PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 3, 2026

NEW ISSUE (BOOK-ENTRY)

RATING ON BONDS: S&P: "A+_"
RATING ON NOTES: S&P: "SP-1+"
(See "RATINGS" 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 (as defined herein) with certain covenants described herein, interest on the Bonds and Notes (as respectively defined herein) (i) is not includable in gross income of the owners of the Bonds and Notes 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 Bonds and 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 (N.J.S.A. 54A:1-1 et seq.), as amended and supplemented. Bond Counsel's opinions described herein are given in reliance on representations, certifications of fact, and statements of reasonable expectation that will be made by the City in tax certificates related to the Bonds and Notes, respectively, assume continuing compliance by the City with certain covenants set forth in its tax certificates, and are based on existing statutes, regulations, administrative pronouncements and judicial decisions. See "TAX MATTERS" herein.

CITY OF EAST ORANGE
IN THE COUNTY OF ESSEX
STATE OF NEW JERSEY

$18,000,000*
GENERAL IMPROVEMENT BONDS, SERIES 2026

(CALLABLE)

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

$11,609,550
BOND ANTICIPATION NOTES, SERIES 2026

(NON-CALLABLE)

Dated: Date of Delivery
Due: September 21, 2027
Coupon: ____%
Yield: ____
CUSIP: 274137____**

The $18,000,000* aggregate principal amount of General Improvement Bonds, Series 2026 (the "Bonds"), dated their date of delivery, are general obligations of the City of East Orange, in the County of Essex (the "City"), a municipal corporation organized and existing under the laws of the State of New Jersey, for which the full faith and credit of the City are pledged, and are payable ultimately from *ad valorem* taxes levied upon all the taxable property located within the City, without limitation as to rate or amount, for the payment of the principal of the Bonds and the interest thereon, unless paid from other sources.

The $11,609,550 Bond Anticipation Notes, Series 2026, dated their date of delivery (the "Notes"), are also general obligations of the City, for which the full faith and credit of the City are pledged, and are 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, without limitation as to rate or amount, for the payment of the principal of the Notes and the interest thereon.

The Bonds and 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 Bonds and the Notes. Individual purchases of the Bonds and 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 Bonds shall bear interest from the date of delivery thereof, payable semi-annually on the first (1st) day of March and September of each year, commencing September 1, 2027, at such rates of interest as shown on the inside front cover page hereof, until maturity or prior redemption. The Notes will bear interest at the rate set forth above, commencing from their date of delivery. Interest on the Notes will be payable on the maturity date thereof as set forth above.

While DTC is acting as securities depository for the Bonds and Notes, the principal of and interest on the Bonds and Notes will be payable by wire transfer to DTC or its nominee, 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 Bonds and Notes, respectively. *See* "BOOK-ENTRY SYSTEM" herein.

The Bonds 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"); (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; and (iii) a resolution duly adopted by the City Council of the City on July 31, 2026 (the "Resolution").

The Notes are authorized by, and are issued pursuant to: (i) the provisions of the Local Bond Law; (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; and (iii) the Resolution.

The Bonds are being issued to refund, on a current basis, an $18,000,000 principal portion of outstanding bond anticipation notes of the City issued in the aggregate principal amount of $25,240,900 on October 15, 2025 and maturing on October 14, 2026 (the "Prior Notes").

The Notes are being issued to refund, on a current basis, (i) the remaining $7,240,900 principal portion of the Prior Notes, and (ii) $4,368,650 prior bond anticipation notes of the City, dated December 23, 2025 and maturing on September 23, 2026.

The Bonds are subject to optional redemption prior to their stated maturities as set forth herein. S*ee* "DESCRIPTION OF THE BONDS" under the subheading entitled "Optional Redemption". The Notes are not subject to optional redemption prior to their stated maturity. S*ee* "DESCRIPTION OF THE NOTES" under the subheading entitled "Optional Redemption".

The Bonds and 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 and inside front cover page contain 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 Bonds and Notes are offered when, as and if issued and delivered to the Underwriters, subject to the approval of the legality thereof by Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the City, 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 Bonds and the Notes. Certain legal matters will be passed upon for the City by its Corporation Counsel, Ronald C. Hunt, Esq., East Orange, New Jersey. It is anticipated that the Bonds and the Notes will be available for delivery through DTC on or about September 22, 2026.

ELECTRONIC BID SUBMISSIONS FOR THE BONDS, IN ACCORDANCE WITH THE FULL NOTICE OF SALE FOR THE BONDS, MUST BE MADE VIA THE PARITY ELECTRONIC BID SYSTEM ("PARITY") OF I-DEAL LLC AT HTTPS://NEWISSUE.MUNI.SPGLOBAL.COM UNTIL 11:00 A.M., PREVAILING NEW JERSEY TIME, ON SEPTEMBER 10, 2026. FOR MORE DETAILS ON HOW TO BID ELECTRONICALLY, VIEW THE FULL NOTICE OF SALE FOR THE BONDS POSTED AT WWW.MUNIHUB.COM.

ELECTRONIC BID SUBMISSIONS FOR THE NOTES, IN ACCORDANCE WITH THE FULL NOTICE OF SALE FOR THE NOTES, WILL BE RECEIVED BY THE MUNICIPAL ADVISOR, ON BEHALF OF THE CHIEF FINANCIAL OFFICER OF THE CITY, UNTIL 11:15 A.M., PREVAILING NEW JERSEY TIME, ON SEPTEMBER 10, 2026 VIA ELECTRONIC MAIL AT TEISMEIER@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 FOR THE NOTES POSTED AT WWW.MUNIHUB.COM.

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* Preliminary, subject to change.

** CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP number listed above is being provided solely for the convenience of the Noteholders only at the time of issuance of the Notes and the City does not make any representation 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 enhancement by investors that is applicable to the Notes.

CITY OF EAST ORANGE
IN THE COUNTY OF ESSEX
STATE OF NEW JERSEY

$18,000,000[*]
GENERAL IMPROVEMENT BONDS, SERIES 2026

(CALLABLE)

Dated: Date of Delivery

Due: September 1, as shown below

MATURITIES, PRINCIPAL AMOUNTS[*], INTEREST RATES,
YIELDS AND CUSIP NUMBERS[**]

Year (September 1)	Principal Amount[*]	Interest Rates	Yields	CUSIP Number[**]
2027	$ 750,000	%	%	274137___
2028	830,000			274137___
2029	870,000			274137___
2030	910,000			274137___
2031	950,000			274137___
2032	995,000			274137___
2033	1,035,000			274137___
2034	1,085,000			274137___
2035	1,130,000			274137___
2036	1,185,000			274137___
2037	1,235,000			274137___
2038	1,290,000			274137___
2039	1,350,000			274137___
2040	1,410,000			274137___
2041	1,475,000			274137___
2042	1,500,000			274137___
Total:	**$ 18,000,000***			

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[*] Preliminary, subject to change.

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CITY OF EAST ORANGE
IN THE COUNTY OF ESSEX
STATE OF NEW JERSEY

MAYOR

Theodore R. Green

CITY COUNCIL MEMBERS

Amy Lewis, Chairwoman
Christopher D. James
Vernon Pullins, Jr.
Christopher Awe
Sammed R. Monk
Bergson Leneus
Casim L. Gomez
Tameika Garrett-Ward
Alicia Holman
Naiima Fauntleroy

CITY ADMINISTRATOR

Jean-guy R. Lauture, Sr.

CHIEF FINANCIAL OFFICER

Daphné Gamboa

CITY CLERK

Shalonda B. Owens

CORPORATION COUNSEL

Ronald C. Hunt, Esq.

AUDITOR

PKF O'Connor Davies, LLP
Cranford, 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 East Orange, in the County of Essex, State of New Jersey (the "City"), to give any information or to make any representations with respect to the Bonds and 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 Bonds or the Notes in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

The information contained herein has been provided by the 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 Bonds or 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 or the other sources, which information has been provided by DTC or such other sources.

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 provided 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 of such materials, and this Official Statement, including the Appendices, must be considered in its entirety.

In order to facilitate the distribution of the Bonds and the Notes, the respective Underwriters may engage in transactions intended to stabilize the price of the Bonds or 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 prices at which the Bonds and the Notes are offered to the public by the respective Underwriters and the yields resulting therefrom may vary from the initial public offering prices or yields on the cover page and/or inside cover page hereof. In addition, the Underwriters may allow concessions or discounts from such initial public offering prices to dealers and others.

The Underwriters have reviewed the information in this Official Statement in accordance with and as part of their responsibilities to investors under the Federal Securities laws of the United States of America as applied to the facts and circumstances of the aforementioned transactions, but the Underwriters do not guarantee the accuracy or completeness of such information.

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OFFICIAL STATEMENT

OF THE

CITY OF EAST ORANGE
IN THE COUNTY OF ESSEX, STATE OF NEW JERSEY

RELATING TO

$18,000,000*
GENERAL IMPROVEMENT BONDS, SERIES 2026

and

$11,609,550
BOND ANTICIPATION NOTES, SERIES 2026

INTRODUCTION

The purpose of this Official Statement is to provide certain information regarding the financial and economic condition of the City of East Orange (the "City"), in the County of Essex (the "County"), a municipal corporation organized and existing under the laws of the State of New Jersey (the "State"), in connection with the offering, sale and issuance of the City's $18,000,000* aggregate principal amount of General Improvement Bonds, Series 2026 (the "Bonds") and $11,609,550 Bond Anticipation Notes, Series 2026 (the "Notes"). This Official Statement, which includes the cover page, inside front 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 Chief Financial Officer, and is to be distributed in connection with the offering, sale and issuance of the Bonds and Notes.

This Official Statement contains specific information relating to the Bonds and Notes including their general description, the purposes of their issuance, a summary of borrowing procedures, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to the sale, issuance and delivery of the Bonds and 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.

This Official Statement is "deemed final", as of its date, within the meaning of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule").

DESCRIPTION OF THE BONDS

General Description

The Bonds are dated the date of delivery thereof and shall bear interest at the rates shown on the inside front cover page hereof from such date, and shall be payable semi-annually on the first (1st) day of March and September in each year (each an "Interest Payment Date"), commencing September 1, 2027, until maturity or prior redemption. Interest on the Bonds is calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year and will be paid by check, draft or wire transfer mailed, transmitted or delivered to the registered owners of the Bonds as of each respective February 15 and August

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* Preliminary, subject to change.

15 preceding each Interest Payment Date (the "Record Dates"), at the address shown on the registration books for the Bonds kept for that purpose by the City's Chief Financial Officer, as Registrar and Paying Agent, unless such Bonds are held by DTC (as hereinafter defined) as described below.

The Bonds will mature on September 1 in each of the years and in the respective principal amounts as set forth on the inside front cover page.

The Bonds, when issued, will be registered in the name of, and held by, Cede & Co., as nominee for The Depository Trust Company, Brooklyn, New York ("DTC"). DTC will act as securities depository (the "Securities Depository") for the Bonds. Purchases of beneficial ownership interests in the Bonds 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, through book entries made on the books and records of DTC and its participants. Under certain circumstances, such beneficial interests in the Bonds are exchangeable for one or more fully registered Bond certificates of like series, maturity and tenor in authorized denominations.

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

Optional Redemption

The Bonds of this issue maturing prior to September 1, 2035 are not subject to redemption prior to their stated maturities. The Bonds of this issue maturing on or after September 1, 2035 are redeemable at the option of the City, in whole or in part, on any date on or after September 1, 2034, upon notice as required herein, at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed (the "Redemption Price"), plus accrued interest to the date fixed for redemption.

Notice of Redemption

Notice of Redemption ("Notice of Redemption") shall be given by mailing such notice at least thirty (30) days, but not more than sixty (60) days, before the date fixed for redemption by first class mail in a sealed envelope with postage prepaid to the registered owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the City or a duly appointed bond registrar. So long as DTC (or any successor thereto) acts as Securities Depository for the Bonds, Notices of Redemption shall be sent to such Securities Depository and shall not be sent to the beneficial owners of the Bonds. Any failure of the Securities Depository to advise any of its Participants or any failure of any Participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the City determines to redeem a portion of the Bonds prior to maturity, such Bonds shall be redeemed by the City in inverse order of maturity and within any maturity shall be selected by the City by lot.

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

Authorization for the Issuance of the Bonds

The Bonds 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"); (ii) various bond ordinances duly adopted by the City Council of the City on the dates set forth in the chart below under the subheading "Purpose of the Bonds", approved by the Mayor (if applicable), and published as required by law; and (iii) a resolution duly adopted by the City Council of the City on July 31, 2026 (the "Resolution").

The bond ordinances authorizing the Bonds 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 has concluded as of the date of this Official Statement.

Purpose of the Bonds

The Bonds are being issued to refund, on a current basis, an $18,000,000 principal portion of outstanding bond anticipation notes of the City issued in the aggregate principal amount of $25,240,900 on October 15, 2025 and maturing on October 14, 2026 (the "Prior Notes").

The improvements or purposes for which the Bonds are to be issued have been authorized by duly adopted, approved and published bond ordinances of the City, which bond ordinances are described in the following table by Ordinance Number, Description and Date of Final Adoption and the Amount of Bond Proceeds to be Issued for such improvements or purposes. The bond ordinances are as follows:

$18,000,000*
General Improvement Bonds, Series 2026

Ordinance Number	Description and Date of Final Adoption	Amount of Bond Proceeds to be Issued
27 of 2022	Various 2022 capital acquisitions and improvements, finally adopted 9/12/22	$ 8,000,000.00
24 of 2023	Various 2023 capital acquisitions and improvements, finally adopted 9/11/23	10,000,000.00
		$ 18,000,000.00*

Payment of Bonds

As hereinafter stated, the Bonds 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 upon all the taxable property located within the City for the payment of principal of and interest on the Bonds, without limitation as to rate or amount, unless paid from other sources.

* Preliminary, subject to change.

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 date 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 issued with one certificate for the principal amount of the Notes and will be registered in the name of, and held by, Cede & Co., as nominee of DTC. DTC will act as Securities Depository for the Notes. Principal of and interest on the Notes will be payable by the City, as Paying Agent, or a duly designated paying agent as may be designated by the City, on the date of maturity thereof by wire transfer of immediately available funds to DTC or its nominee, Cede & Co. Purchases of beneficial ownership 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/or the 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 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; (ii) various bond ordinances duly adopted by the City Council of the City on the dates set forth in the chart below under the subheading "Purpose of the Notes", approved by the Mayor (if applicable), and published as required by law; and (iii) the Resolution.

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 has concluded as of the date of this Official Statement.

Purpose of the Notes

The Notes are being issued to refund, on a current basis, (i) the remaining $7,240,900 principal portion of the Prior Notes, and (ii) $4,368,650 prior bond anticipation notes of the City, dated December 23, 2025 and maturing on September 23, 2026.

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

$11,609,550
Bond Anticipation Notes, Series 2026

Ordinance Number	Description and Date of Final Adoption	Amount of Note Proceeds to be Issued
22 of 2024	Various 2024 capital acquisitions and improvements, finally adopted 9/9/24	$ 7,240,900.00
29 of 2025	Various 2025 capital acquisitions and improvements, finally adopted 11/10/25	4,368,650.00
		$ 11,609,550.00

Payment of Notes

As hereinafter stated, 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 upon all taxable property located within the City for the payment of principal of and interest on the Notes, without limitation as to rate or amount, unless paid from other sources.

SECURITY FOR THE BONDS AND NOTES

The Bonds and 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 Bonds and Notes. The City has the power and is obligated by law to levy *ad valorem* taxes upon all the taxable property located within the City for the payment of the principal of the Bonds and Notes and the interest thereon, without limitation as to rate or amount, unless otherwise paid from other sources.

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 Bonds and 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 Bonds and 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 BONDS AND NOTES" herein.

The Bonds and 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.

RECENT HEALTHCARE DEVELOPMENTS

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to, among other things, provide relief to state and local governments, including the American Rescue Plan Act of 2021 (the "Plan"). The City received $35,984,210 in Federal Aid under the Plan. The deadline to commit the funds was December 31, 2024 and the deadline to spend said funds is December 31, 2026.

The pandemic and certain mitigation measures, which altered the behavior of businesses and people, have had and may continue to have negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level.

To date, the overall finances and operations of the City have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, there can be no assurance regarding the extent to which the COVID-19 pandemic, or any other national health crisis or pandemic, may impact the national, State or local economies in the future, nor how any such event may materially adversely impact municipalities, including the City. The City cannot quantify any such impacts at this time.

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 anticipate issuing any additional bonds within the next ninety (90) days. The City may issue bond anticipation notes, as necessary, during the remainder of calendar year 2026.

The City anticipates entering into a memorandum of understanding with the State whereby the State will provide a State aid loan to the City in the amount of approximately $14,000,000. The terms, maturity date and other parameters of the State aid loan have not yet been determined. The City anticipates executing the MOU in the 3rd quarter of 2026.

BOOK-ENTRY SYSTEM*

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Bonds and Notes, payment of principal and interest, and other payments on the Bonds and Notes to DTC Participants or Beneficial Owners (as such terms are defined or used herein), confirmation and transfer of beneficial ownership interests in the Bonds and 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 Bonds and Notes. The Bonds and 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 Bond certificate will be issued for each maturity of the Bonds as set forth on the inside front cover page hereof, and will be deposited with 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 and www.dtc.org.

Purchases of the Bonds or Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds or Notes on DTC's records. The ownership interest of each actual purchaser of the Bonds or 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 Bonds or 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 Bonds or Notes, except in the event that use of the book-entry system for the Bonds or Notes is discontinued.

To facilitate subsequent transfers, all Bonds or 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 Bonds or Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds or Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds or Notes are credited, which may or may not be the

* Source: The Depository Trust Company.

Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds or Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds or Notes, such as redemptions, tenders, defaults, and proposed amendments to the Bond or Note documents. For example, Beneficial Owners of the Bonds or Notes may wish to ascertain that the nominee holding the Bonds or 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 Bonds or Notes, unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds or Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds and 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 Bonds and 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 Bonds or 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, Bond and Note certificates are required to be printed and delivered.

The City or 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, Bond and Note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the 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 Bonds or Notes, the following provisions apply: (i) the Bonds or Notes may be exchanged for an equal aggregate principal amount of Bonds or Notes in 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 Bonds or Notes may be registered on the books maintained by the Chief Financial Officer of the City or Paying Agent for such purposes only upon the surrender thereof to the Chief Financial Officer of the City or Paying Agent, together with the duly executed assignment in form satisfactory to the Chief Financial Officer of the City, or Paying Agent; and (iii) for every exchange or registration of transfer of Bonds or Notes, the Chief Financial Officer of the City or Paying Agent may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Bonds or Notes. Interest on the Bonds or 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, approved by the Mayor. The Local Bond Law requires publication and posting of the bond ordinance. 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 Bonds and Notes are being issued pursuant to the provisions of the Local Bond Law. The Local Bond Law governs the issuance of bonds and bond anticipation 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 serial or sinking fund installments, and that, unlike school debt, and with some exceptions, including self-liquidating obligations and the improvements involving State grants, a five percent (5%) cash down payment 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 of the City.

Short Term Financing

Local governmental units (including the City) may issue bond anticipation notes to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or subsequent resolution so provides. Such bond anticipation 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 bond anticipation 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 note 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 temporary emergency appropriations, 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. Refunding bonds may be issued in accordance with N.J.A.C. 5:30-2.5 and, therefore, no approval is required by the Local Finance Board; however, the details of the sale, issuance and delivery of the refunding bonds will 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 City 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 Valuation 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” herein.

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 may 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 serves 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 appropriation. 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 of 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 was not eligible for local examination of its budget in 2026. The City introduced its 2026 budget on July 31, 2026 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 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 nearest half percent, in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services produced by the United States Department of Commerce for the year preceding the current year as announced by the Director. However, in each year in which the Cost-Of-Living Adjustment is equal to or less than 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. 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 of fifty percent (50%) plus one vote.

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 Bonds and 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:4-48, -49, 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 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 sets limits on 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:

Total of Local, County, and School Levies	-	Anticipated Revenues	=	Cash Required from Taxes to Support Local Municipal Budget and Other Taxes

$$\frac{\text{Cash Required from Taxes to Support Local Municipal Budget and Other Taxes}}{\text{Prior Year's Percentage of Current Tax Collection (or Lesser \%)}} = \text{Amount to be Raised by Taxation}$$

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 rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six (6) years as a general improvement program. The Capital Budget and Capital Improvement Program 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 to fund the budgets. The statutory provisions for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special 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 is 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 years 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 eight percent (8%) on the first $1,500 of the delinquency and, then 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 defined herein) 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, 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 1st day of April of the current tax year for its review or the 1st 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 cancelled 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 Bonds and Notes in order for the interest on the Bonds and 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 Bonds or Notes to be included in gross income for Federal income tax purposes retroactive to the date of issuance of the Bonds and Notes, respectively. The City will represent in its tax certificates related to the issuance of the Bonds and Notes, respectively, that it reasonably 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 the tax certificates described above, interest on the Bonds and Notes is not includable in gross income of the owners of the Bonds and Notes 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 the purpose of computing the Federal alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

The Bonds and Notes are <u>not</u> "qualified tax-exempt obligations" as defined in and for purposes of Section 265(b)(3) of the Code.

[Original Issue Premium]

[The Bonds maturing on September 1 in the years _______ through ________, inclusive (collectively, the "Premium Bonds"), were purchased at a premium ("original issue premium") over the stated principal amounts of the Bonds. For Federal income tax purposes, original issue premium generally must be amortized over the term of the Premium Bonds. Amortizable bond premium is accounted for as reducing the tax-exempt interest on the Premium Bonds rather than creating a deductible expense or loss. Under Section 171(a)(2) of the Code, no deduction is allowed for the amortizable bond premium (determined in accordance with Section 171(b) of the Code) on tax-exempt bonds. Under Section 1016(a)(5) of the Code, however, an adjustment must be made to the purchaser's basis in the Premium Bonds to the extent of any amortizable bond premium that is disallowable as a deduction under Section 171(a)(2) of the Code. Holders of the Premium Bonds should consult their tax advisors for an explanation of the bond premium amortization rules.]

[Original Issue Discount]

[Bond Counsel is also of the opinion that the difference between the stated principal amount of the Bonds maturing on September 1 in the years ____ through ____, inclusive (collectively, the "Discount Bonds"), and their respective initial public offering prices to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which prices a substantial amount of the Discount Bonds of the same maturity and interest rate were sold, constitutes original issue discount which is treated as interest and is excludable from gross income for Federal income tax purposes to the same extent described above. In the case of any holder of the Discount Bonds, the amount of such original issue discount which is treated as having accrued with respect to the Discount Bonds is added to the cost basis of the holder in determining, for Federal income tax purposes, gain or loss upon disposition (including sale, redemption or payment at maturity). Holders of the Discount Bonds should consult their tax advisors for an explanation of the original issue discount rules.]

Additional Federal Income Tax Consequences Relating to Bonds and Notes

Prospective purchasers of the Bonds and Notes should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Bonds and 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 Bonds and 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, under existing laws of the State, interest on the Bonds and Notes, and any gain on the sale thereof, are not includable in gross income of the holders thereof under the existing New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47 (N.J.S.A. 54A:1-1 et seq.), as amended and supplemented. Except as provided above, no opinion is expressed with respect to other State and local tax consequences of owning the Bonds or 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 Bonds and Notes, gain from the sale or other disposition of the Bonds and Notes, the market value of the Bonds and Notes or the marketability of the Bonds and Notes. The effect of any legislation, administrative pronouncements or court decisions cannot be predicted. Prospective purchasers of the Bonds and 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 Bonds and Notes. Bond Counsel renders its opinions under existing statutes, regulations, rulings and court decisions as of the date of issuance and delivery of the Bonds and 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 thereof, or otherwise. Bond Counsel expresses no opinion as to the effect, if any, on the tax status of the interest paid or to be paid on the Bonds and Notes as a result of any action hereafter taken or not taken in reliance upon an opinion of other counsel.

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

ALL POTENTIAL PURCHASERS OF THE BONDS AND 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 BONDS AND 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 Bonds and Notes, and such Bonds and Notes are authorized security for any and all public deposits.

RISK TO HOLDERS OF BONDS AND NOTES

It is understood that the rights of the holders of the Bonds and 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 ITS PROVISIONS, OR THAT IF UTILIZED, SUCH ACTION WOULD BE APPROVED BY THE LOCAL FINANCE BOARD, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCE OF PAYMENT OF AND SECURITY FOR THE BONDS AND 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 Bonds and Notes, the respective original purchasers shall each 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 to the date of issuance of the Bonds and Notes. In addition, the respective original purchasers of the Bonds and Notes shall also each receive a certificate, in form satisfactory to Bond Counsel, evidencing the proper execution and delivery of the Bonds and Notes and receipt of payment therefor, and a certificate, dated as of the date of the delivery of the Bonds and Notes, and signed by the officers who signed the Bonds and 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 Bonds or Notes or the levy or collection of taxes to pay the principal of or interest on the Bonds or Notes, as applicable, or questioning the validity of the statutes or the proceedings under which the Bonds or Notes, as applicable, are issued, and that neither the corporate existence nor boundaries of the City, nor the title of any of the said officers of the City to their respective offices, is being contested.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, issuance, sale and delivery of the Bonds and Notes are subject to the approval of Bond Counsel, whose approving legal opinions will be delivered with the Bonds and Notes, respectively, substantially in the forms set forth as APPENDIX C and APPENDIX D, respectively, hereto. Certain legal matters with respect to the Bonds and Notes will be passed on for the City by its Corporation Counsel, Ronald C. Hunt, Esq., East Orange, New Jersey (the "Corporation Counsel"). The various legal opinions to be delivered concurrently with the delivery of the Bonds and 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: Daphné Gamboa, Chief Financial Officer, City of East Orange, 44 City Hall Plaza, East Orange, New Jersey 07018, (973) 266-5155, or e-mail: daphne.gamboa@eastorange-nj.gov; Everett M. Johnson, Esq., Bond Counsel to the City, Wilentz, Goldman & Spitzer, P.A., 90 Woodbridge Center Drive Woodbridge, New Jersey 07095, (732) 855-6149, or e-mail: ejohnson@wilentz.com; or Timothy Eismeier, Municipal Advisor to the City, NW Financial Group, LLC, 522 Broad Street, Bloomfield, New Jersey 07003, (551) 655-7595, or email: teismeier@nwfinancial.com.

MUNICIPAL ADVISOR

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

LITIGATION

To the knowledge of the Corporation Counsel, after due inquiry, there is no litigation of any nature now pending or threatening, restraining or enjoining the authorization, sale, issuance or the delivery of the Bonds or Notes, respectively, offered for sale or the levy and collection of any taxes to pay the principal of or the interest on said Bonds or Notes, respectively, or in any manner questioning the authority or the proceedings for the issuance of the Bonds or Notes, respectively, or for the levy or collection of taxes to pay the principal of and interest on the Bonds or Notes, or any action contesting the corporate existence or boundaries of the City or the title of any of its present officers. 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 respective original purchasers of the Bonds and Notes will receive an opinion or a certificate of the Corporation Counsel to such effect upon the closing of the Bonds and Notes, respectively.

COMPLIANCE WITH SECONDARY MARKET DISCLOSURE REQUIREMENTS FOR THE BONDS

The City has covenanted for the benefit of the holders and the beneficial owners of the Bonds to provide certain financial information and operating data of the City on or prior to September 30 of each year and to comply with the provisions 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, and as detailed in a Continuing Disclosure Certificate for the Bonds (the "Bond Disclosure Certificate") to be executed on behalf of the City by its Chief Financial Officer, in the form appearing in APPENDIX E attached hereto. Such Bond Disclosure Certificate shall be delivered concurrently with the delivery of the Bonds. Annual financial information, including operating data and budget information along with notices of events specified in the Rule, shall be filed with the Municipal Securities Rulemaking Board (the "MSRB").

The City did not timely file a rating change with respect to certain prior outstanding short-term notes. The City has implemented procedures to avoid future late filings by, among other things, retaining the services of a continuing disclosure agent to undertake its continuing disclosure obligations. The City has appointed NW Financial Group, LLC to serve as dissemination agent to the City.

COMPLIANCE WITH SECONDARY MARKET DISCLOSURE REQUIREMENTS FOR THE NOTES

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 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 or the Dissemination Agent with the MSRB. The specific nature of the Notices will be detailed in a Continuing Disclosure Certificate for the Notes (the "Note Disclosure Certificate") to be executed on behalf of the City by its Chief Financial Officer, in the form appearing in APPENDIX F attached hereto. Such Note Disclosure Certificate shall be delivered concurrently with the delivery of the Notes.

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 "APPROVAL OF LEGAL PROCEEDINGS" (as it relates to the Bond Counsel) and "TAX MATTERS" and the information provided in APPENDICES C and D hereto, but 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, but has not verified the accuracy, completeness, or fairness hereof, and, accordingly, expresses no opinion or other assurance with respect hereto, but takes responsibility for the information contained under the headings entitled "MUNICIPAL ADVISOR", "COMPLIANCE WITH SECONDARY MARKET DISCLOSURE REQUIREMENTS FOR THE BONDS" (as to the second paragraph only) and "COMPLIANCE WITH SECONDARY MARKET DISCLOSURE REQUIREMENTS FOR THE NOTES", and expresses no opinion or other assurance other than that which is specifically set forth therein with respect thereto.

