

PRELIMINARY OFFICIAL STATEMENT DATED MAY 20, 2026

NEW ISSUE

RATING: S&P: “SP-1+”

In the opinion of FBT Gibbons LLP, Bond Counsel to the City (as defined herein), assuming continuing compliance by the City with certain tax covenants described herein, under existing law, interest on the Notes (as defined herein) is excluded from the gross income of the owners of the Notes for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax, however, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under the Code. Under existing law, interest on the Notes and net gains from the sale of the Notes are exempt from the tax imposed by the New Jersey Gross Income Tax Act. See “TAX MATTERS” herein.

**CITY OF LINDEN
IN THE COUNTY OF UNION, NEW JERSEY**

**\$22,594,000 BOND ANTICIPATION NOTES, SERIES 2026
(NON-CALLABLE) (BOOK-ENTRY ONLY)**

Dated: Date of Delivery

Due: June 10, 2027

Interest Rate: _____%

Yield: _____%

CUSIP No.: _____

The City of Linden, in the County of Union, New Jersey (the “City”) is offering \$22,594,000 Bond Anticipation Notes, Series 2026 (the “Notes”).

The Notes will be issued as fully registered Notes in the form of one certificate for the aggregate principal amount of the Notes and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository. The certificate will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants or 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 purchases of the Notes may be made in the principal amount of \$1,000 each or any integral multiple thereof (except for one odd piece) through book-entries made on the books and the records of DTC and its participants. Individual purchasers of the Notes will not receive certificates representing their beneficial ownership interests in the Notes. See “THE NOTES – Book-Entry Only System” herein.

The Notes shall be dated and bear interest from their date of delivery, shall mature on June 10, 2027, and shall bear interest at the rate of interest set forth above, payable at maturity, calculated on the basis of a 360-day year of twelve 30-day calendar months. So long as DTC or its nominee is the registered owner of the Notes, principal of and interest on the Notes will be paid to DTC by the City at maturity. Principal of and interest on the Notes will be credited to the participants of DTC as listed on the records of DTC as of June 3, 2027. The Notes are not subject to redemption prior to maturity.

The Notes are being issued pursuant to the Local Bond Law of the State of New Jersey, constituting Chapter 2 of Title 40A of the New Jersey Statutes, as amended, and various bond ordinances in order to provide funds to (i) to temporarily finance and refinance various capital projects of the City and (ii) pay certain costs incurred in connection with the issuance of the Notes.

The Notes will constitute general obligations of the City, the payment of the principal of and interest on which the full faith, credit and taxing power of the City is available, and all the taxable property within the City is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for such purposes.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THESE ISSUES. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Notes are offered when, as and if received by the Underwriter (as defined herein) and subject to prior sale, withdrawal or modification of the offer without notice, and to approval of legality by FBT Gibbons LLP, Newark, New Jersey, Bond Counsel, and certain other conditions described herein. NW Financial Group, LLC, Bloomfield, New Jersey has served as municipal advisor in connection with the issuance of the Notes. It is expected that the Notes, in definitive form, will be available for delivery on or about June 11, 2026 through the facilities of DTC in New York, New York.

This is a Preliminary Official Statement and the information contained herein is subject to completion, amendment or other change without notice. The securities described herein may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the applicable securities laws of any such jurisdiction.

**CITY OF LINDEN
IN THE COUNTY OF UNION,
NEW JERSEY**

MAYOR

Derek Armstead

CITY COUNCIL

Michele Yamakaitis, Council President

Lisa Ormon

Barry E. Javick

Monique Caldwell

Alfred Mohammed

Dr. Kayla Lott

Eloy Delgado

Ralph Strano

Mark Armstead

Alfred Rodriguez

Christine Hudak

CITY CLERK

Joseph Bodek

CHIEF FINANCIAL OFFICER

Alexis Zack

TAX COLLECTOR

Stacey L. Carron

CITY ENGINEER

Nicholas Pantina

CITY ATTORNEY

Daniel Antonelli, Esq.

CITY AUDITOR

Suplee, Clooney & Company

Certified Public Accountants

Registered Municipal Accountants

Westfield, New Jersey

MUNICIPAL ADVISOR

NW Financial Group, LLC

Bloomfield, New Jersey

BOND COUNSEL

FBT Gibbons LLP

Newark, New Jersey

No broker, dealer, salesperson or other person has been authorized by the City to give any information or to make any representations with respect to the Notes other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the foregoing. The information contained herein has been provided by the City and other sources deemed reliable; however, no representation is made as to the accuracy or completeness of information from sources other than the City.

Any statements contained in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. All estimates and assumptions herein have been made on the best information available and are believed to be reliable, but no representations whatsoever are made that such estimates or assumptions are correct or will be realized. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Notes. This Official Statement is submitted in connection with the sale of the Notes and may not be reproduced or used, in whole or in part, for any other purpose.

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

FBT Gibbons LLP has not verified the accuracy, completeness or fairness of the information contained herein, except under "TAX MATTERS", and, accordingly, assumes no responsibility therefor and will express no opinion with respect thereto.

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

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE NOTES IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

The term CUSIP referenced on the front cover page hereof is a registered trademark of American Bankers Association. The CUSIP number referenced on the front cover page hereof is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP number referenced on the front cover page hereof is being provided solely for the convenience of holders of the Notes 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 referenced on the front cover page hereof is subject to being changed after the issuance of the Notes.

TABLE OF CONTENTS

INTRODUCTION 1
THE NOTES 1
SECURITY AND SOURCE OF PAYMENT 4
NO DEFAULT 4
AUTHORIZATION AND PURPOSE 4
MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES 6
TAX MATTERS 9
LITIGATION 11
SECONDARY MARKET DISCLOSURE 11
MUNICIPAL BANKRUPTCY 12
APPROVAL OF LEGAL PROCEEDINGS 12
UNDERWRITING 12
RATING 12
MUNICIPAL ADVISOR 13
INDEPENDENT AUDITORS 13
INFECTIOUS DISEASE OUTBREAK - COVID-19 13
CYBER SECURITY 14
PREPARATION OF OFFICIAL STATEMENT 14
ADDITIONAL INFORMATION 14
MISCELLANEOUS 14

CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION
ABOUT THE CITY OF LINDEN Appendix A

FINANCIAL STATEMENTS Appendix B

FORM OF CONTINUING DISCLOSURE CERTIFICATE Appendix C

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL Appendix D

OFFICIAL STATEMENT

Relating to

CITY OF LINDEN IN THE COUNTY OF UNION, NEW JERSEY

\$22,594,000 BOND ANTICIPATION NOTES, SERIES 2026 (NON-CALLABLE) (BOOK-ENTRY ONLY)

INTRODUCTION

This Official Statement, which includes the front cover page and the appendices attached hereto, has been prepared by the City of Linden (the "City"), in the County of Union (the "County"), in the State of New Jersey (the "State"), in connection with the sale and the issuance of \$22,594,000 Bond Anticipation Notes, Series 2026 (the "Notes"). This Official Statement has been executed by and on behalf of the City by its Chief Financial Officer and may be distributed in connection with the sale of the Notes described herein.

THE NOTES

Description of the Notes

The Notes are dated their date of delivery and will mature on June 10, 2027 and shall bear interest at the rate as set forth on the front cover page hereof, payable at maturity, calculated on the basis of a 30-day month, 360-day year. Principal of and interest on the Notes will be credited to the participants of The Depository Trust Company, New York, New York ("DTC") as listed on the records of DTC as of June 3, 2027. So long as DTC or its nominee is the registered owner of the Notes, payments of principal of and interest on the Notes will be made by the City directly to DTC or its nominee, Cede & Co., which will in turn remit such payments to DTC Participants, which will in turn remit such payments to the beneficial owners of the Notes.

The Notes will be issued in fully registered book-entry form of one certificate in the principal amount of the Notes and, when issued, will be registered in the name of Cede & Co. as nominee of the DTC, which will act as securities depository for the Notes. The certificate will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants or transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interest in the Notes on behalf of the individual purchasers. Individual purchases may be made in the principal amount of \$1,000 each or any integral multiple thereof (except for one odd piece) through book-entries made on the books and the records of DTC and its participants. Individual purchasers of the Notes will not receive certificates representing their beneficial ownership interest in the Notes, but each book-entry Note 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. See "Book-Entry-Only System" herein.

