

**PRELIMINARY OFFICIAL STATEMENT DATED JULY 9, 2026**

**NEW ISSUE (BOOK-ENTRY)**

**RATING: Moody's: "MIG 1"**  
**(See "RATING" Herein)**

*In the opinion of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey ("Bond Counsel"), under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the City with certain covenants described herein, interest on the Notes (as defined herein) (i) is not includable in gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not treated as a preference item under Section 57 of the Code for purposes of computing the Federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for purposes of computing the Federal alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. Bond Counsel is further of the opinion that, under existing laws of the State of New Jersey, interest on the Notes and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, as amended and supplemented. Bond Counsel's opinions described herein are given in reliance on representations, certifications of fact, and statements of reasonable expectation made by the City in its Tax Certificate (as defined herein), assume continuing compliance by the City with certain covenants set forth in its Tax Certificate, and are based on existing statutes, regulations, rulings, administrative pronouncements and judicial decisions. See "TAX MATTERS" herein.*

**CITY OF PLAINFIELD  
IN THE COUNTY OF UNION  
STATE OF NEW JERSEY**

**\$34,393,335 BOND ANTICIPATION NOTES, SERIES 2026  
CONSISTING OF  
\$23,198,335 GENERAL IMPROVEMENT NOTES, SERIES 2026  
\$4,895,000 SEWER UTILITY NOTES, SERIES 2026  
AND  
\$6,300,000 SOLID WASTE UTILITY NOTES, SERIES 2026  
(NON-CALLABLE)**

**Dated: Date of Delivery  
Due: August 3, 2027  
Coupon: \_\_\_\_\_%  
Yield: \_\_\_\_\_%  
CUSIP\*: 726345\_\_\_\_\_**

The \$34,393,335 aggregate principal amount of Bond Anticipation Notes, Series 2026, consisting of \$23,198,335 General Improvement Notes, Series 2026 (the "General Improvement Notes"), \$4,895,000 Sewer Utility Notes, Series 2026 (the "Sewer Utility Notes"), and \$6,300,000 Solid Waste Utility Notes, Series 2026 (the "Solid Waste Utility Notes" and together with the General Improvement Notes and the Sewer Utility Notes, the "Notes") are general obligations of the City of Plainfield, in the County of Union, State of New Jersey (the "City"), payable in the first instance from the proceeds of the sale of bonds or notes issued in anticipation of bonds, but if not so paid or if not paid from other sources, are payable ultimately from *ad valorem* taxes levied upon all the taxable property located within the City for the payment of the principal of the Notes and the interest thereon without limitation as to rate or amount.

The Notes will be issued in fully registered book-entry form and, when issued, will be registered in the name of, and held by, Cede & Co., as nominee of The Depository Trust Company, Brooklyn, New York ("DTC"). DTC, an automated depository for securities and clearing house for securities transactions, will act as securities depository for the Notes. Individual purchases of the Notes will be made in book-entry form in the principal amount of \$5,000 each or any integral multiple of \$1,000 in excess thereof, or, as applicable, any odd denomination in excess thereof, through book entries made on the books and records of DTC and its participants.

The Notes will bear interest at the rate set forth above, commencing their date of delivery. Principal of and interest on the Notes will be payable by the City, or a duly designated paying agent, on the date of maturity thereof as set forth above.

While DTC is acting as securities depository for the Notes, the principal of and interest on the Notes will be payable by wire transfer to DTC or its nominee, Cede & Co., which is obligated to remit such principal and interest payments to DTC Participants. DTC Participants and Indirect Participants will be responsible for remitting such principal and interest payments to the Beneficial Owners of the Notes. See "BOOK-ENTRY SYSTEM" herein.

The Notes are authorized by, and are issued pursuant to, (i) the provisions of the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 et seq., as amended and supplemented; and (ii) various bond ordinances duly adopted by the City Council of the City on the dates set forth herein, approved by the Mayor (if applicable), and published as required by law.

The General Improvement Notes are being issued to (i) refund, on a current basis, a \$17,198,335 principal portion of prior general improvement notes issued in the principal amount of \$17,438,335 on August 6, 2025 and maturing August 5, 2026 (the "Prior General Improvement Notes") (the remaining amount of the Prior General Improvement Notes will be paid with a 2026 budgetary appropriation in the amount of \$240,000), and (ii) temporarily finance various general capital acquisitions and improvements in and for the City in the amount of \$6,000,000, including paying the costs associated with the issuance of the General Improvement Notes. The Sewer Utility Notes are being issued to (i) refund, on a current basis, prior sewer utility notes issued in the principal amount of \$4,395,000 on August 6, 2025 and maturing August 5, 2026 and (ii) temporarily finance various sewer utility acquisitions and improvements in and for the City in the amount of \$500,000, including paying the costs associated with the issuance of the Sewer Utility Notes. The Solid Waste Utility Notes are being issued to (i) refund, on a current basis, prior solid waste utility notes issued in the principal amount of \$5,100,000 on August 6, 2025 and maturing August 5, 2026 and (ii) temporarily finance various solid waste utility acquisitions and improvements in and for the City in the amount of \$1,200,000, including paying the costs associated with the issuance of Solid Waste Utility Notes.

The Notes are not subject to redemption prior to their stated date of maturity.

The Notes are not a debt or obligation, legal, moral or otherwise, of the State of New Jersey, or any county, municipality or political subdivision thereof other than the City.

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

***The Notes are offered when, as and if issued and delivered subject to the approval of the legality thereof by Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel, and certain other conditions. NW Financial Group, LLC, Bloomfield, New Jersey has served as Municipal Advisor to the City in connection with the issuance of the Notes. Certain legal matters will be passed upon for the City by its Corporation Counsel, David Minchello, Esq., Plainfield, New Jersey. It is anticipated that the Notes will be available for delivery through DTC on or about August 4, 2026.***

**BIDS FOR THE NOTES, IN ACCORDANCE WITH THE FULL NOTICE OF SALE, WILL BE RECEIVED BY THE MUNICIPAL ADVISOR, ON BEHALF OF THE CHIEF FINANCIAL OFFICER OF THE CITY, UNTIL 11:00 A.M., PREVAILING NEW JERSEY TIME, ON JULY 16, 2026 VIA ELECTRONIC MAIL AT HLITZBAUER@NWFINANCIAL.COM, OR VIA PARITY AT HTTPS://NEWISSUE.MUNI.SPGLOBAL.COM. FOR MORE DETAILS ON HOW TO BID ELECTRONICALLY, VIEW THE FULL NOTICE OF SALE POSTED AT WWW.MUNIHUD.COM.**

\* "CUSIP" is a registered trademark of the American Bankers Association. The CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP number listed above is being provided solely for the convenience of Noteholders only at the time of issuance of the Notes and the City does not make any representations with respect to such number or undertake any responsibility for its accuracy now or at any time in the future. The CUSIP number is subject to being changed after the issuance of the Notes as a result of various subsequent actions, including, but not limited to, the procurement of secondary market portfolio insurance or other similar enhancements by investors that is applicable to the Notes.

This is a Preliminary Official Statement "deemed final" by the City within the meaning of, and with the exception of certain information permitted to be omitted by, Rule 15c2-12 of the Securities and Exchange Commission, and is otherwise subject to change in accordance with applicable law. The City will deliver a final Official Statement in compliance with Rule 15c2-12. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these Notes 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.

**CITY OF PLAINFIELD  
IN THE COUNTY OF UNION  
STATE OF NEW JERSEY**

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**MAYOR**

Adian O. Mapp

**COUNCIL MEMBERS**

Julienne Cherry, Council President  
Steve G. Hockaday, Council Vice-President  
Robert K. Graham  
Richard Wyatt  
Dr. Darcella Sessomes  
Charles McRae  
Terri Briggs-Jones

**BUSINESS ADMINISTRATOR**

Abby Levenson

**DIRECTOR OF FINANCE/CHIEF FINANCIAL OFFICER**

Beverley Morris-Gill

**CITY CLERK**

Abubakar Jalloh, RMC

**CORPORATION COUNSEL**

David Minchello, Esq.  
Plainfield, New Jersey

**CITY AUDITOR**

Suplee, Clooney & Company  
Westfield, New Jersey

**MUNICIPAL ADVISOR**

NW Financial Group, LLC  
Bloomfield, New Jersey

**BOND COUNSEL**

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

No dealer, broker, salesperson or other person has been authorized by the City of Plainfield, in the County of Union, State of New Jersey (the "City") to give any information or to make any representations with respect to the Notes 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 City.

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 Notes by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

The information contained herein has been provided by the City, The Depository Trust Company, Brooklyn, New York ("DTC"), and other sources deemed reliable by the City; however, no representation or warranty is made as to its accuracy or completeness, and as to the information from sources other than the City, such information is not to be construed as a representation or warranty by the City.

This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or owners of any of the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create an implication that there has been no change in any of the information herein since the date hereof or the date as of which such information is given, if earlier. The City has not confirmed the accuracy or completeness of information relating to DTC, which information has been provided by DTC.

References in this Official Statement to laws, rules, regulations, resolutions, ordinances, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of, and exceptions to, statements made herein. This Official Statement should be read in its entirety.

The presentation of information is intended to show recent historical information except as expressly stated otherwise, and is not intended to indicate future or continuing trends in the financial condition or other affairs of the City. No representation is made that past experience, as is shown by the financial and other information included herein, will necessarily continue or be repeated in the future.

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

In order to facilitate the distribution of the Notes, the Underwriter (as defined herein) may engage in transactions intended to stabilize the price of the Notes at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The price at which the Notes are offered to the public by the Underwriter and the yield resulting therefrom may vary from the initial public offering price or yield stated on the cover page hereof. In addition, the Underwriter may allow concessions or discounts from such initial public offering price to dealers and others.

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

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**OFFICIAL STATEMENT  
OF THE  
CITY OF PLAINFIELD  
IN THE COUNTY OF UNION, STATE OF NEW JERSEY**

**RELATING TO  
\$34,393,335 BOND ANTICIPATION NOTES, SERIES 2026  
CONSISTING OF  
\$23,198,335 GENERAL IMPROVEMENT NOTES, SERIES 2026  
\$4,895,000 SEWER UTILITY NOTES, SERIES 2026  
AND  
\$6,300,000 SOLID WASTE UTILITY NOTES, SERIES 2026  
(NON-CALLABLE)**

**INTRODUCTION**

The purpose of this Official Statement is to provide certain information regarding the financial and economic condition of the City of Plainfield (the "City"), in the County of Union (the "County"), State of New Jersey (the "State"), in connection with the offering, sale and issuance of \$34,393,335 aggregate principal amount of Bond Anticipation Notes, Series 2026, consisting of \$23,198,335 General Improvement Notes, Series 2026 (the "General Improvement Notes"), \$4,895,000 Sewer Utility Notes, Series 2026 (the "Sewer Utility Notes"), and \$6,300,000 Solid Waste Utility Notes, Series 2026 (the "Solid Waste Utility Notes" and together with the General Improvement Notes and the Sewer Utility Notes, the "Notes"), of the City. This Official Statement, which includes the cover page and appendices attached hereto, has been authorized by the City Council of the City, executed by and on behalf of the City by its Director of Finance/Chief Financial Officer, and is to be distributed in connection with the offering and sale of the Notes.

This Official Statement contains specific information relating to the Notes, including their general description, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to the sale, issuance and delivery of the Notes. This Official Statement should be read in its entirety.

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

**DESCRIPTION OF THE NOTES**

**General Description**

The Notes shall be dated the date of delivery thereof and shall bear interest at the rate as indicated on the front cover page of this Official Statement, payable upon the maturity thereof. Interest on the Notes is calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year.

The Notes will be issued as fully registered notes in book-entry form and, when issued, will be registered in the name of, and held by, Cede & Co., as nominee of The Depository Trust Company, Brooklyn, New York ("DTC"). DTC, an automated depository for securities and clearing house for securities transactions, will act as securities depository for the Notes. Principal of and interest on the Notes will be payable by the City, or a duly designated paying agent, on the date of maturity of the Notes by wire transfer

of immediately available funds to DTC or its nominee, Cede & Co. Purchases of beneficial interests in the Notes will be made in book-entry form, without certificates, in denominations of \$5,000 each or any integral multiple of \$1,000 in excess thereof, or, as applicable, any odd denomination in excess thereof, through book entries made on the books and records of DTC and its participants. Under certain circumstances, such beneficial interests in the Notes are exchangeable for one or more fully registered Note certificates in authorized denominations.

The Note certificate will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants and transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the Notes on behalf of the individual purchasers. Individual purchasers of the Notes will not receive certificates representing their beneficial ownership interests in the Notes, but each book-entry owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the Notes purchased. So long as DTC or its nominee, Cede & Co., is the registered owner of the Notes, payments of the principal of and interest on the Notes will be made by the City, or a duly designated paying agent, directly to DTC or its nominee, Cede & Co., which will in turn remit such payments to DTC Participants and Indirect Participants, which will in turn remit such payments to the beneficial owners of the Notes. See "BOOK-ENTRY SYSTEM" herein.

### **Optional Redemption**

The Notes are not subject to redemption prior to their stated date of maturity.

### **Authorization for the Issuance of the Notes**

The Notes are authorized by, and are issued pursuant to, (i) the provisions of the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"); and (ii) various bond ordinances duly adopted by the City Council of the City on the dates set forth in the charts on the following page under the subheadings "Purpose of the General Improvement Notes", "Purpose of the Sewer Utility Notes", and "Purpose of the Solid Waste Utility Notes", respectively, approved by the Mayor (if applicable), and published as required by law.

The bond ordinances authorizing the Notes were published in full or in summary after their final adoption along with the statement that the twenty (20) day period of limitation within which a suit, action or proceeding questioning the validity of such bond ordinances could be commenced began to run from the date of the first publication of such statement. The Local Bond Law provides that, after issuance, all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and all persons shall be estopped from questioning their sale, execution or delivery by the City. Such estoppel period for each of the bond ordinances has concluded as of the date of this Official Statement.

### **Purpose of the General Improvement Notes**

The General Improvement Notes are being issued to (i) refund, on a current basis, a \$17,198,335 principal portion of prior general improvement notes issued in the principal amount of \$17,438,335 on August 6, 2025 and maturing August 5, 2026 (the "Prior General Improvement Notes") (the remaining amount of the Prior General Improvement Notes will be paid with a 2026 budgetary appropriation in the amount of \$240,000), and (ii) temporarily finance various general capital acquisitions and improvements in and for the City in the amount of \$6,000,000, including paying the costs associated with the issuance of the General Improvement Notes.

The General Improvement Notes and the improvements or purposes for which the General Improvement Notes are to be issued have been authorized by bond ordinances duly adopted by the City Council of the City, which bond ordinances are described on the following table by Ordinance Number, Description and Date of Final Adoption and the Amount to be issued for such purposes. The bond ordinances are as follows:

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**\$23,198,335**  
**General Improvement Notes, Series 2026**

<b>Ordinance Number</b>	<b>Description and Date of Final Adoption</b>	<b>Amount</b>
1273	Providing for various 2021 capital acquisitions and improvements, finally adopted 5/10/21	\$ 656,000.00
1277	Providing for various 2022 capital acquisitions and improvements, finally adopted 5/9/22	\$3,698,335.00
1278	Providing for various 2023 capital acquisitions and improvements, finally adopted 12/11/23	\$9,805,000.00
1281	Providing for various 2024 capital acquisitions and improvements, finally adopted 9/9/24	\$8,189,000.00
1288	Providing for various 2025 capital acquisitions and improvements, finally adopted 10/14/25	<u>\$ 850,000.00</u>
		<u><b>\$23,198,335.00</b></u>

**Purpose of the Sewer Utility Notes**

The Sewer Utility Notes are being issued to (i) refund, on a current basis, prior sewer utility notes issued in the principal amount of \$4,395,000 on August 6, 2025 and maturing August 5, 2026 and (ii) temporarily finance various sewer utility acquisitions and improvements in and for the City in the amount of \$500,000, including paying the costs associated with the issuance of the Sewer Utility Notes.

The Sewer Utility Notes and the improvements or purposes for which the Sewer Utility Notes are to be issued have been authorized by bond ordinances duly adopted by the City Council of the City, which bond ordinances are described on the following table by Ordinance Number, Description and Date of Final Adoption and the Amount to be issued for such purposes. The bond ordinances are as follows:

**\$4,895,000**  
**Sewer Utility Notes, Series 2026**

<b>Ordinance Number</b>	<b>Description and Date of Final Adoption</b>	<b>Amount</b>
1279	Providing for the purchase of equipment and the rehabilitation of the Watchung Avenue Pump Station for the Sewer Utility, finally adopted 12/11/23	\$3,600,000.00
1282	Providing for various sewer acquisitions and improvements, finally adopted 9/9/24	\$ 795,000.00
1285	Providing for various 2025 capital acquisitions and improvements for the Sewer Utility, finally adopted 10/14/25	<u>\$ 500,000.00</u>
		<u><b>\$4,895,000.00</b></u>

**Purpose of the Solid Waste Utility Notes**

The Solid Waste Utility Notes are being issued to (i) refund, on a current basis, prior solid waste utility notes issued in the principal amount of \$5,100,000 on August 6, 2025 and maturing August 5, 2026 and (ii) temporarily finance various solid waste utility acquisitions and improvements in and for the City in the amount of \$1,200,000, including paying the costs associated with the issuance of Solid Waste Utility Notes.

The Solid Waste Utility Notes and the improvements or purposes for which the Solid Waste Utility Notes are to be issued have been authorized by bond ordinances duly adopted by the City Council of the City, which bond ordinances are described on the following table by Ordinance Number, Description and Date of Final Adoption and the Amount to be issued for such purposes. The bond ordinances are as follows:

**\$6,300,000**  
**Solid Waste Utility Notes, Series 2026**

Ordinance Number	Description and Date of Final Adoption	Amount
1280	Providing for the purchase of equipment and improvements for the Solid Waste Utility, finally adopted 12/11/23	\$4,100,000.00
1283	Providing for various solid waste acquisitions and improvements, finally adopted 9/9/24	\$1,910,000.00
1286	Providing for various 2025 capital acquisitions and improvements for the Solid Waste Utility, finally adopted 10/14/25	<u>\$ 290,000.00</u>
		<b><u>\$6,300,000.00</u></b>

**Payment of Notes**

The Notes are general obligations of the City for which the full faith and credit of the City will be pledged. The City is authorized and required by law to levy *ad valorem* taxes on all taxable property within the City for the payment of principal of and interest on the Notes without limitation as to rate or amount.

**SECURITY AND PAYMENT FOR THE NOTES**

The Notes are valid and legally binding general obligations of the City for which the full faith and credit of the City are irrevocably pledged for the punctual payment of the principal of and interest on the Notes. The City has the power and, unless paid from other sources, is obligated by law to levy *ad valorem* taxes upon all the taxable property within the City for the payment of the principal of the Notes and the interest thereon without limitation as to rate or amount.

The City is required by law to include the total amount of principal of and interest on all of its general obligation indebtedness, such as the Notes, for the current year in each annual budget unless provision has been made for payment of such general obligation indebtedness from other sources. The enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted. See "RISK TO HOLDERS OF NOTES" herein.

The Notes are not a debt or obligation, legal, moral or otherwise, of the State or any county, municipality or political subdivision thereof, other than the City.

## **RISK FACTORS**

### **Climate**

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

### **Cyber Security**

The City relies on a complex technology environment to conduct 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. In addition, the City maintains certain insurance coverage for cyberattacks and related events. No assurances can be given that the City's efforts to manage cyber threats and attacks will be successful or that any such attack will not materially impact the operations or finances of the City.

## **NO DEFAULT**

There is no report of any default in the payment of the principal of, redemption premium, if any, and interest on the bonds, notes or other obligations of the City as of the date hereof.

## **MARKET PROTECTION**

The City does not plan on issuing any additional notes and/or bonds for the remainder of calendar year 2026.

## **BOOK-ENTRY SYSTEM**

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Notes, payment of principal and interest, and other payments on the Notes to DTC Participants or Beneficial Owners (as such terms are defined or used herein), confirmation and transfer of beneficial ownership interests in the Notes 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 concerning these matters.

DTC will act as securities depository for the Notes. The Notes 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 Note certificate will be issued for the Notes in the aggregate principal amount of the Notes, as set forth on the cover page hereof, and will be deposited with DTC.

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

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

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of the Notes ("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 Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of the Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy (the "Omnibus Proxy") to the City 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 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes 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 the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, nor its nominee, Paying Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and

interest on the Notes to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Notes at any time by giving reasonable notice to the City or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, the Note certificate is required to be printed and delivered.

The Paying Agent, upon direction of the City, may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Note certificate will be printed and delivered.

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

### **Discontinuance of Book-Entry System**

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

## **PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT**

### **Procedure for Authorization**

The City has no constitutional limit on its power to incur indebtedness other than that it may issue obligations only for public purposes pursuant to State statutes. The authorization and issuance of City debt, including the purpose, amount and nature thereof, the method and manner of the incurrence of such debt, the maturity and terms of repayment thereof, and other related matters are statutory. The City is not required to submit the proposed incurrence of indebtedness to a public referendum.

The City, by bond ordinance, may authorize and issue negotiable obligations for the financing of any capital improvement or property which it may lawfully acquire, or any purpose for which it is authorized or required by law to make an appropriation, except current expenses and payment of obligations (other than those for temporary financings). Bond ordinances must be finally adopted by the recorded affirmative vote of at least two-thirds of the full membership of the City Council and, if applicable, approval by the Mayor prior to publication. The Local Bond Law requires publication and posting of the bond ordinance or a summary thereof. If the bond ordinance requires approval or endorsement of the State, it cannot be finally adopted until such approval has been received. The Local Bond Law provides that a bond ordinance shall take effect twenty (20) days after the first publication thereof after final adoption. At the conclusion of the twenty-day period all challenges to the validity of the obligations authorized by such bond ordinance shall be precluded except for constitutional matters. Moreover, after issuance, all obligations are conclusively presumed to be fully authorized and issued by all laws of the State and any person shall be estopped from questioning their sale, execution or delivery by the City.

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

The Notes are being issued pursuant to the provisions of the Local Bond Law. The Local Bond Law governs the issuance of bonds and notes to finance certain municipal capital expenditures. Among its

provisions are requirements that bonds or notes must mature within the statutory period of usefulness of the projects being financed, that bonds be retired in either serial or sinking fund installments, and that, unlike school debt, and with some exceptions, including self-liquidating obligations and those improvements involving certain State grants, a five percent (5%) cash down payment of the amount of bonds and notes authorized must be generally provided. Such down payment must have been raised by budgetary appropriations, from cash on hand previously contributed for the purpose or by emergency resolution adopted pursuant to the Local Budget Law, N.J.S.A. 40A:4-1 et seq., as amended and supplemented (the "Local Budget Law"). All bonds and notes issued by the City are general "full faith and credit" obligations.