PKF O'Connor Davies, LLP, Cranford, New Jersey, the auditor to the City, has not participated in the preparation of the 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 under the heading entitled "FINANCIAL STATEMENTS" and the unaudited and audited financial statements contained in APPENDIX B hereto and expresses no opinion or other assurance other than that which is specifically set forth therein with respect thereto.

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, and, accordingly, expresses no opinion or other assurance with respect thereto, but has reviewed the sections under the headings entitled "APPROVAL OF LEGAL PROCEEDINGS" (as it relates to the Corporation Counsel) and "LITIGATION" and expresses no opinion or other assurance other than that which is specifically set forth therein with respect thereto.

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

RATINGS

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC (the "Rating Agency"), has assigned a rating of "A+" to the Bonds and a short-term rating of "SP-1+" to the Notes.

An explanation of the significance of the ratings on the Bonds and Notes may be obtained from the Rating Agency. Such ratings reflect only the views of the Rating Agency, and there is no assurance that the ratings will continue for any period of time or that they will not be revised or withdrawn entirely if, in the judgment of the Rating Agency, circumstances so warrant. Any revision or withdrawal of the ratings may have an adverse effect on the market price of the Bonds and Notes, as applicable. Except as set forth in the Bond Disclosure Certificate and the Note Disclosure Certificate, respectively, 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 Bonds and Notes.

UNDERWRITING

The Bonds have been purchased from the City at a public sale by ______________________ (the "Bond Underwriter") at a price of $_________________. The purchase price of the Bonds reflects the par amount of Bonds ($_________), less a Bond Underwriter's discount in the amount of $__________, plus a[n] [net] original issue premium in the amount $__________.

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

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

The Note 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 statement of the City for the year ended December 31, 2025 and the audited financial statements of the City for the years ended December 31, 2024 and 2023, together with the Notes to the financial statements for the years then ended, are presented in APPENDIX B to this Official Statement. The audited financial statements referred to above have been audited by PKF O'Connor Davies, LLP, Cranford, New Jersey, an independent auditor, as stated in its Independent Auditor's Report appearing in APPENDIX B hereto.

MISCELLANEOUS

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

This Official Statement is not to be construed as a contract or an agreement between the City and any purchasers or holders of any of the Bonds or 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 of the Bonds or Notes made hereunder shall, under any circumstance, create any implication that there have been no changes in the affairs of the City, the State or any of their agencies or authorities, since the date hereof.

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

CITY OF EAST ORANGE,
IN THE COUNTY OF ESSEX,
STATE OF NEW JERSEY

____

DAPHNÉ GAMBOA,
Chief Financial Officer

DATED: September ___, 2026

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APPENDIX A

CERTAIN FINANCIAL AND DEMOGRAPHIC INFORMATION

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GENERAL INFORMATION REGARDING THE CITY

Since becoming an independent municipality in 1863, the City of East Orange, in the County of Essex, New Jersey (the "City") has grown from a farmland region to a stable urban-suburban community. It was incorporated as a City in 1909. Approximately four-square miles in size, the City has been renowned as a community of luxurious apartment buildings and currently as a regional insurance, medical and communications center. The City enjoys a strategic location within the northeastern industrial corridor where the Garden State Parkway intersects with Interstate Route 280, which connects with the nearby New Jersey Turnpike. The City is part of a varied transportation network with several railroad stops along the New Jersey Transit rail route and approximately 21 bus routes, and convenient access to Newark International Airport, Port Newark and Port Elizabeth, New York City, and the New Jersey Meadowlands Sports Complex.

A variety of housing options are available ranging from small cottages to large high-rise apartments. There are several modern senior citizen high-rise complexes in the City, providing housing with security and health services to the region's elderly residents. The City has four business and main shopping areas: the Central Evergreen Arcade; Main Street; the Ampere Business District; and Brick Church Mall.

Located within the City are six secondary schools (three high schools and three middle schools), ten elementary schools, two Early Childhood Centers for Preschool and Kindergarten, as well as two alternative school programs. In and around the City are several technical, secretarial, and health care schools, which annually produce qualified, specialized office workers and health aides. Also, the East Orange General Hospital operates an established accredited nursing school. Essex County College, located near the City's eastern border, is a co-educational two-year public college. Additionally, Seton Hall University, Rutgers University, Montclair State University, the New Jersey Institute of Technology and the College of Medicine and Dentistry of New Jersey are all located in communities adjacent to the City.

The East Orange Public Library system serves as a Federal book depository and area reference center for suburban. Essex County. More than 382,000 volumes are available at the main library and in several neighborhood branches.

The East Orange Department of Recreation operates and maintains approximately 54 acres of parkland throughout the City. The 18-hole golf course at the East Orange Water Reserve in nearby Millburn is operated by the Department of Public Works.

The City operates a professionally staffed Health Department which conducts clinics, educational programs, and inspections. CareWell Health Medical Center, formerly East Orange General Hospital, a 250-physician and 201-bed facility, is located on Central Avenue in the heart of the City. The Hospital was acquired by Prospect Medical Holdings, Inc. on or about March 1, 2016. The Hospital is now a for profit entity and as such, will be taxed as same. Adjacent to East Orange General Hospital is the nationally known Kessler Institute for Rehabilitation, which is considered one of the largest rehabilitation hospitals of its kind in the world. Kessler Associates, a prosthetic and orthotic center, operates an ultramodern facility within the City. The Veterans Administration Medical Center located on a 32-acre tract serves 1.1 million veterans in New Jersey.

The East Orange Police Department employs 188 police officers, reflecting the City's commitment to public safety and aggressive posture towards crime. In addition, the department employs 48 civilians, 44 crossing guards and 20 police recruits.

The City offers a labor force of approximately 35,000 white and blue-collar workers. The City has an ample supply of modern office space for new and expanding businesses. Besides the various office centers, the City enjoys an important industrial base.

Among the major businesses located in the City are a branch office of American wear; Shauger Group; Verizon; PNC Bank; Wells Fargo Bank, Bank of America and Santander Bank as well as a diverse array of leading and savings institutions.

TRANSPORTATION

Train Service

The City is fortunate to have two New Jersey Transit train stations: Brick Church and East Orange stations provide service along the Morris & Essex Lines. Service is available via the Kearny Connection to Secaucus Junction and Penn Station in Midtown Manhattan and to Hoboken Terminal. Passengers can transfer at Newark Broad Street or Summit to reach other destinations.

Bus Service

New Jersey Transit also provides bus service throughout City.

Air Service

The nearest airport is Newark International, located approximately eight miles - or approximately 15 minutes - from the City.

Public Highways

The Garden State Parkway and Interstate 280 are both within approximately 5 minutes of the City.

Population Trends

Area	1990	2000	2010	2016	2020
City of East Orange	73,565	64,976	64,927	64,621	69,612
County of Essex	778,206	793,633	797,434	796,914	863,728
State of New Jersey	7,730,188	8,414,350	8,958,013	8,944,000	9,288,994

SUMMARY OF THE CIY OF EAST ORANGE
Current Fund Budgets
(As Adopted)

	2025	2024	2023	2022	2021
Anticipated Revenues:					
Surplus Anticipated	$ 17,000,000	$ 22,700,000	$ 15,773,000	$ 14,300,000	$ 11,701,100
Miscellaneous Revenue	55,628,727	58,206,221	48,841,492	49,444,230	60,448,959
Receipts from Delinquent Taxes	4,268,710	5,989,000	5,463,000	6,000,000	6,576,000
Amounts to be Raised by Taxation for Support of Municipal Budget	96,206,674	98,233,800	98,572,176	96,849,726	92,763,217
	$ 173,104,111	$ 185,129,021	$ 168,649,668	$ 166,593,956	$ 171,489,276
Appropriations:					
Salaries and Wages	$ 83,344,360	$ 79,846,266	$ 74,943,493	$ 74,069,920	$ 72,030,730
Other Expenses	52,110,872	66,346,487	54,707,739	55,282,192	64,698,664
Deferred Charges and Statutory Expenditures	25,581,810	24,664,030	21,442,926	20,627,694	19,080,966
Capital Improvement Fund	250,000	500,000	778,000	1,000,000	200,000
Municipal Debt Service	6,858,611	6,899,651	8,977,849	7,482,254	7,308,954
Transfer to Board of Education	152,758	146,587	126,414	131,896	132,067
Reserve for Uncollected Taxes	4,806,000	6,726,000	7,673,247	8,000,000	8,037,895
	$ 173,104,411	$ 185,129,021	$ 168,649,668	$ 166,593,956	$ 171,489,276

Source: Adopted Budget for the Calendar Years ended December 31, 2025, 2024, 2023, 2022 and 2021.

CITY OF EAST ORANGE
Summary of Current Fund Balance Sheet

	Year Ended 12/31/24	Year Ended 12/31/23	Year Ended 12/31/22	Year Ended 12/31/21	Year Ended 12/31/20
Assets:					
Cash & Cash Equivalents	$ 46,162,668	$ 53,959,948	$ 57,972,463	$ 54,842,632	$ 44,039,113
Change Funds	450	450	450	450	450
	46,163,118	53,960,398	57,972,913	54,843,082	44,039,563
Due from State of New Jersey	2,165,627	1,689,441	6,733,603	4,816,762	4,749,280
	48,328,745	55,649,839	64,706,516	59,659,845	48,788,843
Receivable and Other Assets with Full Reserves:					
Delinquent Property Taxes	5,892,121	7,162,234	7,184,474	7,233,129	8,179,733
Tax Title Liens	528,923	472,075	355,002	125,759	571,148
Property Acquired for Taxes - Assessed Valuation	11,753,244	11,753,244	11,753,244	11,753,244	11,753,244
Due from East Orange Public Library	1,995	1,995	1,995	1,995	-
Revenue Account Receivable	333,770	236,293	247,339	252,359	185,199
Other Accounts Receivable	101,216	101,216	101,216	101,216	103,211
Prepaid Including School Taxes	673,069	1,168	464,471	247,880	291,820
Interfunds Receivable	186,177	-	130,004	130,004	2,195,517
	19,470,516	19,728,226	20,237,745	19,845,588	23,279,873
Deferred Charges:					
Over-expenditures	2,463,033	124,372	-	-	-
Special Emergency Appropriation	165,000	1,678,700	495,000	670,000	2,253,141
	2,628,033	1,803,072	495,000	670,000	2,253,141
Total Current Fund	70,427,294	77,181,137	85,439,261	80,175,432	74,321,857
Grant Fund:					
Cash	5,117,067	-	-	-	-
Due from Current Fund	4,018,419	2,708,812	13,851,860	6,550,022	-
Due from General Capital Fund	-	-	-	2,819,930	-
Overexpenditure of Appropriated Reserve	118,207	59,082	70,186	25,946	19,870
Grants Receivable	32,061,354	22,142,026	15,474,417	14,406,586	20,164,688
Total Assets	$ 111,742,341	$ 102,091,058	$ 114,835,724	$ 103,977,916	$ 94,506,415

Source: The City of East Orange Annual Audit Reports for the years ending December 31, 2024, 2023, 2022, 2021 and 2020.

	Year Ended 12/31/24	Year Ended 12/31/23	Year Ended 12/31/22	Year Ended 12/31/21	Year Ended 12/31/20
Liabilities, Reserves & Fund Balance					
Appropriation Reserves:					
Encumbered	$ 2,772,563	$ 2,129,716	$ 3,688,374	$ 3,862,542	$ 3,628,205
Unencumbered	5,338,603	10,287,257	10,354,140	7,681,804	13,543,414
Accounts Payable	1,917,588	1,750,417	1,649,853	697,438	790,774
Due State of New Jersey	40,669	41,673	40,673	45,213	43,602
Reserve for Municipal Relief Funds	-	2,306,999	-	-	-
Special Emergency Note Payable	165,000	330,000	495,000	825,000	825,000
Tax Overpayments	2,329,776	2,971,363	2,312,446	2,422,045	2,316,129
Reserve for Tax Appeals	260,162	260,162	260,162	4	91,460
Various for Revaluations	83,617	83,617	197,514	842,931	842,931
Reserve for Sale of City Property	-	-	-	60,920	60,920
Reserve for Hurricane Irene	35,067	35,067	35,067	35,067	35,067
Special Reserves	398,083	406,749	384,665	359,981	287,946
Accrued Salary and Wages	3,939	3,939	3,939	3,939	3,939
Interfunds Payable	12,309,648	3,209,724	14,021,709	7,684,137	13,621
Prepaid Taxes	1,037,495	700,557	1,227,332	1,166,264	1,114,951
Due to Library	180,354	-	-	-	-
Due to State of NJ - DCA State Training Fees	16,311	25,987	-	-	-
Due to State of NJ - Marriage License Fees	5,165	4,800	-	-	-
Taxes Payable	-	3,018,827	-	73,636.56	-
	26,894,040	27,566,854	34,670,873	25,760,922	23,597,960
Reserve for Receivables	19,470,516	19,728,226	20,237,745	19,845,588	23,279,873
Fund Balance	24,062,738	29,886,057	30,530,643	34,568,922	27,444,024
	-	-	-	-	-
Total Current Fund	70,427,294	77,181,137	85,439,261	80,175,432	74,321,857
Grant Fund:					
Unappropriated Reserves	311,489	26,634	672,395	26,300	36,300
Due to General Capital Fund	2,221,568	206,408	206,408	-	2,065,513
Due to Grantor	266,822	266,822	266,822	266,822	-
Appropriated Reserves for Grant Expenditures	5,572,934	16,145,110	23,322,959	20,486,655	15,313,439
Approp. Reserves for Expenditures -Encumbered	32,942,234	8,264,946	4,927,878	3,022,707	2,769,306
Total Liabilities, Reserves and Fund Balance	$111,742,341	$102,091,058	$114,835,724	$103,977,916	$94,506,415

Source: The City of East Orange Annual Audit Reports for the years ending December 31, 2024, 2023, 2022, 2021 and 2020.

CITY OR EAST ORANGE
Summary of Current Fund Revenues, Expenditures and Fund Balance

	Year Ended 12/31/24	Year Ended 12/31/23	Year Ended 12/31/22	Year Ended 12/31/21	Year Ended 12/31/20
Revenues and Other Income:					
Anticipated Fund Balance	$ 22,700,000	$ 15,773,000	$ 14,300,000	$ 11,701,000	$ 10,500,000
Miscellaneous Anticipated Revenue	73,344,677	59,943,930	67,829,446	65,073,888	47,843,627
Receipts from Delinquent Taxes	5,102,093	4,850,344	6,119,506	6,582,546	5,764,771
Receipts from Current Taxes	146,798,382	145,213,259	134,531,875	129,273,005	127,281,719
Non-Budget Revenues	2,093,065	4,702,534	1,722,896	1,234,105	1,517,088
Other Credit to Income:					
Statutory Exces - Animal Control Trust Fund	4,754	-	-	-	-
Other Accounts Receivable Realized	-	-	-	-	9,218
Cancellations	-	-	334,593	44,704	-
Lapsed Balances of Appropriation Reserves	8,463,930	5,411,327	6,399,982	12,881,220	7,682,594
Interfund Returned	1,168	593,307	-	1,788,104	9,053
Total Revenues:	258,508,069	236,487,701	231,238,298	228,578,572	200,608,070
Expenditures:					
Budget Appropriations:					
Salaries and Wages	80,112,126	75,827,970	73,391,620	66,473,625	68,511,729
Other Expenses	44,987,249	43,168,472	44,687,690	43,833,186	55,299,259
Deferred Charges & Statutory Expenditures	24,775,150	21,559,937	20,515,921	20,921,608	16,804,643
Transfer to Board of Education	146,587	126,414	131,896	132,067	131,296
Municipal Debt Service	6,890,310	7,928,901	7,340,527	7,154,131	8,550,209
Other Appropriations excluded from CAP	33,515,676	19,807,358	30,041,780	29,133,170	
Capital Improvements	500,000	2,126,700	1,000,000	200,000	175,000
	190,927,098	170,545,752	177,109,435	167,847,787	149,472,137
Interfund Advanced	186,177	-	-	-	-
Prior Year Refunds	1,797	23,618	84,027	1,788	1,855,021
Prepaid Open Space Taxes	-	-	-	1,168	1,380
Close Out Petty Cash	-	-	-	663	-
Prior Year Senior Citizens/Veterans Deductions D	1,618	5,500	-	-	-
Prepaid Local School District Taxes	651,609	-	131,896	-	-
Local Open Space	480,983	474,483	483,185	485,775	486,465
County Taxes	20,027,159	21,234,598	18,540,414	16,882,739	15,631,099
Prepaid County Taxes	21,459	-	84,694	-	9,135
Local District School Taxes	31,778,235	30,548,408	24,542,926	24,542,755	24,318,704
	53,149,038	52,286,607	43,867,143	41,914,887	42,301,804
Total Expenditures	244,076,136	222,832,359	220,976,577	209,762,674	191,773,941
Excess (Deficit) of Revenues Over (Under) Expenditures	14,431,933	13,655,342	10,261,721	18,815,898	8,834,129
Adjustments to Income Before Fund Balance:					
Expenditures included above which by statute are Deferred Charges to Budget in Succeeding Year	2,444,748	1,473,072	-	10,000	2,253,141
Statutory Excess	16,876,681	15,128,414	10,261,721	18,825,898	11,087,270
Fund Balance, Beginning of Year	29,886,057	30,530,643	34,568,922	27,444,024	26,856,753
Subtotal	46,762,738	45,659,057	44,830,643	46,269,922	37,944,024
Utilized as Anticipated Revenue	22,700,000	15,773,000	14,300,000	11,701,000	10,500,000
Fund Balance, End of Year	$ 24,062,738	$ 29,886,057	$ 30,530,643	$ 34,568,922	$ 27,444,024

Source: The City of East Orange Annual Audit Reports for the years ending December 31, 2024, 2023, 2022, 2021 and 2020.

Comparative Schedule of Fund Balances Current Fund

Tax Year	Balance at December 31,	Utilized in Succeeding Budgets	
2025 (Unaudited)	$ 11,623,064	$ 4,400,000	*
2024	24,062,738	17,000,000	
2023	29,886,057	22,700,000	
2022	30,530,643	15,773,000	
2021	34,568,922	14,300,000	
2020	27,444,024	11,701,100	

Source: The City of East Orange Unaudited Annual Financial Statement for the year ending December 31, 2025 and Annual Audit Reports for the years ending December 31, 2024, 2023, 2022, 2021 and 2020.
* As introduced in 2026.

TAX INFORMATION ON THE CITY OF EAST ORANGE

TEN LARGEST TAXPAYERS

The ten largest taxpayers in the City and their assessed valuations per City Tax Assessor records are listed below:

Property Owner	2025 Assessed Valuation
Harrison Park Towers	$ 35,000,000
East Orange Portfolio Owner, LLC	29,121,300
175 Prospect LLC	26,540,000
EQA 206, LP	22,420,900
I&S Investmet , LLC	20,796,300
Third Glewnwood Assoiates, LLC	17,883,100
Fern Preservation Urban Renewal, LP	17,679,800
40 Washing Tower, LLC	16,600,000
Brook Haven Realty, LLC	16,020,000
State Properties 2006 and 2005, LLC	15,335,500
	$ 217,396,900

Source: East Orange School District Annual Comprehensive Financial Report for the year ending June 30, 2025.

Current Tax Collections

Tax Year	Tax Levy	Collections	Percentage of Collections
2025 (Unaudited)	$ 157,229,813	$ 151,593,220	96.41%
2024	151,233,038	146,798,382	97.07%
2023	151,832,664	145,213,259	95.64%
2022	140,522,743	134,531,875	95.74%
2021	135,854,575	129,273,005	95.16%
2020	134,126,357	127,281,719	94.90%

Source: The City of East Orange Unaudited Annual Financial Statement for the year ending December 31, 2025 and Annual Audit Reports for the years ending December 31, 2024, 2023, 2022, 2021 and 2020.

Delinquent Taxes and Tax Title Liens

Year	Amount of Tax Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2025 (Unaudited)	$ 633,985	$ 6,348,304	$ 6,982,288	4.44%
2024	528,923	5,892,121	6,421,044	4.25%
2023	472,075	7,162,234	7,634,309	5.03%
2022	355,002	7,184,474	7,539,476	5.37%
2021	125,759	7,233,129	7,358,889	5.42%
2020	571,148	8,179,733	8,750,881	6.52%

Source: The City of East Orange Unaudited Annual Financial Statement for the year ending December 31, 2025 and Annual Audit Reports for the years ending December 31, 2024, 2023, 2022, 2021 and 2020.

Components of Real Estate Tax Rate (per $100 of assessment)

Fiscal Year	Net Valuation Taxable	Municipal Rate	County Rate	Local School Rate	Total Tax Rate
2025	$ 4,840,836,420	$ 1.998	$ 0.396	$ 0.847	$ 3.241
2024	4,790,277,370	2.061	0.416	0.664	3.141
2023	4,757,119,600	2.082	0.444	0.642	3.168
2022	4,831,848,900	2.015	0.383	0.508	2.906
2021	2,428,874,905	3.839	0.690	1.010	5.540
2020	2,434,713,214	3.830	0.640	0.999	5.469

Source: The City of East Orange Tax Collector.

Assessed Valuations/Land and Improvements by Class

Year	Vacant Land	Residential	Commercial	Industrial	Apartment	Total
2025	$105,280,300	$2,938,374,820	$593,887,300	$52,629,500	$1,150,633,600	$4,840,805,520
2024	101,753,500	2,866,853,070	601,067,200	52,659,500	1,167,943,200	4,790,276,470
2023	103,219,600	2,810,565,400	585,410,700	53,959,500	1,191,674,400	4,744,829,600
2022	91,778,300	2,804,720,900	599,383,800	60,964,900	1,262,731,300	4,819,579,200
2021	27,562,200	1,460,102,790	323,398,900	21,805,300	587,216,900	2,420,086,090
2020	21,492,900	1,455,438,999	329,163,800	26,866,000	592,962,700	2,425,924,399

Source: City of East Orange Tax Duplicate.

Assessed Valuations/Net Valuation Taxable(1)

Year	Real Property	Business Personal Property	Net Valuation Taxable	Ratio of Assessed to True Value	Total True Value of Assessed Property
2025	$4,840,835,520	$900	$4,840,836,420	83.93%	$5,767,705,850
2024	4,790,276,470	900	4,790,277,370	89.86%	5,330,821,801
2023	4,744,829,600	12,290,000	4,757,119,600	92.80%	5,112,962,931
2022	4,819,579,200	12,269,700	4,831,848,900	96.61%	4,988,695,994
2021	2,420,086,090	8,788,815	2,428,874,905	60.65%	3,990,249,118
2020	2,425,924,399	8,788,815	2,434,713,214	69.85%	3,473,048,531

Source: Essex County Abstract of Ratables.
(1) Revaluation effective January 31, 2022

Total Tax Requirements
Including School and County Purposes

Year	Total	County	Local School	Municipal
2025(Unaudited)	$157,958,098	$19,279,591	$41,022,064	$97,656,442
2024	151,233,038	20,027,159	31,778,235	99,427,644
2023	151,832,664	21,234,598	30,548,408	100,049,658
2022	140,522,743	18,540,414	24,542,926	97,439,403
2021	137,682,827	16,927,846	24,542,755	96,212,226
2020	133,159,899	15,591,513	24,318,704	93,249,682

Source: The City of East Orange Unaudited Annual Financial Statement for the year ending December 31, 2025 and Annual Audit Reports for the years ending December 31, 2024, 2023, 2022, 2021 and 2020.

DEBT INFORMATION ON THE CITY

Debt Statements

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

Debt Incurring Capacity as of December 31, 2025

Municipal

Equalized Valuation Basis (2025, 2024 and 2023)	$5,515,055,175
3-1/2% Borrowing Margin	193,026,931
Net Debt Issued, Outstanding and Authorized	94,993,995
Remaining Municipal Borrowing Capacity	$98,032,936

Source: City of East Orange's Annual Debt Statement.

Gross and Statutory Net Debt

Date	Gross Debt Amount	Statutory Net Debt Amount	Statutory Net Debt Percentage
December 31, 2025	$ 174,382,185	$ 94,993,995	1.722%
December 31, 2024	176,808,834	95,251,059	1.778%
December 31, 2023	139,208,229	91,311,898	1.883%
December 31, 2022	123,572,762	69,828,649	1.645%
December 31, 2021	106,893,801	45,634,177	1.250%
December 31, 2020	105,832,405	39,173,796	1.173%

Source: Annual Debt Statements for December 31, 2025, 2024, 2023, 2022, 2021 and 2020.

STATUTORY DEBT INFORMATION
FOR THE CITY OF EAST ORANGE
AS OF DECEMBER 31, 2025

GROSS DEBT:		
Self Liquidating Utility Debt		
Serial Bonds Issued and Outstanding	$ 4,080,000	
Bond Anticipation Notes Issued	-	
Bond Anticipation Notes Authorized, But Not Issued	37,502,189	
Infrastructure Trust Loans	22,522,934	
		$ 64,105,123
Municipal Debt (Other)		
Serial Bonds, Notes and Loans		
Issued and Outstanding	$ 26,659,719	
Bond Anticipation Notes	29,609,550	
Bond Anticipation Notes Authorized, But Not Issued	40,102,317	
Green Trust Loan	815,476	
		97,187,062
School Debt		
Serial Bonds, Notes and Loans		
Issued and Outstanding	$ 13,090,000	
		13,090,000
TOTAL GROSS DEBT		**$ 174,382,185**
STATUTORY DEDUCTIONS:		
Self-Liquidating Debt	$ 64,105,123	
Deducation Applicable to Notes	2,193,066	
Deduction Applicable to School Serial Bonds	13,090,000	**79,388,190**
STATUTORY NET DEBT		**$ 94,993,995**
OVERLAPPING DEBT		
County of Essex (1)	$ 26,571,529	
TOTAL OVERLAPPING DEBT		**$ 26,571,529**
GROSS DEBT		
Per Capita (2020 - 69,612)		$ 2,505
Equalized Valuation - $5,515,055,174.67		3.16%
NET MUNICIPAL DEBT		
Per Capita (2020 - 69,612)		$ 1,365
Equalized Valuation - $5,515,055,174.67		1.72%
OVERALL DEBT (Net and Overlapping)		
Per Capita (2020 - 69,612)		$ 1,746
Equalized Valuation - $5,515,055,174.67		2.20%

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

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APPENDIX B

UNAUDITED FINANCIAL STATEMENTS OF THE CITY OF EAST ORANGE FOR THE YEAR ENDED DECEMBER 31, 2025 AND AUDITED FINANCIAL STATEMENTS OF THE CITY OF EAST ORANGE FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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CITY OF EAST ORANGE

FINANCIAL STATEMENTS

DECEMBER 31, 2025

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

CITY OF EAST ORANGE

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ACCOUNTANTS' COMPILATION REPORT

Honorable Mayor and Members
of the City Council
City of East Orange
East Orange, New Jersey

Management is responsible for the accompanying balance sheets – regulatory basis of the various funds of the City of East Orange ("City"), as of December 31, 2025 and the related statements of operations and changes in fund balance – regulatory basis, the statements of changes in fund balance, the statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for the year then ended in accordance with the regulatory basis of accounting. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements - regulatory basis nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

The financial statements are prepared in accordance with the financial and accounting reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with 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's assets, liabilities, fund balances, revenues and expenditures and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

PKF O'Connor Davies, LLP

Cranford, New Jersey
August 25, 2026

David J. Gannon

David J. Gannon, CPA
Registered Municipal Accountant, No. 520

CITY OF EAST ORANGE
CURRENT AND FEDERAL AND STATE GRANT FUND

BALANCE SHEET
REGULATORY BASIS
DECEMBER 31, 2025 (UNAUDITED)

A
Sheet # 1

ASSETS AND DEFERRED CHARGES	
	2025
CURRENT FUND	
Cash - Checking Accounts	$ 29,914,053.48
Cash - Change Funds	450.00
Petty Cash	2,298.74
	29,916,802.22
Due from State of New Jersey - State Aid	1,430,294.75
	1,430,294.75
Receivables and Other Assets with Full Reserves	
Delinquent Property Taxes	6,348,303.60
Tax Title Liens	633,984.79
Property Acquired for Taxes - Assessed Valuation	11,753,244.27
Due From East Orange Public Library	1,995.00
Interfunds Receivable	195,605.55
Due from Central Avenue Improvement District	101,216.35
Prepaid Local District School Taxes	651,609.44
	19,685,959.00
Deferred Charges:	
Overexpenditure of Appropriations	5,311,505.52
Overexpenditure of Appropriation Reserves	5,819.76
Emergency Authorization (40A:4-46)	1,450,000.00
	57,800,381.25
FEDERAL AND STATE GRANT FUND	
Grants Receivable	30,129,743.47
Due from Current Fund	2,077,939.73
Overexpenditure of Appropriated Reserve	1,219,744.99
	33,427,428.19
	$ 91,227,809.44

See Accountants' Compilation Report

CITY OF EAST ORANGE
CURRENT AND FEDERAL AND STATE GRANT FUND

BALANCE SHEET
REGULATORY BASIS
DECEMBER 31, 2025 (UNAUDITED)