Redemption Provisions for the Notes

The Notes are not subject to redemption prior to maturity.

Book-Entry Only System

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

DTC will act as securities depository of the Notes. The Notes will be issued as fully-registered Notes registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued in the aggregate principal amount of the Notes 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 Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. 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 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 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Notes 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, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that City believes to be reliable, but City takes no responsibility for the accuracy thereof.

THE CITY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, OR THE INDIRECT PARTICIPANTS, OR BENEFICIAL OWNERS. SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE NOTES, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE NOTES (OTHER THAN UNDER THE CAPTION "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE NOTES.

Discontinuance of Book-Entry-Only System

If the City, in their sole discretion, determines that DTC is not capable of discharging its duties, or if DTC discontinues providing its services with respect to the Notes at any time, the City will attempt to locate another qualified securities depository. If the City fails to find such securities depository, or if the City determines, in their sole discretion, that it is in the best interest of the City or that the interest of the Beneficial Owners might be adversely affected if the book-entry only system of transfer is continued (the City undertakes no obligation to make an investigation to determine the occurrence of any events that would permit it to make such determination) the City shall notify DTC of the termination of the book-entry only system.

In the event that the book-entry only system for the Notes is discontinued, the City has provided that upon receipt of the Note certificates from DTC and the Participant information, the City will authenticate (or cause to be authenticated) and deliver definitive Notes to the holders thereof, and the principal of and interest on the Notes will be payable and the Notes may thereafter be transferred or exchanged in the manner described in the certificates so provided.

SECURITY AND SOURCE OF PAYMENT

The Notes are valid and legally binding general obligations of the City, and the City has pledged its full faith and credit for the payment of the principal of and the interest on the Notes. The City is required by law to levy *ad valorem* taxes upon all the taxable property within the City for the payment of the principal of and the interest due on the Notes without limitation as to rate or amount.

NO DEFAULT

The City has never defaulted in the payment of any bonds or notes, nor are any payments of principal of or interest on the City's indebtedness past due.

AUTHORIZATION AND PURPOSE

The Notes have been authorized pursuant to the Local Bond Law, constituting Chapter 2 of Title 40A of the New Jersey Statutes, as amended and supplemented (the "Local Bond Law") and various ordinances finally adopted by the City Council of the City (the "City Council") and published in accordance with the requirements of the Local Bond Law.

The Notes are being issued to temporarily fund new money projects and to currently refund a portion of the City's \$10,926,563 Bond Anticipation Notes, Series 2025, issued July 9, 2025 and maturing June 12, 2026 (the "2025 Notes"), as authorized by and described in the bond ordinances set forth below.

<u>Ordinance No.</u>	<u>Project Name</u>	<u>Principal Amount</u>
61-23	Capital Acquisitions - Police Department	\$ 73,333
61-51	Acquisition of Computer Software and Equipment	86,750
62-18	Acquisition of Vehicles - Police Department	35,555
62-25	Various Street Resurfacing	227,368
63-25	Non Public Safety Computers	80,000
63-32	Purchase of Equipment and Vehicles	678,221
63-31	Purchase of Various Vehicles	92,444
64-13	Acquisition of Police Vehicles	310,571
64-16	IT Upgrades Public Safety - Various Departments and Acquisition of Video Cameras	530,664
64-27	Various Capital Improvements – Division of Engineering	14,014
64-28	Acquisition Various City Vehicles	211,555
64-29	Fire Department Equipment Purchase of Ambulance and Acquisition of Pick Up Truck	349,332
64-31	Acquisition of Recycling Carts - Public Works Department	466,666
64-37	Resurfacing Various Roads	500,000
64-38	Acquisition of Terrestrial Drone - Police Department	35,555
64-50	Rear End Loader Sanitation Truck	240,000
64-54	Software/Hardware Upgrade	42,755
65-15	SUVs for Police Department	307,823

<u>Ordinance No.</u>	<u>Project Name</u>	<u>Principal Amount</u>
65-21	EMS SUVs and Command Vehicle for Fire Department	98,221
65-32/ 66-12	Kids Trust Martin Luther King Park	52,000
65-40	Firefighting Equipment & PPE and Public Safety IT Upgrades	619,442
65-42	Dispatch System Upgrades	68,444
65-45	Citywide Camera System Phase 3 & Dispatch Call Station	75,822
65-46	Vacuum Sewer Truck, Rear Loader Sanitation Truck and Pickup Trucks	788,884
66-13	EMS Computer Upgrades	502,818
66-15	Ambulance & Related Equipment	373,751
66-16	Rear Loader Sanitation Truck	278,222
66-17	Police SUVs and Related Accessories	206,011
66-22	Airport Redevelopment Plan	74,050
66-23	Acquisition of Firefighting Equipment & PPE	98,680
66-30/ 67-8	Acquisition of SUVs, Trucks and Landfill Improvements	162,191
66-31/ 67-83	Skatepark Memorial Park and Backhoe Loader	46,500
66-32	Various Gym Floor Replacement & Office Furniture	192,333
66-40	Various Capital Improvements – Division of Engineering	1,000,000
66-66	Various Capital Improvements – Engineering Department	209,000
67-9	Landfill Improvements	271,700
67-10	Master Plan – City Park Improvements	52,250
67-15	HVAC Unit Upgrades and LMPC Improvements	61,655
67-18	Acquisition of Ford F-250 SUV	56,430
67-19	Acquisition of Van – Recreation Department	104,500
67-20	Acquisition of Firefighting Equipment & PPE	130,625
67-21	Acquisition of Equipment – Public Works	6,800
67-23	Various Vehicle and Equipment Acquisitions & IT Cloud Migration	783,750
67-40	Landfill Improvements	128,700
67-51	Acquisition of Van – Library	82,800
67-53	Various Capital Improvements – Division of Engineering	165,750
68-10	Acquisition of Furniture/Carpets	209,000
68-11	Acquisition of IT Equipment	1,130,915
68-26	Acquisition of Firefighting Equipment	100,000
68-27	Acquisition of Mowers - DPW	35,000
68-28	Various Capital Improvements – Division of Engineering	1,665,750
68-33	Acquisition of Breathalyzer Machine	24,000
68-42	Acquisition of Cargo Vans	125,000

<u>Ordinance No.</u>	<u>Project Name</u>	<u>Principal Amount</u>
68-49	Acquisition of SUV	30,000
69-6	Acquisition of SUV and Van – Police Department	200,000
69-7	Acquisition of Equipment and Vehicles – Police Department	294,000
69-8	Various Capital Improvements and Acquisitions – Public Works	1,066,700
69-11	Various Capital Improvements – Division of Engineering	350,000
69-15	Network Infrastructure Project	402,325
69-19	Various Improvements – Department of Parks and Recreation	271,700
69-41	Various Capital Improvements – Division of Transportation and Properties	281,675
69-42	Acquisition of Equipment – Police Department	209,000
69-60	Acquisition of Real Property	5,225,000
Total:		<u>\$22,594,000</u>

**MUNICIPAL FINANCE -
FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES**

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

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

The authorized bonded indebtedness of the City for municipal purposes is limited by statute, subject to the exceptions noted below, to an amount equal to 3¹/₂% of its average equalized valuation basis. The average for the last three years of the equalized value of all taxable real property and improvements and certain Class II railroad property within the boundaries of City, as annually determined by the State Director of Taxation is \$9,948,601,539.00.

Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit, including school bonds that do not exceed the school bond borrowing margin and certain debt that may be deemed self-liquidating.

The City has not exceeded its statutory debt limit. As of December 31, 2025 (unaudited), the statutory net debt as a percentage of average equalized valuation was 0.962%. As noted above, the statutory limit is 3¹/₂%.

The City may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the City may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the City or substantially reduce the ability of the City to meet its obligations or to provide essential public improvements and services, or if it makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the City to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, to provide for purposes in

an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

The City may sell short-term "bond anticipation notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or a subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the ordinance creating such capital expenditure, as it may be amended and supplemented. A local unit's bond anticipation notes may be issued for periods not greater than one year. Generally, bond anticipation notes may not be outstanding for longer than ten years. An additional period may be available following the tenth anniversary date equal to the period from the notes' maturity to the end of the tenth fiscal year in which the notes mature plus 4 months (May 1) in the next following fiscal year from the date of original issuance. Beginning in the third year, the amount of notes that may be issued is decreased by the minimum amount required for the first year's principal payment for a bond issue.

