Delaware Street
Woodbury, New Jersey 08096
Attention: Chief Financial Officer

(ii) If to the Dissemination Agent:

Acacia Financial Group, Inc.
6000 Midlantic Drive
Suite 410 North
Mount Laurel, New Jersey 08054

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provision of this Section 11 for the giving of notice.

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

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

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

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

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

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

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

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

CITY OF WOODBURY , NEW JERSEY

By:____
ROBERT LAW, Chief Financial Officer

ACACIA FINANCIAL GROUP, INC.,
as Dissemination Agent

By:____
JENNIFER G. EDWARDS, Managing Director

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE AN ANNUAL REPORT

Name of Issuer:	City of Woodbury , County of Gloucester, New Jersey
Name of Bond Issues Affected:	General Obligation Refunding Bonds, Series 2020
Date of Issuance of the Affected Bond Issue:	September 10, 2020

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above named Bond issue as required by Section 3 of the Continuing Disclosure Agreement, dated September 10, 2020, between the City and the Dissemination Agent. [TO BE INCLUDED ONLY IF THE DISSEMINATION AGENT HAS BEEN ADVISED OF THE EXPECTED FILING DATE - The Issuer anticipates that such Annual Report will be filed by ____________________________.]

Dated:___________________

ACACIA FINANCIAL GROUP, INC.,
as Dissemination Agent

cc: City of Woodbury , New Jersey