A
Sheet # 2

		2025
LIABILITIES, RESERVES AND FUND BALANCE		
CURRENT FUND		
Appropriation Reserves		
Encumbered	$	1,901,717.43
Unencumbered		5,836,886.62
Accounts Payable		1,858,723.53
Due to State of New Jersey		38,173.47
Tax Overpayments		2,745,494.40
Reserve for Revaluations		83,616.90
Reserve for Tax Appeals		260,162.15
Interfunds Payable		12,069,805.94
County Taxes Payable		4,843.86
Due to Library		180,354.08
Due to State of New Jersey - DCA State Training Fees		71,657.97
Due to State of New Jersey - Marriage License Fees		15,393.00
Prepaid Taxes		964,426.39
Reserve for Hurricane Irene		35,067.00
Accrued Salary & Wages		3,939.00
Special Reserves		421,096.90
		26,491,358.64
Reserve for Receivables		19,685,959.00
Fund Balance		11,623,063.61
		57,800,381.25
FEDERAL AND STATE GRANT FUND		
Unappropriated Reserves		595,606.60
Appropriated Reserves for Grant Expenditures - Encumbered		2,080,748.51
Appropriated Reserves for Grant Expenditures		28,262,683.00
Due to General Capital Fund		2,221,567.83
Due to Grantor		266,822.25
		33,427,428.19
	$	91,227,809.44

See Accountants' Compilation Report

CITY OF EAST ORANGE
CURRENT FUND

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

	2025
REVENUE AND OTHER INCOME REALIZED:	
Anticipated Fund Balance	$ 17,000,000.00
Miscellaneous Anticipated Revenue	55,626,872.12
Receipts from Delinquent Taxes	3,789,949.32
Receipts from Current Taxes	151,593,220.12
Non-Budget Revenues	1,532,663.19
Other Credits to Income:	
Statutory Exces - Animal Control Trust Fund	742.56
Interfund and Other Receivables Returned	21,459.30
Lapsed Balances of Appropriation Reserves	4,891,463.84
TOTAL REVENUE AND OTHER INCOME	234,456,370.45
EXPENDITURES:	
Budget Appropriations:	
Operations:	
Salaries & Wages	84,484,137.21
Other Expenses	49,627,086.31
Municipal Debt Service	6,648,610.95
Capital Improvements	250,000.00
Deferred Charges and Statutory Expenditures	25,536,987.32
Other Appropriations excluded from "CAP"	9,141,802.49
Transferred to Board of Education	152,758.00
	175,841,382.28
Interfund Advanced	9,428.18
Prior Year Refunds	16,751.41
Prior Year Senior Citizens/Veterans Deductions Disallowed	4,250.00
Local Open Space	484,083.55
County Taxes	19,279,591.22
Local District School Taxes	41,022,064.00
TOTAL EXPENDITURES	236,657,550.64
(DEFICIT) IN REVENUE	(2,201,180.19)
ADJUSTMENT TO INCOME BEFORE FUND BALANCE:	
Expenditures Included Above Which Are by Statute	
Deferred Charges to Budget of Succeeding Years:	
Overexpenditure of Appropriation	5,311,505.52
Emergency Authorization	1,450,000.00
STATUTORY EXCESS TO FUND BALANCE	4,560,325.33
FUND BALANCE	
BALANCE, BEGINNING OF YEAR	24,062,738.28
	28,623,063.61
DECREASED BY:	
UTILIZED AS ANTICIPATED REVENUE	17,000,000.00
BALANCE, END OF YEAR	$ 11,623,063.61

See Accountants' Compilation Report

CITY OF EAST ORANGE
CURRENT FUND

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STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

	Modified Budget	Realized	(Deficit) or Excess
Fund Balance	$ 17,000,000.00	$ 17,000,000.00	
Miscellaneous Revenues	56,665,015.49	55,626,872.12	$ (1,038,143.37)
Receipts from Delinquent Taxes	4,268,710.20	3,789,949.32	(478,760.88)
Sub - Total General Revenue	77,933,725.69	76,416,821.44	(1,516,904.25)
Amount to be Raised by Taxation:			
Local, Library and Additional School	96,206,673.83	95,613,481.35	(593,192.48)
	96,206,673.83	95,613,481.35	(593,192.48)
Total General Revenue	174,140,399.52	172,030,302.79	(2,110,096.73)
Non-Budget Revenues		1,532,663.19	1,532,663.19
	$ 174,140,399.52	$ 173,562,965.98	$ (577,433.54)

See Accountants' Compilation Report

CITY OF EAST ORANGE
CURRENT FUND

STATEMENT OF REVENUES
MISCELLANEOUS REVENUE ANTICIPATED
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

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	Budget	Chapter 159	Realized	(Deficit) or Excess
MISCELLANEOUS REVENUES:				
Licenses:				
Alcoholic Beverages	$ 42,000.00		$ 41,758.00	$ (242.00)
Other	255,000.00		304,291.03	49,291.03
Fees and Permits:				
Uniform Construction Code Fees	2,030,000.00		1,704,235.00	(325,765.00)
Other	150,000.00		181,598.94	31,598.94
Fines and Costs - Municipal Court	5,400,000.00		4,769,560.97	(630,439.03)
Interest and Costs on Taxes	1,250,000.00		1,845,727.49	595,727.49
Interest on Investments and Deposits	2,850,000.00		1,187,883.14	(1,662,116.86)
Code Enforcement	315,000.00		324,855.00	9,855.00
Payments in Lieu of Taxes:	9,291,652.00		10,281,054.81	989,402.81
Franchise Fee from Cable TV Gross Revenue	95,000.00		249,050.98	154,050.98
Energy Receipts Tax	22,381,416.00		22,381,416.00	-
Alarm Registration Fees	7,000.00		8,550.00	1,550.00
State and Federal Revenue Offset with Appropriations:				
Body Armor Replacement Fund	12,716.17		12,716.17	
Municipal Alliance Drug Abuse	12,500.00		12,500.00	
Recycling Tonnage Grant		$ 110,047.47	110,047.47	
Distracted Driving	7,000.00		7,000.00	
Sustainable Jersey PSE&G Grant	2,500.00		2,500.00	
PFD Redevelopment - Brick Church Crossings	280,000.00		280,000.00	
Statewide Ending the Epidemic	83,300.00		83,300.00	
National Opioid Settlement Proceeds	197,210.09		197,210.09	
National Opioid Settlement Proceeds		202,939.90	202,939.90	-
County of Essex - HOME Friends	288,000.00		288,000.00	
Pedestrian Safety, Education and Enforcement Fund	20,000.00		20,000.00	
Clean Communities		144,036.86	144,036.86	
Childhood Lead Poisoning		567,264.00	567,264.00	
NJDOT - Transportation Trust Fund	337,609.00		337,609.00	
Essex County Code Blue Program Grant	35,000.00		35,000.00	
Growing Tennis Together Grant	2,000.00	12,000.00	14,000.00	
UEZ East Orange Zone Development Plan	95,000.00		95,000.00	
UEZ Gateway Signage #1837	115,175.00		115,175.00	
Essex County Local Arts Grant	4,847.00		4,847.00	
Lead Remediation and Abatement Program	2,300,000.00		2,300,000.00	
Justice Assistance Grant (JAG)	129,202.00		129,202.00	
Uniform Fire Safety Act	75,000.00		91,242.77	16,242.77
General Capital Fund Balance	1,039,200.00		1,039,200.00	-
Due from Water Utility Operating Fund	181,400.00			(181,400.00)
Verizon Cell Tower Contract - Former Bell Atlantic	14,000.00		14,481.84	481.84
East Orange Golf Cart Fees	200,000.00		243,672.42	43,672.42
East Orange Gold Course Fees	1,330,000.00		1,394,533.39	64,533.39
Housing Inspection State Aid	67,500.00		59,692.00	(7,808.00)
Substance Abuse Fees	475,000.00		288,220.85	(186,779.15)
Utility Operating Surplus of Prior Year	4,257,500.00		4,257,500.00	-
	$ 55,628,727.26	$ 1,036,288.23	$ 55,626,872.12	$ (1,038,143.37)

CITY OF EAST ORANGE
CURRENT FUND

STATEMENT OF REVENUE
ANALYSIS OF REALIZED TAX COLLECTIONS
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

Receipts from Delinquent Taxes		
Delinquent Tax Collections:		
2025 Collections	$ 3,773,372.44	
Tax Title Lien Collections	16,576.88	
		$ 3,789,949.32
Allocation of Current Tax Collections		
Revenue from Collections:		
2025 Collections	150,491,474.68	
2024 Collections	1,037,495.44	
Due from State of New Jersey	64,250.00	
		151,593,220.12
Less: Allocated to:		
City Open Space	484,083.55	
Essex County	19,279,591.22	
Local School District	41,022,064.00	
		60,785,738.77
		90,807,481.35
Plus: Appropriation Reserve for Uncollected Taxes		4,806,000.00
Amount for Support of Municipal Budget		$ 95,613,481.35

See Accountants' Compilation Report

CITY OF EASTORANGE
CURRENT FUND

STATEMENT OF REVENUE
ANALYSIS OF NON-BUDGET REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

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Miscellaneous Revenue Not Anticipated	
Commission on Vending Machines	$ 2,795.48
Commission T-Mobile Rents	20,402.61
Commission AT&T Cell Sites	55,808.83
Refund - N.J. Turnpike Authority	775.00
Refund - The Home Depot Rebate	7,664.18
Refunds - Grainger Rebate	987.43
Refunds - Miscellaneous Vendors	3,933.21
Unclaimed Funds	336,536.95
MRNA - Finance Department	147,591.68
Finance - Settlements/Claims	3,159.65
Fire Report Fees	108.50
City Clerk - Copy Fees & Notary Fees	562.03
Police System Fees	115,240.60
Tax Collect Bounced Check Fees	2,384.03
Duplicate Tax Sale Certificate Fee	6,500.00
Fee- Planning Board Cases	16,765.00
Fee - Zoning Board Cases	18,515.00
Fees - Child Support	1,762.00
Fees - Garnishees	1,941.04
Fees - Passport	13,613.00
Fees - Rent Leveling Division	175,585.00
Fees - Bingo & Raffle	280.00
Fees - Tax Sale Cost	63,223.92
2% Administrative Fee - Senior Citizens and Veterans Deductions	1,270.08
Tax Assessor - Short-Term Exempt Application Fee	5,400.00
Tax Assessor - Long-Term Exempt Application Fee	80,000.00
STD Clinic Fees	5,760.00
Foreclosure Fee	825.00
Fees - Vacant Properties	48,100.00
Fees - HHS ACH Death & Burial Fees	12,705.00
Fees - Redevelopment Area Amendment Fee	28,152.97
Fees - Auto Squad Releases	1,175.00
Fees - Firearms Application	2,175.00
Fee - Cannabis	2,000.00
Rent - Golf Course/Restaurant	48,950.00
Rent - Evergreen and Halsted Parking Lot	14,000.00
Fire Official LIU Fees	156,795.00
Property Sales	129,220.00
	$ 1,532,663.19

See Accountants' Compilation Report

CITY OF EAST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

A-3
Sheet # 1

	Appropriations		Expended				
	Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	Overexpended	Canceled
OPERATIONS - WITHIN "CAPS":							
Office of the Mayor							
Salaries & Wages	$ 928,000.00	$ 928,000.00	$ 885,270.13		42,729.87		
Other Expenses	103,170.00	76,170.00	64,984.71	$ 11,105.13	$ 80.16		
Division of Public Information & Consumer Services							
Salaries & Wages	125,000.00	125,000.00	113,504.84		11,495.16		
Other Expenses	55,100.00	55,100.00	51,847.14	162.39	3,090.47		
Office of the City Administrator							
Salaries & Wages	415,007.00	365,007.00	363,127.16		1,879.84		
Other Expenses	59,300.00	58,400.00	51,716.69	1,625.92	5,057.39		
Division of Procurement							
Salaries & Wages	321,637.00	348,637.00	346,847.12		1,789.88		
Other Expenses	21,600.00	21,600.00	64,439.78		-	$ 42,839.78	
Duplicating Unit							
Other Expenses	95,000.00	55,000.00	54,458.55	162.39	379.06		
Public Defender							
Other Expenses	250,000.00	250,000.00	240,550.00		9,450.00		
Division Of Human Services							
Salaries & Wages	807,000.00	837,000.00	776,186.78		60,813.22		
Other Expenses	85,000.00	55,000.00	33,972.61	9,180.98	11,846.41		
Data Processing							
Salaries & Wages	881,000.00	931,000.00	928,235.77		2,764.23		
Other Expenses	1,000,000.00	1,459,000.00	1,252,563.00	127,740.34	78,696.66		
Board of Alcoholic Beverage Control							
Salaries and Wages	3,000.00	3,000.00			3,000.00		
Other Expenses	3,295.00	3,545.00	3,346.36	153.62	45.02		
Policy, Planning & Economic Development							
Salaries and Wages	554,800.00	600,800.00	495,203.94		105,596.06		
Other Expenses	98,300.00	98,300.00	12,995.26	50,681.82	34,622.92		
Division of Economic Development							
Salaries and Wages	78,000.00	51,249.00	31,301.47		19,947.53		
Other Expenses	16,500.00	16,500.00	151,180.40	481.54	-	135,161.94	
Division of Neighborhood Housing Revitalization							
Salaries and Wages	395,646.00	414,646.00	378,186.56		36,459.44		
Other Expenses	3,925.00	3,925.00	1,812.12	355.67	1,757.21		
Comprehensive Planning							
Salaries and Wages	384,672.00	384,672.00	320,917.26		63,754.74		
Other Expenses	130,250.00	30,250.00	28,551.40	888.08	810.52		
Zoning Board Adjustment							
Salaries and Wages	5,200.00	10,201.00	10,200.00		1.00		
Other Expenses	18,500.00	18,500.00	7,913.14	1,047.30	9,539.56		
Planning Board							
Salaries and Wages	9,000.00	11,500.00	11,169.25		330.75		
Other Expenses	26,800.00	26,800.00	7,199.44	2,510.95	17,089.61		
City Council							
Salaries and Wages	994,000.00	946,000.00	924,738.24		21,261.76		
Other Expenses	260,000.00	260,000.00	165,745.76	73,927.83	20,326.41		

See Accountants' Compilation Report

CITY OF EAST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

A-3
Sheet # 2

	Appropriations		Expended				
	Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	Overexpended	Canceled
OPERATIONS - WITHIN "CAPS" (Continued):							
City Clerk's Office							
Salaries and Wages	$ 636,000.00	$ 616,000.00	$ 613,553.78		$ 2,446.22		
Other Expenses	137,700.00	137,700.00	114,296.74	$ 13,571.02	9,832.24		
City Clerk Election							
Salaries and Wages	25,000.00	25,000.00	8,175.00		16,825.00		
Other Expenses	27,580.00	47,580.00	46,993.35	400.00	186.65		
Department of Finance							
Salaries and Wages	238,000.00	190,000.00	187,486.40		2,513.60		
Other Expenses	423,650.00	423,650.00	367,242.53	39,275.70	17,131.77		
Claim Administration Fee	80,000.00	80,000.00	26,937.50		53,062.50		
Unemployment Insurance	240,000.00	240,000.00	394,779.80			$ 154,779.80	
Group Insurance for Employees	14,600,000.00	15,138,000.00	18,541,516.68	4,911.10		3,408,427.78	
Insurance Claim Fund - Workers Compensation	2,800,000.00	2,612,000.00	2,406,775.07		205,224.93		
Health Benefit Waiver	350,000.00	350,000.00	174,624.99		175,375.01		
Miscellaneous Insurance	7,900.00	7,900.00	7,233.25		666.75		
Insurance Claim Fund (Auto & General)	1,900,000.00	1,940,000.00	1,910,612.73		29,387.27		
City Insurance Premium	2,800,000.00	2,962,000.00	2,961,755.12		244.88		
Short Term Insurance	210,000.00	228,000.00	227,812.59		187.41		
Division of Accounts & Controls							
Salaries & Wages	399,000.00	266,000.00	254,693.25		11,306.75		
Other Expenses	3,420.00	22,420.00	14,910.19	7,360.43	149.38		
Division of Treasury							
Salaries and Wages	551,000.00	505,000.00	478,286.88		26,713.12		
Other Expenses	3,600.00	3,600.00	3,588.64		11.36		
Division of Tax Collection & Revenue							
Salaries and Wages	557,000.00	557,000.00	531,714.04		25,285.96		
Other Expenses	65,700.00	65,700.00	41,514.35	8,753.45	15,432.20		
Division of Property Taxation							
Salaries and Wages	463,000.00	463,000.00	438,413.38		24,586.62		
Other Expenses	295,600.00	295,600.00	239,265.49	34,427.59	21,906.92		
Department of Law							
Salaries and Wages	1,234,500.00	1,234,500.00	1,201,813.57		32,686.43		
Other Expenses	537,838.00	538,738.00	497,479.39	9,446.35	31,812.26		
Special Prosecutors							
Other Expenses	1,300.00	1,300.00	1,300.00				
Engineering Fees							
Other Expenses	50,000.00						
Municipal Court							
Salaries and Wages	2,320,000.00	2,320,000.00	2,301,316.94		18,683.06		
Other Expenses	183,510.00	193,510.00	160,316.13	28,470.58	4,723.29		
DEPARTMENT OF PUBLIC WORKS							
Office of Director							
Salaries and Wages	890,000.00	790,000.00	782,159.45		7,840.55		
Other Expenses	68,330.00	68,330.00	65,029.73	675.44	2,624.83		
Streets & Road Division							
Salaries and Wages	2,800,000.00	3,145,000.00	3,150,385.34			5,385.34	
Other Expenses	1,060,000.00	1,213,000.00	1,017,521.54	171,834.40	23,644.06		

CITY OF EAST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

	Appropriations: Budget	Appropriations: Modified Budget	Expended: Paid or Charged	Expended: Encumbered	Reserved	Overexpended	Canceled
OPERATIONS - WITHIN "CAPS" (Continued):							
Snow & Ice removal							
Salaries and Wages	$ 100,000.00	$ 100,000.00	$ 94,604.33		$ 5,395.67		
Other Expenses	110,000.00	122,950.00	122,927.96		22.04		
Plan & Construction Division							
Salaries and Wages	498,000.00	546,000.00	549,029.19		-	$ 3,029.19	
Other Expenses	67,400.00	67,400.00	59,004.55	$ 3,811.94	4,583.51		
Traffic Engineering Division							
Salaries and Wages	217,000.00	205,000.00	203,416.65		1,583.35		
Other Expenses	119,000.00	131,000.00	42,347.18	88,069.98	582.84		
Employee Safety Program							
Other Expenses	500.00	500.00			500.00		
East Orange Golf Course							
Salaries and Wages	667,000.00	667,000.00	823,054.83			156,054.83	
Other Expenses	710,000.00	710,000.00	662,436.02	37,796.48	9,767.50		
Sanitation							
Street Cleaning							
Salaries and Wages	410,000.00	410,000.00	350,210.05		59,789.95		
Other Expenses	40,000.00	40,000.00	5,541.07	3,794.00	30,664.93		
Garbage & Trash Removal - Solid Waste							
Salaries and Wages	212,000.00	382,000.00	401,870.22			19,870.22	
Other Expenses	7,500,000.00	7,500,000.00	5,824,338.21	45,371.54	1,630,290.25		
Public Buildings & Grounds							
Salaries and Wages	1,087,000.00	1,262,000.00	1,246,880.87		15,119.13		
Other Expenses	1,533,400.00	1,635,400.00	1,260,058.31	354,333.41	21,008.28		
DEPARTMENT OF PUBLIC WORKS							
Garage Division							
Salaries and Wages	595,000.00	595,000.00	587,502.97		7,497.03		
Other Expenses	728,800.00	728,800.00	686,999.37	20,119.19	21,681.44		
Parks Maintenance							
Salaries and Wages	655,000.00	655,000.00	545,595.91		109,404.09		
Other Expenses	114,550.00	114,550.00	82,238.19	25,000.00	7,311.81		
PUBLIC SAFETY							
Directors office							
Salaries and Wages	433,008.00	474,508.00	474,065.99		442.01		
Other Expenses	104,500.00	104,500.00	102,808.23	288.15	1,403.62		
Department of Fire							
Salaries and Wages	23,664,124.00	21,087,674.00	20,938,994.49	514.93	148,164.58		
Other Expenses	902,800.00	2,262,800.00	1,849,214.24	256,778.43	156,807.33		
Animal Control							
Salaries and Wages	341,201.00	341,201.00	339,600.97		1,600.03		
Other Expenses	39,600.00	39,600.00	37,410.60		2,189.40		
Office of Emergency Management							
Salaries and Wages	30,000.00	30,000.00	15,000.00		15,000.00		
Other Expenses	42,300.00	42,300.00	(55,536.25)	14,453.24	83,383.01		

See Accountants' Compilation Report

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

	Appropriations		Expended				
	Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	Overexpended	Canceled
OPERATIONS - WITHIN "CAPS" (Continued):							
Uniform Safety Act							
Salaries and Wages	$ 74,000.00	$ 74,000.00			$ 74,000.00		
Department of Police							
Salaries and Wages	26,998,233.00	27,738,233.00	$ 27,433,706.76		$ 304,526.24		
Other Expenses	1,845,000.00	1,845,000.00	1,480,109.42	$ 338,663.32	26,227.26		
School Traffic Guards							
Salaries and Wages	665,082.00	665,082.00	638,008.00		27,074.00		
Other Expenses	13,500.00	13,500.00	13,104.81		395.19		
DEPARTMENT OF HEALTH & HUMAN SERVICES							
Office of Director							
Salaries and Wages	788,000.00	1,203,000.00	1,291,533.95			$ 88,533.95	
Other Expenses	136,200.00	136,200.00	127,995.36	4,596.15	3,608.49		
Division of Health Services							
Salaries and Wages	130,250.00	180,250.00	179,824.13		425.87		
Other Expenses	2,500.00	2,500.00	1,159.07	50.00	1,290.93		
Dental							
Other Expenses	6,900.00	6,900.00		1,502.49	5,397.51		
Environmental Health							
Salaries and Wages	428,000.00	387,000.00	386,325.93		674.07		
Other Expenses	4,700.00	4,700.00	1,540.08	543.09	2,616.83		
Division of Weights & Measures							
Salaries and Wages	160,000.00	201,000.00	200,476.66		523.34		
Other Expenses		-					
HIV Counseling							
Salaries and Wages	20,000.00	44,000.00	43,584.44		415.56		
Other Expenses	4,500.00	4,500.00	1,200.00		3,300.00		
Public Health Nursing							
Salaries and Wages	438,000.00	438,000.00	497,262.52			59,262.52	
Other Expenses	4,300.00	4,300.00	3,572.90		727.10		
Substance Abuse							
Salaries and Wages	723,000.00	675,000.00	657,989.19		17,010.81		
Other Expenses	127,500.00	127,500.00	55,445.05	490.35	71,564.60		
HHS- Homeless Prevention & Response		-					
Other Expenses	18,500.00	18,500.00	13,606.38	2,666.46	2,227.16		
	-						
Vital Statistics							
Salaries and Wages	248,000.00	248,000.00	266,410.24			18,410.24	
Other Expenses	3,650.00	3,650.00	3,147.95	521.06		19.01	

See Accountants' Compilation Report

CITY OF EAST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

A-3
Sheet # 5

	Appropriations		Expended				
OPERATIONS - WITHIN "CAPS" (Continued):	Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	Overexpended	Canceled
Emergency Medical Service	$ 300,000.00	$ 300,000.00	$ 126,666.70		$ 173,333.30		
Essex Regional Health Commission	20,000.00	20,000.00	9,575.25		10,424.75		
Division of Senior Citizens							
Salaries and Wages	1,195,000.00	1,026,600.00	1,180,129.76			$ 153,529.76	
Other Expenses	57,090.00	107,090.00	74,953.73	$ 27,588.47	4,547.80		
Division of Employment & Training							
Salaries and Wages	1,090,600.00	1,090,600.00	1,860,598.49			769,998.49	
Other Expenses	354,800.00	354,800.00	330,235.46	16,554.76	8,009.78		
Lead Poisoning							
Salaries and Wages	80,000.00	104,000.00	103,309.45		690.55		
DEPARTMENT OF RECREATION & CULTURAL AFFAIRS							
Directors Office							
Salaries and Wages	509,500.00	628,300.00	626,763.39		1,536.61		
Other Expenses	124,400.00	124,000.00	109,771.16	5,694.45	8,534.39		
Instructional & Recreational Leaders							
Salaries and Wages	1,453,000.00	1,504,500.00	1,498,616.44		5,883.56		
Other Expenses	28,000.00	28,000.00	15,242.66	2,430.02	10,327.32		
Day Camp Program							
Salaries and Wages	224,000.00	172,500.00	153,378.50		19,121.50		
Other Expenses	31,600.00	31,600.00	20,167.13	11,240.00	192.87		
WIC Supplemental Food Program		-					
Salaries and Wages	50,000.00	50,000.00	(346.62)		50,346.62		
Swimming Pool Program							
Salaries and Wages	202,000.00	202,000.00	153,501.75		48,498.25		
Other Expenses	700.00	700.00			700.00		
Division of Neighborhood Facilities							
Salaries and Wages	86,000.00	76,000.00	56,522.18		19,477.82		
Other Expenses	20,500.00	20,500.00	12,482.75	3,238.29	4,778.96		
STATE UNIFORM CONSTRUCTION CODE							
Construction Official							
Salaries and Wages	445,000.00	435,200.00	430,326.45		4,873.55		
Other Expenses	11,400.00	14,200.00	13,821.17		378.83		
Division of Building							
Salaries and Wages	826,000.00	826,000.00	802,121.89		23,878.11		
Other Expenses	13,000.00	13,000.00	12,369.60	488.00	142.40		
Code Enforcement							
Salaries and Wages	1,344,000.00	1,351,000.00	1,352,523.76			1,523.76	
Other Expenses	146,300.00	146,300.00	102,433.17	28,329.77	15,537.06		
Vacant & Abandoned Properties							
Salaries and Wages	215,000.00	100,000.00	97,370.93		2,629.07		
Other Expenses	1,500.00	1,500.00	320.10		1,179.90		
Unclassifieds							
Salary Adjustments	20,000.00	20,000.00			20,000.00		
Accumulated Absence Liabilities	650,000.00	650,000.00	944,678.91			294,678.91	
OPERATIONS WITHIN CAP	127,349,718.00	128,799,718.00	127,580,819.87	1,894,077.99	4,636,325.66	5,311,505.52	
Salaries and Wages	83,987,460.00	82,913,860.00	82,957,330.12	514.93	1,526,292.16	1,570,277.21	
Other Expenses	43,362,258.00	45,885,858.00	44,623,489.75	1,893,563.06	3,110,033.50	3,741,228.31	
	127,349,718.00	128,799,718.00	127,580,819.87	1,894,077.99	4,636,325.66	5,311,505.52	
DEFERRED CHARGES							
Prior Years Bills	20,000.00	20,000.00	6,051.59				$ 13,948.41
Over Expenditure- 2024 Appropriations	2,475,322.06	2,475,322.06	2,444,747.71				30,574.35
Over Expenditure- Appropriation Reserves	18,285.86	18,285.86	18,285.86				
Over Expenditure-Grant Appropriated Reserves	118,207.16	118,207.16	118,207.16				-
	2,631,815.08	2,631,815.08	2,587,292.32	-	-		44,522.76
STATUTORY EXPENDITURES							
Public Employees' Retirement System	5,729,097.00	5,729,097.00	5,729,097.00		-		
Social Security System (O.A.S.I.)	3,700,000.00	3,700,000.00	3,403,762.42		296,237.58		
Police and Fire Retirement System	13,236,598.00	13,236,598.00	13,236,597.92		0.08		
Defined Contribution Retirement Program (DCRP)	119,000.00	119,000.00	111,685.34	7,314.66			
	22,784,695.00	22,784,695.00	22,481,142.68	7,314.66	296,237.66	0.00	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	152,766,228.08	154,216,228.08	152,649,254.87	1,901,392.65	4,932,563.32	5,311,505.52	44,522.76