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

The foundation of the New Jersey local finance system is the annual cash basis budget. Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the Director of the Division ("Director") prior to final adoption. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations. The local unit is authorized to issue Emergency Notes and Special Emergency Notes pursuant to the Local Budget Law.

Tax Anticipation Notes are limited in amount by law and must be paid off in full within 120 days of the close of the fiscal year.

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

The cash basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations (N.J.S.A. 40A:4-22). If in any year a local unit's expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year's budget.

The Local Budget Law (N.J.S.A. 40A:4-26) provides that no miscellaneous revenues from any source may 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 determines that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and certifies that determination to the local unit.

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

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

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

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

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between appropriation accounts may be made only during the last two months of the year. Appropriation reserves may also be transferred during the first three (3) months of the year, to the previous year's budget. Both types of transfers require a 2/3 vote of the full membership of the governing body; however, transfers cannot be made from either the down payment account or the capital improvement fund. Transfers may be made between sub-account line items within the same account at any time during the year, subject to internal review and approval. In a "CAP" budget, no transfers may be made from excluded from "CAP" appropriations to within "CAPS" appropriations nor can transfers be made between excluded from "CAP" appropriations. A provision of law known as the New Jersey "Cap Law" (N.J.S.A. 40A:4-45.1 et seq.) imposes limitations on increases in municipal appropriations subject to various exceptions. The payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically, it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the "Index Rate" if the index rate is greater than 2.5%. The "Index Rate" is the rate of annual percentage increase, rounded to the nearest one-half percent, in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other things including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. Counties are also prohibited from increasing their tax levies by more than the lesser of 2.5% or the Index Rate subject to certain exceptions. Municipalities by ordinance approved by a majority of the full membership of the governing body may increase appropriations up to 3.5% over the prior year's appropriation and counties by resolution approved by a majority of the full membership of the governing body may increase the tax levy up to 3.5% over the prior years' tax levy in years when the Index Rate is 2.5% or less.

Additionally, legislation constituting P.L. 2010, c. 44, limits tax levy increases for those local units to 2% with exceptions only for capital expenditures including debt service, increases in pension contributions and accrued liability for pension contributions in excess of 2%, certain healthcare increases, extraordinary costs directly related to a declared emergency and amounts approved by a simple majority of voters voting at a special election.

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

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

Tax Assessment and Collection Procedure

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This

method assures equitable treatment to like property owners. But it often results in a divergence of the assessment ratio to true value. Because of the changes in property resale values, annual adjustments could not keep pace with the changing values. A re-evaluation of all property in the City was last completed in 1992.

Upon the filing of certified adopted budgets by the City's 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 provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June by the City. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current calendar year's total tax liability. The preliminary taxes due June 1 and May 1 of the succeeding year are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00. These interest rates and penalties are the highest permitted under New Jersey Statutes. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey Statutes. In connection with any delinquency of taxes, assessments or municipal charges exceeding \$10,000 which has not been paid prior to the end of a calendar year, there may also be imposed a penalty in the sum not in excess of 6% of the delinquency.

Tax Appeals

The New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to June 1 in each year, the City must mail to each property owner a notice of the current assessment and taxes on the property. The taxpayer has a right to petition the County Tax Board on or before April 1 for review. The County Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the County Board of Taxation, appeal may be made to the Tax Court of New Jersey for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations.

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

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

An independent examination of each local unit's accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the report, together with all recommendations made, and must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2024 for the City is on file with the Clerk and is available for review during business hours.

TAX MATTERS

Exclusion of Interest on the Notes from Gross Income for Federal Income Tax Purposes

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements which must be met on the date of issuance and on a continuing basis subsequent to the issuance of the Notes in order to assure that interest on the Notes will be excluded from gross income for Federal income tax purposes under Section 103 of the Code. Failure of the City to comply with such requirements may cause interest on the Notes to lose the exclusion from gross income for Federal income tax purposes, retroactive to the date of the issuance of the Notes. The City will

make certain representations in its tax certificate, which will be executed on the date of issuance of the Notes, as to various tax requirements. The City has covenanted to comply with the provisions of the Code applicable to the Notes and has covenanted not to take any action or fail to take any action that would cause the interest on the Notes to lose the exclusion from gross income under Section 103 of the Code or cause interest on the Notes to be treated as an item of tax preference under Section 57 of the Code. FBT Gibbons LLP, Bond Counsel to the City, has relied upon the representations of the City made in its tax certificate and has assumed continuing compliance by the City with the above covenants in rendering its federal income tax opinions with respect to the exclusion of interest on the Notes from gross income for federal income tax purposes and with respect to the treatment of interest on the Notes for the purposes of alternative minimum tax.

Assuming the City observes its covenants with respect to continuing compliance with the Code, FBT Gibbons LLP, Bond Counsel to the City, is of the opinion that, under existing law, interest on the Notes is excluded from the gross income of the owners of the Notes for Federal income tax purposes pursuant to Section 103 of the Code and interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax, however, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under the Code.

Tax Treatment of Original Issue Premium

The initial public offering price of the Notes is greater than the principal amount of the Notes payable at maturity. An amount equal to the excess of the purchase price of the Notes over its stated redemption price at maturity constitutes premium on the Notes. A purchaser of the Notes must amortize any premium over Notes’ term using constant yield principles, based on the Notes’ yield to maturity. As premium is amortized, the purchaser’s basis of the Notes and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to such purchaser. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on the sale or disposition of the Notes prior to its maturity. Even though the purchaser’s basis is reduced, no federal income tax deduction is allowed.

Purchasers of the Notes, whether at the time of initial issuance or subsequent thereto, should consult with their tax advisors with respect to the determination and treatment of premium for federal income tax purposes, and with respect to state and local tax consequences of owning the Notes.

Additional Federal Income Tax Consequences

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

Bond Counsel expresses no opinion regarding any Federal tax consequences other than its opinions with regard to the exclusion of interest on the Notes from gross income pursuant to Section 103 of the Code and interest on the Notes not constituting an item of tax preference under Section 57 of the Code, and interest on the Notes being included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under the Code. Prospective purchasers of the Notes should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Notes.

State Taxation

Bond Counsel to the City is of the opinion that, under existing law, interest on the Notes and net gains from the sale of the Notes are exempt from the tax imposed by the New Jersey Gross Income Tax Act.

Miscellaneous

Amendments to federal and state tax laws are proposed from time to time and could be enacted, and court decisions and administrative interpretations may be rendered, in the future. There can be no assurance that any such future amendments or actions will not adversely affect the value of the Notes, the exclusion of interest on the Notes from gross income, alternative minimum taxable income, state taxable income, or any combination from the date of issuance of the Notes or any other date, or that such changes will not result in other adverse federal or state tax consequences.

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

LITIGATION

To the knowledge of the City Attorney, Daniel Antonelli, Esq., there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Notes, or the levy or the collection of any taxes to pay the principal of or the interest on the Notes, or in any manner questioning the authority or the proceedings for the issuance of the Notes or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the City or the title of any of the present officers. Moreover, to the knowledge of the City Attorney, no litigation is presently pending or threatened that, in the opinion of the City Attorney, would have a material adverse impact on the financial condition of the City if adversely decided.

SECONDARY MARKET DISCLOSURE

The Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, as amended and supplemented (the "Securities Exchange Act") has adopted amendments to its Rule 15c2-12 ("Rule 15c2-12") effective July 3, 1995 which generally prohibits a broker, dealer or municipal securities dealer ("Participating Underwriter") from purchasing or selling municipal securities, such as the Notes, unless the Participating Underwriter has reasonably determined that an issuer of municipal securities or an obligated person has undertaken in a written agreement or contract for the benefit of holders of such securities to provide certain annual financial information and event notices to the Municipal Securities Rulemaking Board ("MSRB") (the "Continuing Disclosure Requirements").

On the date of delivery of the Notes, the City will enter into a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") containing the Continuing Disclosure Requirements for the benefit of the beneficial holders of the Notes pursuant to which the City will agree to comply on a continuing basis with the Continuing Disclosure Requirements of Rule 15c2-12. Specifically, the City will covenant for the benefit of the holders and beneficial owners of the Notes to provide notices of the occurrence of certain numerated events. The notices of numerated events will be filed by the City with the MSRB. The specific nature of the information to be contained in the notices of numerated events is set forth in "Appendix C - Form of Continuing Disclosure Certificate". These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12.