### **Short Term Financing**

Local governmental units (including the City) may issue General Improvement Notes to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or subsequent resolution so provides. Such General Improvement Notes for capital improvements may be issued in an aggregate amount not exceeding the amount of bonds authorized in the ordinance, as may be amended and supplemented, creating such capital expenditure. A local unit's General Improvement Notes may be issued and renewed for periods not exceeding one (1) year, with the final maturity occurring and being paid no later than the first day of the fifth month following the close of the tenth fiscal year after the original issuance of the notes, provided that no notes may be renewed beyond the third anniversary date of the original notes and each anniversary date thereafter unless an amount of such notes at least equal to the first legally payable installment of the anticipated bonds (the first year's principal payment), is paid and retired from funds other than the proceeds of obligations on or before the third anniversary date and each anniversary date thereafter.

The issuance of tax anticipation notes by a municipality is limited in amount by the provisions of the Local Budget Law and may be renewed from time to time, but, in the case of a municipality such as the City, all such notes and renewals thereof must mature not later than 120 days after the end of the fiscal year in which such notes were issued.

### **Refunding Bonds (N.J.S.A. 40A:2-51 et seq.)**

Refunding bonds may be issued by a local unit pursuant to the Local Bond Law for the purpose of paying, funding or refunding its outstanding bonds, including emergency appropriations, the actuarial liabilities of a non-State administered public employee pension system, the present value of unfunded accrued liabilities for State administered early retirement incentive benefits, 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. The Local Finance Board, in the Division of Local Governmental Services, New Jersey Department of Community Affairs (the "Local Finance Board") must approve the authorization of the issuance of refunding bonds. If the refunding bonds are issued in accordance with N.J.A.C. 5:30-2.5, no approval is required by the Local Finance Board; however, the details of the sale, issuance and delivery of the refunding bonds must be delivered to the Local Finance Board within ten (10) days of the delivery of the refunding bonds.

### **Statutory Debt Limitation (N.J.S.A. 40A:2-6 et seq.)**

There are statutory requirements which limit the amount of debt which the City is permitted to authorize. The authorized bonded indebtedness of a local unit is limited by the Local Bond Law and other laws to an amount equal to three and one-half percent (3 1/2%) of its stated average equalized valuation basis, subject to certain exceptions noted below. The stated equalized valuation basis is set by statute as the average of the equalized valuations of all taxable real property, together with improvements to such property, and the assessed valuation of certain Class II railroad property within the boundaries of the City for each of the last three (3) preceding years as annually certified in the valuation of all taxable real property, in the Table of Equalized Valuations by the Director of the Division of Taxation, in the New Jersey Department of the Treasury (the "Division of Taxation"). Certain categories of debt are permitted by statute to be deducted for the purposes of computing the statutory debt limit. The Local Bond Law permits the issuance of certain obligations, including obligations issued for certain emergency or self-liquidating purposes, notwithstanding the statutory debt limitation described above; but, with certain exceptions, it is then necessary to obtain the approval of the Local Finance Board. See "Exceptions to Debt Limitation-Extensions of Credit" below.

As shown in APPENDIX A, the City has not exceeded its statutory debt limit.

### **Exceptions to Debt Limitation – Extensions of Credit (N.J.S.A. 40A:2-7 et seq.)**

The debt limit of the City may be exceeded with the approval of the Local Finance Board. If all or any part of a proposed debt authorization is to exceed its debt limit, the City must apply to the Local Finance Board for an extension of credit. The Local Finance Board considers the request, concentrating its review on the effect of the proposed authorization on outstanding obligations and operating expenses and the anticipated ability to meet the proposed obligations. If the Local Finance Board determines that a proposed debt authorization is not unreasonable or exorbitant, that the purposes or improvements for which the obligations are issued are in the public interest and for the health, welfare and convenience or betterment of the inhabitants of the City and that the 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 services that are in the public interest and makes other statutory determinations, approval is granted. In addition to the aforesaid, debt in excess of the debt limit may be issued to fund certain obligations, for self-liquidating purposes and, in each fiscal year, in an amount not exceeding two-thirds of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of obligations issued for utility or assessment purposes) plus two-thirds of the amount raised in the tax levy of the current fiscal year by the local unit for the payment of bonds or notes of any school district.

As shown in APPENDIX A, the City has not exceeded its debt limit.

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

The Local Fiscal Affairs Law, N.J.S.A. 40A:5-1 et seq., as amended and supplemented (the "Local Fiscal Affairs Law"), regulates the non-budgetary financial activities of local governments. An annual, independent audit of the local unit's accounts for the previous year must be performed by a Registered Municipal Accountant licensed in the State of New Jersey. The audit, conforming to the Division of Local Government Services, in the New Jersey Department of Community Affairs (the "Division") "Requirements of Audit", which must be completed within eight (8) months (August 31) after the close of the City's fiscal year (December 31), includes recommendations for improvement of the City's financial procedures. The Director may grant extensions on a petition by a municipality via resolution for good cause. The audit report must also be filed with the City Clerk and be available for review during regular business hours and shall, within five (5) days thereafter, be filed with the Director of the Division (the "Director"). A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within thirty (30) days of the City Clerk's receipt of the audit report. Accounting methods utilized in the conduct of the audit conform to practices prescribed by the Division, which practices differ in some respects from generally accepted accounting principles in the United States.

### **Annual Financial Statement (N.J.S.A. 40A:5-12 et seq.)**

An unaudited annual financial statement ("Annual Financial Statement") which sets forth the financial condition of a local unit for the fiscal year must be filed with the Division not later than March 10 (in the case of a county) and not later than March 10 (in the case of a municipality) after the close of the calendar fiscal year, or not later than August 10 of the State fiscal year for those municipalities which operate on the State fiscal year. The Annual Financial Statement is prepared either by the Chief Financial Officer or the Registered Municipal Accountant for the local unit. Such Annual Financial Statement reflects the results of operations for the year of the current and utility funds. If the statement of operations results in a cash deficit, the deficit must be included in full in the succeeding year's budget. The entire Annual Financial Statement is filed with the clerk of the local unit and is available for review during business hours.

### **Investment of Municipal Funds**

Investment of funds by municipalities is governed by N.J.S.A. 40A:5-14 et seq. Such statute requires municipalities to adopt a cash management plan pursuant to the requirements outlined by said statute. Once a municipality adopts a cash management plan it must deposit or invest its funds pursuant to such plan. N.J.S.A. 40A:5-15.1 provides for the permitted securities a municipality may invest in pursuant to its cash management plan. Some of the permitted securities are as follows: (a) obligations of, or

obligations guaranteed by, the United States of America; (b) government money market mutual funds which invest in securities permitted under the statute; (c) bonds of certain federal government agencies having a maturity date not greater than 397 days from the date of purchase; (d) bonds or other obligations of the particular municipality or school district of which the local unit is a part or within which the school district is located; and (e) bonds or other obligations having a maturity date not greater than 397 days from the date of purchase and approved by the Division of Investment, in the New Jersey Department of the Treasury. Municipalities are required to deposit their funds in banks satisfying certain security requirements set forth in N.J.S.A. 17:9-41 et seq. Municipalities are required to deposit their funds in interest-bearing bank accounts to the extent practicable and other permitted investments.

## **DEBT INFORMATION OF THE CITY**

The City must report all new authorizations of debt or changes in previously authorized debt to the Division through the filing of Supplemental and Annual Debt Statements. The Supplemental Debt Statement must be submitted to the Division before final passage of any debt authorization except amending as to matters which are not required to be contained in such ordinance or which does not increase the total amount of the obligations authorized by such ordinance. Before the end of the first month (January 31) of each fiscal year of the City, the City must file an Annual Debt Statement which is dated as of the last day of the preceding fiscal year (December 31) with the Division and with the City Clerk. This report is made under oath and states the authorized, issued and unissued debt of the City as of the previous December 31. Through the Annual and Supplemental Debt Statements, the Division monitors all local borrowing. Even though the City's authorizations are within its debt limits, the Division is able to enforce State regulations as to the amounts and purposes of local borrowings.

## **FINANCIAL MANAGEMENT**

### **Accounting and Reporting Practices**

The accounting policies of the City conform to the accounting principles applicable to local governmental units which have been prescribed by the Division. A modified accrual basis of accounting is followed with minor exceptions. Revenues are recorded as received in cash except for certain amounts which may be due from other governmental units and which are accrued. Receivables for property taxes are recorded with offsetting reserves on the balance sheet 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 only when received. Expenditures are generally recorded on the accrual basis, except that unexpended appropriations at December 31, unless canceled by the governing body, are reported as expenditures with offsetting appropriation reserves. Appropriation reserves are available, until lapsed at the close of the succeeding fiscal year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are credited to the results of operations. As is the prevailing practice among municipalities and counties in the State, the City does not record obligations for accumulated unused vacation and sick pay.

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

The foundation of the State local finance system is the annual cash basis budget. Every local unit, including the City, must adopt an annual operating budget in the form required by the Division. Certain items of revenue and appropriation are regulated by law and the proposed operating budget cannot be finally adopted until it has been certified by the Director, or in the case of a local unit's examination of its own budget as described herein, such budget cannot be finally adopted until a local examination certificate has been approved by the Chief Financial Officer and governing body of the local unit. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service and the Director, or in the case of the local examination, the local unit may review the adequacy of such appropriations. Among other restrictions, the Director or, in the case of local examination, the local unit must examine the budget with reference to all estimates of revenue and the following appropriations: (a) payment of interest and debt redemption charges, (b) deferred charges and statutory expenditures, (c) cash deficit of the preceding year, (d) reserve for uncollected taxes, and (e) other reserves and non-disbursement items. Taxes levied are a

product of total appropriations, less non-tax revenues, plus a reserve predicated on the prior year's collection experience.

The Director, in reviewing the budget, has no authority over individual operating appropriations, unless a specific amount is required by law, but the Director's budgetary review functions, focusing on anticipated revenues, and serve to protect the solvency of the local unit. Local budgets, by law and regulation, must be in balance on a "cash basis", i.e., the total of anticipated revenues must equal the total of appropriations. N.J.S.A. 40A:4-22. If in any year the City's expenditures exceed its realized revenues for that year, then such excess (deficit) must be raised in the succeeding year's budget.

In accordance with the Local Budget Law and related regulations, (i) each local unit, with a population over 10,000 persons, must adopt and annually revise a six (6) year capital program, and (ii) each local unit, with a population under 10,000 persons, must adopt (with some exceptions) and annually revise a three (3) year capital program. The capital program, when adopted, does not constitute the appropriation of funds, but sets forth a plan of capital expenditures which the local unit may contemplate over the next six (6) years or the next three (3) years, as applicable. Expenditures for capital purposes may be made either by ordinances adopted by the governing body which set forth the items and the methods of financing, or from the annual operating budget. See "CAPITAL IMPROVEMENT PROGRAM" herein.

Municipal public utilities are supported by the revenues generated by the respective operations of the utilities, in addition to the general taxing power upon real property. For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate section of the budget. The budget is required to be balanced and to provide fully for debt service. The regulations regarding anticipation of revenues and deferral of charges apply equally to the budgets of the utilities. Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "current" or operating budget.

#### **Local Examination of Budgets (N.J.S.A. 40A:4-78(b))**

Chapter 113 of the Laws of New Jersey of 1996 (N.J.S.A. 40A:4-78(b)) authorizes the Local Finance Board to adopt rules that permit certain municipalities to assume the responsibility, normally granted to the Director, of conducting the annual budget examination required by the Local Budget Law. Since 1997 the Local Finance Board has developed regulations that allow "eligible" and "qualifying" municipalities to locally examine their budget every two (2) of three (3) years. Under the regulations prescribed by the Local Finance Board, the City is not eligible for local examination of its budget in 2026. The City plans to adopt its 2026 budget in accordance with the procedures described under the heading entitled, "FINANCIAL MANAGEMENT – Local Budget Law (N.J.S.A. 40A: 4-1 et seq.)"

#### **State Supervision (N.J.S.A. 52:27BB-1 et seq.)**

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

#### **Limitations on Expenditures ("Cap Law") (N.J.S.A. 40A:4-45.1, et seq.)**

N.J.S.A. 40A:4-45.3 places limits on municipal tax levies and expenditures. This law is commonly known as the "Cap Law" (the "Cap Law"). The Cap Law provides that the City shall limit any increase in its budget to 2.5% or the Cost-Of-Living Adjustment, whichever is less, of the previous year's final appropriations, subject to certain exceptions. The Cost-Of-Living Adjustment is defined as the rate of annual percentage increase, rounded to the nearest half percent, in the Implicit Price Deflator for State and Local Government

Purchases of Goods and Services, computed and published quarterly by the United States Department of Commerce, Bureau of Economic Analysis, for the year preceding the current year as announced by the Director. However, in each year in which the Cost-Of-Living Adjustment is equal to or less than 2.5%, the City may, by ordinance, approved by a majority vote of the full membership of the governing body, provide that the final appropriations of the City for such year be increased by a percentage rate that is greater than the Cost-Of-Living Adjustment, but not more than 3.5% over the previous year's final appropriations. See N.J.S.A. 40A:4-45.14. In addition, N.J.S.A. 40A:4-45.15a restored "CAP" banking to the Local Budget Law. Municipalities are permitted to appropriate available "CAP Bank" in either of the next two (2) succeeding years' final appropriations. The City plans to not utilize its "Cap Bank" in its 2026 budget. Along with the permitted increases for total general appropriations there are certain items that are allowed to increase outside the "CAP".

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

The Division of Local Government Services has advised that counties and municipalities must comply with both budget "CAP" and the tax levy limitation. Neither the tax levy limitation nor the "CAP" law, however, limits the obligation of the City to levy *ad valorem* taxes upon all taxable property within the boundaries of the City to pay debt service on bonds and notes, including the Notes.

### **Deferral of Current Expenses**

Supplemental appropriations made after the adoption of the budget and determination of the tax rate may be authorized by the governing body of a local unit, including the City, but only to meet unforeseen circumstances, to protect or promote public health, safety, morals or welfare, or to provide temporary housing or public assistance prior to the next succeeding fiscal year. However, with certain exceptions described below, such appropriations must be included in full as a deferred charge in the following year's budget. Any emergency appropriation must be declared by resolution according to the definition provided in a provision of the Local Budget Law, N.J.S.A. 40A:4-46, and approved by at least two-thirds of the full membership of the governing body and shall be filed with the Director. If such emergency appropriations exceed three percent (3%) of the adopted operating budget, consent of the Director is required. N.J.S.A. 40A:4-49.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as (i) the repair and reconstruction of streets, roads or bridges damaged by snow, ice, frost, or floods, which may be amortized over three (3) years, and (ii) the repair and reconstruction of streets, roads, bridges or other public property damaged by flood or hurricane, where such expense was unforeseen at the time of budget adoption, the repair and reconstruction of private property damaged by flood or hurricane, tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparations, drainage map preparation for flood control purposes, studies and planning associated with the construction and installation of sanitary sewers, authorized expenses of a consolidation commission, contractually required severance liabilities resulting from the layoff or retirement of employees and the preparation of sanitary and storm system maps, all of which projects set forth in this section (ii) may be amortized over five (5) years. N.J.S.A. 40A:4-53, -54, -55, -55.1, -55.2, -55.3. Emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project as described above.

### **Budget Transfers**

Budget transfers provide a degree of flexibility and afford a control mechanism for local units. Pursuant to N.J.S.A. 40A:4-58, transfers between major appropriation accounts are prohibited until the last two (2) months of the municipality's fiscal year. Appropriation reserves may be transferred during the first three (3) months of the current fiscal year to the previous fiscal year's budget. N.J.S.A. 40A:4-59. Both

types of transfers require a two-thirds vote of the full membership of the governing body. Although sub-accounts within an appropriation account are not subject to the same year-end transfer restriction, they are subject to internal review and approval. Generally, transfers cannot be made from the down payment account, the capital improvement fund, contingent expenses or from other sources as provided in the statute.

### Anticipation of Real Estate Taxes

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

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

This provision requires that an additional amount (the "reserve for uncollected taxes") be added to the tax levy required to balance the budget so that when the percentage of the prior year's tax collection is applied to the combined total, the sum will at least equal the tax levy required to balance the budget. The reserve requirement is calculated as follows:

$$\begin{array}{rcl}
 \text{Total of Local, County,} & & \\
 \text{and School Levies} & - \text{ Anticipated Revenues} & = \text{ Cash Required from Taxes to Support} \\
 & & \text{Local Municipal Budget and Other Taxes} \\
 \\
 \text{Cash Required from Taxes to Support Local Municipal Budget and Other Taxes} & = & \text{Amount to be} \\
 \text{Prior Year's Percentage of Current Tax Collection (or Lesser \%)} & & \text{Raised by} \\
 & & \text{Taxation}
 \end{array}$$

### Anticipation of Miscellaneous Revenues

N.J.S.A 40A:4-26 provides that, "[n]o miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit."

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years of such grants rarely coincide with a municipality's calendar fiscal year. Grant revenues are fully realized in the year in which they are budgeted by the establishment of accounts receivable and offsetting reserves.

## CAPITAL IMPROVEMENT PROGRAM

In accordance with the Local Budget Law, the City must adopt and may from time to time amend capital budgets, which capital budgets must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six (6) years as a general improvement program. The Capital Budget and Capital Improvement Program of a local unit must be adopted as part of the annual budget pursuant to N.J.A.C. 5:30-4. The Capital Budget does not by itself confer any authorization to raise or expend funds, rather it is a document used for planning. Specific authorization to expend funds for such purposes must be granted, by a separate bond ordinance, by inclusion of a line item in the Capital Improvement Section of the budget, by an ordinance taking money from the Capital Improvement Fund, or other lawful means.

## TAX ASSESSMENT AND COLLECTION

### Assessment and Collection of Taxes

Property valuations (assessments) are determined on true values as arrived at by the cost approach, market data approach and capitalization of net income (where applicable). Current assessments are the result of maintaining new assessments on a "like" basis with established comparable properties for newly assessed or purchased properties resulting in a decline of the assessment ratio to true value to its present level. This method assures equitable treatment to like property owners.

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

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

Fiscal year municipalities follow the same general rationale for the billing of property taxes, however billing is processed semi-annually. The provisions of P.L. 1994, C. 72 changed the procedures for State fiscal year billing originally established in P.L. 1991, C. 75. Chapter 72 moves the billing calculation back on a calendar year basis, which permits tax levies to be proved more readily than before.

The formulae used to calculate tax bills under P.L. 1994, C. 72 are as follows:

The third and fourth installments, for municipal purposes, would equal one-half of an estimated annual tax levy, plus the balance of the full tax levied during the current tax year for school, county and special district purposes. The balance of the full tax for non-municipal purposes is calculated by subtracting amounts due on a preliminary basis from the full tax requirement for the tax year. The first and second installments, for municipal purposes, will be calculated on a percentage of the previous year's billing necessary to bill the amount required to collect the full tax levy, plus the non-municipal portion, which represents the amount payable to each taxing district for the period of January 1 through June 30.

Tax installments not paid on or before the due date are subject to interest penalties of up to eight percent (8%) on the first \$1,500 of the delinquency and, then up to eighteen percent (18%) per annum on any amount in excess of \$1,500. A penalty of up to six percent (6%) of the delinquency in excess of \$10,000 may be imposed on a taxpayer who fails to pay that delinquency prior to the end of the tax year in which the taxes become delinquent. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with State Statutes. Tax title liens are periodically assigned to the Corporation Counsel (as hereinafter defined) for in rem foreclosures in order to acquire title to these properties.

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

## **Tax Appeals**

New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessed valuation that the taxpayer deems excessive. The taxpayer has a right to file a petition on or before the 1<sup>st</sup> day of April of the current tax year for its review or the 1<sup>st</sup> day of May for municipalities that have conducted revaluations. The County Board of Taxation and the Tax Court of New Jersey have the authority after a hearing to increase, decrease or reject the appeal petition. Adjustments by the County Board of Taxation are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer believes the decision of the County Board of Taxation to be incorrect, appeal of the decision may be made to the Tax Court of New Jersey. State tax court appeals tend to take several years to conclude by settlement or trial and any losses in tax collection from prior years, after an unsuccessful trial or by settlement, are charged directly to operations.

## **TAX MATTERS**

### **Federal Income Taxation**

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance of the Notes in order for the interest on the Notes to be and remain excluded from gross income for Federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause the interest on the Notes to be included in gross income for Federal income tax purposes retroactive to the date of issuance of the Notes. The City will represent in its tax certificate (the "Tax Certificate") that it expects and intends to comply and will comply, to the extent permitted by law, with such requirements.

In the opinion of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the City ("Bond Counsel"), under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the City with the requirements of the Code and the representations and covenants made by the City in its Tax Certificate described above, interest on the Notes is not includable in gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code and will not be treated as a preference item under Section 57 of the Code for purposes of computing the Federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for purposes of computing the Federal alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

The Notes are not considered "qualified tax-exempt obligations" as defined in and for the purpose of Section 265(b)(3) of the Code.

### **Additional Federal Income Tax Consequences Relating to the Notes**

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

### **State Taxation**

Bond Counsel is also of the opinion that interest on the Notes, and any gain on the sale thereof, are not includable in gross income under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended and supplemented. Except as provided above, no opinion is expressed with respect to other State and local tax consequences of owning the Notes.

## **Prospective Tax Law Changes**

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

## **Other Tax Consequences**

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

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

**ALL POTENTIAL PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES (INCLUDING, BUT NOT LIMITED TO, THOSE LISTED ABOVE) OF THE OWNERSHIP OF THE NOTES.**

## **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 institutional building and loan associations, investment companies, and other persons carrying on banking business, all insurance companies, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any obligations of the City, including the Notes, and such Notes are authorized security for any and all public deposits.