See Accountants' Compilation Report

CITY OF EAST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

A-3
Sheet # 6

	Appropriations		Expended				
	Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	Overexpended	Canceled
OPERATIONS EXCLUDED FROM CAP							
Maintenance of Free Public Library	$ 4,160,330.00	$ 4,160,330.00	$ 3,275,681.92	$ 324.78	$ 884,323.30		
Reserve for Tax Appeals	20,000.00	20,000.00			20,000.00		
Public & Private Programs Offset by Revenues:							
Matching Funds for Grants	3,125.00	3,125.00	3,125.00				
Body Armor Replacement Fund	12,716.17	12,716.17	12,716.17				
Municipal Alliance Drug Abuse	12,500.00	12,500.00	12,500.00				
Recycling Tonnage Grant		110,047.47	110,047.47				
Distracted Driving	7,000.00	7,000.00	7,000.00				
Sustainable Jersey PSE&G Grant	2,500.00	2,500.00	2,500.00				
PFD Redevelopment - Brick Church Crossings	280,000.00	280,000.00	280,000.00				
Statewide Ending the Epidemic	83,300.00	83,300.00	83,300.00				
National Opioid Settlement Proceeds	197,210.09	197,210.09	197,210.09				
National Opioid Settlement Proceeds		202,939.90	202,939.90				
County of Essex - HOME Friends	288,000.00	288,000.00	288,000.00				
Pedestrian Safety, Education and Enforcement Fund	20,000.00	20,000.00	20,000.00				
Clean Communities		144,036.86	144,036.86				
NJDOT - Transportation Trust Fund	337,609.00	337,609.00	337,609.00				
Essex County Code Blue Program Grant	35,000.00	35,000.00	35,000.00				
Growing Tennis Together Grant	2,000.00	14,000.00	14,000.00				
Childhood Lead Poisoning		567,264.00	567,264.00				
UEZ East Orange Zone Development Plan	95,000.00	95,000.00	95,000.00				
UEZ Gateway Signage #1837	115,175.00	115,175.00	115,175.00				
Essex County Local Arts Grant	4,847.00	4,847.00	4,847.00				
Lead Remediation and Abatement Program	2,300,000.00	2,300,000.00	2,300,000.00				
Justice Assistance Grant (JAG)	129,202.00	129,202.00	129,202.00				
	3,925,184.26	4,961,472.49	4,961,472.49				
CAPITAL IMPROVEMENTS							
Capital Improvement Fund	250,000.00	250,000.00	250,000.00				
	250,000.00	250,000.00	250,000.00				
MUNICIPAL DEBT SERVICE							
Payment of Bond Principal	3,725,629.00	3,725,629.00	3,725,629.00				
Payment of Bond Anticipation Notes & Capital Notes	210,000.00	210,000.00					$ 210,000.00
Interest on Bonds	1,814,858.05	1,814,858.05	1,814,858.05				
Interest on Notes	883,431.50	883,431.50	883,431.50				
Green Acres Loan Repayments for Principal & Interest	61,670.07	61,670.07	61,670.07				
Capital Lease Obligations	138,318.96	138,318.96	138,318.96				
Interest on Special Emergency Notes	5,759.00	5,759.00	5,759.00				
Garden State Preservation Loan (P&I)	18,944.37	18,944.37	18,944.37				
	6,858,610.95	6,858,610.95	6,648,610.95				210,000.00
DEFERRED CHARGES TO FUTURE TAXATION							
Special Emergency - 5 Years	165,000.00	165,000.00	165,000.00				
	165,000.00	165,000.00	165,000.00				
TOTAL OPERATIONS EXCLUDED FROM CAP	15,379,125.21	16,415,413.44	15,300,765.36	324.78	904,323.30		210,000.00
TRANSFERRED TO BOARD OF EDUCATION	152,758.00	152,758.00	152,758.00				
TOTAL GENERAL APPROPRIATIONS EXCLUDED FROM CAP	15,531,883.21	16,568,171.44	15,453,523.36	324.78	904,323.30	-	210,000.00
SUBTOTAL GENERAL APPROPRIATIONS	168,298,111.29	170,784,399.52	168,102,778.23	1,901,717.43	5,836,886.62	5,311,505.52	254,522.76
RESERVE FOR UNCOLLECTED TAXES	4,806,000.00	4,806,000.00	4,806,000.00				
TOTAL GENERAL APPROPRIATIONS	$ 173,104,111.29	$ 175,590,399.52	$ 172,908,778.23	$ 1,901,717.43	$ 5,836,886.62	$ 5,311,505.52	$ 254,522.76

See Accountants' Compilation Report

CITY OF EAST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

A-3
Sheet # 7

	Appropriations		Expended				
	Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	Overexpended	Canceled

Adopted budget	$ 173,104,111.29
Chapter 159s	1,036,288.23
Canceled	(254,522.76)
Overexpenditures	5,311,505.52
Emergency (40A:4-46)	1,450,000.00
Reserve for Uncollected Taxes	(4,806,000.00)
	$ 175,841,382.28

Adopted budget	$ 173,104,111.29
Emergency (40A:4-46)	1,450,000.00
Chapter 159s	1,036,288.23
	$ 175,590,399.52

Cash disbursed	$ 155,443,005.92
Reserve for uncollected taxes	4,806,000.00
Due from State of New Jersey - Qualified Bonds	4,928,380.07
Due from General Capital Fund	23,679.02
Reserve for grant expenditures - appropriated	4,961,472.49
Deferred charges - Overexpenditure of Appropriation	2,444,747.71
Deferred charges - Overexpenditure of Appropriation Reserve	18,285.86
Deferred charges - Overexpenditure of Grant Reserve	118,207.16
Deferred charges - special emergency authorizations	165,000.00
	$ 172,908,778.23

CITY OF EAST ORANGE
TRUST FUND

BALANCE SHEET
REGULATORY BASIS
DECEMBER 31, 2025 (UNAUDITED)

ASSETS	2025
ANIMAL CONTROL FUND:	
Cash	$ 9,284.25
	9,284.25
TAX REDEMPTION FUND	
Cash	1,177,349.36
	1,177,349.36
GENERAL TRUST FUND:	
Cash	12,264,041.06
Interfund Receivable	1,935,969.99
	14,200,011.05
COMMUNITY DEVELOPMENT TRUST FUND	
Cash	102,123.62
Due from H.U.D.	5,006,288.77
Interfunds Receivable	331,336.64
	5,439,749.03
SELF INSURANCE FUND	
Cash	1,284,919.29
	1,284,919.29
HOME LOAN PROGRAM FUND	
Cash	688,677.06
Due from H.U.D.	5,295,799.59
Other Loans Receivable	4,122,488.00
	10,106,964.65
TOTAL ASSETS	$ 32,218,277.63

CITY OF EAST ORANGE
TRUST FUND

BALANCE SHEET
REGULATORY BASIS
DECEMBER 31, 2025 (UNAUDITED)

LIABILITIES, RESERVES AND FUND BALANCE	2025
ANIMAL CONTROL FUND	
Reserve for Expenditures	$ 3,779.71
Interfunds Payable	5,496.74
Due to State of New Jersey	7.80
	9,284.25
TAX REDEMPTION FUND	
Reserve for Expenditures	1,168,663.74
Interfunds Payable	8,685.62
	1,177,349.36
GENERAL TRUST FUND	
Reserve for:	
Other Deposits	13,296,798.76
Salary Account	104,827.75
Payroll and Deductions	798,384.54
	14,200,011.05
COMMUNITY DEVELOPMENT TRUST FUND	
Reserve for Community Development	5,439,749.03
	5,439,749.03
SELF INSURANCE FUND	
Reserve for:	
Workers Compensation	1,001,077.42
Auto/General Liability	250,812.45
AFLAC Flex Plus	33,029.42
	1,284,919.29
HOME LOAN PROGRAM FUND	
Reserve for:	
Interfunds Payable	95,201.00
Program Expenditures	5,806,899.65
Loans Receivable	4,122,488.00
UDAG Expenditures	82,376.00
	10,106,964.65
TOTAL LIABILITIES AND RESERVES	$ 32,218,277.63

See Accountants' Compilation Report

CITY OF EAST ORANGE
GENERAL CAPITAL FUND

C

BALANCE SHEET
REGULATORY BASIS
DECEMBER 31, 2025 (UNAUDITED)

ASSETS		2025
Cash	$	2,127,606.23
Loans Receivable		11,500.00
Grant Receivable		234,006.34
Interfund Receivable		10,041,328.41
Deferred Charges to Future Taxation:		
Funded		27,376,516.84
Unfunded		69,533,960.44
	$	109,324,918.26
LIABILITIES AND FUND BALANCE		
Serial Bonds Payable	$	26,659,719.00
Bond Anticipation Notes		29,609,550.00
Reserve to Pay Bonds and Notes		2,015,159.87
Green Acres Trust Loan Payable:		
General		571,020.42
Garden State Preservation Loan Payable		244,455.42
Improvement Authorizations:		
Funded		3,874,613.93
Unfunded		38,227,281.68
Encumbrances Payable		7,008,205.36
Reserves for:		
Capital Improvement Fund		406,758.00
Future Improvements		11,513.79
Grants Receivable		234,006.34
Fund Balance		462,634.45
	$	109,324,918.26
Bonds and Notes Authorized But Not Issued	$	40,102,317.00

See Accountants' Compilation Report

CITY OF EAST ORANGE
GENERAL CAPITAL FUND

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STATEMENT OF FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

Balance, December 31, 2024	$	1,039,212.60
Increased by:		
Transferred from Reserve for Grants Receivable		120,000.00
Premium on Sale of Bonds and Notes		342,621.85
		1,501,834.45
Decreased by:		
Appropriated to 2025 Budget Revenue		1,039,200.00
Balance, December 31, 2025	$	462,634.45

See Accountants' Compilation Report

CITY OF EAST ORANGE
WATER UTILITY FUND

BALANCE SHEET
REGULATORY BASIS
DECEMBER 31, 2025 (UNAUDITED)

Assets	2025
Operating Fund:	
Cash - Checking	$ 22,340,571.78
	22,340,571.78
Receivables and Other Assets with Full Reserves:	
Consumer Accounts Receivable	5,486,405.49
Inventory - Materials & Supplies	2,619,219.32
	8,105,624.81
Interfund Receivable	294,196.12
	294,196.12
Deferred Charges:	
Overexpenditure of Appropriation	38,319.86
Overexpenditure of Appropriation Reserves	73,842.83
	112,162.69
Total Operating Fund	30,852,555.40
Capital Fund:	
Cash - Checking	8,468,274.56
Fixed Capital	80,633,290.06
Fixed Capital Authorized and Uncompleted	72,162,225.78
NJIB Interim Financing Receivable	1,399,291.00
Total Capital Fund	162,663,081.40
Total Assets	$ 193,515,636.80

See accompanying notes to financial statements.

CITY OF EAST ORANGE
WATER UTILITY FUND

BALANCE SHEET
REGULATORY BASIS
DECEMBER 31, 2025 (UNAUDITED)

Liabilities, Reserves and Fund Balance	2025
Operating Fund:	
Appropriation Reserves:	
Encumbered	$ 1,898,437.22
Unencumbered	4,290,167.92
Accounts Payable	2,774,114.43
Due to ILSA East Newark	529,643.92
Accrued Interest on Bonds and Loans	265,730.58
Reserve for Retirement	624,070.65
Reserve for Labor Union Negotiations	401,928.81
Reserve for Healthcare	15,000.00
Interfunds Payable	181,423.19
	10,980,516.72
Reserve for Receivables	8,105,624.81
Fund Balance	11,766,413.87
Total Operating Fund	30,852,555.40
Capital Fund:	
Serial Bonds Payable	4,080,000.00
N.J. I-Bank Loan Payable	22,522,934.22
NJIB Interim Financing Payable	
Improvement Authorizations:	
Funded	4,624,625.71
Unfunded	32,124,441.01
Contracts Payable	260,963.02
Interfunds Payable	294,196.12
Capital Improvement Fund	4,132,235.50
Reserve for Capital Improvements	238,485.00
Reserve for Amortization	68,866,972.84
Deferred Reserve for Amortization	19,823,419.78
Reserve for Payment of Debt	690,188.00
Reserve for PFAS Litigation	3,466,763.44
Reserve for NJIB Interim Financing Receivable	1,399,291.00
Fund Balance	138,565.76
Total Capital Fund	162,663,081.40
Total Liabilities, Reserves and Fund Balances	$ 193,515,636.80
Bonds and Notes Authorized but Not Issued	$ 37,502,189.00

CITY OF EAST ORANGE
WATER UTILITY FUND

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

	2025
Revenue and Other Income:	
Surplus Anticipated	$ 5,975,339.00
Water and Sewer Rents	25,219,700.57
Miscellaneous Revenues	1,465,419.21
Other Credits to Income:	
Cancellation of Accrued Interest	265,891.18
Unexpended Balance of Appropriation Reserves	2,457,220.82
	35,383,570.78
Expenditures:	
Budget Appropriations	
Salaries & Wages	5,995,421.00
Other Expenses	14,202,738.00
Deferred Charges & Statutory Expenditures	1,098,501.00
Capital Improvement Fund	4,275,000.00
Debt Service	4,358,831.62
	29,930,491.62
Excess in Revenues	5,453,079.16
Fund Balance, Beginning of Year	16,546,173.71
	21,999,252.87
Less:	
Fund Balance Utilized as Revenue in Current Fund	4,257,500.00
Fund Balance Utilized	5,975,339.00
Fund Balance, End of Year	$ 11,766,413.87

See Accountants' Compilation Report

CITY OF EAST ORANGE
WATER UTILITY FUND

STATEMENT OF CAPITAL FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

Balance, December 31, 2025 and 2024	$ 138,565.76

See Accountants' Compilation Report

CITY OF EAST ORANGE
WATER UTILITY FUND

STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

Source	Budget	Realized	Excess
Surplus Anticipated	$ 5,975,339.00	$ 5,975,339.00	
Water and Sewer Rents	24,000,000.00	25,219,700.57	$ 1,219,700.57
Miscellaneous Revenues		1,465,419.21	1,465,419.21
	$ 29,975,339.00	$ 32,660,458.78	$ 2,685,119.78

Analysis of Miscellaneous Revenues	
Cash Receipts	$ 1,280,275.06
Due from Water Capital Fund	185,144.15
	$ 1,465,419.21

CITY OF EAST ORANGE
WATER UTILITY FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

	Appropriation Budget	Balance After Transfer	Paid or Charged	Reserved Encumbered	Reserved Unencumbered	Unexpended Balance Canceled
Operating:						
Salaries and Wages	$ 5,995,421.00	$ 5,995,421.00	$ 5,550,210.90		$ 445,210.10	
Other Expenses	14,202,738.00	14,202,738.00	12,007,498.85	$ 672,365.97	1,522,873.18	
Deferred charges and statutory expenditures:						
Contribution to PERS	528,936.00	528,936.00	528,936.00			
Contribution to Social Security	569,565.00	569,565.00	394,964.85		174,600.15	
Capital Outlay:						
Capital Improvement Fund	450,000.00	450,000.00	450,000.00			
Capital Outlay	3,825,000.00	3,825,000.00	451,444.26	1,226,071.25	2,147,484.49	
Debt Service:						
Payment of Bond Principal	2,190,000.00	2,190,000.00	2,190,000.00			
Interest on Bonds	219,444.00	219,444.00	219,444.00			
Principal on NJ I-Bank	1,311,317.00	1,311,317.00	1,266,469.62			$ 44,847.38
Interest on NJ I-Bank	682,918.00	682,918.00	682,918.00			
	$ 29,975,339.00	$ 29,975,339.00	$ 23,741,886.48	$ 1,898,437.22	$ 4,290,167.92	$ 44,847.38

	Paid or Charged	Encumbered
Cash Disbursements	$ 22,483,426.32	
Encumbrances Payable		$ 1,898,437.22
Retirement	44,196.25	
Labor Negotiations	311,901.91	
Accrued Interest	902,362.00	-
	$ 23,741,886.48	$ 1,898,437.22

See Accountants' Compilation Report

CITY OF EAST ORANGE
GOVERNMENTAL FIXED ASSETS

E

BALANCE SHEET
REGULATORY BASIS
DECEMBER 31, 2025 (UNAUDITED)

ASSETS		December 31, 2025
Land	$	2,356,761.14
Land Improvements		8,079,279.04
Buildings		25,478,730.45
Machinery and Equipment		37,893,144.33
	$	73,807,914.96
Investment in Governmental Fixed Assets	$	73,807,914.96

See Accountants' Compilation Report

CITY OF EAST ORANGE

ESSEX COUNTY, NEW JERSEY

REPORT OF AUDIT

YEARS ENDED DECEMBER 31, 2024 AND 2023

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

CITY OF EAST ORANGE

TABLE OF CONTENTS

Independent Auditors' Report

The Honorable Mayor and Members
of the City Council
City of East Orange
East Orange, New Jersey

Report on the Audit of the Regulatory Basis Financial Statements

Opinions on Regulatory Basis Financial Statements

We have audited the regulatory basis financial statements of the various funds and the governmental fixed assets of the City of East Orange, New Jersey, ("City") which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations and changes in fund balance for the years then ended, the statements of changes in fund balance, the statements of revenues and statements of expenditures for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying regulatory basis financial statements present fairly, in all material respects, the regulatory basis balance sheets of the City as of December 31, 2024 and 2023, and the regulatory basis revenues, expenditures, and changes in fund balances for the years then ended, the statement of changes in fund balance, the statements of revenues and statements of expenditures for the year ended December 31, 2024 and the related notes to the financial statements, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division") described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2024 and 2023, or its revenues, expenditures and changes in fund balance thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the requirements prescribed by the Division. Our responsibilities under those standards and requirements are further described in the Auditors' 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 audit opinions.

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 I Tel: 908.272.6200 I Fax: 908.272.2416 I www.pkfod.com

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

As described in Note 1 of the financial statements, the financial statements are prepared by the City on the basis of the financial reporting provisions of the Division (regulatory basis), which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions of the Division. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about the 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 and the 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.

In performing an audit in accordance with GAAS and the 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 judgement, 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.

PKF O'Connor Davies, LLP

Cranford, New Jersey
December 31, 2025

David J. Gannon, CPA
Registered Municipal Accountant, No. 520

CITY OF EAST ORANGE
CURRENT AND FEDERAL AND STATE GRANT FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2024 AND 2023

A
Sheet # 1

ASSETS AND DEFERRED CHARGES	2024	2023
CURRENT FUND		
Cash - Checking Accounts	$ 46,161,967.83	$ 53,959,948.16
Cash - Change Funds	450.00	450.00
Petty Cash	700.00	
	46,163,117.83	53,960,398.16
Due from State of New Jersey - State Aid	2,165,626.98	1,689,441.05
	2,165,626.98	1,689,441.05
Receivables and Other Assets with Full Reserves		
Delinquent Property Taxes	5,892,121.17	7,162,233.65
Tax Title Liens	528,923.05	472,075.40
Property Acquired for Taxes - Assessed Valuation	11,753,244.27	11,753,244.27
Revenue Accounts Receivable	333,769.83	236,293.03
Due From East Orange Public Library	1,995.00	1,995.00
Interfunds Receivable	186,177.37	
Due from Central Avenue Improvement District	101,216.35	101,216.35
Prepaid County Taxes	21,459.30	
Prepaid Local District School Taxes	651,609.44	
Prepaid Open Space Recreation Taxes		1,168.02
	19,470,515.78	19,728,225.72
Deferred Charges:		
Special Emergency Authorizations (40A:4-53)	165,000.00	330,000.00
Overexpenditure of Appropriation	2,444,747.71	124,372.25
Overexpenditure of Appropriation Reserves	18,285.86	
Emergency Authorization (40A:4-46)		1,348,700.00
	70,427,294.16	77,181,137.18
FEDERAL AND STATE GRANT FUND		
Cash	5,117,066.73	
Grants Receivable	32,061,354.31	22,142,025.90
Due from Current Fund	4,018,418.59	2,708,812.38
Overexpenditure of Appropriated Reserve	118,207.16	59,082.17
	41,315,046.79	24,909,920.45
	$ 111,742,340.95	$ 102,091,057.63

See accompanying notes to financial statements.

CITY OF EAST ORANGE
CURRENT AND FEDERAL AND STATE GRANT FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2024 AND 2023

A
Sheet # 2

	2024	2023
LIABILITIES, RESERVES AND FUND BALANCE		
CURRENT FUND		
Appropriation Reserves		
Encumbered	$ 2,772,562.55	$ 2,129,715.99
Unencumbered	5,338,603.44	10,287,256.91
Accounts Payable	1,917,587.58	1,750,417.47
Due to State of New Jersey	40,669.29	41,673.47
Tax Overpayments	2,329,776.12	2,971,362.72
Reserve for Revaluations	83,616.90	83,616.90
Reserve for Municipal Relief Funds		2,306,998.87
Reserve for Tax Appeals	260,162.15	260,162.15
Interfunds Payable	12,309,648.05	3,209,723.56
Special Emergency Notes Payable	165,000.00	330,000.00
County Taxes Payable		23,849.57
School Taxes Payable		2,994,977.54
Due to Library	180,354.08	
Due to State of New Jersey - DCA State Training Fees	16,310.97	25,987.00
Due to State of New Jersey - Marriage License Fees	5,165.00	4,800.00
Prepaid Taxes	1,037,495.44	700,556.89
Reserve for Hurricane Irene	35,067.00	35,067.00
Accrued Salary & Wages	3,939.00	3,939.00
Special Reserves	398,082.53	406,749.19
	26,894,040.10	27,566,854.23
Reserve for Receivables	19,470,515.78	19,728,225.72
Fund Balance	24,062,738.28	29,886,057.23
	70,427,294.16	77,181,137.18
FEDERAL AND STATE GRANT FUND		
Unappropriated Reserves	311,489.17	26,634.15
Appropriated Reserves for Grant Expenditures - Encumbered	5,572,933.99	8,264,946.33
Appropriated Reserves for Grant Expenditures	32,942,233.55	16,145,109.76
Due to General Capital Fund	2,221,567.83	206,407.96
Due to Grantor	266,822.25	266,822.25
	41,315,046.79	24,909,920.45
	$ 111,742,340.95	$ 102,091,057.63

See accompanying notes to financial statements.

CITY OF EAST ORANGE
CURRENT FUND

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COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
REVENUE AND OTHER INCOME REALIZED:		
Anticipated Fund Balance	$ 22,700,000.00	$ 15,773,000.00
Miscellaneous Anticipated Revenue	73,344,677.14	59,943,929.73
Receipts from Delinquent Taxes	5,102,093.30	4,850,344.15
Receipts from Current Taxes	146,798,381.61	145,213,259.47
Non-Budget Revenues	2,093,065.03	4,702,534.15
Other Credits to Income:		
Statutory Exces - Animal Control Trust Fund	4,754.18	
Interfund and Other Receivables Returned	1,168.02	593,306.69
Lapsed Balances of Appropriation Reserves	8,463,929.80	5,411,326.65
TOTAL REVENUE AND OTHER INCOME	258,508,069.08	236,487,700.84
EXPENDITURES:		
Budget Appropriations:		
Operations:		
Salaries & Wages	80,112,125.59	75,827,970.16
Other Expenses	44,987,249.24	43,168,472.01
Municipal Debt Service	6,890,310.29	7,928,900.63
Capital Improvements	500,000.00	2,126,700.00
Deferred Charges and Statutory Expenditures	24,775,149.81	21,559,937.47
Other Appropriations excluded from "CAP"	33,515,675.86	19,807,357.98
Transferred to Board of Education	146,587.00	126,414.00
	190,927,097.79	170,545,752.25
Interfund Advanced	186,177.37	-
Prior Year Refunds	1,796.50	23,617.98
Prior Year Senior Citizens/Veterans Deductions Disallowed	1,618.06	5,500.00
Local Open Space	480,983.16	474,482.96
County Taxes	20,027,159.12	21,234,597.88
Prepaid County Taxes	21,459.30	
Local District School Taxes	31,778,235.00	30,548,408.00
Prepaid Local District School Taxes	651,609.44	
TOTAL EXPENDITURES	244,076,135.74	222,832,359.07
EXCESS IN REVENUE	14,431,933.34	13,655,341.77
ADJUSTMENT TO INCOME BEFORE FUND BALANCE:		
Expenditures Included Above Which Are by Statute		
Deferred Charges to Budget of Succeeding Years:		
Overexpenditure of Appropriation	2,444,747.71	124,372.25
Emergency Authorization		1,348,700.00
STATUTORY EXCESS TO FUND BALANCE	16,876,681.05	15,128,414.02
FUND BALANCE		
BALANCE, BEGINNING OF YEAR	29,886,057.23	30,530,643.21
	46,762,738.28	45,659,057.23
DECREASED BY:		
UTILIZED AS ANTICIPATED REVENUE	22,700,000.00	15,773,000.00
BALANCE, END OF YEAR	$ 24,062,738.28	$ 29,886,057.23

See accompanying notes to financial statements.

CITY OF EAST ORANGE
CURRENT FUND

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STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	Modified Budget	Realized	Excess or (Deficit)
Fund Balance	$ 22,700,000.00	$ 22,700,000.00	
Miscellaneous Revenues	68,299,860.92	73,344,677.14	$ 5,044,816.22
Receipts from Delinquent Taxes	5,989,000.00	5,102,093.30	(886,906.70)
Sub - Total General Revenue	96,988,860.92	101,146,770.44	4,157,909.52
Amount to be Raised by Taxation:			
Local, Library and Additional School	98,233,800.00	101,238,004.33	3,004,204.33
	98,233,800.00	101,238,004.33	3,004,204.33
Total General Revenue	195,222,660.92	202,384,774.77	7,162,113.85
Non-Budget Revenues		2,093,065.03	2,093,065.03
	$ 195,222,660.92	$ 204,477,839.80	$ 9,255,178.88

See accompanying notes to financial statements.

CITY OF EAST ORANGE
CURRENT FUND

STATEMENT OF REVENUES
MISCELLANEOUS REVENUE ANTICIPATED
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

A-2a

	Budget	Chapter 159	Realized	Excess or (Deficit)
MISCELLANEOUS REVENUES:				
Licenses:				
Alcoholic Beverages	$ 38,400.00		$ 44,180.00	$ 5,780.00
Other	254,000.00		258,309.05	4,309.05
Fees and Permits:				
Uniform Construction Code Fees	1,915,500.00		2,035,626.00	120,126.00
Other	97,400.00		157,811.23	60,411.23
Fines and Costs - Municipal Court	2,335,500.00		2,206,501.94	(128,998.06)
Interest and Costs on Taxes	1,281,700.00		1,274,924.44	(6,775.56)
Interest on Investments and Deposits	1,359,600.00		3,031,368.47	1,671,768.47
Code Enforcement	338,400.00		317,436.00	(20,964.00)
Payments in Lieu of Taxes:	6,056,800.00		9,291,671.40	3,234,871.40
Franchise Fee from Cable TV Gross Revenue	284,000.00		267,339.92	(16,660.08)
Energy Receipts Tax	22,381,416.00		22,381,416.00	
Municipal Relief Funds	2,306,998.87		2,306,998.87	
Alarm Registration Fees	17,800.00		7,350.00	(10,450.00)
State and Federal Revenue Offset with Appropriations:				
Vaccination Supplemental Grant	20,000.00		20,000.00	
COPS Grant	1,250,000.00		1,250,000.00	
Body Armor Replacement Fund	11,633.93		11,633.93	
Municipal Alliance Drug Abuse	11,321.27		11,321.27	
Recycling Tonnage Grant	101,348.98		101,348.98	
Summer Food Service Program	227,524.50		227,524.50	
HUD Grant - Lead	4,801,958.60		4,801,958.60	
Distracted Driving	7,000.00		7,000.00	
UEZ Cops on the Shopping Blocks	206,017.00		206,017.00	
United Way of Newark - MOET Vita Tax Program	3,000.00		3,000.00	
Stormwater Assistance Grant	15,000.00		15,000.00	
Click it or Ticket	7,000.00		7,000.00	
FY24 PSAP	2,064,813.35		2,064,813.35	
DHSTS - State HIV Services 2024	260,000.00		260,000.00	
ARP Firefighter Grant	70,000.00		70,000.00	
UEZ Admin. Budget FY24	188,000.00		188,000.00	
Growing Tennis Together Grant	3,000.00		3,000.00	
Statewide Ending the Epidemic	166,600.00		166,600.00	
National Opioid Settlement Proceeds	780,831.73		780,831.73	
Coronavirus State and Local Fiscal Recovery Funds	7,000,000.00		7,000,000.00	
Ending the Epidemic (EHE) Program Grant - Strengthening Local Public Health Capacity		$ 74,664.00	74,664.00	
County of Essex - HOME Friends		288,000.00	288,000.00	
Emergency Management Performance Grant		10,000.00	10,000.00	
Enhancing Health Infrastructure Grant		168,049.00	168,049.00	
Child and Adult Care Food Program		2,842,866.00	2,842,866.00	
Clean Communities		145,225.05	145,225.05	
NJDOT - Transportation Trust Fund		1,006,082.00	1,006,082.00	
Ryan White Ending the HIV Epidemic		121,070.00	121,070.00	
Local Recreation Improvement Grant		69,000.00	69,000.00	
Substance Abuse Treatment Program Grant		23,370.00	23,370.00	
Childhood Lead Poisoning		630,294.00	630,294.00	
HOME Investment Program		469,055.28	469,055.28	
WIC Supplemental Food Program		1,407,754.00	1,407,754.00	
Growing Tennis Together Grant		3,500.00	3,500.00	
DHSTS State HIV Services 2024		260,000.00	260,000.00	
UEZ Revolving Loan Fund		350,000.00	350,000.00	
UEZ Professional Development		177,000.00	177,000.00	
UEZ Promotional and Marketing		60,000.00	60,000.00	
Community Development Block Grant		1,414,194.00	1,414,194.00	
National Opioid Settlement Proceeds		573,516.13	573,516.13	
Uniform Fire Safety Act	60,400.00		79,320.49	18,920.49
Bell Atlantic Contract	14,400.00		14,481.84	81.84
East Orange Golf Cart Fees	187,800.00		213,312.86	25,512.86
East Orange Gold Course Fees	1,069,200.00		1,334,716.93	265,516.93
Housing Inspection State Aid	65,300.00		67,841.00	2,541.00
Substance Abuse Fees	673,700.00		492,524.65	(181,175.35)
Reserve to Pay BAN's	272,857.23		272,857.23	
	$ 58,206,221.46	$ 10,093,639.46	$ 73,344,677.14	$ 5,044,816.22

See accompanying notes to financial statements.