The City has entered into prior undertakings to provide continuing disclosure for certain outstanding debt issues. The City has put in place policies and procedures in order to timely file its information.

MUNICIPAL BANKRUPTCY

The undertakings of the City should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. Section 901, et seq., as amended by Public Law 94-260, approved April 8, 1976, and as further amended on November 6, 1978 by the Bankruptcy Reform Act of 1978, effective October 1, 1979, as further amended by Public Law 100-597, effective November 3, 1988, and as further amended and other bankruptcy laws affecting creditor's rights and municipalities in general. The amendments of P.L. 94-260 replace former Chapter IX and permit the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to file a petition in a court of bankruptcy 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 such chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to debt owed for services or material actually provided within three months of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount or more than one-half in number of the listed creditors. The 1976 Amendments were incorporated into the Bankruptcy Reform Act of 1978 with only minor changes. Reference should also be made to N.J.S.A. 52:27-40 et seq., which provides that a municipality has the power to file a petition in bankruptcy provided the approval of the Municipal Finance Commission has been obtained. The powers of the Municipal Finance Commission have been vested in the Local Finance Board. The Bankruptcy Act specifically provides that Chapter IX 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 Act.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, the issuance, the sale, and the delivery of the Notes are subject to the approval of FBT Gibbons LLP, Newark, New Jersey, Bond Counsel to the City, whose approving legal opinion will be delivered with the Notes substantially in the form set forth as Appendix "D". Certain legal matters will be passed on for the City by its counsel, Daniel Antonelli, Esq.

UNDERWRITING

The Notes are being purchased from the City by _____, _____, _____ (the "Underwriter") at a purchase price of \$_____. The Underwriter is obligated to purchase all of the Notes if any Notes are purchased. The Underwriter has purchased the Notes in accordance with the Notice of Sale.

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

RATING

S&P Global Ratings (the "Rating Agency"), has assigned a rating of "SP-1+" to the Notes.

The rating reflect only the views of the Rating Agency and an explanation of the significance of such rating may only be obtained from the Rating Agency. There can be no assurance that the rating will be maintained for any given period of time or that it may not be raised, lowered or withdrawn entirely if, in the Rating Agency's judgment, circumstances so warrant. Any downward change in, or withdrawal of such rating, may have an adverse effect on the marketability or market price of the Notes.

MUNICIPAL ADVISOR

NW Financial Group, LLC, Bloomfield, New Jersey, has served as municipal advisor to the City (the "Municipal Advisor") with respect to the issuance of the Notes. 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 a financial advisory firm, and is not engaged in the business of underwriting, marketing or trading municipal securities or any other negotiable instrument.

INDEPENDENT AUDITORS

The audited financial statements of the City for the year ended December 31, 2024, as well as unaudited financial data of the City for the year ended December 31, 2025, are included in Appendix B to this Official Statement. The financial statements for the year ended December 31, 2024 have been audited by Suplee, Clooney & Company, independent auditors, as stated in its report appearing in Appendix B hereto.

INFECTIOUS DISEASE OUTBREAK - COVID-19

On January 31, 2020, then United States Secretary of Health and Human Services declared a national public health emergency in response to the outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 11, 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19. On March 13, 2020, then President Trump declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy (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. The pandemic and certain mitigation measures, which altered the behaviors of businesses and people, have had and may continue to have negative impacts on regional, state and local economies. The national public health emergency, the national 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 in effect.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by President Biden on March 12, 2021, comprises \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic.

Generally, according to the Plan, the allowable use of the funds provided to the City include the following categories: (a) to respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; (b) to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the City that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work; (c) for the provision of government services to the extent of the reduction in revenue due to the public health emergency relative to revenues collected in the most recent full fiscal year of the City, prior to the emergency; (d) to make necessary investments in water, sewer or broadband infrastructure.

Based on available information as of the date hereof, the City has received \$4,433,864.00 from the Plan. The City received its first installment under the Plan in the amount of \$2,216,932.00 on July 2, 2021, and its second installment under the Plan in the amount of \$2,216,932.00 on July 8, 2022. It utilized some of the funding to continue with COVID-19 testing, vaccinations, food distributions and assisting small businesses. The deadline to commit the funds was December 31, 2024 which was satisfied and to spend the funds is December 31, 2026 which was satisfied.

To date, the overall finances and operations of the City have not been materially adversely affected due to the COVID-19 outbreak. 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 governmental entities, including the City. The City cannot quantify any such potential impacts at this time.

CYBER SECURITY

The City relies on a complex technology environment to conduct its various operations. As a result, the City faces certain cybersecurity 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 cyberattacks, 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. However, there can be no assurance that any existing safety or security measures will provide adequate protection in safeguarding against cybersecurity threats and attacks. Cybersecurity breaches of the City could cause material disruption of the City's finances and operations.

PREPARATION OF OFFICIAL STATEMENT

The City hereby states that the descriptions and statements herein, including financial statements, are true and correct in all material respects and it will confirm to the purchasers of the Notes, by certificates signed by the Chief Financial Officer of the City, that to her knowledge such descriptions and statements, as of the date of this Official Statement and on the date of issuance of the Notes, are true and correct in all material respects and do 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.

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

Suplee, Clooney & Company takes responsibility for the financial statements to the extent specified in its Independent Auditors' Report.

FBT Gibbons LLP, has not verified the accuracy, completeness or fairness of the information contained herein, except under the heading "TAX MATTERS" and, accordingly, assumes no responsibility therefor and will express no opinion with respect thereto.

The Municipal Advisor has participated in the preparation and review of the information contained in this Official Statement, including the collection of financial, statistical and demographic information; however, it has not verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto. Certain information set forth herein has been obtained from the City and other sources, which are deemed reliable, but no warranty, guaranty or other representation as to the accuracy or completeness is made as to such information contained herein. There is no assurance that any of the assumptions or estimates contained herein will be realized.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Alexis Zack, Chief Financial Officer, 301 North Wood Avenue, Linden, New Jersey 07036, telephone (908) 474-8448, or to the Municipal Advisor, NW Financial Group, LLC, 522 Broad Street, Bloomfield, New Jersey 07003, telephone (201) 656-0115.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice and neither the

delivery of this Official Statement nor any sale of Notes made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. The information contained in the Official Statement is not guaranteed as to accuracy or completeness.

CITY OF LINDEN

By: _____
Alexis Zack,
Chief Financial Officer

Dated: May __, 2026

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APPENDIX A

CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION
ABOUT THE CITY OF LINDEN

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CITY OF LINDEN

COUNTY OF UNION, NEW JERSEY

GENERAL INFORMATION

Location and Character

Originally incorporated in 1861 as a City, Linden reorganized as a city in 1925. The City (area 11.4 square miles) is located in Union County, New Jersey, only 17 miles from New York City in the New York Metropolitan area. It is bordered on the northeast by the City of Elizabeth, on the east by the Arthur Kill, on the south by the Rahway River, on the west by the City of Rahway and the City of Clark, and on the north by the Borough of Roselle, the City of Cranford and the City of Winfield.

The City is industrial in character with a downtown business district and many residential neighborhoods. Housing consists principally of single-family homes, but there are numerous multi-unit homes and apartment complexes. Its ideal location as a point of distribution to the metropolitan area makes it attractive to industry and commercial enterprises.

It is estimated that 45 percent of all local taxes are paid by local industrial and commercial property owners.

Industry

The City ranks high in the United States in the diversity of manufactured products for a city of its size.

The largest industries located in the City are:

<u>2025 ASSESSED VALUATION</u>	<u>INDUSTRY</u>	<u>PRODUCT</u>
\$257,321,000	Philips 66 Company	Petroleum Products
82,466,100	Merck & Company	Chemicals
46,419,600	Duke Linden, LLC	Land Redevelopment
40,000,000	Infineum USA LP	Petroleum Products
39,332,500	Citgo Holdings Terminals	Petroleum Products
37,813,000	Aviation Marketplace LLC	Electricity and Gas
25,600,000	Cogen Technologies	Power Plant
20,980,300	Sunoco LLC	Energy and Fuel Supplier
20,888,200	PSE&G	Electricity and Gas
18,767,000	Cogen Technologies	Land Redevelopment
<hr/>	<hr/>	<hr/>
\$589,587,700	TOTAL	

MISCELLANEOUS

Government

Government is by a Mayor elected by the voters to a four-year term and a ten-member Council elected by the voters on a staggered basis to three-year terms. The Council President is elected for a four-year term by the voters on a ballot with the Mayor. The Mayor has no vote on operations of the City's government except for the police department. The City's day-to-day operations are overseen by Council committees.