## **RISK TO HOLDERS OF NOTES**

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

## **Municipal Bankruptcy**

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

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

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

**THE CITY HAS NOT AUTHORIZED THE FILING OF A BANKRUPTCY PETITION. THIS REFERENCE TO THE BANKRUPTCY CODE AND THE STATE STATUTE SHOULD NOT CREATE ANY IMPLICATION THAT THE CITY EXPECTS TO UTILIZE THE BENEFITS OF THEIR PROVISIONS, OR THAT IF UTILIZED, SUCH ACTION WOULD BE APPROVED BY THE LOCAL FINANCE BOARD, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCE OF PAYMENT OF AND SECURITY FOR THE NOTES, OR THAT THE BANKRUPTCY CODE COULD NOT BE AMENDED AFTER THE DATE HEREOF.**

#### **Remedies of Holders of Bonds or Notes (N.J.S.A. 52:27-1 et seq.)**

If the City defaults for over sixty (60) days in the payment of the principal of or interest on any bonds or notes outstanding, any holder of such bonds or notes may bring an action against the City in the Superior Court of New Jersey (the "Superior Court") to obtain a judgment that the City is so in default. Once a judgment is entered by the Superior Court to the effect that the City is in default, the Municipal Finance Commission (the "Commission") would become operative in the City. The Commission was created in 1931 to assist in the financial rehabilitation of municipalities which were in default in their obligations. The powers and duties of the Commission are exercised within the Division, which constitutes the Commission.

The Commission exercises direct supervision over the finances and accounts of any municipality which has been adjudged by the Superior Court to be in default of its obligations. The Commission continues in force in such municipalities until all bonds, notes or other indebtedness of the municipality which have fallen due, and all bonds or notes which will fall due within one (1) year (except tax anticipation or revenue anticipation notes), and the interest thereon, have been paid, funded or refunded, or the payment thereof has been adequately provided for by a cash reserve, at which time the Commission's authority over such municipality ceases. The Commission is authorized to supervise tax collections and assessments, to approve the funding or refunding of bonds, notes or other indebtedness of the municipality which the Commission has found to be outstanding and unpaid, and to approve the adjustment or composition of claims of creditors and the readjustment of debts under the Bankruptcy Code.

#### **CERTIFICATES OF THE CITY**

Upon the delivery of the Notes, the original purchaser of the Notes shall receive a certificate, in form satisfactory to Bond Counsel and signed by officials of the City, stating to the best knowledge of said officials, that this Official Statement as of its date did not contain any untrue statement of a material fact, or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading; and stating, to the best knowledge of said officials, that there has been no material adverse change in the condition, financial or otherwise, of the City from that set forth in or contemplated by this Official Statement. In addition, the original purchaser of the Notes shall also receive a certificate in form satisfactory to Bond Counsel evidencing the proper execution and delivery of the Notes and receipt of payment therefor, and a certificate dated as of the date of the delivery of the Notes, and signed by the officers who signed the Notes, stating that no litigation is then pending or, to the knowledge of such officers, threatened to restrain or enjoin the issuance or delivery of the Notes or the levy or collection of taxes to pay the principal of the Notes or the interest thereon, or questioning the validity of the statutes or the proceedings under which

the Notes are issued, and that neither the corporate existence nor boundaries of the City, nor the title of any of the said officers to their respective offices, is being contested.

### **APPROVAL OF LEGAL PROCEEDINGS**

All legal matters incident to the authorization, issuance, sale and delivery of the Notes are subject to the approval of Bond Counsel, whose approving legal opinion will be delivered with the Notes substantially in the form set forth as APPENDIX C hereto. Certain legal matters with respect to the Notes will be passed on for the City by its Corporation Counsel, David Minchello, Esq., Plainfield, New Jersey (the "Corporation Counsel"). The various legal opinions to be delivered concurrently with the delivery of the Notes 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

### **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Beverley Morris-Gill, Director of Finance/Chief Financial Officer, City of Plainfield, 515 Watchung Avenue, Plainfield, New Jersey 07061, (908) 753-3207 or email: [beverley.morris-gill@plainfieldnj.gov](mailto:beverley.morris-gill@plainfieldnj.gov); Everett M. Johnson, Esq., Wilentz, Goldman & Spitzer, P.A., 90 Woodbridge Center Drive, Woodbridge, New Jersey 07095, (732) 855-6149 or email: [ejohnson@wilentz.com](mailto:ejohnson@wilentz.com); or Heather Litzebauer, NW Financial Group, LLC, 522 Broad Street, Bloomfield, New Jersey 07003, (201) 937-7224 or email: [hlitzebauer@nwfinancial.com](mailto:hlitzebauer@nwfinancial.com).

### **MUNICIPAL ADVISOR**

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

### **LITIGATION**

To the knowledge of the Corporation Counsel, after due inquiry, there is no litigation of any nature now pending or threatening, restraining or enjoining the issuance or the delivery of the Notes or the levy or collection of any taxes to pay the principal of or the interest on the Notes, or in any manner questioning the authority or the proceedings for the issuance of the Notes, or for the levy or collection of taxes to pay the principal of and interest on the Notes, or any action contesting the corporate existence or the boundaries of the City or the title of any of the present officers of the City. Further, to the knowledge of the Corporation Counsel, there is no litigation presently pending or threatened against the City that, in the opinion of the Corporation Counsel, would have a material adverse impact on the financial condition of the City if adversely decided. The Corporation Counsel will provide an opinion or certificate to such effect upon the closing of the Notes.

### **COMPLIANCE WITH SECONDARY MARKET DISCLOSURE REQUIREMENTS**

The City has covenanted for the benefit of the holders of the Notes to provide notices of the occurrence of certain enumerated events with respect to the Notes (the "Notices"), as set forth in Section (b)(5)(i)(C) of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented. The Notices will be filed by the City with the Municipal Securities Rulemaking Board (the "MSRB") through the Electronic Municipal Market Access ("EMMA") system. The specific nature of the Notices will be detailed in a certificate (the "Disclosure

Certificate”) to be executed on behalf of the City by its Chief Financial Officer in the form appearing in APPENDIX D hereto, such Disclosure Certificate to be delivered concurrently with the delivery of the Notes.

The City has entered into prior undertakings to provide continuing disclosure for certain outstanding issuances for the City. In connection with such undertakings, the City has filed audited financial statements and other financial documents with the MSRB’s Electronic Municipal Market Access (“EMMA”) website as required in accordance with the Rule. The City has engaged the services of Phoenix Advisors, Hamilton, New Jersey, as dissemination agent, which will act as dissemination agent for the City in connection with all of the City’s ongoing continuing disclosure obligations.

#### **PREPARATION OF OFFICIAL STATEMENT**

Bond Counsel has participated in the preparation and review of this Official Statement, but has not participated in the collection of financial, statistical or demographic information contained in this Official Statement, nor verified the accuracy, completeness, or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto, but takes responsibility for the information contained under the headings entitled “TAX MATTERS” and “APPROVAL OF LEGAL PROCEEDINGS” (as it pertains to the Bond Counsel) and its approving legal opinion set forth in APPENDIX C hereto and expresses no opinion or other assurance other than that which is specifically set forth therein with respect thereto.

The Municipal Advisor has participated in the review of this Official Statement, and has participated in the collection of financial, statistical, and demographic information contained in APPENDIX A to this Official Statement, but has not verified the accuracy, completeness, or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto, but takes responsibility for the information contained under the heading entitled “MUNICIPAL ADVISOR” and expresses no opinion or other assurance other than that which is specifically set forth therein with respect thereto.

Suplee, Clooney & Company, Westfield, New Jersey, the Auditor to the City, has not participated in the preparation of the financial information contained in this Official Statement nor have they verified the accuracy, completeness, or fairness thereof, and, accordingly, express no opinion or other assurance with respect thereto, but takes responsibility for the information contained under the heading entitled “FINANCIAL STATEMENTS” and the audited financial statements to the extent specified in the Independent Auditors’ Report appearing in APPENDIX B hereto.

The Corporation Counsel has not participated in the preparation of the information contained in this Official Statement, nor verified the accuracy, completeness, or fairness thereof, but takes responsibility for the information under the headings entitled “LITIGATION” and “APPROVAL OF LEGAL PROCEEDINGS” (as it pertains to the Corporation Counsel) and expresses no opinion or assurance other than that which is specifically set forth therein with respect thereto.

Certain information set forth herein has been obtained from the City and other sources, which are deemed reliable, but no warranty, guaranty or other representation as to the accuracy or completeness is made as to such information contained herein. There is no assurance that any of the assumptions or estimates contained herein will be realized.

#### **RATING**

The City has applied to Moody’s Ratings (the “Rating Agency”) for a rating on the Notes. The Rating Agency has assigned a rating of “MIG 1” on the Notes.

An explanation of the significance of the rating on the Notes may be obtained from the Rating Agency. Such rating reflects only the views of the Rating Agency, and there is no assurance that the rating will continue for any period of time or that it will not be revised or withdrawn entirely, if, in the judgment of the Rating Agency, circumstances so warrant. Any revision or withdrawal of the rating may have an adverse effect on the market price of the Notes. Except as set forth in the Disclosure Certificate, the City has not agreed to take any action with respect to any proposed rating changes or to bring the rating changes, if any, to the attention of the owners of the Notes.

## UNDERWRITING

The Notes have been purchased from the City at a public sale by \_\_\_\_\_ (the "Underwriter") at a price of \$ \_\_\_\_\_. The purchase price of the Notes reflects the par amount of Notes (\$ \_\_\_\_\_), less an Underwriter's discount of \$ \_\_\_\_\_, plus a[n] [net] original issue premium of \$ \_\_\_\_\_.

The Underwriter may offer and sell the Notes to certain dealers (including dealers depositing the Notes into investment trusts) at a yield higher than the public offering yield stated on the front cover page hereof.

## FINANCIAL STATEMENTS

The unaudited financial information for the year ended December 31, 2025 was compiled by Suplee, Clooney & Company, Westfield, New Jersey, an independent auditor (the "Auditor"), as stated in their Independent Accountant's Compilation Report appearing in Appendix B. The audited financial statements of the City for the years ended December 31, 2024 and 2023 have been audited by the Auditor and are presented in their Independent Auditor's Report appearing in Appendix B to this Official Statement.

## MISCELLANEOUS

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

**CITY OF PLAINFIELD,  
IN THE COUNTY OF UNION,  
STATE OF NEW JERSEY**

\_\_\_\_\_  
**BEVERLY MORRIS-GILL, Director of Finance/  
Chief Financial Officer**

DATED: July \_\_\_\_, 2026

**APPENDIX A**

**CERTAIN FINANCIAL AND DEMOGRAPHIC INFORMATION  
CONCERNING THE CITY OF PLAINFIELD**

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## **INFORMATION REGARDING THE CITY<sup>1</sup>**

The following material presents certain economic and demographic information of the City of Plainfield (the “City”), in the County of Union (the “County”), State of New Jersey (the “State”).

### **General Information**

The City of Plainfield is an industrial-residential suburb located in north central New Jersey in the western most section of Union County, 24 miles southwest of New York City, 18 miles from the City of Newark, New Jersey and 12 miles from the City of Elizabeth, New Jersey. Although considered part of the greater New York City area, the City is itself the core city for several surrounding New Jersey communities which comprise the greater Plainfield area. The City is approximately six square miles in area.

The City Charter, which was adopted in 1968, provides for a Mayor-Council form of government. The Mayor is elected for a four year term, and appoints the City Administrator, and the Directors of Administration and Finance, Public Affairs and Safety, and Public Works and Urban Development. The Mayor has the veto power over legislation adopted by the City Council but this veto may be overridden by a two-thirds majority vote of the City Council.

### **Form of Government**

The City Council is comprised of seven members who, like the Mayor, serve four year terms. These terms are staggered, however, to ensure that some experienced members remain on the City Council in any given election year.

### **Retirement Systems**

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

### **Pension Information<sup>2</sup>**

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

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<sup>1</sup> Source: The City, unless otherwise indicated.

<sup>2</sup> Source: State of New Jersey Department of Treasury, Division of Pensions and Benefits

## **Defined Contribution Retirement Program (DCRP)**

The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

## **Employment and Unemployment Comparisons**

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

	<b><u>Total Labor Force</u></b>	<b><u>Employed Labor Force</u></b>	<b><u>Total Unemployed</u></b>	<b><u>Unemployment Rate</u></b>
<b><u>City</u></b>				
2025	28,435	26,365	2,070	7.3%
2024	28,227	26,435	1,792	6.3%
2023	28,192	26,521	1,671	5.9%
2022	27,606	26,181	1,425	5.2%
2021	27,275	25,078	2,197	6.4%
<b><u>County</u></b>				
2025	306,254	289,285	16,969	5.5%
2024	303,496	288,988	14,508	4.8%
2023	295,774	281,793	13,981	4.7%
2022	289,390	278,184	11,206	3.9%
2021	285,500	266,500	19,000	6.7%
<b><u>State</u></b>				
2025	4,905,633	4,684,499	257,134	5.2%
2024	4,898,008	4,676,064	221,944	4.5%
2023	4,829,671	4,615,722	213,949	4.4%
2022	4,739,800	4,564,100	175,700	3.7%
2021	4,661,100	4,365,400	295,700	6.3%

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

	<u>City</u>	<u>County</u>	<u>State</u>
<b><u>Income (as of 2024)</u></b>			
Median Household Income	\$85,908	\$103,202	\$104,294
Per Capita Income	30,960	51,479	53,118

Source: U.S. Census Bureau, 2020-2024 American Community Survey – 5 Year Estimates

### **Population**

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

<u>Year</u>	<u>City</u>		<u>County</u>		<u>State</u>	
	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>
2020	54,586	9.59%	575,345	7.24%	9,228,994	4.97%
2010	49,808	4.14	536,499	2.67	8,791,894	4.49
2000	47,829	2.71	522,541	5.82	8,414,350	8.85
1990	46,567	2.22	493,819	-2.04	7,730,188	4.96
1980	45,555	-2.79	504,094	-7.18	7,365,001	2.75

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

### **Largest Taxpayers**

The ten largest taxpayers in the City are listed below:

<u>Taxpayers</u>	<u>2025 Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Verizon	\$3,978,033	0.33%
639 South Ave LLC	3,000,000	0.25%
Woodlands Propco LCC	2,900,000	0.24%
Norwood Estates, LLC	2,606,400	0.22%
Michael Manor LLC	2,400,000	0.20%
Chung 33 Westervelt LLC	2,200,000	0.18%
1000 Plainfield Estates	1,881,700	0.16%
Plainfield WW LLC	1,850,000	0.15%
New Jersey Bell Telephone Co	1,730,400	0.14%
Stoney Brook Gardens LLC	<u>1,700,000</u>	0.14%
<b>Total</b>	<b><u>\$24,246,533</u></b>	<b><u>1.99%</u></b>

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

**Comparison of Tax Levies and Collections**

<b><u>Year</u></b>	<b><u>Tax Levy</u></b>	<b><u>Current Year Collection</u></b>	<b><u>Current Year % of Collection</u></b>
2025*	\$111,337,302	\$106,621,154	95.76%
2024	106,898,594	103,998,607	97.29%
2023	105,253,012	101,436,362	96.37%
2022	103,085,674	99,868,198	96.88%
2021	100,728,992	98,871,498	98.16%

Source: 2021-2024 Audited Annual Financial Statement  
\* Unaudited

**Delinquent Taxes and Tax Title Liens**

<b><u>Year</u></b>	<b><u>Amount of Tax Title Liens</u></b>	<b><u>Amount of Delinquent Tax</u></b>	<b><u>Total Delinquent</u></b>	<b><u>% of Tax Levy</u></b>
2025*	\$301,468	\$2,340,725	\$2,682,333	2.41%
2024	301,071	2,348,945	2,649,963	2.52%
2023	200,055	3,379,932	3,579,987	3.40%
2022	80,319	2,987,829	3,068,148	2.98%
2021	137,701	1,589,812	1,727,513	1.72%

Source: 2021-2024 Audited Annual Financial Statement  
\* Unaudited

**Property Acquired by Tax Lien Liquidation**

<b><u>Year</u></b>	<b><u>Amount</u></b>
2025*	\$1,519,400
2024	\$1,519,400
2023	1,519,400
2022	1,519,400
2021	1,519,400

Source: 2021-2024 Audited Annual Financial Statement  
\* Unaudited

## **Tax Rates per \$100 of Net Valuations Taxable and Allocations**

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

<u>Year</u>	<u>Municipal</u>	<u>Local School</u>	<u>County</u>	<u>Total</u>
2025	5.378	2.428	1.300	8.926
2024	5.218	2.227	1.287	8.732
2023	5.109	2.244	1.293	8.646
2022	4.989	2.252	1.218	8.459
2021	4.827	2.261	1.194	8.384

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

## **Valuation of Property**

<u>Year</u>	<u>Aggregate Assessed Valuation of Real Property</u>	<u>Aggregate True Value of Real Property</u>	<u>Ratio of Assessed to True Value</u>	<u>Assessed Value of Personal Property</u>	<u>Equalized Valuation</u>
2025	\$1,215,436,356	\$4,891,091,976	24.85	\$3,620,139	\$4,894,712,115
2024	1,214,042,156	4,382,823,668	27.70	3,777,689	4,386,601,357
2023	1,205,824,156	4,045,032,392	29.81	3,978,033	4,049,010,425
2022	1,196,996,156	3,787,962,519	31.60	4,356,045	3,792,318,564
2021	1,198,328,656	3,191,571,693	37.39	4,933,429	3,196,505,122

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

## **Classification of Ratables**

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

<u>Year</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Total</u>
2025	\$11,470,000	\$1,005,054,256	0	\$118,083,000	\$20,433,300	\$60,395,800	\$1,215,436,356
2024	10,952,700	1,003,097,456	0	121,335,100	20,238,300	58,418,600	1,214,042,156
2023	8,588,400	996,448,056	0	121,510,200	21,920,300	57,357,200	1,205,824,156
2022	7,411,700	992,787,256	0	120,352,100	19,317,900	57,127,200	1,196,996,156
2021	7,706,300	991,504,456	0	118,015,000	18,767,400	57,335,500	1,198,328,656

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

**Financial Operations**

The following table summarizes the City’s Current Fund budget. The following summary should be used in conjunction with the tables in the sourced documents from which it is derived.

**Summary of Current Fund Budget**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Fund Balance Utilized	\$9,197,000	\$9,600,000	\$7,188,539	\$8,000,000	\$10,000,000
Miscellaneous Revenues	16,656,260	31,560,620	30,276,857	25,937,372	32,628,563
Receipts from Delinquent Taxes	2,130,000	1,300,000	2,300,000	2,600,000	2,322,000
Amount to be Raised by Taxation	<u>58,819,331</u>	<u>59,685,059</u>	<u>61,560,793</u>	<u>63,292,249</u>	<u>63,122,863</u>
	<u>\$86,802,591</u>	<u>\$102,145,679</u>	<u>\$101,326,189</u>	<u>\$99,829,621</u>	<u>\$108,073,426</u>
General Appropriations	\$74,468,683	\$75,912,230	\$78,266,804	\$82,295,578	\$87,256,495
Operations (Excluded from CAPS)	3,080,956	17,616,446	13,134,478	7,481,983	11,939,007
Deferred Charges and Statutory Expenditures	40,000	200,000	260,609	257,200	167,200
Judgments	0	0	0	0	0
Capital Improvement Fund	380,000	206,000	300,000	400,000	300,000
Municipal Debt Service	4,972,676	5,171,117	5,215,094	5,101,933	5,199,900
Reserve for Uncollected Taxes	<u>3,860,276</u>	<u>3,039,886</u>	<u>4,149,204</u>	<u>4,292,927</u>	<u>3,210,824</u>
Total Appropriations:	<u>\$86,802,591</u>	<u>\$102,145,679</u>	<u>\$101,326,189</u>	<u>\$99,829,621</u>	<u>\$108,073,426</u>

Source: Annual Budgets

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**Fund Balance**

**Current Fund**

The following table lists the City’s fund balance and the amount utilized in the succeeding year’s budget for the Current Fund for the past five (5) fiscal years ending December 31.

<b><u>Year</u></b>	<b><u>Fund Balance - Current Fund</u></b>	
	<b><u>Balance</u></b> <b><u>12/31</u></b>	<b><u>Utilized in Budget</u></b> <b><u>of Succeeding Year</u></b>
2025*	\$6,393,884	\$9,885,000
2024	10,446,942	10,000,000
2023	11,825,685	8,000,000
2022	10,430,615	7,188,539
2021	12,561,780	9,600,000

Source: 2021-2024 Audited Annual Financial Statement

\* Unaudited

**Overlapping Debt (as of December 31, 2025)<sup>1</sup>**

<b><u>Name of Related Entity</u></b>	<b><u>Related Entity</u></b> <b><u>Debt Outstanding</u></b>	<b><u>City</u></b> <b><u>Percentage</u></b>	<b><u>City</u></b> <b><u>Share</u></b>
Local School District	\$17,100,000	100.00%	\$17,100,000
County	464,710,884	4.02%	<u>18,700,633</u>
Net Indirect Debt			\$35,800,633
Net Direct Debt			<u>57,090,514</u>
Total Net Direct and Indirect Debt			<b><u>\$92,891,147</u></b>

<sup>1</sup> City percentage of County debt is based on the City’s share of total equalized valuation in the County.

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**Statement of Debt (as of December 31, 2025)**

<b>General Purpose Debt</b>	
Serial Bonds	\$23,769,000
Bond Anticipation Notes	17,438,335
Bonds and Notes Authorized but Not Issued	15,840,647
Other Bonds, Notes and Loans	42,531
Total:	<u>\$57,090,513</u>
<b>Local School District Debt</b>	\$17,100,00
Serial Bonds	
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Total:	<u>\$17,100,000</u>
<b>Self-Liquidating Debt</b>	\$13,465,433
<b>TOTAL GROSS DEBT</b>	<b><u>\$87,655,946</u></b>
Less: Statutory Deductions	
General Purpose Debt	\$0
Local School District Debt	17,100,000
Self-Liquidating Debt	13,465,433
Total:	<u>\$30,565,433</u>
<b>TOTAL NET DEBT</b>	<b><u>\$57,090,513</u></b>

**Debt Limit (2025)**

Average Equalized Valuation Basis (2023, 2024, 2025)	\$4,439,649,345
Permitted Debt Limitation (3 1/2%)	155,387,727
Less: Net Debt	<u>57,090,514</u>
Remaining Borrowing Power	<u>\$98,297,213</u>
Percentage of Net Debt to Average Equalized Valuation	1.286%
Gross Debt Per Capita based on 2020 population of 54,586	\$1,606
Net Debt Per Capita based on 2020 population of 54,586	\$1,046

Source: 2025 Annual Debt Statement of the City

**Largest Employers**

Plainfield Public School District  
City of Plainfield  
Union County College (Plainfield Campus)  
Injectron Corporation  
Neighborhood Health Services Corporation

**School Enrollment**

<b>Pupil Enrollments</b>	
<b><u>School Year</u></b>	<b><u>Enrollment</u></b>
2024-2025	8,464
2023-2024	8,466
2022-2023	8,364
2021-2022	8,386
2020-2021	7,845

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

**Building Permits**

<b><u>Year</u></b>	<b><u>Number of Permits</u></b>	<b><u>Value of Construction</u></b>
2025	1,469	\$86,311,117
2024	2,102	54,287,769
2023	211	10,207,632
2022	73	4,733,177
2021	279	14,945,579

Source: The City of Plainfield

**Litigation**

The status of pending litigation is included in the Notes to Financial Statements of the City's annual audit report.