CITY OF EAST ORANGE
CURRENT FUND

STATEMENT OF REVENUE
ANALYSIS OF REALIZED TAX COLLECTIONS
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

Receipts from Delinquent Taxes		
Delinquent Tax Collections:		
2024 Collections	$ 5,029,302.28	
Tax Title Lien Collections	72,791.02	
		$ 5,102,093.30
Allocation of Current Tax Collections		
Revenue from Collections:		
2024 Collections	146,030,570.54	
2023 Collections	700,556.89	
Due from State of New Jersey	67,254.18	
		146,798,381.61
Less: Allocated to:		
City Open Space	480,983.16	
Essex County	20,027,159.12	
Local School District	31,778,235.00	
		52,286,377.28
		94,512,004.33
Plus: Appropriation Reserve for Uncollected Taxes		6,726,000.00
Amount for Support of Municipal Budget		$ 101,238,004.33

See accompanying notes to financial statements.

CITY OF EASTORANGE
CURRENT FUND

STATEMENT OF REVENUE
ANALYSIS OF NON-BUDGET REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

A-2c

Miscellaneous Revenue Not Anticipated	
Commission on Vending Machines	$ 2,656.21
Commission T-Mobile Rents	21,422.44
Commission AT&T Cell Sites	54,027.63
Refund - Passaic Valley Sewerage	21,939.29
Refund - N.J. Turnpike Authority	775.00
Refunds - Miscellaneous Vendors	2,022.25
Unclaimed Property	761.45
Unclaimed Funds	424.00
Auction of Abandoned Vehicles	1,875.00
Law Department Restitution	1,565.00
MRNA - Finance Department	565,451.83
Finance - Settlements/Claims	3,510.00
Fire Report Fees	74.00
City Clerk - Copy Fees & Notary Fees	1,140.30
Police System Fees	94,972.00
Tax Collect Bounced Check Fees	2,042.45
Duplicate Tax Sale Certif Fee	4,300.00
Fee- Planning Board Cases	9,945.00
Fee - Zoning Board Cases	7,180.00
Fees - Child Support	2,134.00
Fees - Garnishes	4,672.26
Fees - Passport	11,238.98
Fees - Rent Leveling Division	148,758.00
Fees - Bingo & Raffle	300.00
Fees - Tax Sale Cost	49,761.02
2% Administrative Fee - Senior Citizens and Veterans Deductions	1,292.64
Tax Assessor - Exempt Application Fee	18,697.50
STD Clinic Fees	6,400.00
Foreclosure Fee	760.00
Fees - Use of Police Vehicles	103,022.00
Police Off-Duty Admin Fees	261,786.68
Fees - Vacant Properties	70,000.00
Fees - Fire Dept. EMS Dispatch	23,178.96
Fees - HHS ACH Death & Burial Fees	13,320.00
Fees - Property Sale Misc. Fees Collected	380,804.00
Prop Maint Property Clean Up	14,284.20
Fees - Gov Deals Auction Revenue	5,525.00
Fee - Cannabis	6,500.00
FEMA Grant	12,939.19
Special Events	260.00
Rent - Golf Course/Restaurant	48,000.00
Rent - Evergreen and Halsted Parking Lot	7,033.00
Fire Official LIU Fees	103,563.75
Essex County 2022 Local Arts	2,750.00
	$ 2,093,065.03

See accompanying notes to financial statements.

CITY OF EAST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

A-3
Sheet # 1

	Appropriations		Expended				
	Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	Overexpended	Canceled
OPERATIONS - WITHIN "CAPS":							
Office of the Mayor							
Salaries & Wages	$ 760,682.79	$ 760,682.79	$ 775,481.78			$ 14,798.99	
Other Expenses	124,700.00	104,700.00	89,056.64	$ 11,532.37	$ 4,110.99		
Division of Public Information & Consumer Services							
Salaries & Wages	178,640.99	189,640.99	189,474.17		166.82		
Other Expenses	63,500.00	63,500.00	57,946.72	5,208.93	344.35		
Office of the City Administrator							
Salaries & Wages	305,689.37	370,689.37	370,689.37				
Other Expenses	60,000.00	20,000.00	18,589.72	1,058.16	352.12		
Division of Procurement							
Salaries & Wages	409,617.90	424,617.90	423,524.28		1,093.62		
Other Expenses	43,000.00	48,000.00	35,933.37	12,031.04	35.59		
Duplicating Unit							
Other Expenses	75,000.00	118,000.00	66,916.08	26,261.00	24,822.92		
Public Defender							
Other Expenses	261,000.00	261,000.00	220,765.00	9,200.00	31,035.00		
Division Of Human Services							
Salaries & Wages	729,092.89	825,092.89	821,129.30		3,963.59		
Other Expenses	50,000.00	50,000.00	18,207.61	13,845.45	17,946.94		
Data Processing							
Salaries & Wages	757,386.58	832,386.58	831,755.50		631.08		
Other Expenses	886,000.00	886,000.00	1,308,302.31	309,611.03		731,913.34	
Board of Alcoholic Beverage Control							
Salaries and Wages	3,000.00	2,700.00	346.17		2,353.83		
Other Expenses	2,650.00	2,950.00	2,729.02	165.36	55.62		
Policy, Planning & Economic Development							
Salaries and Wages	452,282.22	512,282.22	505,322.54		6,959.68		
Other Expenses	142,000.00	142,000.00	20,537.75	51,369.23	70,093.02		
Division of Economic Development							
Salaries and Wages	153,707.91	93,707.91	77,874.17		15,833.74		
Other Expenses	18,800.00	18,800.00	8,722.24	621.69	9,456.07		
Division of Neighborhood Housing Revitalization							
Salaries and Wages	487,003.75	367,003.75	360,450.51		6,553.24		
Other Expenses	3,400.00	3,400.00	1,378.34		2,021.66		
Comprehensive Planning							
Salaries and Wages	249,410.60	399,410.60	378,648.80		20,761.80		
Other Expenses	119,700.00	119,700.00	107,707.26	5,459.33	6,533.41		
Zoning Board Adjustment							
Salaries and Wages	4,896.00	4,896.00	4,800.00		96.00		
Other Expenses	10,400.00	10,400.00	3,370.25	5,425.95	1,603.80		
Planning Board							
Salaries and Wages	6,000.00	6,000.00	5,192.36		807.64		
Other Expenses	16,800.00	16,800.00	8,432.09	4,759.08	3,608.83		
City Council							
Salaries and Wages	1,048,394.38	1,158,394.38	1,072,976.94		85,417.44		
Other Expenses	266,030.00	266,030.00	182,213.52	33,637.46	50,179.02		

See accompanying notes to financial statements.

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	Appropriations		Expended				
	Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	Overexpended	Canceled
OPERATIONS - WITHIN "CAPS" (Continued):							
City Clerk's Office							
Salaries and Wages	$ 563,064.16	$ 654,064.16	$ 647,518.19		$ 6,545.97		
Other Expenses	153,000.00	128,000.00	124,131.56	$ 3,399.48	468.96		
City Clerk Election							
Salaries and Wages	42,000.00	22,000.00	17,500.00	125.00	4,375.00		
Other Expenses	27,700.00	47,700.00	44,747.23	60.47	2,892.30		
Department of Finance							
Salaries and Wages	261,486.36	281,486.36	279,059.30		2,427.06		
Other Expenses	360,000.00	360,000.00	357,648.72	2,343.33	7.95		
Claim Administration Fee	105,000.00	105,000.00	77,907.60		27,092.40		
Unemployment Insurance	180,000.00	180,000.00	239,436.20			$ 59,436.20	
Group Insurance for Employees	13,913,034.00	14,852,034.00	14,860,854.85	16,954.23	321,015.14	346,790.22	
Insurance Claim Fund - Workers Compensation	2,400,000.00	2,775,000.00	2,721,058.50		53,941.50		
Health Benefit Waiver	275,000.00	275,000.00	275,458.34			458.34	
Miscellaneous Insurance	10,000.00	10,000.00	7,725.00		2,275.00		
Insurance Claim Fund (Auto & General)	1,200,000.00	1,575,000.00	1,875,428.65			300,428.65	
City Insurance Premium	2,400,000.00	2,400,000.00	2,728,300.22			328,300.22	
Short Term Insurance	375,000.00	375,000.00	200,041.58		174,958.42		
Division of Accounts & Controls							
Salaries & Wages	234,821.73	234,821.73	234,715.21		106.52		
Other Expenses	3,800.00	3,800.00	3,630.86		169.14		
Division of Treasury							
Salaries and Wages	446,071.78	486,071.78	484,372.01		1,699.77		
Other Expenses	4,000.00	9,750.00	5,891.00	3,750.00	109.00		
Division of Tax Collection & Revenue							
Salaries and Wages	528,727.36	528,727.36	563,270.45			34,543.09	
Other Expenses	73,000.00	73,000.00	28,145.89	22,552.83	22,301.28		
Division of Property Taxation							
Salaries and Wages	509,825.07	509,825.07	469,506.06		40,319.01		
Other Expenses	297,000.00	297,000.00	267,370.23	1,947.33	27,682.44		
Department of Law							
Salaries and Wages	1,278,877.56	1,208,877.56	1,196,733.52		12,144.04		
Other Expenses	255,500.00	325,500.00	273,878.12	24,269.28	27,352.60		
Special Prosecutors							
Other Expenses	1,300.00	1,300.00	675.00		625.00		
Engineering Fees							
Other Expenses	100,000.00	92,000.00			92,000.00		
Municipal Court							
Salaries and Wages	2,383,528.69	2,383,528.69	2,246,157.69		137,371.00		
Other Expenses	203,900.00	203,900.00	158,038.18	34,508.64	11,353.18		
DEPARTMENT OF PUBLIC WORKS							
Office of Director							
Salaries and Wages	744,181.56	816,181.56	810,399.84		5,781.72		
Other Expenses	85,100.00	135,100.00	65,236.05	65,516.67	4,347.28		
Streets & Road Division							
Salaries and Wages	2,540,727.58	2,540,727.58	2,758,160.12			217,432.54	
Other Expenses	1,134,000.00	1,153,000.00	1,093,421.99	59,578.01			

See accompanying notes to financial statements.

CITY OF EAST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

A-3
Sheet # 3

	Appropriations		Expended				
	Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	Overexpended	Canceled
OPERATIONS - WITHIN "CAPS" (Continued):							
Snow & Ice removal							
Salaries and Wages	$ 50,000.00	$ 10,000.00			$ 10,000.00		
Other Expenses	131,000.00	371,000.00	$ 353,293.69	$ 240.32	17,465.99		
Plan & Construction Division							
Salaries and Wages	543,186.54	479,186.54	474,624.62		4,561.92		
Other Expenses	107,000.00	67,000.00	41,064.18	23,233.24	2,702.58		
Traffic Engineering Division							
Salaries and Wages	204,199.75	215,199.75	213,748.70		1,451.05		
Other Expenses	83,000.00	83,000.00	65,756.21	41,143.67		$ 23,899.88	
Employee Safety Program							
Other Expenses	500.00	500.00	-		500.00		
East Orange Golf Course							
Salaries and Wages	748,488.95	738,488.95	731,069.81		7,419.14		
Other Expenses	653,000.00	568,000.00	503,222.84	64,306.68	470.48		
Sanitation							
Street Cleaning							
Salaries and Wages	623,653.80	383,653.80	362,614.57		21,039.23		
Other Expenses	51,000.00	51,000.00	(4,425.70)	1,650.00	53,775.70		
Garbage & Trash Removal - Solid Waste							
Salaries and Wages	179,481.74	189,481.74	187,862.64		1,619.10		
Other Expenses	8,127,337.00	7,377,337.00	4,789,634.71	741,367.58	1,846,334.71		
Public Buildings & Grounds							
Salaries and Wages	1,159,179.99	1,099,179.99	1,094,498.52		4,681.47		
Other Expenses	1,395,000.00	1,405,000.00	1,088,936.66	249,200.24	66,863.10		
DEPARTMENT OF PUBLIC WORKS							
Garage Division							
Salaries and Wages	629,728.03	579,728.03	579,621.51		106.52		
Other Expenses	649,000.00	709,000.00	532,085.38	166,147.52	10,767.10		
Parks Maintenance							
Salaries and Wages	682,038.84	722,038.84	711,779.35		10,259.49		
Other Expenses	100,000.00	100,000.00	72,747.18	22,822.13	4,430.69		
PUBLIC SAFETY							
Directors office							
Salaries and Wages	331,713.48	331,713.48	331,158.18		555.30		
Other Expenses	7,200.00	7,200.00	2,573.22	325.00	4,301.78		
Department of Fire							
Salaries and Wages	21,062,810.73	20,512,810.73	20,493,953.67		18,857.06		
Other Expenses	895,000.00	822,000.00	625,590.33	182,182.54	14,227.13		
Animal Control							
Salaries and Wages	332,200.58	332,200.58	326,990.11		5,210.47		
Other Expenses	44,000.00	44,000.00	28,295.25	2,824.05	12,880.70		
Office of Emergency Management							
Salaries and Wages	30,000.00	20,000.00	15,000.00		5,000.00		
Other Expenses	47,000.00	47,000.00	27,304.25	15,864.57	3,831.18		

See accompanying notes to financial statements.

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

A-3
Sheet # 4

	Appropriations		Expended				
	Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	Overexpended	Canceled
OPERATIONS - WITHIN "CAPS" (Continued):							
Uniform Safety Act							
Salaries and Wages	$ 74,000.00	$ 74,000.00			$ 74,000.00		
Department of Police							
Salaries and Wages	24,700,000.00	25,393,000.00	$ 25,621,732.95	$ 9,329.40		$ 238,062.35	
Other Expenses	1,845,000.00	1,695,000.00	1,082,408.00	448,679.16	163,912.84		
School Traffic Guards							
Salaries and Wages	888,320.13	713,320.13	670,045.25		43,274.88		
Other Expenses	15,000.00	15,000.00	11,931.99	400.00	2,668.01		
DEPARTMENT OF HEALTH & HUMAN SERVICES							
Office of Director							
Salaries and Wages	1,360,822.57	985,822.57	744,900.33		240,922.24		
Other Expenses	210,200.00	210,200.00	80,774.60	31,029.71	98,395.69		
Division of Health Services							
Salaries and Wages	176,300.00	176,300.00	125,815.44		50,484.56		
Other Expenses	1,500.00	1,500.00	1,172.53		327.47		
Environmental Health							
Salaries and Wages	382,211.37	427,211.37	425,275.40		1,935.97		
Other Expenses	5,400.00	5,400.00	2,798.00	457.67	2,144.33		
Division of Weights & Measures							
Salaries and Wages	182,295.95	153,295.95	150,190.46		3,105.49		
HIV Counseling							
Salaries and Wages	22,169.22	22,169.22	1,852.64		20,316.58		
Other Expenses	5,000.00	5,000.00	1,401.00		3,599.00		
Public Health Nursing							
Salaries and Wages	443,283.28	443,283.28	432,788.11		10,495.17		
Other Expenses	4,000.00	4,800.00	8,318.84			3,518.84	
Substance Abuse							
Salaries and Wages	779,594.77	779,594.77	709,775.07		69,819.70		
Other Expenses	234,000.00	234,000.00	120,077.10	3,502.61	110,420.29		
Vital Statistics							
Salaries and Wages	259,716.77	239,966.77	235,039.75		4,927.02		
Other Expenses	3,500.00	3,500.00	3,702.55			202.55	

See accompanying notes to financial statements.

CITY OF EAST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

A-3
Sheet # 5

	Appropriations		Expended				
OPERATIONS - WITHIN "CAPS" (Continued):	Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	Overexpended	Canceled
Emergency Medical Service	$ 762,000.00	$ 762,000.00	$ 760,000.20		$ 1,999.80		
Essex Regional Health Commission	35,000.00	35,000.00			35,000.00		
Division of Senior Citizens							
Salaries and Wages	1,578,969.41	1,178,969.41	1,162,735.88		16,233.53		
Other Expenses	96,000.00	121,000.00	115,267.86	$ 3,161.01	2,571.13		
Division of Employment & Training							
Salaries and Wages	1,675,001.23	1,675,001.23	1,641,138.67		33,862.56		
Other Expenses	356,000.00	340,000.00	335,528.88	4,447.17	23.95		
Lead Poisoning							
Salaries and Wages	119,059.48	79,059.48	74,063.95		4,995.53		
DEPARTMENT OF RECREATION & CULTURAL AFFAIRS							
Directors Office							
Salaries and Wages	541,213.20	541,213.20	491,308.65		49,904.55		
Other Expenses	183,000.00	183,000.00	105,455.56	520.28	77,024.16		
Instructional & Recreational Leaders							
Salaries and Wages	1,441,598.19	1,441,598.19	1,398,771.84		42,826.35		
Other Expenses	33,000.00	33,000.00	16,889.95	55.23	16,054.82		
Day Camp Program							
Salaries and Wages	150,000.00	235,000.00	213,463.66		21,536.34		
Other Expenses	38,100.00	38,100.00	27,526.84	963.00	9,610.16		
WIC Supplemental Food Program							
Salaries and Wages	65,520.43	520.43			520.43		
Swimming Pool Program							
Salaries and Wages	235,000.00	235,000.00	198,687.75		36,312.25		
Other Expenses	700.00	700.00	470.82		229.18		
Division of Neighborhood Facilities							
Salaries and Wages	180,443.91	180,443.91	94,759.55		85,684.36		
Other Expenses	21,000.00	21,000.00	14,246.08	3,843.24	2,910.68		
STATE UNIFORM CONSTRUCTION CODE							
Construction Official							
Salaries and Wages	328,840.33	328,840.33	357,713.93			$ 28,873.60	
Other Expenses	14,300.00	14,300.00	11,731.26	1,029.04	1,539.70		
Division of Building							
Salaries and Wages	869,294.48	796,294.48	780,599.43		15,695.05		
Other Expenses	31,000.00	31,000.00	19,907.36	1,267.37	9,825.27		
Code Enforcement							
Salaries and Wages	1,518,278.74	1,280,478.74	1,252,628.33		27,850.41		
Other Expenses	207,000.00	194,000.00	102,049.24	25,263.39	66,687.37		
Vacant & abandoned Properties							
Salaries and Wages	208,531.90	210,531.90	209,701.99		829.91		
Other Expenses	3,400.00	3,400.00	931.04	100.00	2,368.96		
Unclassifieds							
Salary Adjustments	10,000.00	10,000.00	5,191.96		4,808.04		
Accumulated Absence Liabilities	750,000.00	750,000.00	607,954.27		142,045.73		
Bond and Note Sales Expense	56,000.00	56,000.00	27,375.00		28,625.00		
OPERATIONS WITHIN CAP	122,745,716.02	122,745,716.02	117,189,991.81	2,770,547.17	5,113,835.85	2,328,658.81	
Contingent	25,000.00	25,000.00			25,000.00		
OPERATIONS WITHIN CAP INCLUDING CONTINGENT	122,770,716.02	122,770,716.02	117,189,991.81	2,770,547.17	5,138,835.85	2,328,658.81	
Salaries and Wages	80,596,265.02	79,578,415.02	78,654,115.22	9,454.40	1,448,555.97	533,710.57	
Other Expenses	42,174,451.00	43,192,301.00	38,535,876.59	2,761,092.77	3,690,279.88	1,794,948.24	
	122,770,716.02	122,770,716.02	117,189,991.81	2,770,547.17	5,138,835.85	2,328,658.81	
DEFERRED CHARGES							
Prior Years Bills	15,375.07	15,375.07	9,797.77	1,637.50			$ 3,939.80
Over Expenditure- Appropriation Reserve	124,372.25	124,372.25	124,372.25				
Over Expenditure-Grant Appropriated Reserve	60,112.17	60,112.17	59,082.17				1,030.00
	199,859.49	199,859.49	193,252.19	1,637.50			4,969.80
STATUTORY EXPENDITURES							
Public Employees' Retirement System	5,091,065.47	5,091,065.47	5,021,413.83		69,651.64		
Social Security System (O.A.S.I.)	3,400,000.00	3,400,000.00	3,516,088.90			116,088.90	
Police and Fire Retirement System	14,339,405.75	14,339,405.75	14,339,405.75				
Defined Contribution Retirement Program (DCRP)	120,000.00	120,000.00	117,197.16		2,802.84		
	22,950,471.22	22,950,471.22	22,994,105.64		72,454.48	116,088.90	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	145,921,046.73	145,921,046.73	140,377,349.64	2,772,184.67	5,211,290.33	2,444,747.71	4,969.80

See accompanying notes to financial statements.

CITY OF EAST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

A-3
Sheet # 6

	Appropriations		Expended				
	Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	Overexpended	Canceled
OPERATIONS EXCLUDED FROM CAP							
Maintenance of Free Public Library	$ 4,289,000.00	$ 4,289,000.00	$ 4,181,309.01	$ 377.88	$ 107,313.11		
Reserve for Tax Appeals	20,000.00	20,000.00			20,000.00		
Garbage and Trash Removal	667,463.00	667,463.00	667,463.00				
Public & Private Programs Offset by Revenues:							
Ending the Epidemic (EHE) Program Grant - Strengthening Local Public Health Capacity		74,664.00	74,664.00				
County of Essex - HOME Friends		288,000.00	288,000.00				
Emergency Management Performance Grant		10,000.00	10,000.00				
Enhancing Health Infrastructure Grant		168,049.00	168,049.00				
Child and Adult Care Food Program		2,842,866.00	2,842,866.00				
Body Armor Replacement Fund	11,633.93	11,633.93	11,633.93				
Municipal Alliance Drug Abuse	11,321.27	11,321.27	11,321.27				
Municipal Alliance Drug Abuse - Local Share	2,830.32	2,830.32	2,830.32				
Clean Communities		145,225.05	145,225.05				
NJDOT - Transportation Trust Fund		1,006,082.00	1,006,082.00				
Ryan White Ending the HIV Epidemic		121,070.00	121,070.00				
Local Recreation Improvement Grant		69,000.00	69,000.00				
Substance Abuse Treatment Program Grant		23,370.00	23,370.00				
Childhood Lead Poisoning		630,294.00	630,294.00				
Recycling Tonnage Grant	101,348.98	101,348.98	101,348.98				
Summer Food Program	227,524.50	227,524.50	227,524.50				
HOME Investment Program		469,055.28	469,055.28				
United Way of Newark - MOET Vita Tax Program	3,000.00	3,000.00	3,000.00				
COPS - Federal Share	1,250,000.00	1,250,000.00	1,250,000.00				
COPS - Local Share	763,750.00	763,750.00	763,750.00				
WIC Supplemental Food Program		1,407,754.00	1,407,754.00				
Growing Tennis Together Grant	3,000.00	6,500.00	6,500.00				
HUD Lead Hazard - Federal Share	4,801,958.60	4,801,958.60	4,801,958.60				
HUD Lead Hazard - Local Share	483,943.72	483,943.72	483,943.72				
Vaccination Supplemental Grant	20,000.00	20,000.00	20,000.00				
DHSTS State HIV Services 2024	260,000.00	520,000.00	520,000.00				
UEZ Cops on the Shopping Blocks	206,017.00	206,017.00	206,017.00				
UEZ Admin. Budget FY24	188,000.00	188,000.00	188,000.00				
ARP Firefighter Grant	70,000.00	70,000.00	70,000.00				
Stormwater Assistance Grant	15,000.00	15,000.00	15,000.00				
FY 2024 PSAP Grant	2,064,813.35	2,064,813.35	2,064,813.35				
Distracted Driving	7,000.00	7,000.00	7,000.00				
UEZ Revolving Loan Fund		350,000.00	350,000.00				
UEZ Professional Development		177,000.00	177,000.00				
UEZ Promotional and Marketing		60,000.00	60,000.00				
Community Development Block Grant		1,414,194.00	1,414,194.00				
Ending the Epidemic	166,600.00	166,600.00	166,600.00				
Click it or Ticket	7,000.00	7,000.00	7,000.00				
Coronavirus State and Local Fiscal Recovery	7,000,000.00	7,000,000.00	7,000,000.00				
National Opioid Settlement Proceeds	780,831.73	1,354,347.86	1,354,347.86				
	18,445,573.40	28,539,212.86	28,539,212.86				
CAPITAL IMPROVEMENTS							
Capital Improvement Fund	500,000.00	500,000.00	500,000.00				
	500,000.00	500,000.00	500,000.00				
MUNICIPAL DEBT SERVICE							
Payment of Bond Principal	2,867,576.00	2,867,576.00	2,867,576.00				
Payment of Bond Anticipation Notes & Capital Notes	559,000.00	559,000.00	559,000.00				
Interest on Bonds	1,446,511.25	1,446,511.25	1,446,511.25				
Interest on Notes	1,664,017.53	1,664,017.53	1,654,676.72				$ 9,340.81
Green Acres Loan Repayments for Principal & Interest	61,670.21	61,670.21	61,669.98				0.23
Capital Lease Obligations	264,606.96	264,606.96	264,606.96				
Interest on Special Emergency Notes	17,325.00	17,325.00	17,325.00				
Garden State Preservation Loan (P&I)	18,944.38	18,944.38	18,944.38				
	6,899,651.33	6,899,651.33	6,890,310.29				9,341.04
DEFERRED CHARGES TO FUTURE TAXATION							
Emergency Authorizations	1,348,700.00	1,348,700.00	1,348,700.00				
Special Emergency - 5 Years	165,000.00	165,000.00	165,000.00				
	1,513,700.00	1,513,700.00	1,513,700.00				
TOTAL OPERATIONS EXCLUDED FROM CAP	32,335,387.73	42,429,027.19	42,291,995.16	377.88	127,313.11		9,341.04
TRANSFERRED TO BOARD OF EDUCATION	146,587.00	146,587.00	146,587.00				
TOTAL GENERAL APPROPRIATIONS EXCLUDED FROM CAP	32,481,974.73	42,575,614.19	42,438,582.16	377.88	127,313.11	-	9,341.04
SUBTOTAL GENERAL APPROPRIATIONS	178,403,021.46	188,496,660.92	182,815,931.80	2,772,562.55	5,338,603.44	$ 2,444,747.71	14,310.84
RESERVE FOR UNCOLLECTED TAXES	6,726,000.00	6,726,000.00	6,726,000.00				
TOTAL GENERAL APPROPRIATIONS	$ 185,129,021.46	$ 195,222,660.92	$ 189,541,931.80	$ 2,772,562.55	$ 5,338,603.44	$ 2,444,747.71	$ 14,310.84

See accompanying notes to financial statements.

CITY OF EAST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	Appropriations		Expended				
	Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	Overexpended	Canceled
Adopted budget	$ 185,129,021.46						
Chapter 159s	10,093,639.46						
Canceled	(14,310.84)						
Overexpenditures	2,444,747.71						
Reserve for Uncollected Taxes	(6,726,000.00)						
	$ 190,927,097.79						
Adopted budget		$ 185,129,021.46					
Chapter 159s		10,093,639.46					
		$ 195,222,660.92					
Cash disbursed			$ 148,840,002.61				
Reserve for uncollected taxes			6,726,000.00				
Due from State of New Jersey - Qualified Bonds			3,739,561.91				
Reserve for grant expenditures - appropriated			28,539,212.86				
Deferred charges - Overexpenditure of Appropriation			124,372.25				
Deferred charges - Overexpenditure of Grant Reserve			59,082.17				
Deferred charges - Emergency Authorization			1,348,700.00				
Deferred charges - special emergency authorizations			165,000.00				
			$ 189,541,931.80				

See accompanying notes to financial statements.

CITY OF EAST ORANGE
TRUST FUND

B
Sheet# 1

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2024 AND 2023

ASSETS	2024	2023
ANIMAL CONTROL FUND:		
Cash	$ 8,809.49	$ 7,922.34
	8,809.49	7,922.34
TAX REDEMPTION FUND		
Cash	1,029,227.95	801,182.82
Interfund Receivable	0.01	
	1,029,227.96	801,182.82
GENERAL TRUST FUND:		
Cash	15,799,122.21	15,666,925.70
Interfund Receivable	28,516.90	21,980.72
	15,827,639.11	15,688,906.42
COMMUNITY DEVELOPMENT TRUST FUND		
Cash	57,805.47	
Due from H.U.D.	5,006,288.77	5,774,286.43
Interfunds Receivable	263,231.36	263,231.36
	5,327,325.60	6,037,517.79
SELF INSURANCE FUND		
Cash	1,062,560.47	1,015,414.57
	1,062,560.47	1,015,414.57
HOME LOAN PROGRAM FUND		
Cash	620,614.47	519,204.75
Due from H.U.D.	5,295,799.59	4,935,908.79
Other Loans Receivable	4,122,488.00	3,916,488.00
	10,038,902.06	9,371,601.54
TOTAL ASSETS	$ 33,294,464.69	$ 32,922,545.48

See accompanying notes to financial statements.