Transportation

The main lines of Amtrak (passenger service) and Conrail (freight service) provide interstate rail service and the New Jersey Department of Transportation provides intrastate rail and bus service. A network of State Highway routes links the City with other parts of the State. U.S. Route 1 and the close-by Garden State Parkway and New Jersey Turnpike provide ready access for north-south travel.

Utilities

Gas service is provided by the Elizabethtown Consolidated Gas Company and PSE&G; electricity by PSE&G; water by New Jersey American Water Company; telephone service by Verizon; and garbage pickup twice weekly by the City's Public Works Department.

The Public Works Department maintains and operates the 100 miles of local wastewater collection system. The City is a member of the Linden Roselle Sewerage Authority (the "Authority") which provides sewerage treatment service to the City and the Borough of Roselle. The Authority bills to and collects from twenty major industries its annual user charges. Bayway Refining Company operates its own wastewater treatment facility. The Authority in April of each year bills each residential, commercial and smaller industrial user the annual pro rata share of operation and maintenance charges of the Authority and bills the City directly for the City's share of the Authority's Annual Net Debt Service Requirement.

Protection

Fire protection is handled by 116 full-time paid firefighters and law enforcement by 145 officers.

Library and Recreation

A new, state-of-the-art, 25,000 square foot library was opened to the public on June 28, 2010. It features an expanded children's room, public internet and word processing computers, wireless internet, three meeting rooms, and a training lab for various technology workshops. The Library participates in a reciprocal borrowing agreement (Middlesex-Union Reciprocal Associated Libraries or MURAL for short) which allows residents to use their Linden Library cards in forty-two other municipalities. Any Linden Library card holder in good standing may borrow materials from any other MURAL member library which include: Berkeley Heights, Carteret, Clark, Cranbury, Edison, Elizabeth, Fanwood, Garwood, Highland Park, Hillside, Kenilworth, Mountainside, Union, Westfield, and many more.

Recreational facilities include fifteen supervised playgrounds (one playground within one-quarter mile of each residence), nine summer day camps, thirty-six City parks and one County park and the 28-acre Memorial Park containing six lighted softball/baseball fields, four lighted tennis courts and two lighted handball courts.

Airport

Linden owns an airport which is leased to a fixed base operator on a long term basis. The City, in cooperation with the Federal Aviation Administration, completed a Master Plan Update Study of the airport which provides, in part, for the closure of one of the two runways. The closing of the runway has allowed for the development of approximately 70 acres of former airport lands abutting on Route 1, which were sold for approximately \$17 million. The development includes a Home Depot store, a Target store, a Hampton Inn, a Shop Rite supermarket, a multi-screen theater entertainment center and over 225,000 sq. ft. of related retail stores and restaurants.

Public Buildings

The City has a City Hall with an attached multi-level parking garage, one modern library and a community center used for youth and senior citizen activities. There is also a Municipal Garage where all municipal motor equipment is repaired and supplied. The Department of Community Service is housed in a separate building.

Churches

The City has approximately twenty-six churches representing all major denominations.

Newspaper

The City has one newspaper, Union County Local Source (formally The Progress), which is published weekly.

Streets

There are approximately 110 miles of improved streets in the City including State and County roads.

POPULATION

<u>CENSUS YEAR</u>	<u>POPULATION</u>
1980	37,836
1990	36,701
2000	39,394
2010	40,499
2020	43,738

UNEMPLOYMENT RATES

The annual average unemployment rate data follows:

	<u>2025*</u>
City of Linden.....	6.1%
Union County.....	5.5%
State of New Jersey.....	5.2%

* 2025 Annual Average as of April 16, 2026

VALUE OF BUILDING PERMITS ISSUED

<u>YEAR</u>	<u>NEW BUILDINGS</u>	<u>ALTERATIONS AND RENOVATIONS</u>	<u>TOTAL VALUE</u>
2025	\$102,682,314	\$145,576,831	\$248,974,345
2024	125,812,129	71,492,987	197,305,117
2023	51,966,097	93,248,824	146,020,216
2022	105,989,569	53,430,611	159,420,180
2021	59,737,609	41,432,662	101,170,271

FINANCIAL INFORMATION

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 "Division"). The Supplemental Debt Statement, as this report is known, must be submitted to the Division before final passage of any debt authorization. Before January 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:	
1. Equalized Valuations (last three years average)	\$9,948,601,539.00
2. 3-1/2% Borrowing Margin	348,201,053.87
3. Net Debt Issued and Outstanding	95,683,123.43
4. Excess School Borrowing	-0-
5. Total Charges to Borrowing Margin	95,683,123.43
6. Remaining Municipal Borrowing (line 2 minus line 5) Capacity	252,517,930.40

* Unaudited

STATEMENT OF INDEBTEDNESS
AS OF DECEMBER 31, 2025*

Gross Debt:		
Local District School Debt:		
Authorized But Not Issued		\$ -0-
Sanitary Landfill Utility Debt:		
Issued and Outstanding:		
Bond Anticipation Notes		-0-
Municipal Debt:		
Issued and Outstanding:		
Bonds & Notes	\$69,161,563.00	
Bonds & Notes Guaranteed by the City	7,825,000.00	
Loans	96,737.46	
Authorized But Not Issued		
Bonds & Notes	28,759,563.54	
Bonds Guaranteed by the City	<u>60,000.00</u>	
		<u>105,902,864.00</u>
<u>Total Gross Debt</u>		\$105,902,864.00
Less:		
Statutory Deductions:		
Sanitary Landfill Debt	\$ -0-	
Cash on Hand to Pay Notes	544,456.47	
Reserve for Debt Service	180,284.10	
Refunding Bonds	1,670,000.00	
Bonds Issued by Another Public Body	<u>7,825,000.00</u>	
		\$10,219,740.57
Statutory Net Debt		\$95,683,123.43
Average Equalized Valuation of Real Property (Years 2023, 2024, 2025)		\$9,948,601,539.00
Statutory Net Debt Percentage		0.962%

* Unaudited

STATISTICS ON DEBT*

Gross Debt (Municipal and School)	\$ 105,902,864
Overlapping Debt**	<u>69,702,172</u>
Gross Debt	\$175,605,036
Statutory Net Debt	95,683,123
Net Debt and Overlapping Debt	\$165,385,295
Average Equalized Valuations	\$9,948,601,539

OVERLAPPING DEBT AS OF
DECEMBER 31, 2025*

The Overlapping Debt of the City was as follows:

	<u>GROSS DEBT</u>	<u>CITY SHARE</u>	<u>AMOUNT</u>
County of Union	\$684,610,277	9.27%	\$ 63,463,373
Linden-Roselle Sewerage Authority**	13,212,196	47.22%	<u>6,238,799</u>
			<u>\$ 69,702,172</u>

GROSS AND STATUTORY NET DEBT
AS OF DECEMBER 31
(EXCLUSIVE OF OVERLAPPING DEBT)

<u>YEAR</u>	<u>GROSS DEBT</u>		<u>STATUTORY NET DEBT</u>	
	<u>AMOUNT</u>	<u>PERCENTAGE***</u>	<u>AMOUNT</u>	<u>PERCENTAGE***</u>
2025	\$105,902,864.00	1.065%	\$95,683,123.43	0.962%
2024	101,755,662.94	1.159	88,721,532.75	1.011
2023	98,742,137.88	1.257	82,807,920.40	1.055
2022	98,634,918.38	1.345	79,467,623.28	1.083
2021	94,526,542.55	1.411	73,091,391.20	1.091

* Unaudited

** Linden Roselle Sewerage Authority's (the "LRSA") 2025 audit is not yet complete. Since it is not available the 2024 debt number and percentage is being used for the LRSA in order to calculate overlapping indebtedness.