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**APPENDIX B**

**FINANCIAL STATEMENTS OF THE CITY OF PLAINFIELD**

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**AUDITED AND UNAUDITED FINANCIAL STATEMENTS**

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# SUPLEE, CLOONEY & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail [info@senco.com](mailto:info@senco.com)

## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members  
of the City Council  
City of Plainfield  
County of Union  
Plainfield, New Jersey 07061

### ***Report on the Audit of the Financial Statements***

#### ***Adverse and Unmodified Opinions***

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the City of Plainfield (the "City"), as of and for the year ended December 31, 2024 and 2023, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's regulatory financial statements as listed in the table of contents.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Matter Giving Rise to Adverse Opinion" 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 various individual funds and account group of the City as of December 31, 2024 and 2023, or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2024.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2024 and 2023, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2024 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") as described in Note 1.

***Basis for Adverse and Unmodified Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the "Uniform Guidance") the audit requirements of State of New Jersey OMB Circular 15-08 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards and provisions are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

***Matter Giving Rise to Adverse Opinion***

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the City on the basis of the financial reporting provisions prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements 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.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the regulatory financial statements in accordance with the regulatory basis of accounting prescribed by the Division, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of regulatory financial statements that are free from material misstatement, whether due to fraud or error. In preparing the regulatory financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the regulatory financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, Uniform Guidance, State of NJ OMB Circular 15-08 and audit requirements prescribed by the Division will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

## SUPLEE, CLOONEY & COMPANY LLC

In performing an audit in accordance with GAAS, *Government Auditing Standards* Uniform Guidance, State of NJ OMB Circular 15-08 and audit requirements prescribed by the Division, we:

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

SUPLEE, CLOONEY & COMPANY LLC  
Certified Public Accountants

/s/ Robert W. Swisher  
Robert W. Swisher, C.P.A., R.M.A.

July 31, 2025



# SUPLEE, CLOONEY & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail [info@scnco.com](mailto:info@scnco.com)

## ACCOUNTANT'S COMPILATION REPORT

The Honorable Mayor and Members  
of the City Council  
City of Plainfield  
County of Union  
Plainfield, New Jersey 07601

We have compiled the accompanying balance sheets - regulatory basis of the individual funds from the 2025 Annual Financial Statement (AFS) of the City of Plainfield, County of Monmouth, New Jersey as of December 31, 2025 and the related statements of operations and changes in fund balances - regulatory basis for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements - regulatory basis have been prepared on a prescribed basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements and schedules information that is the representation of management of the City of Plainfield. We have not audited or reviewed the accompanying financial statements - regulatory basis and, accordingly, do not express an opinion or any other form of assurance on them.

Management of the City of Plainfield has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the regulatory basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the City of Plainfield's financial position - regulatory basis and the results of its operations and changes in its fund balance - regulatory basis. Accordingly, these financial statements are not designed for those who are not informed about such matters.

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SUPLEE, CLOONEY & COMPANY LLC  
Certified Public Accountants

/s/ Robert W. Swisher  
Robert W. Swisher, C.P.A., R.M.A.

July 8, 2026

CITY OF PLAINFIELD

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER 31, 2025 (Unaudited)	BALANCE DECEMBER 31, 2024	BALANCE DECEMBER 31, 2023
<u>ASSETS</u>			
Current Fund:			
Cash	\$ 15,917,149.00	\$ 17,070,947.41	\$ 24,789,010.19
Change Fund		250.00	800.00
Due State of New Jersey - Senior Citizens and Veterans	309,545.00	301,116.54	284,893.77
	<u>\$ 16,226,694.00</u>	<u>\$ 17,372,313.95</u>	<u>\$ 25,074,703.96</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	\$ 4,528,449.00	\$ 2,348,945.91	\$ 3,379,932.25
Tax Title Liens Receivable	301,468.00	301,017.41	200,054.91
SID Taxes Receivable			14,304.22
Foreclosed Property	1,519,400.00	1,519,400.00	1,519,400.00
Revenue Accounts Receivable	98,843.00	123,266.75	57,227.79
Interfunds Receivable		27,030.06	16,803.25
	<u>\$ 6,448,160.00</u>	<u>\$ 4,319,660.13</u>	<u>\$ 5,187,722.42</u>
Deferred Charges	<u>\$ 1,278,980.00</u>	<u>\$ 333,800.00</u>	<u>\$ 541,000.00</u>
	<u>\$ 23,953,834.00</u>	<u>\$ 22,025,774.08</u>	<u>\$ 30,803,426.38</u>
Grant Fund:			
Cash	\$ 6,249,122.00	\$ 6,106,475.95	\$ 4,546,193.15
Grants Receivable	26,072,217.17	26,922,412.65	27,448,977.47
Due Current Fund	183,914.00	336,084.65	2,508,104.97
	<u>\$ 32,505,253.17</u>	<u>\$ 33,364,973.25</u>	<u>\$ 34,503,275.59</u>
	<u>\$ 56,459,087.17</u>	<u>\$ 55,390,747.33</u>	<u>\$ 65,306,701.97</u>

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

CITY OF PLAINFIELD

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	BALANCE DECEMBER 31, 2025 ( Unaudited)	BALANCE DECEMBER 31, 2024	BALANCE DECEMBER 31, 2023
Current Fund:			
Appropriation Reserves	\$ 4,654,987.00	\$ 2,914,522.82	\$ 5,442,065.63
Accounts Payable	642,522.00	771,759.19	1,054,357.76
Reserve for Encumbrances	2,291,965.00	1,627,616.44	1,981,938.19
Special Emergency Note Payable	1,100,000.00		40,000.00
Contracts Payable	1,262.00	1,261.88	1,261.88
Prepaid Taxes	478,680.00	526,599.61	515,750.98
Tax Overpayments	50,113.00	49,716.48	257,429.79
Miscellaneous Current Reserves	973,726.00	512,161.23	992,288.53
County Taxes Payable	315,868.00	45,523.06	97,482.54
Special District Tax Payable	128,558.00		
Interfunds Payable	474,109.00	810,011.16	3,407,444.06
	\$ 11,111,790.00	\$ 7,259,171.87	\$ 13,790,019.36
Reserve for Receivables and Other Assets	6,448,160.00	4,319,660.13	5,187,722.42
Fund Balance	6,393,884.00	10,446,942.08	11,825,684.60
	\$ 23,953,834.00	\$ 22,025,774.08	\$ 30,803,426.38
Grant Fund:			
Reserve for Grants - Unappropriated	\$ 749,276.12	\$ 1,330,184.31	\$ 1,224,423.55
Reserve for Grants - Appropriated	25,915,199.02	31,699,939.46	32,944,002.56
Encumbrances	5,670,885.03		
Due Trust Other Fund	147,123.00	147,123.00	147,123.00
Due Current Fund	22,770.00		
Due General Capital Fund		187,726.48	187,726.48
	\$ 32,505,253.17	\$ 33,364,973.25	\$ 34,503,275.59
	\$ 56,459,087.17	\$ 55,390,747.33	\$ 65,306,701.97

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

## CITY OF PLAINFIELD

## CURRENT FUND

STATEMENTS OF OPERATIONS AND  
CHANGES IN FUND BALANCE - REGULATORY BASIS

	FOR THE YEAR ENDED DECEMBER 31, 2025 (Unaudited)	FOR THE YEAR ENDED DECEMBER 31, 2024	FOR THE YEAR ENDED DECEMBER 31, 2023
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	\$ 9,885,000.00	\$ 8,000,000.00	\$ 7,188,539.00
Miscellaneous Revenue Anticipated	39,940,372.00	38,825,325.11	40,706,666.82
Receipts From Delinquent Taxes	2,340,725.00	3,083,009.12	2,308,380.91
Receipts From Current Taxes	106,621,154.00	103,998,607.00	101,631,218.90
Non-Budget Revenue	1,495,705.00	1,150,999.25	1,760,930.19
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	2,641,767.00	2,459,017.78	4,922,056.83
Canceled Appropriated Grant Reserves		1,265,004.62	1,412,784.31
Prior Year Special Improvement District		15,813.08	
Canceled Accounts Payable	248,676.00		3,642.33
Reduction in Prepaid Local School Taxes Payable			188,912.00
Interfunds Returned	27,030.00		132,420.00
<u>TOTAL REVENUE AND OTHER INCOME</u>	<u>\$ 163,200,429.00</u>	<u>\$ 158,797,775.96</u>	<u>\$ 160,255,551.29</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operations Within "CAPS"	\$ 75,966,427.13	\$ 70,586,750.00	\$ 67,164,499.00
Deferred Charges and Statutory Expenditures - Within "CAPS"	12,389,668.00	11,708,827.66	11,102,305.23
Other Operations Excluded From "CAPS"	4,193,363.00	2,494,461.00	5,009,703.00
State and Federal Programs Off-Set by Revenue	13,465,888.87	17,304,235.74	18,214,758.89
Municipal Debt Service	5,199,900.00	5,101,537.19	5,214,697.31
Capital Improvements	300,000.00	400,000.00	300,000.00
Deferred Charges Excluded from "CAPS"	167,200.00	257,200.00	260,609.10
County Tax	15,845,740.00	15,678,650.58	15,650,219.16
County Share of Added Taxes	315,868.00	45,523.06	97,482.54
Local District School Tax	29,598,174.00	27,113,534.00	27,146,236.00
Municipal Open Space Tax	248,679.00	244,270.11	242,675.03
Special Improvement District	359,810.00	250,000.00	200,324.96
Canceled Grants Receivable		922,258.80	1,058,895.58
Refund of Prior Year Revenue	233,855.00	59,043.53	4,115.32
Cancellation of Deferred Charge - Special Emergency	3,900,000.00		
Prior year Grant Fund Adjustment	183,914.08		
Senior Citizens and Veterans Disallowed Prior Year (net)			6,250.00
Interfunds Advanced		10,226.81	
<u>TOTAL EXPENDITURES</u>	<u>\$ 162,368,487.08</u>	<u>\$ 152,176,518.48</u>	<u>\$ 151,672,771.12</u>
Excess in Revenue	\$ 831,941.92	\$ 6,621,257.48	\$ 8,582,780.17
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	\$ 5,000,000.00	\$	\$
Statutory Excess to Fund Balance	\$ 5,831,941.92	\$ 6,621,257.48	\$ 8,582,780.17
Fund Balance, January 1	\$ 10,446,942.08	\$ 11,825,684.60	\$ 10,431,443.43
	\$ 16,278,884.00	\$ 18,446,942.08	\$ 19,014,223.60
Decreased by:			
Utilization as Anticipated Revenue	9,885,000.00	8,000,000.00	7,188,539.00
Fund Balance, December 31	<u>\$ 6,393,884.00</u>	<u>\$ 10,446,942.08</u>	<u>\$ 11,825,684.60</u>

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

CITY OF PLAINFIELD

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2024

	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
	BUDGET	NJS 40A: 4-87		
Fund Balance Anticipated	\$ 8,000,000.00		\$ 8,000,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	\$ 66,775.00	\$	\$ 62,400.00	\$ (4,375.00)
Other	128,912.00		247,459.13	118,547.13
Fees and Permits:				
Other	572,481.00		499,598.00	(72,883.00)
Municipal Court:				
Fines and Costs	575,053.00		590,594.83	15,541.83
Interest and Costs on Taxes	477,667.00		642,938.98	165,271.98
Interest on Investments and Deposits	600,000.00		512,144.32	(87,855.68)
Cable TV Franchise Fees	370,600.00		370,632.84	32.84
PILOT:				
Teppers Bogart	57,000.00		48,586.00	(8,414.00)
Presbyterian Homes-Plainfield Senior Citizens	190,000.00		251,887.14	61,887.14
Cedarbrook Apartments	293,700.00		399,943.00	106,243.00
Liberty Village	191,000.00		210,532.00	19,532.00
Leland Gardens	316,500.00		395,618.52	79,118.52
Covenant House	37,000.00		46,974.89	9,974.89
Horizon at Plainfield	50,000.00		84,879.59	34,879.59
Park Madison	400,000.00		400,572.00	572.00
Park Madison - Other	77,331.00		59,643.51	(17,687.49)
Allen Young Apartments	217,500.00		216,979.85	(520.15)
Plainfield Housing Authority	16,337.00		30,907.00	14,570.00
South 2nd Street Redevelopment	32,500.00		33,635.57	1,135.57
200 Plainfield Avenue- Youth Center	30,900.00		32,139.41	1,239.41
Quin/Sleepy Hollow	126,000.00		127,153.42	1,153.42
Netherwoods Village	218,000.00		218,545.40	545.40
Elms Square Urban Renewal	63,000.00		78,773.78	15,773.78
South 2nd Street Station at Grant	70,500.00		21,638.61	(48,861.39)
Muhlenberg Urban Renewal	78,000.00		210,905.80	132,905.80
829 South urban Renewal LLC	116,000.00		143,889.75	27,889.75
1000 North Ave-IOPAMJ Plainfield UR LLC	264,000.00		264,386.24	386.24
803 South Urban Renewal LLC	160,000.00		200,062.50	40,062.50
1369 S Plainfield urban Renewal	42,500.00		53,783.61	11,283.61
163 East front Street	106,500.00		113,392.05	6,892.05
The Koinonia Academy School	56,500.00		56,931.70	431.70
Todd West Urban Renewal	50,500.00		39,454.65	(11,045.35)
Recreation Fees	14,550.00		29,624.00	15,074.00
Certificate of Compliance	58,625.00		57,075.00	(1,550.00)
Developer Community Initiative Funds	162,500.00		162,500.00	
Energy Receipts Tax	7,870,747.00		7,870,746.72	(0.28)
Uniform Construction Code Fees	774,000.00		701,127.00	(72,873.00)
Uniform Fire Safety	72,500.00		88,860.79	16,360.79
General Capital Surplus	148,000.00		148,000.00	
Sale of Municipal Assets	575,000.00		575,000.00	
Sewer Utility Surplus	3,000,000.00		3,000,000.00	
Parking Utility Surplus	500,000.00		500,000.00	
American Rescue Plan- United States Treasury Grant Programs	2,411,933.77		2,411,933.77	
Total Miscellaneous Revenues	\$ 25,937,372.03	\$ 12,316,713.48	\$ 38,825,325.11	\$ 571,239.60
Receipts From Delinquent Taxes	\$ 2,600,000.00	\$	\$ 3,083,009.12	\$ 483,009.12
Amnt. to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	\$ 63,292,248.82	\$	\$ 64,959,556.18	\$ 1,667,307.36
	\$ 63,292,248.82	\$	\$ 64,959,556.18	\$ 1,667,307.36
Non-Budget Revenues			\$ 1,150,999.25	\$ 1,150,999.25
<b>BUDGET TOTALS</b>	<b>\$ 99,829,620.85</b>	<b>\$ 12,316,713.48</b>	<b>\$ 116,018,889.66</b>	<b>\$ 3,872,555.33</b>

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

CITY OF PLAINFIELD

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2024

<u>ANALYSIS OF REALIZED REVENUE</u>	<u>REF.</u>		
Allocation of Current Tax Collections:			
Revenue From Collections- Taxes	A-1:A-8	\$	103,998,607.00
Allocated To:			
County Taxes	A-8:A-25		15,724,173.64
Local District School Taxes	A-8:A-24		27,113,534.00
Special District Taxes	A-8		250,000.00
Municipal Open Space Taxes	A-8		<u>244,270.11</u>
Balance for Support of Municipal Budget Appropriations		\$	60,666,629.25
Add: Appropriation "Reserve for Uncollected Taxes"	A-3		<u>4,292,926.93</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$	<u><u>64,959,556.18</u></u>
Licenses - Other:			
Clerk		\$	6,590.00
Board of Health			114,307.80
Registrar			1,242.00
Cannabis			<u>125,319.33</u>
	A-2:A-13	\$	<u><u>247,459.13</u></u>
Other - Fees and Permits:			
Clerk		\$	16,906.00
Vital Statistics			81,655.45
Fire			47,132.00
Police			23,343.25
Zoning			44,700.00
Planning			68,031.50
Abandoned Property			171,000.00
PPAC Facility Rental			9,701.50
Non Life Hazard			16,088.30
Public Works			1,450.00
Recreation			14,840.00
Engineer			<u>4,750.00</u>
	A-2:A-13	\$	<u><u>499,598.00</u></u>
Receipts from Delinquent Taxes:			
Collections:			
Taxes	A-8	\$	3,082,005.84
Tax Title Liens	A-9		<u>1,003.28</u>
	A-2	\$	<u><u>3,083,009.12</u></u>

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

CITY OF PLAINFIELD  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2024

ANALYSIS OF NON-BUDGET REVENUE

Miscellaneous Revenue Not Anticipated:		
Administrative Fee for Outside Police Overtime	\$	238,147.79
Senior Citizens and Veterans Administration Fee		1,700.54
Municipal ID Cards		9,180.00
Miscellaneous		19,392.93
Payroll Garnishments		2,856.02
Reimbursement of PY Costs		236,681.00
Sale of Assets		9,836.00
Lease of City Property		60,600.00
Grant Benefits Reimbursement		146,725.59
Community Benefit Contributions		195,000.00
Tax Collector- Other		26,391.95
Tax Collector- Property Maintenance Liens and Interest		179,136.66
Tax Collector- Tax Sale Costs		20,660.67
	\$	<u>1,146,309.15</u>
Add: Excess Reserve in Animal Control		4,690.10
		<u>4,690.10</u>
<u>Total Non-Budget Revenue</u>	\$	<u><u>1,150,999.25</u></u>

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

CITY OF PLAINFIELD  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2024

OPERATIONS WITHIN "CAPS"

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>GENERAL GOVERNMENT</u>					
Office of the Mayor:					
Salaries and Wages	\$ 300,000.00	\$ 300,000.00	\$ 295,821.98	\$ 4,178.02	\$
Other Expenses	98,300.00	98,300.00	98,179.61	120.39	
City Council:					
Salaries and Wages	177,000.00	178,000.00	177,000.00	1,000.00	
Other Expenses	32,600.00	32,600.00	32,587.42	12.58	
Business Administrator:					
Salaries and Wages	141,000.00	141,000.00	136,504.73	4,495.27	
Other Expenses	19,000.00	19,000.00	18,354.37	645.63	
Corporation Counsel:					
Salaries and Wages	209,562.00	209,562.00	203,001.37	6,560.63	
Other Expenses	653,600.00	578,600.00	477,262.29	101,337.71	
City Clerk:					
Salaries and Wages	418,479.00	426,479.00	425,024.94	1,454.06	
Other Expenses	84,600.00	84,600.00	84,046.86	553.14	
<u>DEPARTMENT OF ADMINISTRATION AND FINANCE</u>					
Director of Finance:					
Salaries and Wages	225,800.00	225,800.00	225,474.31	325.69	
Other Expenses	196,350.00	196,350.00	127,661.66	68,688.34	
Human Resources & Benefits Administration Division:					
Salaries and Wages	344,025.00	344,025.00	297,100.44	46,924.56	
Other Expenses	204,250.00	217,250.00	174,539.50	42,710.50	
Purchasing:					
Salaries and Wages	296,665.00	296,665.00	291,716.37	4,948.63	
Other Expenses	5,300.00	5,300.00	2,076.41	3,223.59	
Centralized Administrative Services:					
Other Expenses	188,500.00	188,500.00	121,829.99	66,670.01	
Division of Audit & Control:					
Salaries and Wages	400,487.00	400,487.00	400,402.52	84.48	
Other Expenses	158,400.00	158,400.00	138,490.25	19,909.75	
Annual Audit	150,000.00	150,000.00	127,515.00	22,485.00	
Tax Collector:					
Salaries and Wages	269,000.00	302,000.00	299,270.28	2,729.72	
Other Expenses	46,380.00	51,880.00	51,750.47	129.53	
Tax Assessor:					
Salaries and Wages	236,000.00	203,700.00	194,591.10	9,108.90	
Other Expenses	40,550.00	40,550.00	22,113.58	18,436.42	
Social Services:					
Salaries and Wages	207,884.00	331,684.00	330,792.85	891.15	
Other Expenses	15,300.00	15,300.00	14,113.21	1,186.79	
Senior Services:					
Salaries and Wages	510,183.00	510,183.00	465,936.04	44,246.96	
Other Expenses	137,200.00	137,200.00	137,052.79	147.21	
Director of Communications & Technology:					
Salaries and Wages	101,202.00	102,202.00	102,146.08	55.92	
Other Expenses	25,700.00	25,700.00	24,960.24	739.76	
Media & Communications:					
Salaries and Wages	365,638.00	380,638.00	377,591.87	3,046.13	
Other Expenses	86,500.00	86,500.00	86,192.79	307.21	
Information Technology:					
Salaries and Wages	382,254.00	383,254.00	381,301.55	1,952.45	
Other Expenses	431,700.00	431,700.00	323,709.68	107,990.32	
Community Development:					
Salaries and Wages	405,882.00	440,882.00	358,567.78	82,314.22	
Other Expenses	83,350.00	56,350.00	37,380.00	18,970.00	
Director of Health & Social Services:					
Salaries and Wages	179,764.00	181,564.00	179,007.28	2,556.72	
Other Expenses	23,600.00	15,600.00	15,399.63	200.37	
Health Division:					
Salaries and Wages	475,425.00	764,425.00	764,066.01	358.99	
Other Expenses	212,900.00	212,900.00	165,505.81	47,394.19	
Animal Control:					
Other Expenses	196,000.00	196,000.00	167,945.97	28,054.03	