CITY OF EAST ORANGE
TRUST FUND

B
Sheet# 2

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2024 AND 2023

LIABILITIES, RESERVES AND FUND BALANCE	2024	2023
ANIMAL CONTROL FUND		
Reserve for Expenditures	$ 4,039.11	$ 7,900.14
Interfunds Payable	4,754.18	
Due to State of New Jersey	16.20	22.20
	8,809.49	7,922.34
TAX REDEMPTION FUND		
Reserve for Expenditures	1,029,227.96	801,182.82
	1,029,227.96	801,182.82
GENERAL TRUST FUND		
Reserve for:		
Other Deposits	14,553,044.88	14,211,464.50
Salary Account	129,972.59	26,312.41
Payroll and Deductions	1,144,621.64	1,451,129.51
	15,827,639.11	15,688,906.42
COMMUNITY DEVELOPMENT TRUST FUND		
Cash Deficit		4,769.00
Reserve for Community Development	5,327,325.60	6,032,748.79
	5,327,325.60	6,037,517.79
SELF INSURANCE FUND		
Reserve for:		
Workers Compensation	738,469.78	706,895.58
Auto/General Liability	292,154.48	277,905.20
AFLAC Flex Plus	31,936.21	30,613.79
	1,062,560.47	1,015,414.57
HOME LOAN PROGRAM FUND		
Reserve for:		
Interfunds Payable	95,201.00	95,201.00
Program Expenditures	5,738,837.06	5,277,536.54
Loans Receivable	4,122,488.00	3,916,488.00
UDAG Expenditures	82,376.00	82,376.00
	10,038,902.06	9,371,601.54
TOTAL LIABILITIES AND RESERVES	$ 33,294,464.69	$ 32,922,545.48

See accompanying notes to financial statements.

CITY OF EAST ORANGE
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2024 AND 2023

ASSETS	2024	2023
Cash	$ 9,412,919.82	$ 27,098,792.12
Loans Receivable	11,500.00	11,500.00
Grant Receivable	354,006.34	2,369,166.21
Interfund Receivable	10,316,250.02	498,289.78
Deferred Charges to Future Taxation:		
Funded	31,165,498.90	20,945,179.80
Unfunded	64,000,310.44	70,454,982.44
	$ 115,260,485.52	$ 121,377,910.35
LIABILITIES AND FUND BALANCE		
Serial Bonds Payable	$ 30,385,348.00	$ 20,102,924.00
Bond Anticipation Notes	25,240,900.00	31,695,572.00
Reserve to Pay Bonds and Notes	2,015,159.87	272,857.23
Green Acres Trust Loan Payable:		
General	620,526.27	669,056.80
Garden State Preservation Loan Payable	258,302.63	271,877.00
Improvement Authorizations:		
Funded	4,538,291.53	3,499,683.22
Unfunded	38,711,936.19	36,050,022.59
Encumbrances Payable	11,709,388.30	25,700,795.06
Reserves for:		
Capital Improvement Fund	375,900.00	257,000.00
Future Improvements	11,513.79	11,513.79
Grants Receivable	354,006.34	2,369,166.21
Fund Balance	1,039,212.60	477,442.45
	$ 115,260,485.52	$ 121,377,910.35
Bonds and Notes Authorized But Not Issued	$ 38,937,317.00	$ 38,937,317.00

See accompanying notes to financial statements.

CITY OF EAST ORANGE
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

Balance, December 31, 2023	$ 477,442.45
Increased by:	
Premium on Sale of Bonds and Notes	561,770.15
Balance, December 31, 2024	$ 1,039,212.60

See accompanying notes to financial statements.

CITY OF EAST ORANGE
WATER UTILITY FUND

D
Sheet #1

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2024 AND 2023

Assets	2024	2023
Operating Fund:		
Cash - Checking	$ 26,882,388.35	$ 27,608,056.85
	26,882,388.35	27,608,056.85
Receivables and Other Assets with Full Reserves:		
Consumer Accounts Receivable	5,520,374.06	5,404,323.83
Prepaid Debt Service		109,846.88
Inventory - Materials & Supplies	1,754,445.78	831,777.60
	7,274,819.84	6,345,948.31
Interfund Receivable	109,051.97	19,018.28
	109,051.97	19,018.28
Deferred Charges:		
Overexpenditure of Appropriation	38,319.86	44,828.59
	38,319.86	44,828.59
Total Operating Fund	34,304,580.02	34,017,852.03
Capital Fund:		
Cash - Checking	4,862,029.34	2,527,450.92
Fixed Capital	77,148,603.60	74,136,948.25
Fixed Capital Authorized and Uncompleted	72,162,225.78	72,162,225.78
NJIB Interim Financing Receivable	1,399,291.00	1,594,317.00
Interfund Receivable		58,896.65
Total Capital Fund	155,572,149.72	150,479,838.60
Total Assets	$ 189,876,729.74	$ 184,497,690.63

See accompanying notes to financial statements.

CITY OF EAST ORANGE
WATER UTILITY FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2024 AND 2023

Liabilities, Reserves and Fund Balance	2024	2023
Operating Fund:		
Appropriation Reserves:		
Encumbered	$ 4,070,740.19	$ 1,004,097.79
Unencumbered	2,834,801.50	5,799,807.52
Accounts Payable	1,967,142.78	2,851,836.65
Due to ILSA East Newark	485,645.93	1,164,116.45
Accrued Interest on Bonds and Loans	258,931.58	211,027.63
Reserve for Retirement	579,874.40	579,874.40
Reserve for Labor Union Negotiations	90,026.90	90,026.90
Reserve for Healthcare	15,000.00	15,000.00
Interfunds Payable	181,423.19	58,896.65
	10,483,586.47	11,774,683.99
Reserve for Receivables	7,274,819.84	6,345,948.31
Fund Balance	16,546,173.71	15,897,219.73
Total Operating Fund	34,304,580.02	34,017,852.03
Capital Fund:		
Serial Bonds Payable	6,270,000.00	8,320,000.00
N.J. I-Bank Loan Payable	23,684,251.20	9,044,153.30
NJIB Interim Financing Payable		12,811,975.00
Improvement Authorizations:		
Funded	4,502,437.88	3,385,737.82
Unfunded	32,675,133.41	30,813,906.82
Contracts Payable	328,120.82	5,029,504.67
Interfunds Payable	109,051.97	
Capital Improvement Fund	3,682,235.50	3,232,235.50
Reserve for Capital Improvements	238,485.00	238,485.00
Reserve for Amortization	62,030,969.40	56,042,406.95
Deferred Reserve for Amortization	19,823,419.78	19,823,419.78
Reserve for Payment of Debt	690,188.00	5,131.00
Reserve for NJIB Interim Financing Receivable	1,399,291.00	1,594,317.00
Fund Balance	138,565.76	138,565.76
Total Capital Fund	155,572,149.72	150,479,838.60
Total Liabilities, Reserves and Fund Balances	$ 189,876,729.74	$ 184,497,690.63
Bonds and Notes Authorized but Not Issued	$ 37,502,189.00	$ 40,257,219.00

See accompanying notes to financial statements.

CITY OF EAST ORANGE
WATER UTILITY FUND

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Revenue and Other Income:		
Surplus Anticipated	$ 7,076,911.62	$ 2,084,412.66
Water and Sewer Rents	24,500,356.25	24,807,122.37
Miscellaneous Revenues	1,855,202.67	1,051,269.54
Other Credits to Income:		
Cancellation of Accounts Payable		213,750.67
Cancellation of Accrued Interest	300,920.09	102,221.61
Unexpended Balance of Appropriation Reserves	5,068,566.73	1,615,514.72
	38,801,957.36	29,874,291.57
Expenditures:		
Budget Appropriations		
Salaries & Wages	5,671,726.00	4,804,260.34
Other Expenses	13,166,049.00	12,596,178.16
Deferred Charges & Statutory Expenditures	987,243.12	803,246.49
Capital Improvement Fund	7,510,000.00	4,425,000.00
Debt Service	3,779,393.50	3,241,087.51
	31,114,411.62	25,869,772.50
Excess in Revenues	7,687,545.74	4,004,519.07
Adjustments To Income Before Fund Balance:		
Charges Included Above Which Are by Statute		
Deferred Charges to Budget of Succeeding Years:		
Overexpenditure of Appropriation	38,319.86	44,828.59
	38,319.86	44,828.59
Statutory Excess to Fund Balance	7,725,865.60	4,049,347.66
Fund Balance, Beginning of Year	15,897,219.73	13,932,284.73
	23,623,085.33	17,981,632.39
Fund Balance Utilized	7,076,911.62	2,084,412.66
Fund Balance, End of Year	$ 16,546,173.71	$ 15,897,219.73

See accompanying notes to financial statements.

CITY OF EAST ORANGE
WATER UTILITY FUND

D-2

STATEMENT OF CAPITAL FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

Balance, December 31, 2024 and 2023	$ 138,565.76

See accompanying notes to financial statements.

CITY OF EAST ORANGE
WATER UTILITY FUND

D-3

STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

Source	Budget	Realized	Excess
Surplus Anticipated	$ 7,076,911.62	$ 7,076,911.62	
Water and Sewer Rents	24,250,000.00	24,500,356.25	$ 250,356.25
Miscellaneous Revenues		1,855,202.67	1,855,202.67
	$ 31,326,911.62	$ 33,432,470.54	$ 2,105,558.92

Analysis of Miscellaneous Revenues	
Cash Receipts	$ 1,687,254.05
Due from Water Capital Fund	167,948.62
	$ 1,855,202.67

See accompanying notes to financial statements.

CITY OF EAST ORANGE
WATER UTILITY FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	Appropriation Budget	Balance After Transfer	Paid or Charged	Reserved Encumbered	Reserved Unencumbered	Overexpended	Unexpended Balance Canceled
Operating:							
Salaries and Wages	$ 6,171,726.00	$ 5,671,726.00	$ 4,858,103.41		$ 813,622.59		
Other Expenses	12,666,049.00	13,166,049.00	11,750,970.33	$ 1,328,255.95	86,822.72		
Deferred charges and statutory expenditures:							
Overexpenditure - Appropriations	44,828.59	44,828.59	44,828.59				
Contribution to PERS	503,747.53	503,747.53	503,747.53				
Contribution to Social Security	438,667.00	438,667.00	353,854.60	43,514.05	41,298.35		
Capital Outlay:							
Capital Improvement Fund	450,000.00	450,000.00	450,000.00				
Capital Outlay	7,060,000.00	7,060,000.00	2,467,971.97	2,698,970.19	1,893,057.84		
Debt Service:							
Payment of Bond Principal	2,262,500.00	2,050,000.00	2,050,000.00				
Interest on Bonds	868,693.76	868,693.76	617,873.90				$ 250,819.86
Principal on NJ I-Bank	676,087.24	888,587.24	926,907.10			$ 38,319.86	
Interest on NJ I-Bank	184,612.50	184,612.50	184,612.50			-	
	$ 31,326,911.62	$ 31,326,911.62	$ 24,208,869.93	$ 4,070,740.19	$ 2,834,801.50	$ 38,319.86	$ 250,819.86

	Paid or Charged	Reserved Encumbered
Cash Disbursements	$ 23,361,554.94	
Encumbrances Payable		$ 4,070,740.19
Deferred Charges	44,828.59	
Accrued Interest	802,486.40	-
	$ 24,208,869.93	$ 4,070,740.19

See accompanying notes to financial statements.

CITY OF EAST ORANGE
GOVERNMENTAL FIXED ASSETS

E

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2024 AND 2023

ASSETS	December 31, 2024	December 31, 2023
Land	$ 2,356,761.14	$ 2,356,761.14
Land Improvements	8,079,279.04	8,079,279.04
Buildings	25,854,250.45	25,753,145.45
Machinery and Equipment	35,187,983.41	32,591,085.61
	$ 71,478,274.04	$ 68,780,271.24
Investment in Governmental Fixed Assets	$ 71,478,274.04	$ 68,780,271.24

See accompanying notes to financial statements.

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City of East Orange (the "City") operates under a Mayor/Council form of government. The City's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB Statement No. 14 as amended by GASB No. 61 establishes certain standards for defining and reporting on the financial reporting entity. In accordance with these standards, the reporting entity should include the primary government and those component units, which are fiscally accountable to the primary government.

Basic Financial Statements

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 the provisions of N.J.S.A. 40A:5-5. The financial statements, however, do not include the operations of the Municipal Library, which is a separate entity subject to a separate examination.

The Governmental Accounting Standards Board and subsequent Codification (collectively, "GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles for state and local governments. The GASB establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The accounting policies of the City conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a Special Purpose Framework of accounting other than generally accepted accounting principles. 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 City accounts for its financial transactions through the separate funds, which differ from the fund structure required by GAAP.

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

The City has the following funds and account groups:

- Current Fund – This fund is used to account for resources and expenditures for governmental operations of a general nature, including Federal and State grants which are reflected in a segregated section of the Current Fund.

- Trust Funds – The records of receipts, disbursements and custodianship of monies in accordance with the purpose for which each account was created are maintained in Trust Funds. These include the Animal License Fund, Tax Redemption Fund, Other Trust Fund, Community Development Block Grant Fund, Home Loan Program Fund, and the Self-Insurance Fund.

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- General Capital Fund – This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund, as well as the long-term debt accounts.

- Water Utility Fund – This fund is used to account for the revenues and expenditures for the operation of the City's Water Utility activities and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities for the Water Utility, as well as the related long-term debt accounts, is accounted for in the capital section of the fund.

- Governmental Fixed Assets – This account group is used to account for all general fixed assets of the City other than those accounted for in the Water Utility Fund. The City's infrastructure is not reported in the account group.

Basis of Accounting and Measurement Focus

The basis of accounting as prescribed by the Division of Local Government Services for its operating funds is generally a modified cash basis for revenue recognition and a modified accrual basis for expenditures. The operating funds utilize a "current financial resources" measurement focus. The accounting principles and practices prescribed or permitted for municipalities by the Division ("regulatory basis of accounting"), differ in certain respects from US GAAP applicable to local government units. The most significant is the reporting of entity-wide financial statements, which are not presented in the accounting principles prescribed by the Division. The other more significant differences are as follows:

Miscellaneous Revenues – Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are subject to accrual are recorded with offsetting reserves on the balance sheet of the City's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become subject to accrual.

Grant Revenues – Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the City budget. GAAP requires such revenues to be recognized in the accounting period when they are earned and the expenditures to be recognized when the liability is incurred.

Property Tax Revenues – Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of $1,500.00. The City also imposes a 6% year end penalty for a delinquency over $10,000.00 as of December 31. The School levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the City. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on May 1 in the year following the calendar year levy when the same became in arrears, the collector of the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a tax sale. The City institutes annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of the property. In accordance with the accounting principles prescribed by the Division, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become subject to accrual, reduced by an allowance for doubtful accounts.

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budget and Budgetary Accounting – An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the City and approved by the Division per N.J.S.A. 40A:4 et seq. The City is not required to adopt budgets for the following funds:

- General Capital Funds
- Trust Funds

The governing body shall introduce and approve the annual budget no later than February 10 of the year. The budget shall be adopted not later than April 20 and prior to adoption must be certified by the Division. The Director of the Division, with the approval of the Local Finance Board, may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year.

The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the Governing Body of the municipality. During the last two months of the year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level.

Expenditures – Are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31st are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31st are reported as expenditures through the establishment of appropriation reserves, unless cancelled by the Governing Body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances – Contractual orders outstanding at December 31st are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

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

Compensated Absences – Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. GAAP requires that liabilities for compensated absences be recorded for leave that has not been used when the leave is attributable to services already rendered and the leave is more likely than not to be used for time off or otherwise paid in cash. Compensated absences liabilities are not recorded on the balance sheet.

Property Acquired for Taxes – Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

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

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Fixed Assets – In accordance with the Administrative Code, Accounting for Governmental Fixed Assets, as promulgated by the Division, which differs in certain respects from GAAP, the City has developed a fixed asset accounting and reporting system.

Fixed assets used in governmental operations (capital fixed assets) are accounted for in the Capital Fixed Assets. Public domain ("infrastructure") capital 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.

Acquisitions of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual fixed asset record. Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established fixed assets are valued at cost.

Depreciation of assets is not recorded as an operating expense of the City.

Utility Fund Fixed Assets - Capital acquisitions, including utility infrastructure costs of the Water Utility, are recorded at cost upon purchase or project completion in the Fixed Capital Account of the Utility. The Fixed Capital Account is adjusted for dispositions or abandonments. The accounts include moveable fixed assets of the Utility, but are not specifically identified and are considered as duplicated in the Capital Fixed Assets. The duplication is considered as insignificant on its effect on the financial statements taken as a whole.

Utility improvements that may have been constructed by developers are not recorded as additions to Fixed Capital.

Fixed Capital of the Utilities are offset by accumulations in Amortization Reserve Accounts. The accumulations represent costs of fixed assets purchased with budgeted funds or acquired by gift, as well as grants, developer contributions or liquidations of related bonded debt and other liabilities incurred upon fixed asset acquisition.

The Fixed Capital Accounts reflected herein are as recorded in the records of the City and do not necessarily reflect the true condition of such Fixed Capital. The records consist of a control account only.

Inventories – An annual inventory of materials and supplies for the Water Utility is required by regulation, to be prepared by City personnel for inclusion on the Water Utility Operating Fund's balance sheet. Annual changes in valuations, offset with a Reserve Account, are not considered as affecting results of operations. The costs of inventories of supplies for other funds are recorded as expenditures at the time individual items are purchased and are not inventoried nor included on their respective balance sheets.

Cash and Investments – Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost and are limited by N.J.S.A. 40A:5-15.1 to bonds or obligations of, or guaranteed by, the Federal Government and bonds or other obligations of Federal or local its having a maturity date not more than twelve months from the date of purchase. GAAP requires that investments be reported at fair value.

Tax Appeal and Other Contingent Losses – Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body and not when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

Use of Estimates – The preparation of financial statements in accordance with accounting principles and practices prescribed by the Division requires management of the City to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Pension Liability and Pension Related Deferred Outflows of Resources and Deferred Inflows of Resources and Pension Expense – The requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68* require governmental entities to record their distributive shares of net pension liability, deferred outflows of resources, deferred inflows of resources and total pension related expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of these amounts. The audited financial information related to pensions is released annually by the State's Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements. Pursuant to N.J.A.C. 5:30-6.1 (c) 2, municipalities may use the most recent available audited GASB 68 financial information published by the New Jersey Department of the Treasury, Division of Pensions and Benefits. As of the date of audit, the 2024 Public Employees' Retirements System Report and the 2024 Police and Firemen's Retirement System Report were the most recent reports available and therefore information for that year was disclosed accordingly.

Other Post-Employment Benefits Other Than Pensions – The requirements of GASB Statement No.75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB) that is provided by other entities require governmental entities to record in their financial statements a share of the other governments net OPEB liability, deferred outflows of resources, deferred inflows of resources and total OPEB expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of the amounts. Since the City does not follow generally accepted accounting principles, the GASB did not result in a change in the City's assets, liabilities and contribution requirements. However, it did result in additional note disclosures as required by the GASB. The City maintains a sole-employer OPEB Plan. However, the City also participates in a special funding situation with the State of New Jersey multiple-employer plan. As it relates to the State of New Jersey multiple employer plan, the audited financial information related to OPEBs is released annually by the State's Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements. Pursuant to N.J.A.C. 5:30-6.1 (c) 2, municipalities may use the most recent available audited GASB 75 financial information published by the New Jersey Department of the Treasury, Division of Pensions and Benefits. As of the date of audit, the 2024 Report was the most recent report available and therefore information for that year was disclosed accordingly.

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

Recently Issued and Adopted Accounting Principle

The GASB issued Statement No. 100 "*Accounting Changes and Error Corrections*" in June 2022. This Statement will improve the clarity of accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023 and all reporting periods thereafter, with earlier application encouraged. The requirements of this Statement have been evaluated by the City and have been applied to the financial statements for the year ended December 31, 2024.

The GASB issued Statement No. 101 "*Compensated Absences*" in June 2022. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or settled through noncash means. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, with earlier application encouraged. The requirements of this Statement have been evaluated by the City and have been determined not to be applicable for the year ended December 31, 2024. The City will continue to follow policies and procedures promulgated by New Jersey Administrative Code 5:30-15.

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recently Issued and Adopted Accounting Principle (continued)

The GASB issued Statement No. 102 *"Certain Risk Disclosures"* December 2023. This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Management has not yet determined the impact of this Statement on the financial statements.

The GASB issued Statement No. 103, "*Financial Reporting Model Improvements*" in April 2024. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods thereafter. Management has not yet determined the impact of this Statement on the financial statements.

The GASB issued Statement No. 104, "*Disclosure of Certain Capital Assets*" in September 2024. The objective of this Statement is to provide users of governmental financial statements with essential information about certain types of capital assets, other intangible assets and assets held for sale. The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods thereafter. Management has not yet determined the impact of this Statement on the financial statements.

2. DEPOSITS AND INVESTMENTS

Deposits:

New Jersey Statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC) or any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

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

Based on GASB criteria, the City considers cash and cash equivalents to include petty cash, change funds, demand deposits, money market accounts, short-term investments and cash management money market mutual funds. The State of New Jersey Cash Management Fund (the "Fund") is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature or are redeemed within one year. Twenty-five percent of the fund may be invested in eligible securities which mature within two years provided, however, the average maturity of all investments in the Fund shall not exceed one year. Collateralization of fund investments is generally not required.

2. DEPOSITS AND INVESTMENTS (continued)

In addition, by regulation of the Division, municipalities are allowed to deposit funds in the Municipal Bond Insurance Association (MBIA) through their investment management company, the Municipal Investors Service Corporation.

In accordance with the provisions of the Governmental Unit Deposit Protection Act of New Jersey (GUDPA), public depositories are required to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds or;

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board 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.

Cash and cash equivalents have original maturities of three months or less from the date of purchase. Investments are stated at cost, which approximates fair value.

Bank balances are insured up to $250,000.00 in the aggregate by the FDIC for each bank for periods ending December 31, 2024 and 2023. At December 31, 2024 and 2023, the book value of the City's deposits was $111,014,512.23 and $129,200,129.33 respectively. $2,551,602.49 and $1,704,233.76 held in agency and payroll accounts for the years ended December 31, 2024 and 2023 and $5,046,131.04 held in the New Jersey Cash Management Fund for the year ended December 31, 2024, are not covered by GUDPA. The City's deposits, which are displayed on the various fund Balance Sheets are categorized as:

Depository Account	December 31, 2024	December 31, 2023
FDIC Insured	$ 1,000,000.00	$ 750,000.00
GUDPA Insured	103,306,252.13	129,718,112.47
	$ 104,306,252.13	$ 130,468,112.47

2. DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk – Deposits - Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Although the City does not have a formal deposit policy for custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in a public depositories protected from loss under the provisions of GUDPA. Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2024 and 2023, $7,597,733.53 and $1,704,233.76 of the City's bank balances, respectively, were exposed to custodial credit risk.

Investments:

New Jersey Statutes allow the City to purchase the following types of securities:

- Bonds or other obligations of the United States or obligations guaranteed by the United States.
- Government Money Market Mutual Funds.
- Any obligations that a federal agency or a federal instrumentality has issued, with 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.
- Bonds or other obligations of the City or bonds or other obligations of school districts, which are a part of the City or school districts located within the City.
- Bonds or other obligations having a maturity date of not more than 397 days from the date of purchase that are approved by the New Jersey Department of Treasury, Division of Investments.
- Local Government investment pools.
- Agreements for the repurchase of fully collateralized securities, if transacted in accordance with N.J.S.A. 40A:5-15.1 (8a-8e).

New Jersey Cash Management Fund:

In order to maximize liquidity, the City utilizes the New Jersey Cash Management Fund ("NJCMF"). The NJCMF is administered by the State of New Jersey, Department of the Treasury and issues a separate report that can be obtained directly from the Department of the Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. The pooled shares are equal to the value of the City's shares. These investments include U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit.

Agencies that participate in the NJCMF typically earn returns that mirror short-term investments rates. Monies can be freely added or withdrawn from the NJCMF daily without penalty. At December 31, 2024 and 2023, the City's on deposit balances were $5,046,131.04 and $0, respectively. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason, a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

3. MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for both General Capital and Utility Funds. All bonds are retired in serial installments within the statutory period of usefulness. 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, must be paid off within ten years and four months or retired by the issuance of bonds.

The City's debt as of December 31, is summarized as follows:

	2024	2023
Issued		
General Capital Fund		
Bonds, Notes and Loans	$ 56,505,076.90	$ 52,739,429.80
Water Utility Fund		
Bonds, Notes and Loans	29,954,251.20	30,176,128.30
Net Debt Issued	86,459,328.10	82,915,558.10
Authorized but Not Issued		
General Capital Fund		
Bonds, Notes and Loans	38,937,317.00	38,937,317.00
Water Utility Fund		
Bonds, Notes and Loans	37,502,189.00	40,257,219.00
Net Bonds and Notes Issued and Authorized but Not Issued	$ 162,898,834.10	$ 162,110,094.10

The statement of debt condition that follows is extracted from the City's Annual Debt Statement and indicates a statutory net debt 1.738% at December 31, 2024.

	Gross Debt	Deductions	Net Debt
School Debt	$ 13,910,000.00	$ 13,910,000.00	
General Debt	95,442,393.90	2,291,744.43	$ 93,150,649.47
Water Utility Debt	67,456,440.20	67,456,440.20	
Total	$ 176,808,834.10	$ 83,658,184.63	$ 93,150,649.47

The City's remaining borrowing power under N.J.S.A. 40A:2-6, as amended, at December 31, 2024 as follows:

3 1/2% of Equalized Valuation Basis (Municipal)	$ 187,544,507.40
Net Debt	93,150,649.47
Remaining Statutory Borrowing Power	$ 94,393,857.93

3. MUNICIPAL DEBT (continued)

The calculation of self-liquidating purpose for the Water Utility, per N.J.S.A. 40A:2-45 is as follows:

Surplus and Cash Receipts from Fees, Rent or Other Charges for Year		$ 33,432,470.54
Deductions:		
Operating and Maintenance Costs	$ 19,825,018.12	
Debt Service per Water Utility Operating Fund	3,779,393.50	
		23,604,411.62
Excess in Revenue		$ 9,828,058.92

As there is an excess in revenue, all Water Utility Debt is deductible for Debt Statement purposes.