*** Of Average Equalizations

SCHEDULE OF ANNUAL MUNICIPAL DEBT REQUIREMENTS-
FOR PRINCIPAL AND INTEREST FOR OBLIGATIONS ISSUED AND OUTSTANDING

GENERAL OBLIGATION BONDS*

<u>YEAR</u>	<u>OUTSTANDING BONDS</u>		
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2026	5,375,000.00	810,248.75	6,185,248.75
2027	4,555,000.00	647,008.75	5,202,008.75
2028	4,575,000.00	506,253.75	5,081,253.75
2029	4,590,000.00	368,895.00	4,958,895.00
2030-2033	<u>10,765,000.00</u>	<u>435,726.25</u>	<u>11,200,726.25</u>
	<u>\$ 29,860,000.00</u>	<u>\$ 2,768,132.50</u>	<u>\$ 32,628,132.50</u>

SCHEDULE OF ANNUAL MUNICIPAL DEBT REQUIREMENTS
FOR PRINCIPAL AND INTEREST FOR OBLIGATIONS ISSUED AND OUTSTANDING

GREEN TRUST LOAN PROGRAM*

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2026	16,255.42	755.05	17,010.47
2027	10,640.55	487.13	11,127.68
2028	10,854.42	273.26	11,127.68
2029	<u>5,508.75</u>	<u>55.09</u>	<u>5,563.84</u>
	<u>\$ 43,259.14</u>	<u>\$ 1,570.53</u>	<u>\$ 44,829.67</u>

SCHEDULE OF ANNUAL MUNICIPAL DEBT REQUIREMENTS
FOR PRINCIPAL AND INTEREST FOR OBLIGATIONS ISSUED AND OUTSTANDING

NEW JERSEY INFRASTRUCTURE BANK LOANS*

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2026	<u>53,478.14</u>	<u>1,700.00</u>	<u>55,178.14</u>
	<u>\$ 53,478.14</u>	<u>\$ 1,700.00</u>	<u>\$ 55,178.14</u>

* Unaudited

BOND ANTICIPATION NOTES*

Outstanding Bond Anticipation Notes are summarized as follows:

	<u>INTEREST</u> <u>RATE</u>	<u>ORIGINAL</u> <u>ISSUE DATE</u>	<u>MATURITY</u> <u>DATE</u>	<u>AMOUNT</u>
General Capital Fund	4.00%	12/05/2019	06/12/2026	\$903,000.00
General Capital Fund	4.00%	09/29/2020	06/12/2026	1,074,500.00
General Capital Fund	4.00%	08/26/2021	06/12/2026	1,325,000.00
General Capital Fund	4.00%	08/24/2022	06/12/2026	3,295,600.00
General Capital Fund	4.00%	07/13/2003	06/12/2026	753,000.00
General Capital Fund	4.00%	07/11/2024	06/12/2026	2,254,463.00
General Capital Fund	4.00%	07/09/2025	06/12/2026	<u>1,321,000.00</u>
				\$ <u>10,926,563.00</u>

ASSESSED VALUATIONS - LAND AND IMPROVEMENTS BY CLASS

<u>YEAR</u>	<u>VACANT</u> <u>LAND</u>	<u>RESIDENTIAL</u>	<u>COMMERCIAL</u>	<u>INDUSTRIAL</u>	<u>APARTMENT</u>	<u>TOTAL</u>
2025	\$ 99,782,600	\$ 1,368,869,300	\$ 311,661,900	\$ 926,774,700	\$ 71,394,000	\$ 2,778,482,500
2024	98,284,700	1,364,795,300	308,016,100	927,219,900	70,033,100	2,769,833,700
2023	95,911,200	1,358,024,200	311,593,300	924,925,500	70,033,100	2,760,487,300
2022	97,111,600	1,352,442,100	314,306,600	901,143,600	69,944,500	2,734,948,400
2021	98,568,300	1,348,444,000	325,626,900	889,347,000	69,735,000	2,731,721,200

ASSESSED VALUATIONS - NET VALUATION TAXABLE

<u>YEAR</u>	<u>REAL ESTATE</u> <u>LAND AND</u> <u>IMPROVEMENTS</u>	<u>BUSINESS</u> <u>PERSONAL</u> <u>PROPERTY</u>	<u>NET</u> <u>VALUATION</u> <u>TAXABLE</u>	<u>RATIO TO</u> <u>TRUE VALUE</u>	<u>AGGREGATE</u> <u>TRUE VALUE</u>
2025	\$2,778,482,500	\$0	\$2,778,482,500	24.64%	\$11,276,308,847
2024	2,769,833,700	0	2,769,833,700	28.08	9,864,080,128
2023	2,760,487,300	0	2,760,487,300	35.21	7,840,066,174
2022	2,734,948,400	2,614,524	2,737,562,924	38.57	7,191,150,088
2021	2,731,721,200	2,800,202	2,734,521,402	40.36	6,342,549,536

* Unaudited

CURRENT TAX COLLECTIONS

<u>YEAR</u>	<u>TOTAL LEVY</u>	<u>COLLECTION DURING</u>		<u>PERCENTAGE</u>
		<u>YEAR OF LEVY</u>		
		<u>AMOUNT</u>		
2025*	\$ 205,766,784	\$ 203,051,634		98.68%
2024	197,533,281	194,738,211		98.58
2023	191,629,430	191,568,850		99.96
2022	190,806,357	188,515,314		98.80
2021	190,821,661	187,134,374		98.07

TOTAL TAX REQUIREMENTS
INCLUDING SCHOOL AND COUNTY PURPOSES

<u>YEAR</u>	<u>TOTAL TAX</u> <u>REQUIRE-</u> <u>MENTS</u>	<u>LOCAL</u> <u>PURPOSES</u>	<u>LOCAL</u> <u>SCHOOL</u>	<u>COUNTY</u>	<u>SPECIAL</u> <u>IMPROVE-</u> <u>MENTS</u>
2025*	\$ 206,926,634	\$ 78,068,160	\$ 92,215,916	\$ 36,460,244	\$ 182,314
2024	197,714,023	71,227,236	92,215,916	34,088,777	182,094
2023	191,629,430	65,157,307	93,215,916	33,066,344	189,863
2022	190,806,356	63,610,134	94,215,916	32,790,283	190,023
2021	188,718,545	62,589,267	94,215,916	31,722,239	191,123

DELINQUENT TAXES AND TAX TITLE LIENS

DECEMBER 31

<u>YEAR</u>	<u>TAX</u> <u>TITLE LIENS</u>	<u>DELINQUENT</u> <u>TAXES</u>	<u>TOTAL</u>	<u>PERCENTAGE</u> <u>OF LEVY</u>
2025*	\$ 187,695	\$ 2,642,275	\$ 2,829,970	1.38%
2024	133,864	2,610,669	2,744,533	1.39
2023	86,015	2,164,978	2,250,993	1.18
2022	15,826	3,051,999	3,067,825	1.61
2021	62,857	1,959,387	2,022,244	1.06

* Unaudited

ASSESSED VALUATIONS OF PROPERTY OWNED
BY THE CITY - ACQUIRED FOR TAXES

<u>YEAR</u>	<u>AMOUNT</u>
2025*	\$3,592,843
2024	3,592,843
2023	3,592,843
2022	3,592,843
2021	3,592,843

COMPONENTS OF REAL ESTATE TAX RATE
(PER \$100. OF ASSESSMENT)

<u>YEAR</u>	<u>TOTAL</u>	<u>MUNICIPAL</u>	<u>SCHOOL</u>	<u>COUNTY</u>
2025*	\$ 7.344	\$ 2.715	\$ 3.319	\$ 1.310
2024	7.032	2.476	3.330	1.226
2023	6.878	2.305	3.378	1.195
2022	6.914	2.276	3.442	1.196
2021	6.918	2.207	3.445	1.266

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>YEAR</u>	<u>FUND BALANCE DECEMBER 31</u>	<u>CURRENT FUND</u> <u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
2025*	\$16,861,479	\$11,500,000
2024	16,077,053	10,500,000
2023	17,776,460	10,000,000
2022	16,633,473	9,550,000
2021	16,521,530	8,950,000

* Unaudited

2026 MUNICIPAL BUDGET*

Current Fund

Anticipated Revenues:	
Fund Balance	\$11,500,000
Miscellaneous Revenues:	
State Aid	20,146,635
Other	34,341,333
Receipts from Delinquent Taxes	2,475,000
Amount to be Raised by Taxation for Municipal Purposes	<u>75,590,585</u>
 <u>Total Anticipated Revenues</u>	 <u>\$144,053,553</u>
Appropriations:	
Within "CAPS":	
Operations	\$97,453,002
Deferred Charges, Pensions, Social Security, Unemployment Contributions	15,543,422
Excluded from "CAPS":	
Operations	11,711,729
Shared Services & Programs Offset by Revenues	358,400
Capital Improvements	600,000
Municipal Debt Service	14,812,000
Deferred Charges	0
Reserve for Uncollected Taxes	<u>3,575,000</u>
 <u>Total Appropriations</u>	 <u>\$144,053,553</u>

* 2026 Introduced Budget

EDUCATIONAL SERVICES

The City's school district, coterminous with the City, is a type II school district, and is an independent legal entity administered by a nine-member Board of Education elected by the voters of the school district. The school district is not part of any regional or consolidated school district, and neither receives nor sends students, except for a limited number of special education students. The school district is authorized by law to issue debt for school purposes upon vote of the electorate. The school district has no outstanding indebtedness other than an outstanding \$1,410,000 capital lease for the Athletic Field Project.