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

CITY OF PLAINFIELD  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2024

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<b>DEPARTMENT OF PUBLIC WORKS</b>					
Director of Public Works:					
Salaries and Wages	\$ 254,848.00	\$ 255,348.00	\$ 255,021.98	\$ 326.02	\$
Other Expenses	96,820.00	96,820.00	96,648.90	171.10	
Engineering:					
Salaries and Wages	148,069.00	148,069.00	147,716.00	353.00	
Other Expenses	176,034.00	176,034.00	146,827.35	29,206.65	
Director of Economic Development:					
Salaries and Wages	233,196.00	233,196.00	227,639.80	5,556.20	
Other Expenses	87,428.00	87,428.00	83,545.17	3,882.83	
Economic Development:					
Salaries and Wages	175,992.00	175,992.00	175,991.91	0.09	
Other Expenses	6,250.00	6,250.00	6,250.00		
Public Works:					
Salaries and Wages	3,110,260.00	3,047,260.00	2,830,146.47	217,113.53	
Other Expenses	518,600.00	518,600.00	466,754.04	51,845.96	
Snow Removal:					
Other Expenses	65,000.00	65,000.00	38,437.41	26,562.59	
Planning:					
Salaries and Wages	312,117.00	244,617.00	231,375.88	13,241.12	
Other Expenses	189,200.00	219,200.00	217,832.10	1,367.90	
Division of Inspection:					
Salaries and Wages	935,909.00	888,909.00	884,897.60	4,011.40	
Other Expenses	30,500.00	30,500.00	28,511.93	1,988.07	
Construction Code Official:					
Salaries and Wages	814,686.00	814,686.00	796,655.76	18,030.24	
Other Expenses	53,000.00	53,000.00	52,765.88	234.12	
Planning Board:					
Salaries and Wages	3,600.00	3,600.00	3,600.00		
Other Expenses	25,550.00	25,550.00	25,550.00		
Board of Adjustment:					
Salaries and Wages	3,600.00	3,600.00	3,600.00		
Other Expenses	17,550.00	17,550.00	17,329.02	220.98	
Recreation:					
Salaries and Wages	408,381.00	408,381.00	400,212.47	8,168.53	
Other Expenses	247,300.00	247,300.00	233,607.83	13,692.17	
Recreation- Seasonal Employees - Salaries and Wages	260,000.00	306,000.00	295,080.74	10,919.26	
Summer Pool Program:					
Salaries & Wages	120,000.00	120,000.00	117,738.25	2,261.75	
Other Expenses	40,000.00	40,000.00	39,965.00	35.00	
<b>DEPARTMENT OF PUBLIC AFFAIRS AND SAFETY</b>					
Office of Emergency Management:					
Salaries and Wages	15,000.00	15,000.00	14,999.34	0.66	
Other Expenses	45,000.00	45,000.00	38,825.38	6,174.62	
Director of Police:					
Salaries and Wages	215,608.00	215,608.00	212,607.76	3,000.24	
Other Expenses	6,500.00	6,500.00	6,495.47	4.53	
School Crossing Guards:					
Salaries and Wages	300,000.00	300,000.00	260,226.56	39,773.44	
Other Expenses	8,500.00	8,500.00	8,500.00		
Police Department:					
Salaries and Wages	12,241,184.23	12,641,184.23	12,488,547.40	152,636.83	
Other Expenses	1,649,242.00	1,649,242.00	1,618,576.26	30,665.74	
American Rescue Plan Fund - Salary and Wages	2,411,933.77	2,411,933.77	2,411,933.77		
Auxiliary Police:					
Other Expenses	6,000.00	6,000.00	6,000.00		
Director of Fire:					
Salaries and Wages	142,222.00	142,222.00	142,222.00		
Other Expenses	200.00	200.00		200.00	
Fire Department:					
Salaries and Wages	11,349,893.00	10,819,893.00	10,770,391.39	49,501.61	
Other Expenses	526,250.00	526,250.00	516,752.43	9,497.57	
Signal Systems:					
Salaries and Wages	513,588.00	498,588.00	487,516.10	11,071.90	
Other Expenses	97,625.00	97,625.00	97,575.56	49.44	

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

CITY OF PLAINFIELD  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2024

	APPROPRIATIONS	BUDGET AFTER	EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	MODIFICATION	PAID OR CHARGED	RESERVED	
<u>DEPARTMENT OF PUBLIC AFFAIRS AND SAFETY (CONTINUED)</u>					
Youth Commission	\$ 1,500.00	\$ 1,500.00	\$	\$ 1,500.00	\$
Central Board of Veterans	500.00	500.00		500.00	
Independence Day- Salaries & Wages	2,500.00	2,500.00	2,500.00		
Independence Day- Other Expenses	4,000.00	4,000.00	3,821.00	179.00	
Historic Preservation -Salaries & Wages	3,600.00	3,600.00	3,600.00		
Historic Preservation -Other Expenses	25,500.00	25,500.00	25,246.02	253.98	
Drake House	13,650.00	13,650.00	13,650.00		
Cultural & Heritage	27,500.00	27,500.00	27,500.00		
National Night Out	5,000.00	5,000.00	5,000.00		
Human Relations Commission	500.00	500.00		500.00	
Adv. Commission on Hispanic Affairs	1,200.00	1,200.00		1,200.00	
Plainfield Performing Arts Center	59,400.00	59,400.00	59,100.00	300.00	
Municipal Court:					
Salaries and Wages	1,044,159.00	1,046,159.00	1,039,597.25	6,561.75	
Other Expenses	133,616.00	138,616.00	137,789.08	826.92	
Public Defender:					
Salaries and Wages	67,000.00	71,000.00	67,640.37	3,359.63	
Building Demolition:					
Other Expenses	35,000.00	35,000.00		35,000.00	
Insurance:					
Liability Insurance	3,951,558.00	3,951,558.00	3,800,473.10	151,084.90	
Workers Compensation	931,500.00	931,500.00	912,616.44	18,883.56	
Employee Group Insurance	14,482,000.00	14,482,000.00	13,657,150.89	824,849.11	
Payment for Health Insurance Opt Out	220,000.00	245,000.00	244,948.23	51.77	
Unemployment Insurance	5,000.00	5,000.00		5,000.00	
<u>UNCLASSIFIED</u>					
<u>UTILITIES:</u>					
Gasoline	250,000.00	250,000.00	240,520.57	9,479.43	
Fuel Oil	260,000.00	260,000.00	187,968.16	72,031.84	
Electricity and Gas	545,000.00	545,000.00	545,000.00		
Telephone & Telegraph	313,000.00	313,000.00	306,015.26	6,984.74	
Street Lighting	575,000.00	600,000.00	600,000.00		
Water Account	560,000.00	560,000.00	548,297.65	11,702.35	
City Summer Employment- Salaries and Wages	250,000.00	250,000.00	115,936.82	134,063.18	
Shade Tree Commission - Other Expenses	10,300.00	10,300.00	9,574.54	725.46	
Accumulated Absences Buyouts	1.00	1.00		1.00	
Salary Adjustments	200,000.00				
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>	<u>\$ 70,576,750.00</u>	<u>\$ 70,576,750.00</u>	<u>\$ 67,812,801.32</u>	<u>\$ 2,763,948.68</u>	<u>\$</u>
<u>CONTINGENT</u>					
	10,000.00	10,000.00		10,000.00	
<u>TOTAL OPERATIONS INCLUDING CONTINGENT-WITHIN "CAPS"</u>	<u>\$ 70,586,750.00</u>	<u>\$ 70,586,750.00</u>	<u>\$ 67,812,801.32</u>	<u>\$ 2,773,948.68</u>	<u>\$</u>
<u>Details:</u>					
Salaries & Wages	\$ 30,181,262.00	\$ 38,599,471.23	\$ 37,702,287.44	\$ 897,183.79	\$
Other Expenses	40,405,488.00	31,987,278.77	30,110,513.88	1,876,764.89	
<u>DEFERRED CHARGES AND STATUTORY</u>					
<u>EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u>					
<u>Contribution To:</u>					
Public Employees Retirement System (PERS)	\$ 2,569,543.00	\$ 2,569,543.00	\$ 2,569,543.00	\$	\$
Social Security System (O.A.S.I.)	1,700,000.00	1,700,000.00	1,692,971.76	7,028.24	
Police & Firemen's Retirement System of N.J. (PFRS)	7,384,284.66	7,384,284.66	7,384,284.66		
Defined Contribution Retirement Program	55,000.00	55,000.00	46,390.95	8,609.05	
<u>TOTAL DEFERRED CHARGES AND STATUTORY</u>	<u>\$ 11,708,827.66</u>	<u>\$ 11,708,827.66</u>	<u>\$ 11,693,190.37</u>	<u>\$ 15,637.29</u>	<u>\$</u>
<u>EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u>					

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

**CITY OF PLAINFIELD  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES-WITHIN "CAPS"</b>	<b>\$ 82,295,577.66</b>	<b>\$ 82,295,577.66</b>	<b>\$ 79,505,991.69</b>	<b>\$ 2,789,585.97</b>	
<b>OTHER OPERATIONS-EXCLUDED FROM "CAPS"</b>					
Maintenance of Free Public Library	\$ 2,303,861.00	\$ 2,303,861.00	\$ 2,224,636.15	\$ 79,224.85	\$
Workers Compensation Insurance	68,500.00	68,500.00	68,500.00		
<b>TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS"</b>	<b>\$ 2,372,361.00</b>	<b>\$ 2,372,361.00</b>	<b>\$ 2,293,136.15</b>	<b>\$ 79,224.85</b>	<b>\$</b>
<b>INTERLOCAL MUNICIPAL SHARED SERVICES</b>					
Township of Ocean - CFO Services	\$ 122,100.00	\$ 122,100.00	\$ 122,100.00		\$
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</b>					
Municipal Alliance (N.J.S.A. 40A:4-87 +\$18,563.00)	\$	\$ 18,563.00	\$ 18,563.00	\$	\$
Municipal Alliance - Match (N.J.S.A. 40A:4-87 +\$4,641.00)		4,641.00	4,641.00		
Union County - Greening Grant (N.J.S.A. 40A:4-87 +\$19,000.00)		19,000.00	19,000.00		
Union County Heart Grant (N.J.S.A. 40A:4-87 +\$2,700.00)		2,700.00	2,700.00		
American Rescue Plan Firefighter Grant (N.J.S.A. 40A:4-87 +\$75,000.00)		75,000.00	75,000.00		
Green Acres Rushmore (N.J.S.A. 40A:4-87 +\$1,400,000.00)		1,400,000.00	1,400,000.00		
UEZ - FY Allocation (N.J.S.A. 40A:4-87 +\$1,516,418.00)		1,516,418.00	1,516,418.00		
Green Acres (N.J.S.A. 40A:4-87 +\$665,200.00)		665,200.00	665,200.00		
Shelter, Housing, Transportation (N.J.S.A. 40A:4-87 +\$15,000.00)	17,378.00	32,378.00	32,378.00		
Shelter, Housing, Transportation-Match	1,931.00	1,931.00	1,931.00		
Community Service Block Grant (N.J.S.A. 40A:4-87 +\$149,016.00)	74,854.00	223,870.00	223,870.00		
Community Development Additional	8,200.00	8,200.00	8,200.00		
Community Development Additional	24,000.00	24,000.00	24,000.00		
Body Armor Grant	8,882.44	8,882.44	8,882.44		
COPS Grant - Match	608,962.00	608,962.00	608,962.00		
DOJ - Bulletproof Vest Program (BVP) (N.J.S.A. 40A:4-87 +\$8,859.54)		8,859.54	8,859.54		
Distracted Driving Grant (N.J.S.A. 40A:4-87 +\$8,750.00)		8,750.00	8,750.00		
Senior Citizen Program	88,547.00	88,547.00	88,547.00		
Senior Citizen Service Program - Match	29,516.00	29,516.00	29,516.00		
Clean Communities (N.J.S.A. 40A:4-87 +\$96,911.97)		96,911.97	96,911.97		
Childhood Lead Exposure Prevention (N.J.S.A. 40A:4-87 +\$1,104,146.00)		1,104,146.00	1,104,146.00		
Alcohol Education Rehab. Fund (N.J.S.A. 40A:4-87 +\$9,193.78)		9,193.78	9,193.78		
Women, Infants, and Children (WIC) (N.J.S.A. 40A:4-87 +\$982,946)		982,946.00	982,946.00		
Recycling Tonnage Grant	47,512.82	47,512.82	47,512.82		
NJLead Reentry Initiative (N.J.S.A. 40A:4-87 +\$100,000.00)		100,000.00	100,000.00		
CIF City Wide Broadband Project LFRF (N.J.S.A. 40A:4-87 +\$2,500,000.00)		2,500,000.00	2,500,000.00		
Drive Sober or Get Pulled Over (N.J.S.A. 40A:4-87 +\$7,500.00)	10,500.00	17,500.00	17,500.00		
Union County Art Grant	3,900.00	3,900.00	3,900.00		
Drive Sober or Get Pulled Over Y/E Holiday (N.J.S.A. 40A:4-87 +\$10,500.00)		10,500.00	10,500.00		
US Dept of Interior Nat Park Service (N.J.S.A. 40A:4-87 +\$24,500.00)		24,500.00	24,500.00		
Union County GAP Funding (N.J.S.A. 40A:4-87 +\$28,960.00)		28,960.00	28,960.00		
Hannah Atkins Tennis/Pickleball Court (N.J.S.A. 40A:4-87 +\$75,598.00)		75,598.00	75,598.00		
Plainfield Recreation Improvements Grant (N.J.S.A. 40A:4-87 +\$69,000.00)		69,000.00	69,000.00		
Union County Infrastructure Grant (N.J.S.A. 40A:4-87 +\$135,000.00)	140,000.00	275,000.00	275,000.00		
Union County Homeless Assistance (N.J.S.A. 40A:4-87 +\$51,236.00)	50,696.00	101,932.00	101,932.00		
Click It or Ticket It (N.J.S.A. 40A:4-87 +\$7,000.00)		7,000.00	7,000.00		
Strengthening Local Public (N.J.S.A. 40A:4-87 +\$74,664.00)		74,664.00	74,664.00		
Lead Grant Assistance Program (N.J.S.A. 40A:4-87 +\$80,700.00)		80,700.00	80,700.00		
Lead Safe Home Remediation Grant (N.J.S.A. 40A:4-87 +\$635,031.00)		635,031.00	635,031.00		
New Jersey Health Care Quality Institute (N.J.S.A. 40A:4-87 +\$12,000.00)		12,000.00	12,000.00		
Roadway Rehab (N.J.S.A. 40A:4-87 +\$59,295.30)		59,295.30	59,295.30		
LFRF Recreation Trust (N.J.S.A. 40A:4-87 +\$115,630.00)		115,630.00	115,630.00		
Consumer Protection & Education Fund (N.J.S.A. 40A:4-87 +\$25,000.00)		25,000.00	25,000.00		
LFRF NJ Center OF Excellence	1,500,000.00	1,500,000.00	1,500,000.00		
Stormwater Assistance Grant (N.J.S.A. 40A:4-87 +\$15,000.00)	15,000.00	15,000.00	15,000.00		
Muhlenberg Foundation Grant for EMS (N.J.S.A. 40A:4-87 +\$700,000.00)	700,000.00	700,000.00	700,000.00		
LFRF - 2024 Police 2022 Retro Pay (N.J.S.A. 40A:4-87 +\$472,364.89)		472,364.89	472,364.89		
NJDEP - Urban Parks Grant (N.J.S.A. 40A:4-87 +\$415,760.00)	400,199.00	815,959.00	815,959.00		
LFRF - 2024 Bathroom/Office Improvements (N.J.S.A. 40A:4-87 +\$79,870.00)		79,870.00	79,870.00		
LFRF 2024 OEM Code Blue (N.J.S.A. 40A:4-87 +\$25,000.00)		25,000.00	25,000.00		
NJDOT West Front Street - Phase II	630,838.00	630,838.00	630,838.00		
LFRF - Recreation Activities - 2024 Reappropriated (N.J.S.A. 40A:4-87 +\$381,400.00)		381,400.00	381,400.00		
CDBG - Emergency Housing Assistance (N.J.S.A. 40A:4-87 +\$35,000.00)		35,000.00	35,000.00		
NJDOT Grant Ave & 3 St	576,253.00	576,253.00	576,253.00		

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

CITY OF PLAINFIELD  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2024

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES (CONTINUED)</u>					
CDBG - FY Allocation (N.J.S.A. 40A: 4-87 +\$824,500.00)	\$	\$ 824,500.00	\$ 824,500.00	\$	\$
Matching Funds for Grants	50,353.00	45,712.00		45,712.00	
<u>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>	<u>\$ 4,987,522.26</u>	<u>\$ 17,304,235.74</u>	<u>\$ 17,258,523.74</u>	<u>\$ 45,712.00</u>	<u>\$</u>
<u>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</u>	<u>\$ 7,481,983.26</u>	<u>\$ 19,798,696.74</u>	<u>\$ 19,673,759.89</u>	<u>\$ 124,936.85</u>	<u>\$</u>
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	\$ 350,000.00	\$ 350,000.00	\$ 350,000.00	\$	\$
Technology Acquisition	50,000.00	50,000.00	50,000.00		
<u>TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</u>	<u>\$ 400,000.00</u>	<u>\$ 400,000.00</u>	<u>\$ 400,000.00</u>	<u>\$</u>	<u>\$</u>
<u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal	\$ 3,881,000.00	\$ 3,881,000.00	\$ 3,881,000.00	\$	\$
Interest on Bonds	990,180.00	990,180.00	990,180.00		
Interest on Notes	187,503.00	187,503.00	187,502.78		0.22
Loan Repayments for Principal and Interest	37,000.00	37,000.00	36,604.41		395.59
Demolition Loan	6,250.00	6,250.00	6,250.00		
<u>TOTAL MUNICIPAL DEBT SERVICE- EXCLUDED FROM "CAPS"</u>	<u>\$ 5,101,933.00</u>	<u>\$ 5,101,933.00</u>	<u>\$ 5,101,537.19</u>	<u>\$</u>	<u>\$ 395.81</u>
<u>MUNICIPAL DEFERRED CHARGES - EXCLUDED FROM "CAPS"</u>					
Special Emergency Authorization- 5 Years	\$ 207,200.00	\$ 207,200.00	\$ 207,200.00	\$	\$
Over expenditure of Capital Improvement Fund	50,000.00	50,000.00	50,000.00		
<u>TOTAL MUNICIPAL DEFERRED CHARGES - EXCLUDED FROM "CAPS"</u>	<u>\$ 257,200.00</u>	<u>\$ 257,200.00</u>	<u>\$ 257,200.00</u>	<u>\$</u>	<u>\$</u>
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</u>	<u>\$ 13,241,116.26</u>	<u>\$ 25,557,629.74</u>	<u>\$ 25,432,497.08</u>	<u>\$ 124,936.85</u>	<u>\$ 395.81</u>
<u>SUB-TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 95,536,693.92</u>	<u>\$ 107,853,407.40</u>	<u>\$ 104,938,488.77</u>	<u>\$ 2,914,522.82</u>	<u>\$ 395.81</u>
<u>RESERVE FOR UNCOLLECTED TAXES</u>	<u>4,292,926.93</u>	<u>4,292,926.93</u>	<u>4,292,926.93</u>		
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 99,829,620.85</u>	<u>\$ 112,146,334.33</u>	<u>\$ 109,231,415.70</u>	<u>\$ 2,914,522.82</u>	<u>\$ 395.81</u>
 Adopted Budget		\$ 99,829,620.85			
Amendments		12,316,713.48			
		<u>\$ 112,146,334.33</u>			
 Reserve for Grants Appropriated			\$ 17,258,523.74		
Encumbrances Payable			1,627,616.44		
Deferred Charges			207,200.00		
Reserve for Uncollected Taxes			4,292,926.93		
Disbursements			90,087,417.66		
			<u>\$ 113,473,684.77</u>		
Less: Refunds			4,242,269.07		
			<u>\$ 109,231,415.70</u>		

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

CITY OF PLAINFIELD

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER 31, 2025 (Unaudited)	BALANCE DECEMBER 31, 2024	BALANCE DECEMBER 31, 2023
<u>ASSETS</u>			
Animal Control Fund:			
Cash	\$ 19,220.00	\$ 16,459.54	\$ 25,762.64
Other Funds:			
Cash	\$ 13,662,151.00	\$ 12,120,898.55	\$ 13,812,694.94
Due Current Fund	147,452.00	244,070.11	250,943.37
Due Grant Fund	147,123.00	147,123.00	147,123.00
	<u>\$ 13,956,726.00</u>	<u>\$ 12,512,091.66</u>	<u>\$ 14,210,761.31</u>
	<u>\$ 13,975,946.00</u>	<u>\$ 12,528,551.20</u>	<u>\$ 14,236,523.95</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due to State of New Jersey	\$ 3.00	\$ 17.40	\$ 24.60
Due Current Fund		4,676.05	16,803.25
Reserve for Animal Control Expenditures	19,217.00	11,766.09	8,934.79
	<u>\$ 19,220.00</u>	<u>\$ 16,459.54</u>	<u>\$ 25,762.64</u>
Other Funds:			
Reserve for:			
Various Reserves and Deposits	\$ 13,145,964.00	\$ 11,652,211.58	\$ 13,500,264.90
Due County	67,640.00		
Open Space Trust Deposits	563,460.00	460,283.20	356,214.34
State Unemployment Insurance	(72,446.00)	142,704.02	273,694.41
Payroll Deductions Payable	252,108.00	256,892.86	80,587.66
	<u>\$ 13,956,726.00</u>	<u>\$ 12,512,091.66</u>	<u>\$ 14,210,761.31</u>
	<u>\$ 13,975,946.00</u>	<u>\$ 12,528,551.20</u>	<u>\$ 14,236,523.95</u>