General Obligation Bonds

The City levies ad valorem taxes to pay debt service on general obligation bonds. General obligation bonds outstanding at December 31, 2024 and 2023 are as follows:

General Obligation Bonds	2024	2023
$9,350,938.00: 2003 Pension Refunding Bonds, in annual installments of $199,130.00 to $270,629.00 through April 2028, interest from 6.53% to 6.57%	$ 935,348.00	$ 1,202,924.00
$9,380,000.00: 2012 Refunding Bonds, in annual installments of $560,000.00 to $590,000.00 through September 2028, interest from 3.00% to 3.25%	2,300,000.00	2,900,000.00
$21,830,000.00: 2019 Series Bonds, in annual installments of $2,000,000.00 through September 2031, interest from 3.00% to 4.00%	14,000,000.00	16,000,000.00
$13,150,000.00: 2024 Series Bonds, in annual installments of $840,000 to $1,230,000.00 through March 2037, interest from 3.00% to 4.00%	13,150,000.00	-
	$ 30,385,348.00	$ 20,102,924.00

3. MUNICIPAL DEBT (continued)

General Loans

The City levies ad valorem taxes to pay debt service on Green Acres Trust and Garden State Preservation loans. Loans outstanding at December 31, 2024 and 2023 are as follows:

General Loans	2024	2023
$465,000.00: Green Acres Trust Loan, Rowley Park Redevelopment, in annual installments of $27,007.00 to $30,432.00 through August 2031, interest at 2.00%	$ 200,838.00	$ 227,313.00
$495,000.00: Green Acres Trust Loan, Elmwood Park Court Reconstruction, in annual installments of $22,498.85 to $30,325.05 through September 2040, interest at 2.00%	419,688.27	441,743.80
$278,563.55: Garden State Trust Loan, Rowley Park Redevelopment, in annual installments of $13,847.21 to $18,663.94 through October 2040, interest at 2.00%	258,302.63	271,877.00
	$ 878,828.90	$ 940,933.80

Utility Bonds

The City pledges revenue from operations to pay debt service on utility bonds issued. The utility bonds outstanding at December 31, 2024 and 2023 are as follows:

Water Utility Bonds		
$18,125,000.00: 2015 Bonds due in annual installments of $245,000.00 to $1,990,000.00 through July 2028, interest at 3.25% to 5.00%	$ 3,470,000.00	$ 5,370,000.00
$3,500,000.00: 2019 Bonds due in annual installments of $200,000.00 through September 2038, interest at 3.00% to 4.00%	2,800,000.00	2,950,000.00
	$ 6,270,000.00	$ 8,320,000.00

3. MUNICIPAL DEBT (continued)

Utility Loans

The City pledges revenue from operations to pay debt service on utility loans issued. The utility loans outstanding at December 31, 2024 and 2023 are as follows:

Water Utility Loans	2024	2023
$745,000.00: 2010 Trust Loan - Sewer in annual installments of $43,000.00 to $52,0000.00 through August 2029, interest at 4.25% to 4.50%	$ 242,000.00	$ 285,000.00
$2,280,375.00: 2010 Fund Loan - Sewer in annual installments of $42,262.40 to $115,951.26 through August 2029, interest at 0%	506,067.44	622,018.70
$3,400,000.00: 2010 Trust Loan - Water in annual installments of $186,000.00 to $216,0000.00 through August 2030, interest at 4.25% to 5.00%	1,016,000.00	1,193,000.00
$1,831,000.00: 2010 Fund Loan - Water in annual installments of $93,101.68 to $129,381.56 through August 2027, interest at 0%	315,584.92	408,686.60
$100,000.00: 2015 Trust Loan - Water in annual installments of $5,000.00 to $10,0000.00 through August 2034, interest at 4.00% to 5.00%	55,000.00	60,000.00
$239,844.00: 2015 Fund Loan - Water in annual installments of $12,195.45 to $12,197.25 through August 2034, interest at 0%	121,956.30	134,151.75
$3,855,000.00: Trust Loan - Water in annual installments of $105,000.00 to $205,0000.00 through August 2046, interest at 3.00% to 5.00%	3,255,000.00	3,355,000.00
$5,777,834.00: Fund Loan - Water in annual installments of $129,838.95 through August 2046, interest at 0%	2,856,457.30	2,986,296.25
$4,205,000: Trust Loan - Water in annual installments of $95,000.00 to $290,0000.00 through August 2046, interest at 5.00%	4,205,000.00	
$952,985.00: WIFIA Loan in annual installments of $310,693.00 to $326,185.00 through August 2051, interest at 3.03%	952,985.00	
$10,409,020.00: Fund Loan - Water in annual installments of $376,229.64 to $376,229.60 through August 2051, interest at 0%	10,158,200.24	
	$ 23,684,251.20	$ 9,044,153.30

3. MUNICIPAL DEBT (continued)

The City's principal and interest for long-term debt issued and outstanding as of December 31, 2024 is as follows:

		General Debt			
Fiscal Year	Total General Debt	General Obligation Bonds		Green Trust Loan/ Garden State Preservation Loan	
		Principal	Interest	Principal	Interest
2025	$ 5,763,451.84	$ 3,725,629.00	$ 1,957,208.40	$ 63,353.06	$ 17,261.38
2026	5,596,151.80	3,672,669.00	1,842,868.20	64,626.62	15,987.98
2027	5,369,427.36	3,647,920.00	1,640,892.50	65,925.87	14,688.99
2028	5,262,013.97	3,659,130.00	1,522,270.00	67,250.07	13,363.90
2029	3,597,814.73	2,930,000.00	587,200.00	68,602.57	12,012.16
2030-2034	10,848,253.37	9,180,000.00	1,357,850.00	269,241.06	41,162.31
2035-2039	4,842,200.27	3,570,000.00	1,023,575.00	230,840.66	17,784.61
2040	49,725.04			48,988.99	736.05
	$ 41,329,038.38	$ 30,385,348.00	$ 9,931,864.10	$ 878,828.90	$ 132,997.38

		Utility Debt			
Fiscal Year	Total Utility Debt	NJEIT Loans Payable		Water Utility Bonds	
		Principal	Interest	Principal	Interest
2025	$ 3,978,678.68	$ 1,161,316.98	$ 407,917.94	$ 2,190,000.00	$ 219,443.76
2026	2,517,208.68	1,184,316.98	386,647.94	810,000.00	136,243.76
2027	2,535,483.56	1,235,596.86	366,467.94	825,000.00	108,418.76
2028	2,003,158.24	1,132,215.30	346,617.94	445,000.00	79,325.00
2029	1,659,944.38	1,071,526.44	325,667.94	200,000.00	62,750.00
2030-2034	6,560,287.96	3,927,322.00	1,419,215.96	1,000,000.00	213,750.00
2035-2039	6,109,388.93	4,125,342.95	1,121,295.98	800,000.00	62,750.00
2040-2044	5,259,713.91	4,510,342.95	749,370.96		
2045-2049	4,245,746.70	3,941,519.50	304,227.20		
2050-2051	1,424,096.08	1,394,751.24	29,344.84		
	$ 36,293,707.12	$ 23,684,251.20	$ 5,456,774.64	$ 6,270,000.00	$ 882,681.28

3. MUNICIPAL DEBT (continued)

Changes in Long-Term Municipal Debt

The City's long-term capital debt activity for 2024 and 2023 is as follows:

	Balance December 31, 2023	Increases	Reductions	Balance December 31, 2024	Due Within One Year
General Capital Fund					
Bonds Payable	$ 20,102,924.00	$ 13,150,000.00	$ 2,867,576.00	$ 30,385,348.00	$ 3,725,629.00
Green Trust Loans Payable	669,056.80		48,530.53	620,526.27	49,505.85
Garden State Preservation Loans Payable	271,877.00		13,574.37	258,302.63	13,847.21
Water Utility Capital Fund					
Bonds Payable	8,320,000.00		2,050,000.00	6,270,000.00	2,190,000.00
NJEIT Loans Payable	9,044,153.30	15,567,005.00	926,907.10	23,684,251.20	1,161,316.98
	$ 38,408,011.10	$ 28,717,005.00	$ 5,906,588.00	$ 61,218,428.10	$ 7,140,299.04

	Balance December 31, 2022	Increases	Reductions	Balance December 31, 2023
General Capital Fund				
Bonds Payable	$ 25,161,544.00		$ 5,058,620.00	$ 20,102,924.00
Green Trust Loans Payable	716,630.73		47,573.93	669,056.80
Garden State Preservation Loans Payable	-	$ 278,563.55	6,686.55	271,877.00
Water Utility Capital Fund				
Bonds Payable	10,275,000.00		1,955,000.00	8,320,000.00
NJEIT Loans Payable	9,707,240.64		663,087.34	9,044,153.30
	$ 45,860,415.37	$ 278,563.55	$ 7,730,967.82	$ 38,408,011.10

Short – Term Debt

The City's short-term capital debt activity for 2024 and 2023 is as follows:

	Balance, December 31, 2023	Additions	Reductions	Balance, December 31, 2024
Current Fund				
Special Emergency Notes Payable	$ 330,000.00	$ 165,000.00	$ 330,000.00	$ 165,000.00
General Capital Fund				
Bond Anticipation Notes	31,695,572.00	25,240,900.00	31,695,572.00	25,240,900.00
Water Utility Capital Fund				
NJEIT Interim Financing Payable	12,811,975.00		12,811,975.00	-
Total	$ 44,837,547.00	$ 25,405,900.00	$ 44,837,547.00	$ 25,405,900.00

3. MUNICIPAL DEBT (continued)

	Balance, December 31, 2022	Additions	Reductions	Balance, December 31, 2023
Current Fund				
Special Emergency Notes Payable	$ 495,000.00	$ 330,000.00	$ 495,000.00	$ 330,000.00
General Capital Fund				
Bond Anticipation Notes	21,792,572.00	31,695,572.00	21,792,572.00	31,695,572.00
Water Utility Capital Fund				
NJEIT Interim Financing Payable	12,504,874.00	307,101.00		12,811,975.00
Total	$ 34,792,446.00	$ 32,332,673.00	$ 22,287,572.00	$ 44,837,547.00

4. FIXED ASSETS

General Fixed Assets

The following is a summary of changes in the General Fixed Assets account group as of December 31, 2024 and 2023:

	Balance December 31, 2023	Additions	Deletions	Balance December 31, 2024
Land	$ 2,356,761.14			$ 2,356,761.14
Land Improvements	8,079,279.04			8,079,279.04
Buildings	25,753,145.45	$ 145,820.00	$ 41,715.00	25,857,250.45
Machinery and Equipment	32,591,085.61	2,666,617.80	69,720.00	35,187,983.41
	$ 68,780,271.24	$ 2,812,437.80	$ 111,435.00	$ 71,481,274.04

	Balance December 31, 2022	Additions	Deletions	Balance December 31, 2023
Land	$ 2,356,761.14			$ 2,356,761.14
Land Improvements	8,079,279.04			8,079,279.04
Buildings	25,845,705.45		$ 92,560.00	25,753,145.45
Machinery and Equipment	32,486,719.75	$ 688,305.86	583,940.00	32,591,085.61
	$ 68,768,465.38	$ 688,305.86	$ 676,500.00	$ 68,780,271.24

4. FIXED ASSETS (continued)

Utility Fund Fixed Assets

The following is a summary of changes in the Utility Fund fixed assets as of December 31, 2024 and 2023:

	Balance December 31, 2023	Additions	Deletions	Balance December 31, 2024
Fixed Capital				
Reservation Sources of Supply, etc.	$ 12,386,629.00			$ 12,386,629.00
Pumping System	4,997,996.00			4,997,996.00
Distribution System	19,271,093.00			19,271,093.00
General Equipment	2,997,391.78			2,997,391.78
Sewer System	6,873,350.00			6,873,350.00
Administrative/Service Facility	8,904,357.00			8,904,357.00
System-Wide Development	15,458,109.00			15,458,109.00
Capital Outlay	3,248,022.47	$ 3,011,655.35		6,259,677.82
	$ 74,136,948.25	$ 3,011,655.35	$ -	$ 77,148,603.60
Fixed Capital Authorized and Uncompleted				
Emergency Temporary Appropriation Refunding	$ 3,165,000.00			$ 3,165,000.00
Waste Water Treatment Plant Improvements	22,225.78			22,225.78
Water Treatment and Supply Program	11,300,000.00			11,300,000.00
Water Distribution Imp. & Acquisition of Equipment	1,100,000.00			1,100,000.00
Various Water Imp & Acquisition of Equipment	23,100,000.00			23,100,000.00
Various Water Imp & Acquisition of Equipment	2,375,000.00			2,375,000.00
Flood Mitigation Project	1,245,000.00			1,245,000.00
Sewer Infiltration and Inflow Study	1,200,000.00			1,200,000.00
Engineering and Capital Planning Assessments	850,000.00			850,000.00
Phase III Flood Mitigation Facilities	1,010,000.00			1,010,000.00
Flood Mitigation Project	26,795,000.00			26,795,000.00
	$ 72,162,225.78	$ -	$ -	$ 72,162,225.78

	Balance December 31, 2022	Additions	Deletions	Balance December 31, 2023
Fixed Capital				
Reservation Sources of Supply, etc.	$ 12,386,629.00			$ 12,386,629.00
Pumping System	4,997,996.00			4,997,996.00
Distribution System	19,271,093.00			19,271,093.00
General Equipment	2,997,391.78			2,997,391.78
Sewer System	6,873,350.00			6,873,350.00
Administrative/Service Facility	8,904,357.00			8,904,357.00
System-Wide Development	15,458,109.00			15,458,109.00
Capital Outlay	2,035,719.44	$ 1,212,303.03		3,248,022.47
	$ 72,924,645.22	$ 1,212,303.03	$ -	$ 74,136,948.25
Fixed Capital Authorized and Uncompleted				
Emergency Temporary Appropriation Refunding	$ 3,165,000.00			$ 3,165,000.00
Waste Water Treatment Plant Improvements	22,225.78			22,225.78
Water Treatment and Supply Program	11,300,000.00			11,300,000.00
Water Distribution Imp. & Acquisition of Equipment	1,100,000.00			1,100,000.00
Various Water Imp & Acquisition of Equipment	23,100,000.00			23,100,000.00
Various Water Imp & Acquisition of Equipment	2,375,000.00			2,375,000.00
Flood Mitigation Project	1,245,000.00			1,245,000.00
Sewer Infiltration and Inflow Study	1,200,000.00			1,200,000.00
Engineering and Capital Planning Assessments	850,000.00			850,000.00
Phase III Flood Mitigation Facilities	1,010,000.00			1,010,000.00
Flood Mitigation Project	1,795,000.00	$ 25,000,000.00		26,795,000.00
	$ 47,162,225.78	$ 25,000,000.00	$ -	$ 72,162,225.78

5. DUE TO/FROM OTHER FUNDS

As of December 31, 2024 and 2023, interfund receivables and payables that resulted from various interfund transactions are as follows:

	2024		2023	
	Due from Other Funds	Due to Other Funds	Due from Other Funds	Due to Other Funds
Current Fund:				
Regular	$ 186,177.37	$ 12,309,648.05		$ 3,209,723.56
Grant	4,018,418.59	2,221,567.83	$ 2,708,812.38	206,407.96
Trust Fund:				
General Trust Fund	28,516.90		21,980.72	
Animal Control Fund		4,754.18		
Tax Redemption Fund	0.01			
Community Development Block Grant Trust Fund	263,231.36		263,231.36	
Home Loan Program Fund		95,201.00		95,201.00
General Capital Fund	10,316,250.02		498,289.78	
Water Utility:				
Water Operating	109,051.97	181,423.19	19,018.28	58,896.65
Water Capital	-	109,051.97	58,896.65	
	$ 14,921,646.22	$ 14,921,646.22	$ 3,570,229.17	$ 3,570,229.17

The above balances are the result of expenditures being paid by one fund on behalf of another. The City expects all interfund balances to be liquidated within one year.

6. COMPENSATED ABSENCES

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

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate $14,702,694.43 and $14,126,539.75 at December 31, 2024 and 2023 respectively. This estimate by management is unaudited.

7. PENSION PLANS

Description of Plans

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

However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the plans. This report may be accessed via the Division of Pensions and Benefits website, at www.state.nj.us/treasury/pensions, or may be obtained by writing the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Public Employees' Retirement System

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

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

Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2024:

	2024
Inactive plan members or beneficiaries currently receiving benefits	193,915
Deferred Beneficiaries	73
Inactive plan members entitled to but not yet receiving benefits	573
Active plan members	244,324
Total	438,885

Contributing Employers – 1,668 (As of June 30, 2024)

7. PENSION PLANS (continued)

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

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

For the year ended December 31, 2024, the City's total payroll for all employees was $83,521,673. Total PERS covered payroll was $35,913,418. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the City to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A 43:15 and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011 of 7.50%. Employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability.

Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. City contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contribution requirements were calculated.

In accordance with Chapter 98, P.L. 2017, PERS receives 21.02% of the proceeds of the Lottery Enterprise for a period of 30 years. Revenues received from lottery proceeds are assumed to be contributed to the System on a monthly basis.

The City's contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contributions requirements were calculated. The City's payments to PERS during the year ending December 31, 2024 consisted of the following:

	2024
Total Regular Billing	$ 6,106,767

The City recognizes liabilities to PERS and records expenditures for same in the fiscal period that bills become due.

7. PENSION PLANS (continued)

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

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 8, 2008
3	Members who were eligible on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

A service retirement benefit of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62 and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of his/her respective tier.

Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – The regulatory basis of accounting which is basis for the preparation of the City's basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the City does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

At June 30, 2024, the PERS reported a net pension liability of $13,702,423,985 for its Non-State Employer Member Group. The City's proportionate share of the net pension liability for the Non-State Employer Member Group that is attributable to the City was $60,981,038 or 0.4487844587%, which was an increase of 0.0398998730% from its proportion measured as of June 30, 2023.

The following presents a summary of the proportionate share of the State of New Jersey's changes in the collective deferred outflows of resources and deferred inflows of resources attributable to the City for the year ended June 30, 2024 if GASB No. 68 were recognized:

7. PENSION PLANS (continued)

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,221,563	$ 162,348
Changes of assumptions	75,758	693,824
Net difference between projected and actual earnings on pension plan investments		2,827,524
Changes in proportion	5,220,644	1,827,098
City contributions subsequent to the measurement date	6,106,767	
	$ 12,624,732	$ 5,510,794

The $6,106,767 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense on the GAAP basis as follows if GASB 68 were recognized:

Year ended December 31,	Amount
2025	$ (1,687,815)
2026	2,355,990
2027	(298,940)
2028	523,590
2029	114,346
Total	$ 1,007,171

Actuarial Assumptions- The total collective pension liability at the June 30, 2024 measurement date was determined by an actuary valuation date as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions:

June 30, 2024	
Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 - 6.55%
	Based on years of service
Investment rate of return	7.00%

7. PENSION PLANS (continued)

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with a 82.2% adjustment for males and a 101.4% adjustment for females, with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 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 a 117.2% adjustment for females, and with a future improvement from the base year of 2010 on a generational basis. Mortality improvements is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2022. It is likely that future experiences will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the large the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions, 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 rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2024 are summarized in the following tables:

2024

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity	28.00%	8.63%
Non-U.S. developed markets equity	12.75%	8.85%
International small cap equity	1.25%	8.85%
Emerging markets equity	5.50%	10.66%
Private equity	13.00%	12.40%
Real estate	8.00%	10.95%
Real assets	3.00%	8.20%
High yield	4.50%	6.74%
Private credit	8.00%	8.90%
Investment grade credit	7.00%	5.37%
Cash equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk mitigation strategies	3.00%	7.10%
	100.00%	

7. PENSION PLANS (continued)

Discount Rate – The discount rate used to measure the total pension liability as of June 30, 2024 was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 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 projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

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

2024	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
PERS	$ 81,028,807	$ 60,981,038	$ 43,920,497

Plan Fiduciary Net Position – The plan fiduciary net position for PERS including the State of New Jersey at June 30, 2024 were $37,740,650,902 The portion of the Plan Fiduciary Net Position that was allocable to the Local (Non-State) Group at June 30, 2024 was $29,413,070,105.

Additional information

Collective Local Group balances at June 30, 2024 are as follows:

Collective deferred outflows of resources	$ 1,079,580,780
Collective deferred inflows of resources	1,611,322,898
Collective net pension liability - Local group	13,702,423,985
City's Proportion	0.4487844587%

Collective pension expense for the Local Group for the measurement period ended June 30, 2024 was $372,160,096. The average of the expected remaining service lives of all plan members is 5.08, 5.08, 5.04, 5.13, 5.16, and 5.21 for 2024, 2023, 2022, 2021, 2020, and 2019, respectively.

State Contribution Payable Dates

Prior to July 1, 2024 valuation, it is assumed the State will make pension contributions the June 30th following the valuation date. Effective with the July 1, 2021 valuation Chapter 83 P.L. 2017 requires the State to make pension contributions on a quarterly basis at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30.

Receivable Contributions

The Fiduciary Net Position (FNP) includes Local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits. The receivable contributions for the year ended June 30, 2024 are $1,393,655,054.

7. PENSION PLANS (continued)

Special Funding Situation

The City is responsible for the actuarially determined annual contributions to the PERS, except where legislation was passed that legally obligates the State if certain circumstances occur. A special funding situation exists for the Local employers of the PERS. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers based upon the provisions of several legislative actions. The provisions of GASB Statement No. 68 define this relationship as a “special funding situation”, and the State of New Jersey is defined as a non-employer contributing entity.

Unaudited data provided by the PERS indicates that the total Non-employer contributions made to the PERS by the State for the year ended June 30, 2024 was $61,435,556. The portion of that contribution allocated to the City in 2024 was $196,603 or 0.4508578737%. The June 30, 2024 State special funding situation pension expense of $53,698,726 was actuarially determined and represents the required contribution due from the State for the year. The special funding situation net pension liability under the special funding situation was reported at $114,378,189 at June 30, 2024 and represents the accumulated difference between the actuarially determined annual contributions required and the actual State contributions through the valuation date. The City’s allocated shares of the special funding situation pension expense for the year ended June 30, 2024 and its share of the special funding situation NPL at that date were $196,603 and $0, respectively.

<u>Police and Firemen’s Retirement System</u>

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

Plan Membership and Contributing Employers- Substantially all full-time county and municipal police and firemen and state firemen or officer employees with police powers appointed after June 30, 1944 are enrolled in PFRS. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2024:

	2024
Inactive plan members or beneficiaries currently receiving benefits	50,109
Inactive plan members entitled to but not yet receiving benefits	66
Active plan members	41,451
Total	91,626

Contributing Employers – 574

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

7. PENSION PLANS (continued)

Police and Firemen's Retirement System (continued)

The State legislation adopted L. 2018, c. 55 in July 2018, which transferred management of PFRS from the New Jersey Department of Treasury, Division of Pensions and Benefits to a newly constituted twelve-member PFRS Board of Trustees. The new PFRS Board, which was established in February 2019 per the legislation, has more power and authority as compared to the former PFRS Board of Trustees. In addition to overseeing the management of PFRS, the new PFRS Board will also have the authority to direct investment decisions, to adjust current benefit levels and to change member and employer contribution rates. With regard to changes in current benefit provisions, such changes can only be made with the approval of a supermajority of eight (8) of the twelve (12) members of the new PFRS Board. Also, benefit enhancement can only be made if an independent actuary certifies that the benefit enhancements will not jeopardize the long-term viability of PFRS. Under prior law, benefit enhancements, including the reinstatement of COLA for retirees, could only be considered when the funded level of the pension fund reaches 80%. An actuarial certification was also required that the funded levels would remain at or above 80% over a 30-year period following the benefit enhancement.

In accordance with L. 2018, c. 55, the new PFRS Board will also have the authority to formulate investment policies and direct the investment activities of the PFRS. The PFRS Board has proposed regulations for adoption governing the methods, practices, and procedures for investment or reinvestment of money of PFRS.

For the year ended December 31, 2024, the City's total payroll for all employees were $83,521,673. Total PFRS covered payroll was $34,153,492. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the City to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contributions rate increased from 8.5% of annual compensation to 10.0% in October 2011. Employer contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits.

City contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contribution requirements were calculated. City payments to PFRS made in the years ending December 31, 2024 consisted of the following:

	2024
Total Regular Billing	$ 12,655,572

The City recognizes liabilities to PFRS and records expenditures for same in the fiscal period that bills become due.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service.

The following represents the membership tiers for PFRS:

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

7. PENSION PLANS (continued)

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

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – The regulatory basis of accounting which is basis for the preparation of the City's basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the City does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

At June 30, 2024, the PFRS reported a net pension liability of $12,362,466,447 for its Non-State, Non-Special Funding Situation Employer Member Group. The City's proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was $94,480,408, or 0.9149227500%, which was a decrease of 0.0183242600% from its proportion measured as of June 30, 2024.

At December 31, 2024, the City would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources, if GASB 68 were recognized:

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,952,192	$ 3,234,481
Changes of assumptions	149,356	2,774,734
Net difference between projected and actual earnings on pension plan investments		739,481
Changes in proportion	3,168,134	4,476,862
City contributions subsequent to the measurement date	12,655,572	
	$ 21,925,254	$ 11,225,558

7. PENSION PLANS (continued)

$12,655,572 is reflected above as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows if GASB 68 were recognized:

Year ended December 31,	Amount
2025	$ (2,514,226)
2026	(1,699,966)
2027	3,638,052
2028	(60,584)
2029	(1,212,168)
Thereafter	(106,984)
Total	$ (1,955,876)

Actuarial Assumptions- The total collective pension liability in the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions:

June 30, 2024	
Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	
Through all future years	3.25 - 16.25% based on years of service
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with an 105.6% adjustment for males and a 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 a 96.0% adjustment for females. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and a 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions, 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 rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

7. PENSION PLANS (continued)

Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2024 are summarized in the following table:

2024

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	24.00%	6.90%
US Small/Mid Cap Equity	4.00%	7.40%
Non-U.S. Developed Large-Cap Equity	9.50%	6.70%
Non-U.S. Developed Small-Cap Equity	2.00%	7.50%
Emerging Market Large-Cap Equity	6.00%	9.60%
Emerging Market Small-Cap Equity	1.50%	9.60%
U.S. Treasury Bond	7.00%	4.10%
U.S. Corporate Bond	5.00%	5.90%
U.S Mortgage-Backed Securities	5.00%	4.40%
Global Multisector Fixed Income	6.00%	6.50%
Cash Equivalents	2.00%	3.40%
Real Estate Core	3.00%	5.10%
Real Estate Non-Core	4.00%	6.50%
Infrastructure	3.00%	7.00%
Private Debt/Creidt	8.00%	9.10%
Private Equity	10.00%	10.10%
	100.00%	

Discount Rate – The discount rate used to measure the total pension liability as of June 30, 2024 was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be 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 projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

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

2024	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
PFRS	$ 134,991,482	$ 94,480,408	$ 60,743,560

7. PENSION PLANS (continued)

Fiduciary Net Position – The plan fiduciary net position for PFRS at June 30, 2024 was $34,856,333,876.

Additional Information

Collective Local Group balances at June 30, 2024 are as follows:

Collective deferred outflows of resources	$	1,350,388,724
Collective deferred inflows of resources		1,421,121,200
Collective net pension liability - Local group		12,362,466,447
City's Proportion		0.9149227500%

Collective pension expense for the Local Group for the measurement period ended June 30, 2024 was $775,608,387. The average of the expected remaining service lives of all plan members is which is 6.09, 6.16, 6.22, 6.17, 5.90, and 5.92 years for the 2024, 2023, 2022, 2021, 2020, and 2019, amounts, respectively.

State Contribution Payable Dates

Effective with the July 1, 2016 valuation Chapter 83 P.L. 2016 requires the State to make pension contributions on a quarterly basis at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30.

Receivable Contributions

The Fiduciary Net Position (FNP) includes Local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits. The receivable contributions for the year ended June 30, 2023 are $1,194,176,430.

Local contributions expected to be paid on April 1st, following the valuation are discounted by the interest rate used at the valuation date.

Special Funding Situation

The City is responsible for the actuarially determined annual contributions to the PFRS, except where legislation was passed that legally obligates the State if certain circumstances occur. A special funding situation exists for the Local employers of the PFRS. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers based upon the provisions of several legislative actions. The provisions of GASB Statement No. 68 define this relationship as a "special funding situation", and the State of New Jersey is defined as a non-employer contributing entity.

Unaudited data provided by the PFRS indicates that the total Non-employer contributions made to the PFRS by the State for the year ended June 30, 2024 was $234,210,000. The portion of that contribution allocated to the City in 2024 was $2,142,841, or 0.91492293%. The June 30, 2024 State special funding situation pension expense of $234,210,235 was actuarially determined and represents the required contribution due from the State for the year. The special funding situation net pension liability under the special funding situation was reported at $2,035,866,994 at June 30, 2024 and represents the accumulated difference between the actuarially determined annual contributions required and the actual State contributions through the valuation date. The City's allocated shares of the special funding situation pension expense for the year ended June 30, 2024 and its share of the special funding situation NPL at that date were $2,142,842 and $18,626,610, respectively.

7. PENSION PLANS (continued)

Defined Contribution Retirement Plan

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

Plan Membership and Contributing Employers - Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in PFRS or PERS on or after July 1, 2007, who earn salary in excess of established “maximum compensation” limits; employees otherwise eligible to enroll in PFRS or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least $5,000 annually; and employees otherwise eligible to enroll in PFRS or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least $5,000 annually. At June 30, 2024, the membership of DCRP, based on the information within the Division’s database, was $164,057.

Contribution Requirement and Benefit Provisions - State and local government employers contribute 3% of the employees’ base salary. Active members contribute 5.5% of base salary. Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant’s interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant’s interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 7.50% for PERS, 10% for PFRS and 5.5% for DCRP of employees’ base wages.

8. RISK MANAGEMENT

The City is self-insured for Automobile Liability, General Liability (Employment Practices, Law Enforcement, and Employee Benefits) Health Benefits and Workers' Compensation for a single retention limit of $350,000 for auto and general liability and $500,000 for workers' compensation for any one claim. The City maintains excess reinsurance over and above the self-insured retention up to a $3 million limit. Claims are administered by a Third-Party Administrator. The programs are administered by an independent contractor. Under the Division's requirements, the City appropriates amounts in its annual budget to meet expected payments of claims. The City has not created a liability for loss reserves for claims incurred which were unpaid at December 31, 2024 and 2023. In addition, the City has not created a liability for loss reserves for any potential unreported losses. The effect on the financial statements from these omissions could not be determined, but is probably material. A contingent liability exists with respect to reinsurance, which would become an actual liability in the event the reinsuring company might be unable to meet their obligations to the City under existing reinsurance agreements. The City has established a reserve in the Trust Fund to pay for expected claims. There was a cash balance of $1,062,560.47 and $1,015,414.57 at December 31, 2024 and 2023, respectively. Appropriations of $2,775,000.00 (workers' compensation), $1,575,000.00 (auto and general) and $14,852,034 (group health insurance) were available in the CY 2024 municipal budget for self-insurance claims.

9. TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	Balance December 31, 2024	Balance December 31, 2023
Prepaid Taxes	$ 1,037,495.44	$ 700,556.89

10. COMMITMENTS AND CONTINGENT LIABILITIES

The City receives financial assistance from the State of New Jersey and U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes.

Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by the grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2024, the City estimates that no material liabilities will result from such audits.

The City is involved in certain legal proceedings, the resolution and impact on the financial statements of which, individually or in the aggregate, in the opinion of management as advised by legal counsel, could be significant to the accompanying financial statements.

11. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2024 and 2023, the following deferred charges are shown on the balance sheets of the following:

	Balance December 31, 2024	Amount Raised in 2025 Budget
2024 Current Fund		
Revaluation of Real Property	$ 165,000.00	$ 165,000.00
Overexpenditure of Appropriation	2,444,747.71	2,444,747.71
Overexpenditure of Appropriation Reserves	18,285.86	18,285.86
	$ 2,628,033.57	$ 2,628,033.57
2024 Federal and State Grant Fund		
Overexpenditure of Appropriated Reserve	$ 118,207.16	$ 118,207.16
2024 Water Operating Fund		
Overexpenditure of Budget Appropriation	$ 38,319.86	$ -

	Balance December 31, 2023	Amount Raised in 2024 Budget
2023 Current Fund		
Revaluation of Real Property	$ 330,000.00	$ 165,000.00
Overexpenditure of Appropriation	124,372.25	124,372.25
Emergency Authorization	1,348,700.00	1,348,700.00
	$ 1,803,072.25	$ 1,638,072.25
2023 Federal and State Grant Fund		
Overexpenditure of Appropriated Reserve	$ 59,082.17	$ 59,082.17

12. DEFERRED WAGES

In February 1996, as part of the City's Fiscal Recovery Plan, certain employees (except police services) agreed to have a portion of their pay deferred. Accordingly, as of June 30, 1996, employees had two weeks of pay withheld, which amounted to approximately $1,600,000 for the Current Fund and $176,000 for the Water Utility Fund. As of December 31, 2024 and 2023, the estimated balance of deferred wages amounted to $3,757,282 and $2,676,074.88, for the Current Fund and $85,513.00 and $90,762.99 for the Water Utility Fund, respectively. These amounts for the Current Fund and the Water Utility Fund are not reflected as liabilities in the financial statements, but rather will be included as expenditures when paid out upon the employee's resignation, termination or retirement.