Every board of education is required by State statute to provide an annual audit of the district's accounts and financial transactions. The audit must be performed by a licensed public school accountant within four months of the end of the school fiscal year. This audit, in conformity with statutory requirements, must be filed with the State Commissioner of Education. Additionally, the audit must be summarized and discussed at a regular public meeting of the local board of education within 40 days of its completion.

The District operates the following educational facilities:

SCHOOL FACILITIES AND ENROLLMENT

<u>NAME</u>	<u>DATE BUILT</u>	<u>CAPACITY</u>	<u>ENROLLMENT</u> <u>June 30, 2025</u>
High School	1925		
Additions	1932, 1961	1,396	1,914
Soehl Junior High	1926		
Additions	1956, 1970	762	679
McManus Junior High	1949		
Addition	1956	669	688
School #1	1911		
Addition	1972	371	448
School #2	1913		
Additions	1919, 1967	489	547
School #4	1964		
Addition	1969		
Addition	2002	378	443
School #5	1920		
Addition	1964	343	312
School #6	1923		
Addition	1967	309	323
School #8	1930	361	327
School #9	1957	300	324
School #10	1957	306	297

The Board Administration Offices are located in a separate Administration Building.

EDUCATIONAL SERVICES (CONTINUED)

SCHOOL FACILITIES AND ENROLLMENT (CONTINUED)

Total School Enrollment

2025	6,456
2024	6,437
2023	6,156
2022	6,050
2021	6,069

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APPENDIX B

FINANCIAL STATEMENTS

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SUPLEE, CLOONEY & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the City Council
City of Linden
County of Union
Linden, New Jersey 08807

Report on the Audit of the Financial Statements

Opinions

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Matter Giving Rise to Adverse Opinion" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the City as of December 31, 2024 and 2023, or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2024.

SUPLEE, CLOONEY & COMPANY LLC

Basis for Adverse and Unmodified Opinions

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

Matter Giving Rise to Adverse Opinion

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

SUPLEE, CLOONEY & COMPANY LLC

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

SUPLEE, CLOONEY & COMPANY
Certified Public Accountants

/s/ Warren M. Korecky
Warren M. Korecky, C.P.A., R.M.A.

June 24, 2025



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@senco.com

ACCOUNTANT'S COMPILATION REPORT

The Honorable Mayor and Members
of the City Council
City of Linden
County of Union
Linden, New Jersey 08807

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

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

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

SUPLEE, CLOONEY & COMPANY
Certified Public Accountants

/s/ Warren M. Korecky
Warren M. Korecky, C.P.A., R.M.A.

February 02, 2026

CITY OF LINDEN

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31,2025</u> (Unaudited)	BALANCE DECEMBER <u>31,2024</u>	BALANCE DECEMBER <u>31,2023</u>
<u>ASSETS</u>			
Current Fund:			
Cash	\$ 30,102,367.39	\$ 31,193,504.25	\$ 32,037,745.67
Cash - Change Fund	1,800.00	1,200.00	1,200.00
	<u>\$ 30,104,167.39</u>	<u>\$ 31,194,704.25</u>	<u>\$ 32,038,945.67</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	\$ 2,642,274.52	\$ 2,610,669.05	\$ 2,164,977.71
Tax Title Liens Receivable	187,695.08	133,864.10	86,015.73
Property Acquired for Taxes - Assessed Value	3,592,842.50	3,592,842.50	3,592,842.50
Revenue Accounts Receivable	33,497.83	75,887.32	44,577.81
Interfunds Receivable and Deferred Charges	6,456,309.93	43,875.54	57,254.24
	<u>\$ 6,456,309.93</u>	<u>\$ 6,457,138.51</u>	<u>\$ 5,945,667.99</u>
	<u>36,560,477.32</u>	<u>\$ 37,651,842.76</u>	<u>\$ 37,984,613.66</u>
Grant Fund:			
Cash	\$ 1,318,598.82	\$ 1,699,325.87	\$ 1,804,497.60
Grants Receivable	4,458,993.92	3,254,714.58	2,700,400.06
	<u>\$ 5,777,592.74</u>	<u>\$ 4,954,040.45</u>	<u>\$ 4,504,897.66</u>
	<u>\$ 42,338,070.06</u>	<u>\$ 42,605,883.21</u>	<u>\$ 42,489,511.32</u>

See Accountant's Report

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

CITY OF LINDEN

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER 31,2025 (Unaudited)	BALANCE DECEMBER 31,2024	BALANCE DECEMBER 31,2023	
Liabilities:				
Appropriation Reserves	\$ 6,278,625.93	\$ 7,820,856.00	\$ 5,111,881.95	\$
Accounts Payable	2,046,697.16	2,287,265.88	2,170,847.45	
Due State of New Jersey - Senior Citizens and Veterans Deductions	4,600.37	7,483.44	7,605.19	
Prepaid Taxes	1,099,783.04	914,242.58	844,095.14	
Tax Overpayments	452,447.01	400,345.51	512,496.07	
Interfunds Payable		48,211.55		
County Taxes Payable	59,235.83	101,812.90	52,154.54	
Local School Taxes Payable	592.00	592.00	592.00	
Reserve for Sale of Municipal Assets	5,800.58	16,300.58	220,000.00	
Reserve for Municipal Relief Aid			2,076,644.71	
Reserve for Tax Appeals	2,026,356.88	2,722,300.91	1,908,328.69	
Reserve for Premium on Tax Sale	1,267,750.00	797,450.00	1,357,050.00	
Special Improvement District Taxes Payable	789.88	789.88	789.88	
	\$ 13,242,678.68	\$ 15,117,651.23	\$ 14,262,485.62	\$
Reserve for Receivables	6,456,309.93	6,457,138.51	5,945,667.99	
Fund Balance	16,861,478.71	16,077,053.02	17,776,460.05	
	\$ 36,560,467.32	\$ 37,651,842.76	\$ 37,984,613.66	\$
Grant Fund:				
Reserve for:				
Grants-Appropriated	\$ 4,639,207.85	\$ 4,405,418.44	\$ 4,402,515.05	\$
Grants-Unappropriated	108,572.68	263,097.98	15,837.61	
Encumbrances Payable	1,029,812.21	285,524.03	86,545.00	
	\$ 5,777,592.74	\$ 4,954,040.45	\$ 4,504,897.66	\$
	\$ 42,338,060.06	\$ 42,605,883.21	\$ 42,489,511.32	\$