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

## CITY OF PLAINFIELD

## GENERAL CAPITAL FUND

## BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER 31, 2025 (Unaudited)	BALANCE DECEMBER 31, 2024	BALANCE DECEMBER 31, 2023
<u>ASSETS</u>			
Cash	\$ 2,222,321.00	\$ 3,568,415.90	\$ 4,364,788.50
Investments	1,100,000.00		40,000.00
Accounts Receivable	5,162,352.00	5,070,706.67	4,439,868.67
Due Current Fund	1,616.00		401,626.42
Due Grant Fund	-	187,726.48	187,726.48
Deferred Charges to Future Taxation:			
Funded	23,830,464.00	27,522,688.88	31,444,224.38
Unfunded	33,278,982.00	27,494,805.36	18,114,652.36
Deferred Charges			50,000.00
	<u>\$ 65,595,735.00</u>	<u>\$ 63,844,343.29</u>	<u>\$ 59,042,886.81</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	\$ 23,769,000.00	\$ 27,420,000.00	\$ 31,301,000.00
Bond Anticipation Notes	17,438,335.00	10,678,335.00	4,178,335.00
Loans Payable	61,464.00	102,688.88	143,224.38
Due Current Fund		22,354.01	
Reserve for Contracts Payable	3,904,692.00	6,627,690.51	4,285,231.20
Reserve for Accounts Payable	21.00	20.94	20.94
Reserve to Pay Bond Anticipation Notes	18,933.00	18,932.50	18,932.50
Due Parking Utility Capital Fund		482,950.05	482,300.05
Improvement Authorizations-Funded	1,373,846.00	2,085,161.26	4,971,217.00
Improvement Authorizations-Unfunded	18,694,889.00	16,271,569.74	13,463,763.89
Capital Improvement Fund	97,750.00	18,000.00	
Reserve for South Avenue Business District	50,000.00	50,000.00	50,000.00
Fund Balance	<u>186,805.00</u>	<u>66,640.40</u>	<u>148,861.85</u>
	<u>\$ 65,595,735.00</u>	<u>\$ 63,844,343.29</u>	<u>\$ 59,042,886.81</u>

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

CITY OF PLAINFIELD

GENERAL CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>2025</u> (Unaudited)	<u>2024</u>
Balance, January 1	\$ 66,640.00	\$ 148,861.85
Increased by:		
Premium on Sale of Bond Anticipation Notes	186,765.00	65,778.55
	<u>\$ 253,405.00</u>	<u>\$ 214,640.40</u>
Decreased by:		
Anticipated Revenue - Current Fund	66,600.00	148,000.40
	<u>66,600.00</u>	<u>148,000.40</u>
Balance, December 31	<u>\$ 186,805.00</u>	<u>\$ 66,640.00</u>

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

## CITY OF PLAINFIELD

## PARKING UTILITY FUND

## BALANCE SHEETS - REGULATORY BASIS

<u>A S S E T S</u>	BALANCE DECEMBER 31, 2025 (Unaudited)	BALANCE DECEMBER 31, 2024	BALANCE DECEMBER 31, 2023
Operating Fund:			
Cash	\$ 345,951.00	\$ 496,173.84	\$ 922,378.32
Interfunds receivable	<u>167,060.00</u>	<u>229,856.40</u>	<u>245,693.80</u>
<u>TOTAL OPERATING FUND</u>	<u>\$ 513,011.00</u>	<u>\$ 726,030.24</u>	<u>\$ 1,168,072.12</u>
Capital Fund:			
Cash	\$ 557,768.00	\$ 9,808.16	\$ 914,577.00
Fixed Capital Authorized and Uncompleted	1,879,577.00	1,554,577.00	53,496.02
Due Parking Utility Operating Fund		53,463.36	1,075.50
Due Current Fund			482,300.05
Due General Capital Fund		<u>482,950.05</u>	<u>482,300.05</u>
<u>TOTAL CAPITAL FUND</u>	<u>\$ 2,437,345.00</u>	<u>\$ 2,100,798.57</u>	<u>\$ 1,451,448.57</u>
	<u>\$ 2,950,356.00</u>	<u>\$ 2,826,828.81</u>	<u>\$ 2,619,520.69</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	\$ 177,843.00	\$ 68,124.86	\$ 174,021.94
Reserve for Encumbrances Payable	11,258.00	23,988.77	22,226.20
Due Parking Utility Capital Fund		53,463.36	53,496.02
Accrued Interest on Bonds and Notes	<u>6,941.00</u>	<u>11,290.69</u>	<u>11,938.94</u>
	\$ 196,042.00	\$ 156,867.68	\$ 261,683.10
Fund Balance	<u>316,969.00</u>	<u>569,162.56</u>	<u>906,389.02</u>
<u>TOTAL OPERATING FUND</u>	<u>\$ 513,011.00</u>	<u>\$ 726,030.24</u>	<u>\$ 1,168,072.12</u>
Capital Fund:			
General Serial Bonds Payable	\$ 506,000.00	\$ 555,000.00	\$ 616,000.00
Bond Anticipation Notes Payable			191,025.00
Interfunds Payable	1,547.00		
Capital Improvement Fund	30,448.00	20,448.00	10,448.00
Improvement Authorizations- Funded	525,348.00	334,323.07	334,323.07
Improvement Authorizations- Unfunded	964,350.00	830,375.00	191,025.00
Reserve for Amortization	365,025.00	316,025.00	64,000.00
Deferred Reserve for Amortization	43,552.00	43,552.00	43,552.00
Fund Balance	<u>1,075.00</u>	<u>1,075.50</u>	<u>1,075.50</u>
<u>TOTAL CAPITAL FUND</u>	<u>\$ 2,437,345.00</u>	<u>\$ 2,100,798.57</u>	<u>\$ 1,451,448.57</u>
	<u>\$ 2,950,356.00</u>	<u>\$ 2,826,828.81</u>	<u>\$ 2,619,520.69</u>

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

## CITY OF PLAINFIELD

## PARKING UTILITY FUND

## STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	YEAR ENDED DECEMBER 31, <u>2025</u> (Unaudited)	YEAR ENDED DECEMBER 31, <u>2024</u>	YEAR ENDED DECEMBER 31, <u>2023</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance	\$	\$ 167,961.00	\$
Miscellaneous Revenues Anticipated	1,418,530.00	1,255,965.66	1,172,215.21
Miscellaneous Revenues Not Anticipated	3,304.00	7,020.36	5,482.52
Unexpended Balance of Appropriation Reserves	<u>40,972.00</u>	<u>117,748.52</u>	<u>293,297.93</u>
<u>TOTAL INCOME</u>	\$ <u>1,462,806.00</u>	\$ <u>1,548,695.54</u>	\$ <u>1,470,995.66</u>
<u>EXPENDITURES</u>			
Operating	\$ 1,035,747.00	\$ 842,461.00	\$ 729,354.00
Statutory Expenditures	105,153.00	83,901.00	69,568.00
Capital Improvements	10,000.00	10,000.00	10,000.00
Debt Service	64,100.00	281,599.00	104,126.00
Miscellaneous Revenue Anticipated- Current Fund	<u>500,000.00</u>	<u>500,000.00</u>	<u>500,000.00</u>
<u>TOTAL EXPENDITURES</u>	\$ <u>1,215,000.00</u>	\$ <u>1,717,961.00</u>	\$ <u>913,048.00</u>
Excess in Revenue	\$ 247,806.00	\$ (169,265.46)	\$ 557,947.66
Fund Balance, January 1	<u>569,162.56</u>	<u>906,389.02</u>	<u>348,441.36</u>
	\$ <u>816,968.56</u>	\$ <u>737,123.56</u>	\$ <u>906,389.02</u>
Decreased by:			
Utilization by Parking Operating Budget		167,961.00	-0-
Anticipated as Current Fund Budgeted Revenue	<u>500,000.00</u>	<u>500,000.00</u>	<u>500,000.00</u>
Fund Balance, December 31	\$ <u><u>316,968.56</u></u>	\$ <u><u>569,162.56</u></u>	\$ <u><u>906,389.02</u></u>

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

CITY OF PLAINFIELD

PARKING UTILITY CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE-REGULATORY BASIS

Balance, December 31, 2023, December 31, 2024 and December 31, 2025 ( Unaudited)	\$ <u>1,075.50</u>
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The accompanying Notes to Financial Statements are an integral part of this statement.



CITY OF PLAINFIELD  
 PARKING UTILITY FUND  
 STATEMENT OF EXPENDITURES - REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>
OPERATING:				
Salaries and Wages	\$ 593,960.00	\$ 593,960.00	\$ 588,967.82	\$ 4,992.18
Other Expenses	248,501.00	248,501.00	191,369.37	57,131.63
STATUTORY EXPENDITURES:				
Social Security	45,500.00	45,500.00	41,998.95	3,501.05
Public Employees Retirement System	35,901.00	35,901.00	35,901.00	
Unemployment Insurance	2,500.00	2,500.00		2,500.00
CAPITAL IMPROVEMENTS:				
Capital Improvement Fund	10,000.00	10,000.00	10,000.00	
DEBT SERVICE:				
Payment of Bond Principal	61,000.00	61,000.00	61,000.00	
Payment of Bond Anticipation Notes	191,025.00	191,025.00	191,025.00	
Interest on Bonds	21,000.00	21,000.00	21,000.00	
Interest on Notes	8,574.00	8,574.00	8,574.00	
	<u>\$ 1,217,961.00</u>	<u>\$ 1,217,961.00</u>	<u>\$ 1,149,836.14</u>	<u>\$ 68,124.86</u>
Disbursements			\$ 1,096,273.37	
Accrued Interest on Bonds and Notes			29,574.00	
Reserve for Encumbrances			<u>23,988.77</u>	
			<u>\$ 1,149,836.14</u>	

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

CITY OF PLAINFIELD

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	BALANCE DECEMBER 31, 2025 (Unaudited)	BALANCE DECEMBER 31, 2024	BALANCE DECEMBER 31, 2023
<u>OPERATING FUND:</u>			
Cash	\$ 3,988,152.00	\$ 9,097,983.55	\$ 8,368,230.75
Due Sewer Utility Capital Fund	<u>19,807.00</u>	<u>26,690.69</u>	<u>2,693.01</u>
	\$ <u>4,007,959.00</u>	\$ <u>9,124,674.24</u>	\$ <u>8,370,923.76</u>
Receivables with Full Reserves:			
Sewer Use Charges Receivable	\$ <u>1,397,848.00</u>	\$ <u>1,408,623.62</u>	\$ <u>1,719,846.34</u>
	\$ <u>1,397,848.00</u>	\$ <u>1,408,623.62</u>	\$ <u>1,719,846.34</u>
Deferred Charges- Overexpenditure of Appropriation	\$ _____	\$ <u>56,800.00</u>	\$ _____
<u>TOTAL OPERATING FUND</u>	\$ <u>5,405,807.00</u>	\$ <u>10,590,097.86</u>	\$ <u>10,090,770.10</u>
<u>CAPITAL FUND:</u>			
Cash	\$ 2,195,243.00	\$ 3,835,679.07	\$ 200,092.60
Fixed Capital	11,135,057.00	11,135,057.00	11,135,057.00
Fixed Capital Authorized and Uncompleted	6,660,000.00	6,045,000.00	5,200,000.00
Due Solid Waste Capital Fund	<u>406,223.00</u>	<u>_____</u>	<u>793,353.72</u>
<u>TOTAL CAPITAL FUND</u>	\$ <u>20,396,523.00</u>	\$ <u>21,015,736.07</u>	\$ <u>17,328,503.32</u>
	\$ <u><u>25,802,330.00</u></u>	\$ <u><u>31,605,833.93</u></u>	\$ <u><u>27,419,273.42</u></u>

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

CITY OF PLAINFIELD

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2025</u> (Unaudited)	BALANCE DECEMBER <u>31, 2024</u>	BALANCE DECEMBER <u>31, 2023</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>OPERATING FUND:</u>			
Liabilities:			
Appropriation Reserves	\$ 449,160.00	\$ 387,548.00	\$ 838,951.24
Reserve for Encumbrances Payable	130,373.00	185,151.04	136,786.82
Reserve for Accounts Payable	256.00	2,886.00	
Escrow Deposits Payable	266,024.00	298,427.54	304,983.11
Sewer Overpayments	8,979.00	23,104.13	23,217.78
Accrued Interest on Notes	79,110.00	56,800.00	
	<u>\$ 933,902.00</u>	<u>\$ 953,916.71</u>	<u>\$ 1,303,938.95</u>
Reserve for Receivables	1,397,848.00	1,408,623.62	1,719,846.34
Fund Balance	<u>3,074,057.00</u>	<u>8,227,557.53</u>	<u>7,066,984.81</u>
<u>TOTAL OPERATING FUND</u>	<u>\$ 5,405,807.00</u>	<u>\$ 10,590,097.86</u>	<u>\$ 10,090,770.10</u>
<u>CAPITAL FUND:</u>			
Liabilities:			
Due Sewer Utility Operating Fund	\$ 19,807.00	\$ 26,690.69	\$ 2,693.01
Capital Improvement Fund	255,000.00	235,000.00	135,000.00
Improvement Authorizations:			
Funded	23,827.00	23,826.82	131,597.36
Unfunded	618,750.00	399,876.23	3,600,000.00
Contracts Payable	2,199,836.00	3,923,109.33	724,155.95
Bond Anticipation Notes Payable	4,395,000.00	3,600,000.00	
Reserve for Amortization	11,135,057.00	11,135,057.00	11,135,057.00
Deferred Reserve for Amortization	1,680,000.00	1,650,000.00	1,600,000.00
	<u>\$ 20,327,277.00</u>	<u>\$ 20,993,560.07</u>	<u>\$ 17,328,503.32</u>
Fund Balance	<u>69,246.00</u>	<u>22,176.00</u>	
<u>TOTAL CAPITAL FUND</u>	<u>\$ 20,396,523.00</u>	<u>\$ 21,015,736.07</u>	<u>\$ 17,328,503.32</u>
	<u>\$ 25,802,330.00</u>	<u>\$ 31,605,833.93</u>	<u>\$ 27,419,273.42</u>

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

## CITY OF PLAINFIELD

## SEWER UTILITY FUND

## STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	BALANCE DECEMBER 31, 2025 (Unaudited)	BALANCE DECEMBER 31, 2024	YEAR ENDED DECEMBER 31, 2023
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance	\$ 254,205.00	\$	\$
Sewer Use Charges	8,593,415.00	9,134,945.15	8,490,852.43
Non-Budget Revenue	159,545.00	370,326.95	951,613.34
Other Credits to Income:			
Cancellation of Prior Year Liability	13,623.47		
Unexpended Balance of Appropriation Reserves	478,121.00	767,201.50	462,752.60
	<u>9,498,909.47</u>	<u>10,272,473.60</u>	<u>9,905,218.37</u>
	<u>\$ 9,498,909.47</u>	<u>\$ 10,272,473.60</u>	<u>\$ 9,905,218.37</u>
<u>EXPENDITURES</u>			
Operating	\$ 5,798,295.00	\$ 5,667,148.00	\$ 5,612,913.00
Capital Improvements	50,000.00	150,000.00	200,000.00
Deferred Charges and Statutory Expenditures	340,000.00	283,456.00	297,732.00
Debt Service	165,910.00	56,800.00	
Surplus (General Budget)	3,000,000.00	3,000,000.00	3,000,000.00
Refund of Prior Year Revenue		11,296.88	
	<u>9,354,205.00</u>	<u>9,168,700.88</u>	<u>9,110,645.00</u>
	<u>\$ 9,354,205.00</u>	<u>\$ 9,168,700.88</u>	<u>\$ 9,110,645.00</u>
Excess in Revenue	\$ 144,704.47	\$ 1,103,772.72	\$ 794,573.37
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	\$	\$ 56,800.00	\$
Regulatory Excess to Fund Balance	\$ 144,704.47	\$ 1,160,572.72	\$ 794,573.37
Fund Balance, January 1	8,227,557.53	7,066,984.81	6,272,411.44
	<u>\$ 8,372,262.00</u>	<u>\$ 8,227,557.53</u>	<u>\$ 7,066,984.81</u>
Decreased by:			
Utilization by Sewer Operating Budget	254,205.00		
Anticipated as Current Fund Budgeted Revenue	5,044,000.00		
Fund Balance, December 31	<u>\$ 3,074,057.00</u>	<u>\$ 8,227,557.53</u>	<u>\$ 7,066,984.81</u>

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

CITY OF PLAINFIELD

SEWER UTILITY CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE-REGULATORY BASIS

	<u>2025</u> (Unaudited)	<u>2024</u>
Balance, January 1	\$ 22,176.00	\$
Increased by Receipts- Premium on Bond Anticipation Notes	\$ <u>47,070.00</u>	\$ <u>22,176.00</u>
Balance, December 31	\$ <u><u>69,246.00</u></u>	\$ <u><u>22,176.00</u></u>

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



## CITY OF PLAINFIELD

## SEWER UTILITY FUND

## STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2024

	APPROPRIATIONS		CASH DISBURSED	EXPENDED		OVER- EXPENDITURE
	BUDGET	BUDGET AFTER MODIFICATION		PAID OR CHARGED	RESERVED	
OPERATING:						
Salaries and Wages	\$ 1,013,573.00	\$ 1,063,573.00	\$ 1,061,716.92	\$ 1,061,716.92	\$ 1,856.08	\$
Other Expenses	1,271,300.00	1,221,300.00	728,227.80	881,953.32	339,346.68	
Service Treatment Expenses	3,344,775.00	3,344,775.00	3,314,209.68	3,324,550.03	20,224.97	
Information Technology:	37,500.00	37,500.00	25,252.00	37,500.00		
<b>TOTAL OPERATING</b>	<b>\$ 5,667,148.00</b>	<b>\$ 5,667,148.00</b>	<b>\$ 5,129,406.40</b>	<b>\$ 5,305,720.27</b>	<b>\$ 361,427.73</b>	<b>\$</b>
CAPITAL IMPROVEMENTS:						
Capital Outlay	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00		\$
<b>TOTAL CAPITAL IMPROVEMENTS</b>	<b>\$ 150,000.00</b>	<b>\$ 150,000.00</b>	<b>\$ 150,000.00</b>	<b>\$ 150,000.00</b>		<b>\$</b>
DEBT SERVICE:						
Interest on Notes	\$	\$	\$	\$ 56,800.00		\$ 56,800.00
<b>TOTAL DEBT SERVICE</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 56,800.00</b>		<b>\$ 56,800.00</b>
STATUTORY EXPENDITURES:						
Statutory Expenditures:						
Public Employees Retirement System	\$ 183,456.00	\$ 183,456.00	\$ 183,456.00	\$ 183,456.00	\$	\$
Social Security	75,000.00	75,000.00	73,879.73	73,879.73	1,120.27	
Unemployment Compensation Insurance	25,000.00	25,000.00			25,000.00	
<b>TOTAL STATUTORY EXPENDITURES</b>	<b>\$ 283,456.00</b>	<b>\$ 283,456.00</b>	<b>\$ 257,335.73</b>	<b>\$ 257,335.73</b>	<b>\$ 26,120.27</b>	<b>\$</b>
SURPLUS (GENERAL BUDGET)	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00		
	<b>\$ 9,100,604.00</b>	<b>\$ 9,100,604.00</b>	<b>\$ 8,536,742.13</b>	<b>\$ 8,769,856.00</b>	<b>\$ 387,548.00</b>	<b>\$ 56,800.00</b>
Disbursements				\$ 8,536,742.13		
Accrued Interest on Notes				56,800.00		
Reserve for Encumbrances				185,151.04		
				\$ 8,778,693.17		
Less: Refunds				8,837.17		
				<b>\$ 8,769,856.00</b>		

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

CITY OF PLAINFIELD  
SOLID WASTE UTILITY FUND  
BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	BALANCE DECEMBER 31, 2025 (Unaudited)	BALANCE DECEMBER 31, 2024	BALANCE DECEMBER 31, 2023
<u>OPERATING FUND:</u>			
Cash	\$ 5,777,683.00	\$ 5,469,779.49	\$ 4,060,537.00
Due Solid Waste Utility Capital Fund	<u>18,183.00</u>	<u>19,289.69</u>	<u>27,833.28</u>
	<u>\$ 5,795,866.00</u>	<u>\$ 5,489,069.18</u>	<u>\$ 4,088,370.28</u>
Receivables with Full Reserves:			
Solid Waste Utility Fees Receivable	<u>\$ 1,831,146.00</u>	<u>\$ 2,016,698.55</u>	<u>\$ 2,306,139.56</u>
	<u>\$ 1,831,146.00</u>	<u>\$ 2,016,698.55</u>	<u>\$ 2,306,139.56</u>
Deferred Charges- Overexpenditure of Appropriations	<u>\$</u>	<u>\$ 64,689.00</u>	<u>\$</u>
<u>TOTAL OPERATING FUND</u>	<u>\$ 7,627,012.00</u>	<u>\$ 7,570,456.73</u>	<u>\$ 6,394,509.84</u>
<u>CAPITAL FUND:</u>			
Cash	\$ 959,386.00	\$ 3,938,552.22	\$ 1,821,940.31
Fixed Capital	13,644,084.00	13,644,084.00	13,644,084.00
Fixed Capital Authorized and Uncompleted	<u>8,695,000.00</u>	<u>7,660,000.00</u>	<u>5,700,000.00</u>
<u>TOTAL CAPITAL FUND</u>	<u>\$ 23,298,470.00</u>	<u>\$ 25,242,636.22</u>	<u>\$ 21,166,024.31</u>
	<u>\$ 30,925,482.00</u>	<u>\$ 32,813,092.95</u>	<u>\$ 27,560,534.15</u>

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

CITY OF PLAINFIELD

SOLID WASTE UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER 31, 2025 (Unaudited)	BALANCE DECEMBER 31, 2024	BALANCE DECEMBER 31, 2023
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>OPERATING FUND:</u>			
Liabilities:			
Appropriation Reserves	\$ 1,291,812.00	\$ 1,441,353.82	\$ 1,827,595.13
Reserve for Encumbrances Payable	1,060,429.00	1,532,038.41	1,412,408.04
Accrued Interest on Notes	96,160.00	64,689.00	
Reserve for Accounts Payable	7,616.00	1,739.66	
Solid Waste Utility Fees Overpayments	1,382.00	25,547.37	16,231.12
	\$ 2,457,399.00	\$ 3,065,368.26	\$ 3,256,234.29
Reserve for Receivables	1,831,146.00	2,016,698.55	2,306,139.56
Fund Balance	3,338,467.00	2,488,389.92	832,135.99
<u>TOTAL OPERATING FUND</u>	\$ 7,627,012.00	\$ 7,570,456.73	\$ 6,394,509.84
 <u>CAPITAL FUND:</u>			
Liabilities:			
Due Solid Waste Operating Fund	\$ 406,223.00	\$ 19,289.69	\$ 27,833.28
Due Sewer Capital Fund	18,183.00		793,353.72
Capital Improvement Fund	195,500.00	195,000.00	145,000.00
Improvement Authorizations:			
Funded		142,484.40	131,597.36
Unfunded	1,142,573.00	2,219,884.00	4,100,000.00
Contracts Payable	1,012,530.00	3,246,638.13	724,155.95
Bond Anticipation Notes Payable	5,100,000.00	4,100,000.00	
Reserve for Amortization	13,644,084.00	13,644,084.00	13,644,084.00
Deferred Reserve for Amortization	1,699,500.00	1,650,000.00	1,600,000.00
	\$ 23,218,593.00	\$ 25,217,380.22	\$ 21,166,024.31
Fund Balance	79,877.00	25,256.00	
<u>TOTAL CAPITAL FUND</u>	\$ 23,298,470.00	\$ 25,242,636.22	\$ 21,166,024.31
	\$ 30,925,482.00	\$ 32,813,092.95	\$ 27,560,534.15