13. TAX ABATEMENTS

The City has entered into several property tax abatement agreements in order to provide incentives to redevelop areas that are in need for improvement or to create economic growth. These agreements are authorized under various New Jersey state statutes. The following, as reported in the City's user friendly budget, represents the City's most significant tax abatement agreements:

Entity Name	Pilot Billing	Taxes If Billed In Full	Abated Taxes
Bakery Village Urban Renewal Assoc	$ 88,383.94	$ 492,234.34	$ 403,850.40
Fern Preservation Urban Renewal, LLC	277,862.60	782,787.46	504,924.86
Essex Valley Supportive Housing Par	27,853.00	96,129.79	68,276.79
Prospect EOGH Hospital Properties		2,510,582.98	2,510,582.98
742 Park EO Urban Renewal	74,978.74	140,766.94	65,788.20
Hampshire URB Ren Preservation	178,409.92	430,738.80	252,328.88
The Burnet Walnut Corporation	26,959.96	275,026.75	248,066.79
4347 N. Walnut Urban Renewal	57,984.00	253,829.66	195,845.66
CNP 2, LLC	19,889.70	246,438.72	226,549.02
125 SFS Urban Renewal	37,569.63	610,841.09	573,271.46
Genesis Concord	43,461.00	919,245.89	875,784.89
McGiver Homes, LP	120,360.00	408,884.26	288,524.26
Dr. King Plaza Urban Renewal Assoc II	208,410.74	123,938.50	(84,472.24)
Prospect Park Apartments Urban Rene		711,168.44	711,168.44
North Oraton Parkway, LP	32,260.00	862,263.07	830,003.07
Dr. King Plaza Urban Renewal Assoc	152,294.76	699,608.45	547,313.69
Essence 144 Urban Renewal	196,031.98	603,389.95	407,357.97
Indigo 141 Urban Renewal	92,233.50	2,317,040.35	2,224,806.85
Indigo 240 Urban Renewal	147,860.63	2,084,588.35	1,936,727.72
CLPF-Parkway Lofts Urban Renewal	577,963.02	502,321.25	(75,641.77)
Park View at 320, LLC	750,818.08	268,491.17	(482,326.91)
East Orange UAW S.C. Housing Corp	133,897.18	252,955.30	119,058.12
725 Park Associates, L.P.	46,396.76	142,699.39	96,302.63
582 Central Avenue Urban Renewal	59,460.73	77,856.77	18,396.04
SBF Estates Urban Renewal	46,720.00	801,146.02	754,426.02
352 William Street Urban Renew	29,646.90	45,867.17	16,220.27
EO Senior Citizens Housing Assn 777	178,499.00	1,097,125.92	918,626.92
EO Senior Citizens Housing Assn 780	178,500.12	764,571.46	586,071.34
Pavilion Housing Partners	567,598.70	124,467.55	(443,131.15)
Corinthian Towers	304,808.64	1,067,489.28	762,680.64
103-105 North Urban Walnut Renewal	-	191,885.76	191,885.76
315 Urban Renewal	297,631.53	441,552.67	143,921.14
475 William Urban Renewal	114,329.00	173,479.68	59,150.68
715 Park Avenue East Urban Renewal	43,066.00	52,094.59	9,028.59
CRP Evergreen Place		63,198.43	63,198.43
93-111 North Walnut Urban Renewal		122,180.26	122,180.26
227 NWST Urban Renewal		10,308.67	10,308.67
Arlington Grove		179,137.73	179,137.73
East Orange Hospitality		49,446.14	49,446.14
SV 19 North Harrison		35,855.42	35,855.42
Norman Towers		1,164,914.78	1,164,914.78
Orbach Affordable Housing		517,540.32	517,540.32
45 South Grove Urban Renewal		24,653.38	24,653.38
11 Sussex Avenue		334,528.13	334,528.13
129 Halsted Urban Renewal		345,752.35	345,752.35
10 S. Grove Urban Renewal		69,138.44	69,138.44
Pl 177 Arlington EO Urban Renewal		31,794.05	31,794.05
210 North Grove Street		161,580.67	161,580.67
PTGH Urban Renewal		293,765.47	293,765.47
585 Main Street Urban Renewal		159,565.82	159,565.82
100 MLK, LLC	-	91,935.36	91,935.36
	$ 5,112,139.76	$ 24,228,803.19	$ 19,116,663.43

14. POST RETIREMENT HEALTH COVERAGE

City's OPEB Plan

General Information about the OPEB Plan

The City provides a single employer post-employment health benefits plan for its employees and retirees through a single employer defined benefit healthcare plan. The City's disclosures follow the accounting provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement established guidelines for reporting costs associated with other postemployment benefits" (OPEB). OPEB costs are calculated based on plan benefits (other than pensions), that the retired employees and their spouses have accrued as a result of their respective years of employment service.

Plan description and benefits provided – The City's post-employment healthcare benefit plan provides health benefits to all retired City employees who have at least 25 years of service with the City at the time of retirement and their dependents. The Plan is a comprehensive health benefits plan which pays for hospital services, doctor expenses and other medical related necessities which include prescription drugs, and mental health/substance abuse services, subject to provisions and limitations. The Plan is not a separate entity or trust and does not issue stand-alone financial statements.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75.

Total OPEB Liability

The City's total OPEB liability of $87,834,700 and $68,171,556 was measured as of December 31, 2024 and 2023, respectively and was determined by an actuarial valuation as of those dates. There were 181 participants currently receiving benefits, and 852 active participants of whom 126 are eligible to retire as of the valuation date.

Actuarial Methods and Assumptions

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of future events far into the future. Amounts determined regarding the funded status of a plan and the employer's annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Two economic assumptions used in the valuation are the discount rate and the health care cost trend rates. The economic assumptions are used to account for changes in the cost of benefits over time and to discount future benefit payments for the time value of money.

The investment return assumptions (discount rate) should be the estimated long-term investment yield on the investments that are expected to be used to finance the payments of benefits. The investments expected to be used to finance the payments of benefits. The investments expected to be used to finance the payments of benefits would be plan assets for funded plans, assets of the employer for pay-as-you-go plans, or a proportionate combination of the two for plans that are being partially funded.

14. POST RETIREMENT HEALTH COVERAGE (continued)

Key assumptions:

2024	
Discount rate	4.08%
Medical trend rate - Medical	6.50%
Medical trend rate - Drug	14.00%
Medical trend rate - Dental and Vision	3.50%
CPI Increase	2.50%
Rate of Salary Increase	2.50%

2023	
Discount rate	3.26%
Medical trend rate - Medical	5.10%
Medical trend rate - Drug	6.00%
Medical trend rate - Dental and Vision	3.50%
CPI Increase	2.50%
Rate of Salary Increase	2.50%

Mortality rates were based on the PUB 2010 “General” classification headcount weighted mortality with generational improvement using Scale-MP-2021.

Turnover rates were based on NJ State Pensions Ultimate Withdrawal Rates – prior to benefits eligibility.

Medical Cost Aging Factor rates were based on NJ SHBP Medical Morbidity Rates.

14. POST RETIREMENT HEALTH COVERAGE (continued)

Changes in the Total OPEB Liability

		Total OPEB Liability
Balance at 12/31/2023	$	68,171,556
Changes for the year:		
Service cost		3,053,200
Interest cost		2,297,308
Difference between expected and actual experience		16,767,968
		22,118,476
Changes in assumptions or other inputs:		
Changes in assumptions		(944,944)
Benefit payments		(1,510,388)
Net changes		19,663,144
Balance at 12/31/2024	$	87,834,700

		Total OPEB Liability
Balance at 12/31/2022	$	63,744,214
Changes for the year:		
Service cost		1,767,254
Interest cost		2,363,815
		8,363,494
Changes in assumptions or other inputs:		
Benefit payments		(3,936,152)
Net changes		4,427,342
Balance at 12/31/2023	$	68,171,556

14. POST RETIREMENT HEALTH COVERAGE (continued)

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

	December 31, 2024		
	1% Decrease (3.08%)	At Discount Rate (4.08%)	1% Increase (5.08%)
Total OPEB Liability	$ 96,200,047	$ 87,834,700	$ 81,302,953

	December 31, 2023		
	1% Decrease (2.26%)	At Discount Rate (3.26%)	1% Increase (4.26%)
Total OPEB Liability	$ 74,767,921	$ 68,171,556	$ 63,073,737

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

	December 31, 2024		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	$ 82,727,944	$ 87,834,700	$ 94,563,544

	December 31, 2023		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	$ 64,514,590	$ 68,171,556	$ 72,081,684

State Health Benefit Local Government Retired Employees Plan

General Information about the OPEB Plan

Plan Description

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. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at https://www.state.nj.us./treasury/pensions/financial-reports.shtml.

14. POST RETIREMENT HEALTH COVERAGE (continued)

Benefits Provided

The Plan provides medical and prescription drug coverage to retirees and their dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees.

Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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

Contributions

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.

	June 30, 2024
Inactive plan members or beneficiaries currently receiving benefits	28,899
Active plan members	60,691
Total	89,590
Contributing employers	590
Contributing nonemployers	1

Nonspecial Funding Situation - The State of New Jersey’s Total OPEB Liability for nonspecial funding situation was $17,748,257,548 at June 30, 2024.

14. POST RETIREMENT HEALTH COVERAGE (continued)

Components of Net OPEB Liability - The components of the collective net OPEB liability for Local Government Retired Employees Plan, including the State of New Jersey, is as follows:

	June 30, 2024
Total OPEB Liability	$ 17,748,257,548
Plan Fiduciary Net Position (deficit)	(157,187,957)
Net OPEB Liability	$ 17,905,445,505
Plan fiduciary net position as a percentage of the total OPEB liability	-0.89%

Actuarial Assumptions and Other Inputs - The total OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to June 30, 2024. 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:

Discount rate	3.93%
Salary increases*	
Public Employees' Retirement Systems (PERS)	
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, 2023 Valuation were based on the results of the PFRS and PERS experience studies prepared for July1, 2018 to June 30, 2021.

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

Healthcare Trend Assumptions – For pre-Medicare medical benefits, the trend is initially 7.5% and decreases to a 4.5% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing 22.62% in fiscal year 2027 and decreases to 4.5% in fiscal year 2034. For HMO, the trend is increasing to 23.58% in fiscal year 2027 and decreases to 4.5% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.75% and decreases to a 4.5% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate - The discount rate for June 30, 2024 was 3.93%. 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.

14. POST RETIREMENT HEALTH COVERAGE (continued)

Sensitivity of the State's Net OPEB Liability to Changes in the Discount Rate - The following presents the collective net OPEB liability of the participating employers as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the collective 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:

	1% Decrease	At Discount Rate	1% Increase
Total Net OPEB Liability - 2024	$ 20,857,914,273	$ 17,905,445,505	$ 15,540,780,410

Sensitivity of the State's Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability as of June 30, 2024, 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:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total Net OPEB Liability - 2024	$ 15,144,352,142	$ 17,905,445,505	$ 21,455,435,620

Special Funding Situation - The State of New Jersey's Total OPEB Liability for special funding situation was $4,876,644,957 at June 30, 2024.

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 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 amounts of the State's Non-employer OPEB Liability that are attributable to employees and retirees of the City of East Orange was $95,615,890 (403 members) at June 30, 2024. These allocated liabilities represent 1.960690% of the State's Total Non-employer OPEB Liability for June 30, 2024. The OPEB expense attributed to the City was $(9,263,564) at June 30, 2024.

15. LEASE COMMITMENTS

The City has various lease commitments at December 31, 2024 and 2023 for fire truck vehicles, street sweepers, police vehicles, copiers, a mailing system, golf cart rentals and various office spaces. Future minimum lease payments are as follows:

Year Ended December 31,		Total
2025	$	349,958.67
2026		213,270.84
2027		156,840.19
2028		19,520.00
	$	739,589.70

16. SUBSEQUENT EVENTS

The City has evaluated subsequent events occurring after December 31, 2024 through December 31, 2025, which is the date the financial statements were available to be issued and identified the following material financial transactions through the issuance of the audit. The City issued bond anticipation notes in the amount of $25,240,900.00 dated October 16, 2025 maturing October 14, 2026 at an interest rate of 4.00%.

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APPENDIX C

FORM OF APPROVING LEGAL OPINION FOR THE BONDS

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WILENTZ
—ATTORNEYS AT LAW—
WILENTZ, GOLDMAN & SPITZER, P.A.

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

September ___, 2026

Mayor and City Council
of the City of East Orange
East Orange, New Jersey

Ladies and Gentlemen:

We have served as Bond Counsel in connection with the authorization, sale, issuance, execution and delivery of $18,000,000* aggregate principal amount of General Improvement Bonds, Series 2026 (the "Bonds"), of the City of East Orange, in the County of Essex (the "City"), a municipal corporation organized and existing under the laws of the State of New Jersey.

The Bonds 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"); (ii) various bond ordinances duly adopted by the City Council of the City, approved by the Mayor (if applicable), and published as required by law (the "Ordinances"); and (iii) a resolution duly adopted by the City Council of the City on July 31, 2026 (the "Resolution").

The Bonds are being issued to refund, on a current basis, an $18,000,000 principal portion of prior bond anticipation notes of the City issued in the aggregate principal amount of $25,240,900 on October 15, 2025 and maturing on October 14, 2026.

The Bonds are issued in fully registered, book-entry form, without coupons, 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. One certificate shall be issued for the aggregate principal amount of Bonds maturing in each year. Individual purchases of the Bonds will be made in book-entry form, without certificates, in principal denominations of $5,000 each or any integral multiple of $1,000 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 Bonds, payments of the principal of and interest on the Bonds will be made by the City, as paying agent (or a duly designated paying agent as the City may designate and appoint), directly to Cede & Co., as nominee for DTC. Disbursal of such payments to the DTC participants is the responsibility of DTC and disbursal of such payments to the beneficial owners of the Bonds is the responsibility of the DTC participants.

* Preliminary, subject to change.

The Bonds are dated and shall bear interest from their date of delivery, which interest shall be payable semi-annually on the first (1st) day of March and September in each year, commencing September 1, 2027, until maturity or prior redemption. The Bonds shall mature on September 1 in each of the years, in the principal amounts, and at the interest rates as follows:

Year (September1)	Principal Amount*	Interest Rate
2027	$ 750,000	%
2028	830,000	
2029	870,000	
2030	910,000	
2031	950,000	
2032	995,000	
2033	1,035,000	
2034	1,085,000	
2035	1,130,000	
2036	1,185,000	
2037	1,235,000	
2038	1,290,000	
2039	1,350,000	
2040	1,410,000	
2041	1,475,000	
2042	1,500,000	
	$ 18,000,000*	

The Bonds of this issue maturing prior to September 1, 2035 are not subject to redemption prior to their stated maturities. The Bonds of this issue maturing on or after September 1, 2035 are redeemable at the option of the City, in whole or in part, on any date on or after September 1, 2034, upon notice as required therein, at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed, plus accrued interest to the date fixed for redemption.

We have examined such matters of law, certified copies of the proceedings, including the Ordinances and the Resolution, and other documents and proofs relative to the authorization, sale, issuance, execution and delivery of the Bonds as we have deemed necessary or appropriate for the purposes of the opinions rendered below. In such examination, we have assumed the

* Preliminary, subject to change.

genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

We are of the opinion that (i) such proceedings and proofs show lawful authority for the authorization, sale, issuance, execution and delivery of the Bonds pursuant to the Local Bond Law, the Ordinances and the Resolution; (ii) the Bonds have been duly authorized, executed and delivered and constitute valid and legally binding general obligations of the City 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 Bonds and, unless paid from other sources, all the taxable property located 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 Bonds.

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 Bonds in order 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 Bonds to be included in gross income for Federal income tax purposes retroactive to the date of the issuance of the Bonds. The City has covenanted in a tax certificate (the "Tax Certificate") relating to the Bonds to maintain the exclusion of the interest on the Bonds from gross income for Federal income tax purposes pursuant to Section 103(a) of the Code.

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

[The Bonds maturing on September 1 in the years _______ through ________, inclusive (collectively, the "Premium Bonds"), were purchased at a premium ("original issue premium") over the stated principal amounts of the Bonds. For Federal income tax purposes, original issue premium generally must be amortized over the term of the Premium Bonds. Amortizable bond premium is accounted for as reducing the tax-exempt interest on the Premium Bonds rather than creating a deductible expense or loss. Under Section 171(a)(2) of the Code, no deduction is allowed for the amortizable bond premium (determined in accordance with Section 171(b) of the Code) on tax-exempt bonds. Under Section 1016(a)(5) of the Code, however, an adjustment must be made to the purchaser's basis in the Premium Bonds to the extent of any amortizable bond premium that is disallowable as a deduction under Section 171(a)(2) of the Code. Holders of the Premium Bonds should consult their tax advisors for an explanation of the bond premium amortization rules.]

[We are also of the opinion that the difference between the stated principal amount of the Bonds maturing on September 1 in the years ____ through ____, inclusive (collectively, the "Discount Bonds"), and their respective initial public offering prices to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which prices a substantial amount of the Discount Bonds of the same maturity and interest rate were sold, constitutes original issue discount which is treated as interest and is excludable from gross income for Federal income tax purposes to the same extent described above. In the case of any holder of the Discount Bonds, the amount of such original issue discount which is treated as having accrued with respect to the Discount Bonds is added to the cost basis of the holder in determining, for Federal income tax purposes, gain or loss upon disposition (including sale, redemption or payment at maturity). Holders of the Discount Bonds should consult their tax advisors for an explanation of the original issue discount rules.]

We are also of the opinion that, under existing laws of the State of New Jersey, interest on the Bonds and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47 (N.J.S.A. 54A:1-1 et seq.), 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 Bonds. Furthermore, we express no opinion as to any Federal, state, local or foreign tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other bond counsel.

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

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 each of the Bonds, as executed by the City, and, in our opinion, the form of each Bond and their execution are regular and proper.

Very truly yours,

APPENDIX D

FORM OF APPROVING LEGAL OPINION FOR THE NOTES

WILENTZ
—ATTORNEYS AT LAW—
WILENTZ, GOLDMAN & SPITZER, P.A.

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

September ___, 2026

Mayor and City Council of the
City of East Orange
East Orange, New Jersey

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the City Council of the City of East Orange, in the County of Essex (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 $11,609,550 aggregate principal amount of Bond Anticipation Notes, Series 2026 (the "Notes") of the City. The Notes are dated September 22, 2026, mature on September 21, 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 coupons, 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 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. So long as DTC or its nominee 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 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"); (ii) various bond ordinances duly adopted by the City Council of the City, approved by the Mayor (if applicable), and published as required by law (the "Ordinances"); and (iii) a resolution duly adopted by the City Council of the City on July 31, 2026 (the "Resolution").

The Notes are being issued to refund, on a current basis, (i) a $7,240,900 principal portion of outstanding bond anticipation notes of the City issued in the aggregate principal amount of $25,240,900 on October 15, 2025 and maturing on October 14, 2026, and (ii) $4,368,650 prior bond anticipation notes of the City issued on December 23, 2025 and maturing on September 23, 2026.

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 the Local Bond Law, the Ordinances, and the Resolution; (ii) the Notes have been duly authorized, executed and delivered and constitute valid and legally binding general obligations of the City 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 located 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 in order for the 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 (the "Tax Certificate") relating 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 requirements of the Code and aforementioned covenants and representations stated 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 of the owners of the Notes under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47 (N.J.S.A. 54A:1-1 <u>et</u> <u>seq</u>.), 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,

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate, dated September ____, 2026 (the "Disclosure Certificate"), is executed and delivered by the City of East Orange, in the County of Essex, a municipal corporation organized and existing under the laws of the State of New Jersey (the "City" or the "Issuer"), in connection with the issuance and sale of its $18,000,000* aggregate principal amount of General Improvement Bonds, Series 2026 (the "Bonds"), all such Bonds being dated their date of delivery. The Bonds are being issued pursuant to, among other things, various bond ordinances duly adopted by the City Council of the City, approved by the Mayor, as applicable, and published as required by law, and a resolution entitled, "RESOLUTION (A) PROVIDING FOR THE COMBINATION OF CERTAIN BOND ORDINANCES AND DETERMINING THE FORM AND OTHER DETAILS OF THE OFFERING OF NOT TO EXCEED $18,000,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL IMPROVEMENT BONDS, SERIES 2026, OF THE CITY OF EAST ORANGE, IN THE COUNTY OF ESSEX, STATE OF NEW JERSEY (THE "CITY") AND PROVIDING FOR THEIR SALE AND DETERMINING CERTAIN OTHER MATTERS WITH RESPECT THERETO, AND (B) AUTHORIZING THE SALE AND ISSUANCE OF NOT TO EXCEED $11,609,550 AGGREGATE PRINCIPAL AMOUNT OF BOND ANTICIPATION NOTES, SERIES 2026 OF THE CITY" (the "Resolution"), being duly adopted by the City Council of the City on July 31, 2026. The City covenants and agrees as follows:

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

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

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

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* Preliminary, subject to change

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

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

"Continuing Disclosure Information" shall mean, collectively, (i) each Annual Report, (ii) any notice required to be filed by the City with the MSRB through EMMA (both as defined below) pursuant to Section 3 of this Disclosure Certificate, and (iii) any notice of a Listed Event required to be filed by the City with the MSRB though EMMA pursuant to Section 5 of this Disclosure Certificate.

"Disclosure Representative" shall mean the Chief Financial Officer (the "Chief Financial Officer") of the City or his or her designee, or such other person as the City shall designate in writing from time to time for the purposes of this Disclosure Certificate.

"Dissemination Agent" shall mean, initially, NW Financial Group, LLC, Bloomfield, New Jersey, or any Dissemination Agent subsequently designated in writing by the City which has filed with the City a written acceptance of such designation.

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

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

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

"MSRB" shall mean the Municipal Securities Rulemaking Board.

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

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

"SEC" shall mean the United States Securities and Exchange Commission.

"State" shall mean the State of New Jersey.

"Underwriter(s)" shall mean any of the original underwriter(s) of the Bonds required to comply with the Rule in connection with the purchase of the Bonds.

SECTION 3. Provision of Annual Reports. (a) The City shall on or prior to September 30 after the end of each fiscal year (currently December 31) until termination of the City's reporting obligations under this Disclosure Certificate pursuant to the provisions of Section 6 of this Disclosure Certificate, provide to the Dissemination Agent the Annual Report prepared for the preceding fiscal year of the City (commencing for the fiscal year ending December 31, 2025). Each Annual Report provided to the Dissemination Agent by the City shall comply with the requirements of Section 4 of this Disclosure Certificate but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to the National Repository. Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the SEC.

(b) The Dissemination Agent, promptly (within ten (10) Business Days) after receiving the Annual Report from the City, shall submit each Annual Report received by it to the National Repository and thereafter shall file a written report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate to the National Repository and stating the date it was provided to the National Repository.

(c) If the City fails to provide the Annual Report to the Dissemination Agent by the date required in subsection (a) of this Section 3, the Dissemination Agent shall send a notice to the City advising of such failure. Whether or not such notice is given or received, if the City thereafter fails to submit the Annual Report to the Dissemination Agent within ten (10) Business Days after the Annual Report was due pursuant to the provisions of subsection (a) of this Section 3, the Dissemination Agent shall promptly send a notice (with a copy of said notice to the City) to the National Repository in substantially the form attached as Exhibit A hereto.

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

(1) The audited financial statements of the City as of December 31 of each year (or unaudited financial statements if audited financial statements are not then available, which audited financial statements will be delivered when and if available).

The audited financial statements are to be prepared in accordance with generally accepted auditing standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") that demonstrate compliance with the modified accrual basis, with certain exceptions, which is a comprehensive basis of accounting other than generally accepted accounting principles (“GAAP”), and the budget laws of the State.

(2) The most current annual debt statement of the City (as of December 31); and.

(3) The general financial information and operating data of the City consistent with the information set forth in Appendix A to the Official Statement dated September ____, 2026, prepared in connection with the sale of the Bonds (the “Official Statement”) consisting of (1) City indebtedness and overlapping indebtedness including a schedule of outstanding debt issued by the City; (2) property valuation information; and (3) tax rate, levy and collection data.

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

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

1. Principal and interest payment delinquencies;

2. Nonpayment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. Modifications to rights of Bondholders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances of the Bonds;

10. Release, substitution or sale of property securing repayment of the Bonds, if material;

11. Rating changes relating to the Bonds;

12. Bankruptcy, insolvency, receivership or similar event of the City;

13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee for the Bonds or the change of name of a trustee for the Bonds, if material;

15. Incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect Bondholders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation, any of which reflect financial difficulties.

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

(b) Whenever the City has or obtains knowledge of the occurrence of any of the Listed Events, the City shall, as soon as possible, for those events that are subject to a materiality determination, determine if such event would constitute information material to the Beneficial Owners of the Bonds.

(c) If the City determines that the occurrence of a Listed Event has occurred or, for those events that are subject to a materiality determination, would be material, to the Beneficial Owners of the Bonds, the City shall promptly notify the Dissemination Agent in writing (if the City is not the Dissemination Agent) and the City shall instruct the Dissemination Agent to report such Listed Event and the Dissemination Agent shall report the occurrence of such Listed Event pursuant to subsection (e) hereof.

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

(e) If the Dissemination Agent has been instructed in writing by the City to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB, through the EMMA system, with a copy to the City (if the Dissemination Agent is not the City). Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) hereof need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Beneficial Owner of the affected Bonds pursuant to the Resolution.

SECTION 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds or when the City is no longer an "Obligated Person" (as defined in the Rule). The City shall file a notice of the termination of its reporting obligations pursuant to the provisions hereof with the Dissemination Agent (if the Dissemination Agent is not the City), which notice shall be filed by the City or the Dissemination Agent, as applicable, with the MSRB, through the EMMA system, in accordance with the provisions of Section 5(e) of this Disclosure Certificate.

SECTION 7. Dissemination Agent; Compensation. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be NW Financial Group, LLC, Bloomfield, 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.

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

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

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

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

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

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

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

(a) If to the City:

Daphné Gamboa
Chief Financial Officer
City of East Orange
44 City Hall Plaza
East Orange, New Jersey 07018
Email: daphne.gamboa@eastorange-nj.gov

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

NW Financial Group
522 Broad Street
Bloomfield, New Jersey 07003

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

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

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

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

CITY OF EAST ORANGE,
IN THE COUNTY OF ESSEX,
STATE OF NEW JERSEY

By:___________________________________
DAPHNÉ GAMBOA,
Chief Financial Officer

Acknowledged and Accepted by:

NW FINANCIAL GROUP, LLC,
as Dissemination Agent

____
Authorized Signatory

EXHIBIT A

NOTICE TO EMMA OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	City of East Orange, in the County of Essex, State of New Jersey
Name of Issue:	$18,000,000* General Improvement Bonds, Series 2026 Dated: September ___, 2026 (CUSIP Number: 274137___)
Date of Issuance:	September ___, 2026

NOTICE IS HEREBY GIVEN that the above designated City has not provided an Annual Report with respect to the above-named Bonds as required by the Resolution and a Continuing Disclosure Certificate for the Bonds dated September ___, 2026, which was executed by the City and acknowledged and accepted by the Dissemination Agent (the "Certificate"). Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to such terms in the Certificate.

DATED: ______________________

____
DISSEMINATION AGENT
(on behalf of the City)

cc: The City

____
* Preliminary, subject to change

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE NOTES

CONTINUING DISCLOSURE CERTIFICATE FOR THE NOTES

I, DAPHNÉ GAMBOA, Chief Financial Officer of the City of East Orange, in the County of Essex (the "City"), a municipal corporation organized and existing under the laws of the State of New Jersey, DO HEREBY CERTIFY in connection with the authorization, sale, issuance, execution and delivery of the City's $11,609,550 aggregate principal amount of Bond Anticipation Notes, Series 2026, dated September 22, 2026 and maturing on September 21, 2027 (the "Notes"), 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 (or its duly appointed Dissemination Agent) 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 of any of the following events with respect to the Notes 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 involving the City, 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 (as defined below) of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, 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 of the City, 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 (or its duly appointed Dissemination Agent) (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 (or its duly appointed Dissemination Agent) 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 after such determination.

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 NW Financial Group, LLC, Bloomfield, 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.

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.

IN WITNESS WHEREOF, I have hereunto set my hand on behalf of the City this ____ day of September, 2026.

CITY OF EAST ORANGE
IN THE COUNTY OF ESSEX,
STATE OF NEW JERSEY

____

DAPHNÉ GAMBOA,
Chief Financial Officer

Acknowledged and Accepted by:

NW FINANCIAL GROUP, LLC,
as Dissemination Agent

____

Authorized Signatory