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

## CITY OF PLAINFIELD

## SOLID WASTE UTILITY FUND

## STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	BALANCE DECEMBER 31, 2025 (Unaudited)	BALANCE DECEMBER 31, 2024	YEAR ENDED DECEMBER 31, 2023
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance	\$ 1,254,698.00	\$ 1,200,000.00	\$ 900,000.00
Solid Waste Fees	11,142,691.00	11,159,762.74	10,184,983.97
Other Anticipated Revenues	2,362,854.00	2,684,310.78	2,319,242.84
Non-Budget Revenue	234,563.00	347,561.93	704,331.82
Other Credits to Income:			
Cancellation of Prior Year Liability	24,027.08		
Unexpended Balance of Appropriation Reserves	<u>2,140,640.00</u>	<u>1,945,242.10</u>	<u>903,099.67</u>
<u>TOTAL INCOME</u>	<u>\$ 17,159,473.08</u>	<u>\$ 17,336,877.55</u>	<u>\$ 15,011,658.30</u>
<u>EXPENDITURES</u>			
Operating	\$ 13,408,194.00	\$ 13,165,793.00	\$ 12,313,243.00
Capital Improvements	50,000.00	100,000.00	200,000.00
Deferred Charges and Statutory Expenditures	1,201,488.00	1,200,713.00	1,158,936.00
Debt Service	195,016.00	64,689.00	
Refund of Prior Year Revenue		<u>14,117.62</u>	
<u>TOTAL EXPENDITURES</u>	<u>\$ 14,854,698.00</u>	<u>\$ 14,545,312.62</u>	<u>\$ 13,672,179.00</u>
Excess in Revenue	\$ 2,304,775.08	\$ 2,791,564.93	\$ 1,339,479.30
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	\$ _____	\$ 64,689.00	\$ _____
Regulatory Excess in Revenue	<u>\$ 2,304,775.08</u>	<u>\$ 2,856,253.93</u>	<u>\$ 1,339,479.30</u>
Fund Balance, January 1	<u>2,488,389.92</u>	<u>832,135.99</u>	<u>392,656.69</u>
	<u>\$ 4,793,165.00</u>	<u>\$ 3,688,389.92</u>	<u>\$ 1,732,135.99</u>
Decreased by:			
Anticipated as Current Fund Budgeted Revenue	200,000.00		
Utilization by Sewer Operating Budget	<u>1,254,698.00</u>	<u>1,200,000.00</u>	<u>900,000.00</u>
Fund Balance, December 31	<u>\$ 3,338,467.00</u>	<u>\$ 2,488,389.92</u>	<u>\$ 832,135.99</u>

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

CITY OF PLAINFIELD

SOLID WASTE UTILITY CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE-REGULATORY BASIS

	<u>2025</u> (Unaudited)	<u>2024</u>
Balance, January 1	\$ 25,256.00	\$
Increased by:		
Premium on Bond Anticipation Notes	\$ <u>54,621.00</u>	\$ <u>25,256.00</u>
Balance, December 31	\$ <u><u>79,877.00</u></u>	\$ <u><u>25,256.00</u></u>

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



CITY OF PLAINFIELD  
 SOLID WASTE UTILITY FUND  
 STATEMENT OF EXPENDITURES - REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2024

	APPROPRIATIONS		EXPENDED		OVER- EXPENDITURE
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<b>OPERATING:</b>					
Salaries and Wages	\$ 3,978,793.00	\$ 3,978,793.00	\$ 3,540,456.83	\$ 438,336.17	\$
Other Expenses	3,689,500.00	3,689,500.00	2,901,259.77	788,240.23	\$
Disposal Costs - Tipping Fees	5,460,000.00	5,460,000.00	5,399,000.00	61,000.00	\$
Information Technology	37,500.00	37,500.00	37,500.00		
<b>TOTAL OPERATING</b>	<b>\$ 13,165,793.00</b>	<b>\$ 13,165,793.00</b>	<b>\$ 11,878,216.60</b>	<b>\$ 1,287,576.40</b>	<b>\$</b>
<b>CAPITAL IMPROVEMENTS:</b>					
Capital Outlay	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00		\$
<b>TOTAL CAPITAL IMPROVEMENTS</b>	<b>\$ 100,000.00</b>	<b>\$ 100,000.00</b>	<b>\$ 100,000.00</b>	<b>\$</b>	<b>\$</b>
<b>DEBT SERVICE:</b>					
Interest on Notes	\$	\$	\$ 64,689.00	\$	\$ 64,689.00
<b>TOTAL DEBT SERVICE</b>	<b>\$</b>	<b>\$</b>	<b>\$ 64,689.00</b>	<b>\$</b>	<b>\$ 64,689.00</b>
<b>STATUTORY EXPENDITURES:</b>					
Statutory Expenditures:					
Public Employees Retirement System	\$ 714,713.00	\$ 714,713.00	\$ 714,713.00	\$	\$
Social Security	336,000.00	336,000.00	332,222.58	3,777.42	\$
Unemployment Compensation Insurance	150,000.00	150,000.00		150,000.00	\$
<b>TOTAL STATUTORY EXPENDITURES</b>	<b>\$ 1,200,713.00</b>	<b>\$ 1,200,713.00</b>	<b>\$ 1,046,935.58</b>	<b>\$ 153,777.42</b>	<b>\$</b>
	<b>\$ 14,466,506.00</b>	<b>\$ 14,466,506.00</b>	<b>\$ 13,089,841.18</b>	<b>\$ 1,441,353.82</b>	<b>\$ 64,689.00</b>

Disbursements	\$ 11,501,328.65
Accrued Interest on Notes	64,689.00
Reserve for Encumbrances	1,532,038.41
	\$ 13,098,056.06
Less: Refunds	8,214.88
	<b>\$ 13,089,841.18</b>

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

CITY OF PLAINFIELD

GENERAL FIXED ASSETS ACCOUNT GROUP

BALANCE SHEET - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2024</u>	BALANCE DECEMBER <u>31, 2023</u>
General Fixed Assets:		
Land	\$ 14,810,966.00	\$ 14,810,966.00
Buildings and Improvements	10,694,500.00	10,694,500.00
Machinery and Equipment	<u>38,974,935.00</u>	<u>32,948,792.00</u>
	<u>\$ 64,480,401.00</u>	<u>\$ 58,454,258.00</u>
Investments in General Fixed Assets	<u>\$ 64,480,401.00</u>	<u>\$ 58,454,258.00</u>

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

CITY OF PLAINFIELD

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2024 AND 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Plainfield is an instrumentality of the State of New Jersey established to function as a municipality. The City Council consists of elected officials and is responsible for the fiscal control of the City.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Except as noted below, the financial statements of the City include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the City, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the City do not include the operations of the local school district, first aid organization, volunteer fire organization or library, inasmuch as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes the presentation of basic financial statements into three fund types, the

The accounting policies of the City of Plainfield conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the City of Plainfield are organized on the basis of funds and an account group which is different from the fund structure required by GAAP.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific governmental activity.

As required by the Division of Local Government Services, the City accounts for its financial transactions through the following individual funds and account group:

Current Fund - resources and expenditures for governmental operations of a general nature, including federal and state grant funds

Trust Fund - receipts, custodianship and disbursements of funds in accordance with the purpose of which each reserve was created

General Capital Fund - receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund

Parking Utility Operating and Capital Funds – account for the operations and acquisition of capital facilities of the municipality owned parking utility.

Sewer Utility Operating and Capital Funds – account for the operations and acquisition of capital facilities of the municipality owned sewer utility.

Solid Waste Utility Operating and Capital Funds – account for the operations and acquisition of capital facilities of the municipality owned solid waste utility.

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant accounting policies and differences in the State of New Jersey are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenue when anticipated in the City's budget.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Revenues (Continued) -

Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the City's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the City which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System.

Outstanding encumbrances on December 31 are reported as a cash liability in the financial statements and constitute part of the City's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created on December 31st of each year and recorded as liabilities except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. 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.

Encumbrances - Contractual orders on December 31 are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as a revenue in a future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the City as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit.

Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. No depreciation has been provided on general fixed assets or reported in the financial statements.

The City has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Land is stated at the assessed value contained in the City's most recent property revaluation. Buildings are stated at the most recent insurance replacement value. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Assets Account Group rather than in a governmental fund.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

Fixed Capital – Parking, Sewer and Solid Waste Utilities

Accounting for utility fund "fixed capital" remains unchanged under the requirements of N.J.A.C. 5:30-5.6.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Capital – Parking, Sewer and Solid Waste Utilities (Continued)

Property and equipment purchased by the Utility Funds are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital.

Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization account in the utility capital fund represent charges to operations for the cost of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

Accounting and Financial Reporting for Pensions

Under GAAP, municipalities are required to record their distributive shares of net pension liability, deferred outflows of resources, deferred inflows of resources in the statement of Net Position and total pension related expense in Statements of Revenues, Expenses, Changes in Net Position and Notes to the Financial Statements in accordance with GASB 68.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c)(2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68 however, local units are permitted to disclose the most recently available information as it relates to the New Jersey Division of Pension and Benefits reporting on GASB 68. As of the date of this report the information for the period ended June 30, 2024 was not available, therefore the information dated June 30, 2023 is disclosed.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)

Under GAAP, municipalities required to record their distributive shares of OPEB liability, deferred outflows of resources, deferred inflows of resources in the statement of Net Position and total OPEB related expense in Statements of Revenues, Expenses, Changes in Net Position and Notes to the Financial Statements in accordance with GASB 75.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the OPEB liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 75 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 75, however local units are permitted to disclose the most recently available information as it relates to the New Jersey Division of Pension and Benefits reporting on GASB 75. As of the date of this report the information for the period ended June 30, 2024 was not available, therefore the information dated June 30, 2023 is disclosed

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general-purpose financial statements to be in accordance with GAAP. The City presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The City considers petty cash, change funds, cash in banks and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

The City of Plainfield had the following cash and cash equivalents at December 31, 2024:

	<u>Change Fund</u>	<u>Cash in Bank</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reconciled Balance</u>
Current Fund	\$250.00	\$19,758,293.22	\$441,168.22	\$3,128,514.03	\$17,071,197.41
Grant Fund		6,786,147.66		679,671.71	6,106,475.95
Animal Control Fund		16,459.54			16,459.54
Trust Other Fund		12,129,737.16	648,120.89	656,959.50	12,120,898.55
General Capital Fund		3,564,774.65	3,641.25		3,568,415.90
Parking Utility Fund		450,012.00	\$55,970.00		505,982.00
Sewer Utility Fund		12,953,328.54	\$62,965.36	82,631.28	12,933,662.62
Solid Waste Utility Fund		9,438,407.01	\$79,630.92	109,706.22	9,408,331.71
	<u>\$250.00</u>	<u>\$65,097,159.78</u>	<u>\$1,291,496.64</u>	<u>\$4,657,482.74</u>	<u>\$61,731,423.68</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The City does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2024, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank \$1,000,000.00 was covered by Federal Depository Insurance and \$64,097,159.78 was covered by NJ GUDPA. The City has no foreign currency risk exposure.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

The purchase of investments by the City is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

- 8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

The City of Plainfield's investment activities during the year were in accordance with the above New Jersey Statute.

NOTE 3: LONG TERM DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the City are general obligation bonds, backed by the full faith and credit of the City. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

SUMMARY OF STATUTORY DEBT CONDITION ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.351%

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School District Debt	\$ 4,190,000.00	\$ 4,190,000.00	\$
Sewer Utility Debt	4,395,000.00	4,395,000.00	
Solid Waste Utility Debt	6,010,000.00	6,010,000.00	
Parking Utility Debt	1,195,000.00	1,195,000.00	
General Debt	<u>55,017,494.24</u>	<u>18,932.50</u>	<u>54,998,561.74</u>
	<u>\$ 70,807,494.24</u>	<u>\$ 15,808,932.50</u>	<u>\$ 54,998,561.74</u>

NOTE 3: LONG TERM DEBT (CONTINUED)

Net debt of \$54,998,561.74 divided by equalized valuation basis per N.J.S. 40A:2-as amended, of \$4,071,939,526.33 equals 1.351%.

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2024</u>	<u>YEAR 2023</u>	<u>YEAR 2022</u>
Issued:			
General:			
Bonds, Notes and Loans	\$38,201,023.88	\$35,622,559.38	\$39,529,419.32
Parking Utility:			
Bonds, Notes and Loans	\$555,000.00	\$807,025.00	\$871,025.00
Sewer Utility:			
Bonds, Notes and Loans	3,600,000.00		
Solid Waste Utility:			
Bonds, Notes and Loans	4,100,000.00		
	<u>\$46,456,023.88</u>	<u>\$36,429,584.38</u>	<u>\$40,400,444.32</u>
Total Issued			
Less:			
Reserve for Debt Service	18,932.50		
	<u>\$46,474,956.38</u>	<u>\$36,429,584.38</u>	<u>\$40,400,444.32</u>
Net Debt Issued			
Authorized But Not Issued:			
General:			
Bonds and Notes	\$ 16,816,470.36	\$ 13,936,317.36	\$ 4,131,317.36
Parking Utility:			
Bonds and Notes	640,000.00		
Sewer Utility:			
Bonds and Notes	795,000.00	3,600,000.00	
Solid Waste Utility:			
Bonds and Notes	1,910,000.00	4,100,000.00	
	<u>\$ 20,161,470.36</u>	<u>\$ 21,636,317.36</u>	<u>\$ 4,131,317.36</u>
Total Authorized But Not Issued			
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 66,636,426.74</u>	<u>\$ 58,065,901.74</u>	<u>\$ 44,531,761.68</u>

NOTE 3: LONG TERM DEBT (CONTINUED)

BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED

Equalized Valuation Basis* - December 31, 2024	\$4,071,939,526.33
3-1/2 of Equalized Valuation Basis (Municipal)	142,517,883.42
Net Debt	<u>54,998,561.74</u>
Remaining Borrowing Power	<u><u>\$87,519,321.68</u></u>

\*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Railroad Property of the City of Plainfield for the last three (3) preceding years.

General Serial Bonds:

<u>ISSUE</u>	<u>BALANCE DECEMBER 31, 2024</u>
\$24,592,000.00 in Refunding Bonds dated August 21, 2019 due in annual installments of \$1,300,000.00 to \$2,600,000.00 through August 2030 at interest rates ranging from 2.125% to 4.00%	\$15,600,000.00
\$14,476,000.00 in General Obligation Bonds dated August 15, 2022, due in remaining annual installments ranging between \$955,000.00 and \$1,911,000.00 beginning February 15, 2023 and ending February 15, 2033 with interest rates ranging from 3.000% to 4.000%	<u>11,820,000.00</u>
	<u><u>\$27,420,000.00</u></u>

Parking Utility Bonds:

<u>ISSUE</u>	
\$680,000.00 in General Obligation Bonds dated August 15, 2022, due in remaining annual installments ranging between \$44,000.00 and \$89,000.00 beginning February 15, 2023 and ending February 15, 2033 with interest rates ranging from 3.000% to 4.000%	<u><u>\$555,000.00</u></u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

CALCULATION OF "SELF-LIQUIDATING PURPOSE" PARKING UTILITY PER N.J.S. 40A:2-45

Revenue from Fees, Rents, and Other Charges for Year and Fund Balance		\$	1,430,947.02
Deductions:			
Operating and Maintenance Cost	\$	926,362.00	
Debt Service		<u>281,599.00</u>	
Total Deductions			<u>1,207,961.00</u>
Excess in Revenue - Self Liquidating	\$		<u><u>222,986.02</u></u>

CALCULATION OF "SELF-LIQUIDATING PURPOSE" SEWER UTILITY PER N.J.S. 40A:2-45

Revenue from Fees, Rents, and Other Charges for Year and Fund Balance		\$	9,505,272.10
Deductions:			
Operating and Maintenance Cost	\$	5,950,604.00	
Debt Service		<u>56,800.00</u>	
Total Deductions			<u>6,007,404.00</u>
Excess in Revenue - Self Liquidating	\$		<u><u>3,497,868.10</u></u>

CALCULATION OF "SELF-LIQUIDATING PURPOSE" SOLID WASTE UTILITY PER N.J.S. 40A:2-45

Revenue from Fees, Rents, and Other Charges for Year and Fund Balance		\$	15,391,635.45
Deductions:			
Operating and Maintenance Cost	\$	14,366,506.00	
Debt Service		<u>64,689.00</u>	
Total Deductions			<u>14,431,195.00</u>
Excess in Revenue - Self Liquidating	\$		<u><u>960,440.45</u></u>

NOTE 3: LONG TERM DEBT (CONTINUED)

Green Acres Loans:

\$375,000.00 2007 Loans due in semi-annual installments of \$7,909.35 to \$11,543.91 through October 2026 at an interest rate of 2.00% \$45,494.37

\$200,000.00 2010 Loan due in semi-annual installments of \$6,642.86 through January 2028 at an interest rate of 2.00% 44,694.51

\$90,188.88

N.J. DCA Unsafe Building Demolition Loan Payable:

\$125,000.00 Loan due in annual installments of \$6,250.00 through October 2026 at an interest rate of 0.00% \$12,500.00

Bonds and Notes Authorized But Not Issued:

There is \$16,816,470.36 General Capital Bonds and Notes, \$795,000.00 Sewer Capital Bonds and Notes, and \$1,910,000.00 Solid Waste Capital Bonds and Notes Authorized but not Issued at December 31, 2024.

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING AS OF DECEMBER 31, 2024

CALENDAR YEAR	GENERAL CAPITAL		
	PRINCIPAL	INTEREST	TOTAL
2025	\$3,651,000.00	\$839,700.00	\$4,490,700.00
2026	3,636,000.00	693,960.00	4,329,960.00
2027	3,555,000.00	576,140.00	4,131,140.00
2028	3,555,000.00	459,940.00	4,014,940.00
2029-2032	11,112,000.00	877,730.00	11,989,730.00
2033	1,911,000.00	28,665.00	1,939,665.00
	<u>\$27,420,000.00</u>	<u>\$3,476,135.00</u>	<u>\$30,896,135.00</u>

NOTE 3: LONG TERM DEBT (CONTINUED)

SCHEDULE OF GREEN ACRES LOANS PAYABLE  
AS OF DECEMBER 31, 2024

Calendar			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$34,974.65	\$1,629.77	\$36,604.42
2026	35,677.64	926.79	36,604.43
2027	12,959.47	326.26	13,285.73
2028	6,577.11	65.77	6,642.88
	<u>\$90,188.87</u>	<u>\$2,948.59</u>	<u>\$93,137.46</u>

SCHEDULE OF URBAN AND RURAL CENTERS UNSAFE BUILDING  
DEMOLITION BOND LOAN PROGRAM AS OF DECEMBER 31, 2024

<u>Payment</u>	<u>Payment</u>	<u>PRINCIPAL</u>
<u>Number</u>	<u>Due</u>	
19	10/23/25	\$6,250.00
20	10/23/26	6,250.00
		<u>\$12,500.00</u>

NOTE 4: SHORT TERM DEBT (CONTINUED)

The City had the following short-term debt:

General Capital Fund:

\$4,178,335.00 bond anticipated note issued 8/8/24 maturing on 8/7/25 at an interest rate of 4.00%	\$4,178,335.00
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\$6,500,000.00 bond anticipated note issued 8/8/24 maturing on 8/7/25 at an interest rate of 4.00%	<u>6,500,000.00</u>
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	<u>\$10,678,335.00</u>
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Sewer Utility Capital Fund:

\$3,600,000.00 bond anticipated note issued 8/8/24 maturing on 8/7/25 at an interest rate of 4.00%	<u>\$3,600,000.00</u>
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Solid Waste Utility Capital Fund:

\$4,100,000.00 bond anticipated note issued 8/8/24 maturing on 8/7/25 at an interest rate of 4.00%	<u>\$4,100,000.00</u>
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NOTE 5: FUND BALANCES APPROPRIATED

Fund balance at December 31, 2024, which was appropriated and included as anticipated revenue in its own respective fund for the year ending December 31, 2025, was as follows:

Current Fund	\$9,885,000.00
Sewer Utility Fund	254,205.00
Solid Waste Fund	1,254,698.00

NOTE 6: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The City bills and collects its own property taxes and also the taxes for the County and the Regional School District. The collections and remittance of county and school taxes are accounted for in the Current Fund. City property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the City's Current Fund.

Taxes Collected in Advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	BALANCE DECEMBER <u>31, 2024</u>	BALANCE DECEMBER <u>31, 2023</u>
Prepaid Taxes	<u>\$526,599.61</u>	<u>\$515,750.98</u>

NOTE 7: COMPENSATED ABSENCES

Under the existing policy of the City, employees are allowed to accumulate unused sick pay over the life of their working careers, which may be taken as time off, or paid at a later date, at an agreed upon rate. As of December 31, 2024, the City estimates that the amount of such unpaid compensation is \$4,220,193.89. Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, accumulated cost of such paid compensation is not required to be reported in the financial statements as presented and any amounts required to be paid are raised in that year's budget and no liability is accrued on December 31, 2024. At December 31, 2024, the City's financial statements reflected a reserve for accumulated absences of \$92,955.24 in the Trust Other Fund.

NOTE 8: PENSION PLANS

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Fireman's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at [www.nj.gov/treasury/pensions/annrprts.shtml](http://www.nj.gov/treasury/pensions/annrprts.shtml).

Plan Descriptions

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

Police and Fireman's Retirement System (PFRS) - The Police and Fireman's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

NOTE 8: PENSIONS PLANS (CONTINUED)

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit; in which case, benefits would begin the first day of the month after the member attains normal retirement age.

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately invested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully invested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy is set by PERS is set by N.J.S.A. 43:15A and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 7.50% of base salary. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Plan member and employer contributions *may* be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. PFRS members contributed at a rate of 10.00% of base salary.

NOTE 8: PENSIONS PLANS (CONTINUED)

Funding Policy (Continued)

Certain portions of the costs are contributed by the employees. The City's share of PERS and PFRS, which is based upon the annual billings received from the state, amounted to \$9,953,827.66 for 2024, \$9,784,929.23 for 2023 and \$9,050,537.00 for 2022.

The City's share for DCRP amounted to \$46,390.95 for 2024, \$31,924.20 for 2023 and \$41,819.38 for 2022.

All contributions were equal to the required contributions for each of the three years, respectively. Certain Township employees are also covered by Federal Insurance Contribution Act.

Pension Contribution Deferral

The State of New Jersey has enacted Public Law 2009, C.19, which authorizes the State Department of Treasury, Division of Pensions and Benefits to provide non-state contributing employers the option of paying an amount that represents a fifty percent (50%) reduction of the normal and accrued liability payment of the required contributions to the Police and Fire Retirement System (PFRS) and the Public Employees Retirement System (PERS) which would have been due April 1, 2011. If the deferral is elected, the amount deferred must be repaid, with interest, over a period of fifteen years, beginning in April, 2012; however, the contributing employer is permitted to pay off the obligation at any time by contacting the Division of Pension and Benefits for a payoff amount. The Pension deferral activity for 2024 is as follows:

Retirement System	Original Amount Deferred	Balance December 31, 2023	2024 Payments
PFRS	\$ 2,285,008.00	\$ 352,491.00	\$ 352,491.00
PERS	<u>427,039.00</u>	<u>67,772.00</u>	<u>67,772.00</u>
Total	<u>\$ 2,712,047.00</u>	<u>\$ 420,263.00</u>	<u>\$ 420,263.00</u>

The above information reflects the original deferral amount less the principal payments per the New Jersey Department of Pensions billing notices. The actuarially computed value of the balance at December 31, 2024 is not available from the State and is and therefore, is not presented.

NOTE 8: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB 68

As discussed in Note 1, as of the date of this report the information for the period ended June 30, 2024, for PERS and PFRS was not available, therefore the information dated June 30, 2023 is disclosed.

Public Employees Retirement System (PERS)

At June 30, 2023, the State reported a net pension liability of \$37,235,277.00 for the City's proportionate share of the total net pension liability. The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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. At June 30, 2023, the City's proportion was 0.2570720482 percent, which was an increase of 0.0669490744 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the State recognized an actuarially determined pension expense of \$3,069,245.00 for the City's proportionate share of the total pension expense. The pension expense recognized in the City's financial statements based on the April 1, 2023 billing was \$2,397,542.00.

At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$356,017.00	\$152,206.00
Changes of assumptions	81,798.00	2,256,617.00
Net difference between projected and actual earnings on pension plan investments	171,473.00	
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>10,181,234.00</u>	
	<u>\$10,790,522.00</u>	<u>\$2,408,823.00</u>

NOTE 8: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Other local amounts reported by the State as the City's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2024	\$70,363.80
2025	938,965.80
2026	3,569,622.80
2027	1,761,832.80
2028	<u>2,040,913.80</u>
	<u>\$8,381,699.00</u>

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. These actuarial valuations used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	2.75-6.55%
Based on Years of Service	
Investment Rate of Return	7.00%

NOTE 8: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NOTE 8: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasury's	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

NOTE 8: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of the City's proportionate share of net pension liability to changes in the discount rate

The following presents the City's proportionate share of the net pension liability of the participating employers as of June 30, 2023 calculated using the discount rate as disclosed above as well as what the City's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2023		
	1% Decrease 6.00%	At Current Discount Rate 7.00%	1% Increase 8.00%
City's proportionate share of the pension liability	\$48,472,408.00	\$37,235,277.00	\$27,670,993.00

Special Funding Situation

In accordance with 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. For PERS, the legislation which legally obligates the State is found in Chapter 133, P.L. 2001. This special funding situation is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2023, there is no net pension liability associated with this special funding situation as there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date.

The amounts contributed by the State on behalf of the City 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 City does 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 City related to this legislation.

NOTE 8: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Special Funding Situation (Continued)

The non-employer contributing entities' total proportionate share of the non-employer contribution that is associated with the City as of June 30, 2023 was 0.2580480743%. The non-employer contributing entities' contribution and employer pension expense and related revenue for the year ended June 30, 2023 was \$116,123.00.

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

Police and Firemen's Retirement System (PFRS)

At June 30, 2023, the State reported a net pension liability of \$58,102,050.00 for the City's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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.

At June 30, 2023, the City's proportion was 0.5258683400 percent, which was a decrease of 0.0050789000 percent from its proportion measured as of June 30, 2022.

NOTE 8: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

For the year ended June 30, 2023, the State recognized an actuarially determined pension expense of \$2,160,895.00. The pension expense recognized in the City's financial statements based on the April 1, 2023, billing was \$6,905,252.00.

At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$2,487,813.00	\$2,770,952.00
Changes of assumptions	125,405.00	3,923,281.00
Net difference between projected and actual earnings on pension plan investments	2,959,028.00	
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>1,287,410.00</u>	<u>3,670,524.00</u>
	<u>\$6,859,656.00</u>	<u>\$10,364,757.00</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	<u>Amount</u>
<u>June 30</u>	
2024	(\$2,737,751.80)
2025	(2,646,575.80)
2026	3,014,611.20
2027	(776,896.80)
2028	(369,446.80)
Thereafter	<u>10,959.00</u>
	<u><u>(\$3,505,101.00)</u></u>

NOTE 8: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. This actuarial valuation used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	All future years 3.25-16.25% Based on years of Service
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NOTE 8: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasury's	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

NOTE 8: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate

The following presents the City's proportionate share of the net pension liability of the participating employers as of June 30, 2023, calculated using the discount rate as disclosed above as well as what the City's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1- percentage point higher than the current rate:

	June 30, 2023		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
City's proportionate share of the PFRS pension liability	\$80,955,034.00	\$58,102,050.00	\$39,070,976.00

NOTE 8: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Special Funding Situation

In accordance with 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.c. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.c. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed by the State on behalf of the City 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 City does 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 City related to this legislation.

The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the City as of December 31, 2023 and 2022 is 0.52586854% and 0.5309474% respectively, the non-employer contributing entities' contribution for the year ended June 30, 2023 and 2022 was \$1,224,352.00 and \$1,346,541.00, respectively and the employer pension expense and related revenue for the year ended June 30, 2023 and 2022 was \$1,217,783.00 and \$1,247,881.00, respectively.

At June 30, 2023 and 2022, the State's proportionate share of the net pension liability attributable to the City for the PFRS special funding situation is \$10,705,979.00 and \$10,816,010.00, respectively.

At June 30, 2023, 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	\$58,102,050.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the City	<u>10,705,979.00</u>
	<u>\$68,808,029.00</u>

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

NOTE 9: LITIGATION

The City Attorneys' litigation confirmation letters indicate that the City is a defendant in certain lawsuits against the City claiming certain civil rights violations related to actions of Plainfield police officers which led to the arrest and conviction of such plaintiffs. Counsel has indicated that as of the date of audit, it is difficult to estimate a range of loss for such cases, but that demands against the City are significant.

NOTE 10: CONTINGENT LIABILITIES

The City participates in several financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. The grants received and expended in 2024 were subject to a Single Audit under U.S. Office of Management and Budget (OMB) Uniform Guidance and State of New Jersey OMB 15-08, which mandates that grant revenues and expenditures be audited in conjunction with the City's annual audit. Findings and questioned costs, if any, relative to financial assistance programs will be discussed in detail in Part II, Report Section of the 2024 audit. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2024, the City does not believe that any material liabilities will result from such audits.

NOTE 11: RISK MANAGEMENT

The City has established a self-insurance program in accordance with New Jersey Statute Chapter 40:10. The Statute enables the governing body of any local unit to provide insurance coverage for its exposure to a wide variety of property and liability casualty risks. The City self insures for auto liability, tort claims and workers compensation exposures. Additionally, the City is a member of the Public Entity Joint Insurance Fund for excess liability and building insurance and maintains insurance policies, covering fire, flood, fine arts, health and employee fidelity.

At December 31, 2024, the City's exposure for claims incurred under the above self-insurance programs are not presently determinable. There is a balance in the self-insurance trust fund of \$764,225.45 on December 31, 2024.

NOTE 11: RISK MANAGEMENT (CONTINUED)

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

<u>Year</u>	<u>Employee Contributions</u>	<u>City Contributions &amp; Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2024	\$ 76,312.79	\$ 2,878.24	\$ 210,181.42	\$ 142,704.02
2023	74,043.18	3,585.64	78,200.82	273,694.41
2022	67,605.80	1,227.26	31,360.12	274,266.41

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2024:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$27,030.06	\$810,011.16
Grant Fund	336,084.65	334,849.48
Animal Control Trust		4,676.05
Trust Other Fund	391,193.11	
General Capital Fund	187,726.48	505,304.06
Parking Utility Operating Fund	229,656.40	53,496.02
Parking Utility Capital Fund	536,446.07	
Sewer Utility Operating Fund	26,690.69	
Sewer Utility Capital Fund		26,690.69
Solid Waste Utility Operating Fund	19,289.69	
Solid Waste Utility Capital Fund		19,289.69
	<u>\$1,754,117.15</u>	<u>\$1,754,317.15</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

NOTE 13: DEFERRED COMPENSATION

The City offers its employees a choice of two deferred compensation plans created in accordance with Internal Revenue Code Section 403 (b) and 457. The plans, available to all City employees, permit them to defer a portion of their salaries until future years. The City does not make any contribution to the plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the City's Plans were amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts. All assets of the Plan are held by independent administrators. The City has approved Nationwide Retirement Solutions and Mass Mutual as administrators.

In accordance with IRS regulations, the accompanying financial statements do not include the City's Deferred Compensation Plan activities since the assets are not available to the City's general creditors. The City's Deferred Compensation Plan financial statements are contained in a separate review report.

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75

As discussed in Note 1, as of the date of this report the information for the period ended June 30, 2024, for OPEB was not available, therefore the information dated June 30, 2023 is disclosed.

Plan Description and Benefits Provided

The State Health Benefit Local Government Retired Employees Plan (the Plan) 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*; therefore, assets are accumulated to pay associated benefits.

The Plan provides medical and prescription drug 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.

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Plan Description and Benefits Provided (Continued)

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.

Total Net OPEB Liability

At June 30, 2023, the Plan reported a Liability of \$123,542,837.00 for the City's proportionate share of the collective Net OPEB liability. The total Net OPEB Liability measured as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023.

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, 2022 through June 30, 2023.

At June 30, 2023, the City's proportion was 0.823260 percent which was an increase of 0.181406 percent from its proportion measured as of June 30, 2022.



NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs

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

Salary Increases:

Public Employees Retirement System (PERS):

Initial Fiscal Year Applied  
Rate for All Future Years 2.75% to 6.55%

Police and Firemen’s Retirement System (PFRS):

Rate for All Future Years 3.25% to 16.25%

Mortality:

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

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

\*Salary increases are based on years of service within the respective plan.

Actuarial assumptions used in the July 1, 2022 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

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

Discount Rate

The discount rate for June 30, 2023 was 3.65%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Health Care Trend Assumption

For Pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend rate is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend rate is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

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

The following presents the Net OPEB Liability associated with the City's as of June 30, 2023, calculated using the discount rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2023		
	1.00% <u>Decrease (2.65%)</u>	At Discount <u>Rate (3.65%)</u>	1.00% <u>Increase (4.65%)</u>
City's proportionate share of the Net OPEB Liability	\$143,101,980.00	\$123,542,837.00	\$107,810,520.00

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in Healthcare Trends

The following presents the total Net OPEB Liability associated with the City's as of June 30, 2023, calculated using the healthcare trend rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2023		
	1.00% <u>Decrease</u>	Healthcare Cost <u>Trend Rate</u>	1.00% <u>Increase</u>
City's proportionate share of the Net OPEB Liability	\$104,996,870.00	\$123,542,837.00	\$147,287,340.00

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Special Funding Situation

The City, by resolution of the governing body, has elected to provide postretirement medical coverage to certain employees under the provisions of Chapter 330, P.L. 1997.

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 percent 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 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.

The non-employer contributing entities total proportionate share of the collective net pension liability that is associated with the City as of December 31, 2023 and 2022 is 0.040634% and 0.048662% respectively, and the employer pension expense and related revenue for the year ended June 30, 2023 and 2022 was \$257,067.00 and \$269,284.00, respectively.

At June 30, 2023 and 2022, the State's proportionate share of the net OPEB liability attributable to the City for the special funding situation is \$1,417,758.00 and \$1,641,763.00 respectively.

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Special Funding Situation

At June 30, 2023, the City's and State of New Jersey's proportionate share of the Net OPEB Liability were as follows:

City's proportionate share of the Net OPEB Liability	\$123,542,837.00
State of New Jersey's proportionate share of Net OPEB Liability associated with the City	<u>1,417,758.00</u>
	<u>\$124,960,595.00</u>

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey State Health Benefits Local Government Retired Employees Plan. The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

NOTE 15: TAX APPEALS

There are tax appeals filed with the County and State Tax Court of New Jersey requesting a reduction of assessments for the year 2024. Any reduction in assessed valuation will result in a refund of prior years' taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51. At December 31, 2024 the City had a reserve for the appeals of \$181,810.27.

NOTE 16: DEFERRED CHARGES

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2024 the following deferred charges are shown on the balance sheets of the various funds.

	Balance December <u>31, 2024</u>	2025 Budget <u>Appropriation</u>	Balance to Succeeding <u>Years</u>
Current Fund:			
Special Emergencies:			
COVID-19 Loss of Revenue	\$333,800.00	\$167,200.00	\$166,600.00
Sewer Utility Fund:			
Overexpenditure of Appropriations	56,800.00	56,800.00	
Solid Waste Utility Fund:			
Overexpenditure of Appropriations	<u>64,689.00</u>	<u>64,689.00</u>	<u>                    </u>
	<u>\$455,289.00</u>	<u>\$288,689.00</u>	<u>\$166,600.00</u>

NOTE 17: FIXED ASSETS

Below is a summary of the General Fixed Assets Account Group for the year ended December 31, 2024:

	Balance December 31, <u>2023</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2024</u>
Land	\$14,810,966.00			\$14,810,966.00
Buildings	10,694,500.00			10,694,500.00
Machinery and Equipment	<u>32,948,792.00</u>	<u>\$7,198,539.00</u>	<u>\$1,172,396.00</u>	<u>38,974,935.00</u>
	<u>\$58,454,258.00</u>	<u>\$7,198,539.00</u>	<u>\$1,172,396.00</u>	<u>\$64,480,401.00</u>

NOTE 18: SUBSEQUENT EVENTS

The City of Plainfield has evaluated subsequent events occurring after the financial statement date through July 31, 2025 which is the date the financial statements were available to be issued and has determined that no subsequent events need to be disclosed.

**APPENDIX C**

**FORM OF APPROVING LEGAL OPINION**

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

August \_\_\_\_, 2026

Mayor and City Council  
of the City of Plainfield  
Plainfield, New Jersey

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the City Council of the City of Plainfield, in the County of Union (the "City"), a municipal corporation organized and existing under the laws of the State of New Jersey, and other proofs submitted to us relative to the authorization, sale, issuance, execution and delivery of the \$34,393,335 aggregate principal amount of Bond Anticipation Notes, Series 2026, consisting of \$23,198,335 General Improvement Notes, Series 2026 (the "General Improvement Notes"), \$4,895,000 Sewer Utility Notes, Series 2026 (the "Sewer Utility Notes"), and \$6,300,000 Solid Waste Utility Notes, Series 2026 (the "Solid Waste Utility Notes", and together with the General Improvement Notes and the Sewer Utility Notes, the "Notes"), of the City. The Notes are dated August 4, 2026, mature August 3, 2027, and bear interest at the rate of \_\_\_\_\_ and \_\_\_\_\_ hundredths per centum (\_\_\_\_\_% ) per annum.

The Notes are issued in fully registered book-entry form, without certificates, initially registered in the name of, and held by, Cede & Co., as nominee for The Depository Trust Company, Brooklyn, New York ("DTC"), an automated depository for securities and clearing house for securities transactions. Individual purchases of the Notes will be made in denominations of \$5,000 each or any integral multiple of \$1,000 in excess thereof, or, as applicable, any odd denomination in excess thereof, through book entries made on the books and records of DTC and its participants. So long as DTC or its nominee is the registered owner of the Notes, payments of principal of and interest on the Notes will be made by the City or a duly designated paying agent directly to Cede & Co., as nominee for DTC, which will, in turn, remit such payments to DTC Participants, which will, in turn, remit such payments to the beneficial owners of the Notes. The Notes are not subject to redemption prior to their stated date of maturity.

The Notes are authorized by, and are issued pursuant to, (i) the provisions of the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the “Local Bond Law”); and (ii) various bond ordinances duly adopted by the City Council of the City (the “Ordinances”), approved by the Mayor, as applicable, and published as required by law.

The General Improvement Notes are being issued to (i) refund, on a current basis, a \$17,198,335 principal portion of prior general improvement notes issued in the principal amount of \$17,438,335 on August 6, 2025 and maturing August 5, 2026 (the “Prior General Improvement Notes”) (the remaining amount of the Prior General Improvement Notes will be paid with a 2026 budgetary appropriation in the amount of \$240,000), and (ii) temporarily finance various general capital acquisitions and improvements in and for the City in the amount of \$6,000,000, including paying the costs associated with the issuance of the General Improvement Notes.

The Sewer Utility Notes are being issued to (i) refund, on a current basis, prior sewer utility notes issued in the principal amount of \$4,395,000 on August 6, 2025 and maturing August 5, 2026 and (ii) temporarily finance various sewer utility acquisitions and improvements in and for the City in the amount of \$500,000, including paying the costs associated with the issuance of the Sewer Utility Notes.

The Solid Waste Utility Notes are being issued to (i) refund, on a current basis, prior solid waste utility notes issued in the principal amount of \$5,100,000 on August 6, 2025 and maturing August 5, 2026 and (ii) temporarily finance various solid waste utility acquisitions and improvements in and for the City in the amount of \$1,200,000, including paying the costs associated with the issuance of Solid Waste Utility Notes.

We are of the opinion that (i) such proceedings and proofs show lawful authority for the authorization, sale, issuance, execution and delivery of the Notes pursuant to, as applicable, the Local Bond Law and the Ordinances, (ii) the Notes have been duly authorized, executed and delivered and constitute valid and legally binding general obligations of the City, which are enforceable in accordance with their terms, and (iii) the City has pledged its full faith and credit for the payment of the principal of and interest on the Notes and, unless paid from other sources, all the taxable property within the City is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for the payment of the principal of and interest on the Notes.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance and delivery of the Notes for interest thereon to be and remain excludable from gross income for Federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause the interest on the Notes to be included in gross income for Federal income tax purposes retroactive to the date of the issuance of the Notes. The City has covenanted in a tax certificate related to the Notes to maintain the exclusion of the interest on the Notes from gross income for Federal income tax purposes pursuant to Section 103(a) of the Code.

In our opinion, under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the City with the provisions of the Code and the aforementioned covenants in its tax certificate, interest on the Notes is not includable for Federal income tax purposes in the gross income of the owners of the Notes pursuant to Section 103 of the Code. The Notes are not “specified private activity bonds” within the meaning of Section 57 of the Code and, therefore, the interest on the Notes will not be treated as a preference item for purposes of computing the Federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the Federal alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

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

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

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

This opinion is rendered on the basis of Federal law and the laws of the State of New Jersey as enacted and construed on the date hereof.

We have examined the form of the executed Note and, in our opinion, the form of the Note is regular and proper.

Very truly yours,

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**APPENDIX D**

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

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## CONTINUING DISCLOSURE CERTIFICATE

I, BEVERLEY MORRIS-GILL, Director of Finance/Chief Financial Officer of the City of Plainfield, in the County of Union (the "City"), a municipal corporation organized and existing under the laws of the State of New Jersey, DO HEREBY CERTIFY in connection with the issuance of \$34,393,335 Bond Anticipation Notes, Series 2026 consisting of \$23,198,335 aggregate principal amount of General Improvement Notes, Series 2026, \$4,895,000 Sewer Utility Notes, Series 2026, and \$6,300,000 Solid Waste Utility Notes, Series 2026 (collectively, the "Notes"), dated August 4, 2026 and maturing August 3, 2027, that pursuant to the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented (the "Rule"), specifically subsections (d)(3) and (b)(5)(i)(C) thereof, the City will provide notice (the "Notice") to the Municipal Securities Rulemaking Board (the "MSRB") via its Electronic Municipal Market Access system ("EMMA") as a Portable Document File (PDF file) to [www.emma.msrb.org](http://www.emma.msrb.org), of any of the following events with respect to the Notes and/or the City herein described, as applicable: (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 Notes, or other material events affecting the tax status of the Notes; (7) modifications to rights of security holders, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution or sale of property securing repayment of the securities, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the City; (13) consummation of a merger, consolidation, or acquisition, or sale of all or substantially all of the assets of the City other than in the ordinary course of business, 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 change of name of a trustee, if material; (15) incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect Noteholders, if material; or (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties (collectively, the "Listed Events").

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

If the City (a) has or obtains knowledge of the occurrence of any of the Listed Events not requiring a materiality determination, or (b) determines that the occurrence of a Listed Event requiring a materiality determination would be material to the Beneficial Owners of the Notes, the City shall file a Notice of each such occurrence with the MSRB via EMMA in a timely manner not in excess of ten (10) business days.

The City's obligations under this Certificate shall terminate upon the redemption, defeasance or payment in full of the Notes.

In the event the City fails to comply with any provision of this Certificate, any Noteholder may take such action 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 Certificate. Notwithstanding the above, the remedy for a breach of the provisions of this Certificate or the City's failure to perform hereunder shall be limited to bringing an action to compel specific performance.

This Certificate shall inure solely to the benefit of the City, the purchaser and the holders from time to time of the Notes, and shall create no further rights in any other person or entity hereunder.

The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey. The City shall compensate the Dissemination Agent (which shall be appointed) for the performance of its obligations hereunder in accordance with an agreed upon fee structure.

IN WITNESS WHEREOF, I have hereunto set my hand on behalf of the City this \_\_\_\_\_ day of August, 2026.

**CITY OF PLAINFIELD,  
IN THE COUNTY OF UNION,  
STATE OF NEW JERSEY**

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**BEVERLEY MORRIS-GILL,  
Director of Finance/Chief Financial Officer**

**Acknowledged and Accepted by:**

**PHOENIX ADVISORS, a division of First Security  
Municipal Advisors, Inc.,  
as Dissemination Agent**

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**Authorized Signatory**