See Accountant's Report

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

CITY OF LINDEN

CURRENT FUND

STATEMENTS OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS

	YEAR ENDED DECEMBER <u>31,2025</u> (Unaudited)	YEAR ENDED DECEMBER <u>31, 2024</u>	YEAR ENDED DECEMBER <u>21,2023</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	\$ 10,500,000.00	\$ 10,000,000.00	\$ 9,550,000.00
Miscellaneous Revenue Anticipated	51,411,049.80	47,669,168.81	48,432,477.78
Receipts From Delinquent Taxes	2,478,046.20	2,158,743.49	3,297,062.58
Receipts From Current Taxes	203,051,634.11	193,914,981.70	187,159,145.47
Non-Budget Revenue	1,164,480.12	1,201,997.69	1,690,063.53
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	5,706,362.76	3,660,691.81	5,965,581.97
Accounts payable Canceled	542,494.56		1,923.23
Interfunds Returned	10,377.71	13,378.70	
Tax Overpayments and Reserves Canceled			2,104.96
<u>Total Income</u>	<u>\$ 274,864,445.26</u>	<u>\$ 258,618,962.20</u>	<u>\$ 256,098,359.52</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Operations Within "CAPS"	\$ 92,357,238.32	\$ 87,086,839.72	\$ 82,305,051.43
Deferred Charges and Statutory Expenditures-Municipal	14,764,766.73	14,582,800.00	13,841,273.93
Operations Excluded From "CAPS"	13,941,476.05	8,806,060.08	9,250,872.97
Capital Improvement Fund	500,000.00	750,000.00	750,000.00
Municipal Debt Service	12,783,413.86	12,535,956.13	11,967,751.74
Deferred Charges		52,353.47	713,745.39
County Taxes	36,401,007.70	33,986,963.67	33,014,189.29
County Share of Added and Omitted Taxes	59,235.83	101,812.90	52,154.54
Local District School Tax	92,215,916.00	92,215,916.00	93,215,916.00
Special Improvement District Tax	182,314.50	182,094.00	189,863.50
Interfunds Advanced			28,487.29
Refund of Prior Year Revenue	374,650.58	17,573.26	106,066.46
<u>Total Expenditures</u>	<u>\$ 263,580,019.57</u>	<u>\$ 250,318,369.23</u>	<u>\$ 245,435,372.54</u>
Excess in Revenue	\$ 11,284,425.69	\$ 8,300,592.97	\$ 10,662,986.98
Fund Balance, January 1	<u>16,077,053.02</u>	<u>17,776,460.05</u>	<u>16,663,473.07</u>
	<u>\$ 27,361,478.71</u>	<u>\$ 26,077,053.02</u>	<u>\$ 27,326,460.05</u>
Decreased by:			
Utilized as Anticipated Revenue	<u>10,500,000.00</u>	<u>10,000,000.00</u>	<u>9,550,000.00</u>
Fund Balance, December 31	<u>\$ 16,861,478.71</u>	<u>\$ 16,077,053.02</u>	<u>\$ 17,776,460.05</u>

See Accountant's Report

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

CITY OF LINDEN

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31,2025</u> (Unaudited)	BALANCE DECEMBER <u>31, 2024</u>	BALANCE DECEMBER <u>31,2023</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash	\$ 18,452.98	\$ 17,644.29	\$ 18,404.63
	<u>\$ 18,452.98</u>	<u>\$ 17,644.29</u>	<u>\$ 18,404.63</u>
Other Funds:			
Cash - Treasurer	\$ 9,559,697.13	\$ 7,651,900.36	\$ 7,078,430.50
Cash - Collector		23,641.46	39,047.04
Cash with Escrow Agent		589,279.18	565,520.54
Community Development Block Grants Receivable	408,542.00	273,391.00	242,413.00
Due Current Fund/Other Funds	200,000.00	48,211.55	
	<u>\$ 10,168,239.13</u>	<u>\$ 8,586,423.55</u>	<u>\$ 7,925,411.08</u>
	<u>\$ 10,186,692.11</u>	<u>\$ 8,604,067.84</u>	<u>\$ 7,943,815.71</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Reserve for Expenditures	\$ 18,424.18	\$ 12,864.74	\$ 13,240.93
Due State of New Jersey	28.80	28.80	9.60
Due Current Fund		4,750.75	5,154.10
	<u>\$ 18,452.98</u>	<u>\$ 17,644.29</u>	<u>\$ 18,404.63</u>
Other Funds:			
Deposits for Redemption of Tax Sale Certificates		\$ 23,641.46	\$ 39,047.04
Reserve for:			
Community Development Block Grants	335,707.30	233,056.00	171,580.00
Miscellaneous Reserves and Deposits	9,584,796.50	7,557,490.46	6,970,688.36
Rehabilitation Escrow		582.30	582.30
Regional Contribution Agreements	200,000.00	115,388.82	111,007.51
Sanitary Landfill Closure		589,279.18	565,520.54
Neighborhood Preservation Recaptured Funds		19,250.00	19,250.00
Due County of Union	30.68	30.68	30.68
Fund Balance	47,704.65	47,704.65	47,704.65
	<u>\$ 10,168,239.13</u>	<u>\$ 8,586,423.55</u>	<u>\$ 7,925,411.08</u>
	<u>\$ 10,186,692.11</u>	<u>\$ 8,604,067.84</u>	<u>\$ 7,943,815.71</u>

See Accountant's Report
The accompanying Notes to the Financial Statements are an integral part of this statement.

CITY OF LINDEN

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER 31,2025 (Unaudited)	BALANCE DECEMBER 31,2024	BALANCE DECEMBER 31,2023
<u>ASSETS</u>			
Cash	\$ 6,934,116.93	\$ 5,667,871.72	\$ 5,157,171.22
Deferred Charges to Future Taxation - Funded	58,331,737.46	35,426,196.77	40,511,924.23
Deferred Charges to Future Taxation - Unfunded	39,141,670.07	55,260,620.08	44,125,127.48
Grants Receivable	<u>8,302,740.75</u>	<u>5,563,972.31</u>	<u>3,676,886.50</u>
	<u>\$ 112,710,265.21</u>	<u>\$ 101,918,660.88</u>	<u>\$ 93,471,109.43</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	\$ 58,235,000.00	\$ 35,220,000.00	\$ 40,141,000.00
Bond Anticipation Notes	10,926,563.00	34,201,300.00	25,829,600.00
Environmental Infrastructure Loans Payable	96,737.46	121,226.18	225,252.75
Green Acres Loans Payable		84,970.59	145,671.48
Improvement Authorizations:			
Funded	8,388,178.57	3,109,870.27	2,033,688.23
Unfunded	24,611,163.25	20,343,731.25	14,873,044.49
Various Reserves and Deposits	1,082,065.53	1,085,685.66	53,533.19
Contracts Payable	5,310,493.86	6,776,776.76	9,156,446.01
Due Union County Improvement Authority	2,286.81	2,286.81	2,286.81
Capital Improvement Fund	51,736.66	415,421.66	239,801.66
Fund Balance	<u>4,006,040.07</u>	<u>557,391.70</u>	<u>770,784.81</u>
	<u>\$ 112,710,265.21</u>	<u>\$ 101,918,660.88</u>	<u>\$ 93,471,109.43</u>

See Accountant's Report

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

CITY OF LINDEN

SANITARY LANDFILL FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	BALANCE DECEMBER 31,2025 (Unaudited)	BALANCE DECEMBER 31,2024	BALANCE DECEMBER 31,2023
Operating Fund:			
Cash - Treasurer	\$ 55,947.59	\$ 74,023.15	\$ 90,360.49
<u>Total Operating Fund</u>	<u>\$ 55,947.59</u>	<u>\$ 74,023.15</u>	<u>\$ 90,360.49</u>
Capital Fund:			
Cash	\$ 5,129.52	\$ 5,129.52	\$ 5,129.52
Fixed Capital	2,019,000.00	2,019,000.00	2,019,000.00
<u>Total Capital Fund</u>	<u>\$ 2,024,129.52</u>	<u>\$ 2,024,129.52</u>	<u>\$ 2,024,129.52</u>
	<u>\$ 2,080,077.11</u>	<u>\$ 2,098,152.67</u>	<u>\$ 2,114,490.01</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	\$ 15,670.19	\$ 31,308.77	\$ 34,905.63
Encumbrances Payable	6,378.37	3,188.39	2,953.52
Tax Escrow	2.88	2.88	2.88
Interfunds Payable	33,497.83	39,124.79	52,100.14
	<u>\$ 55,549.27</u>	<u>\$ 73,624.83</u>	<u>\$ 89,962.17</u>
Fund Balance	398.32	398.32	398.32
<u>Total Operating Fund</u>	<u>\$ 55,947.59</u>	<u>\$ 74,023.15</u>	<u>\$ 90,360.49</u>
Capital Fund:			
Reserve for:			
Amortization	2,019,000.00	2,019,000.00	2,019,000.00
Fund Balance	5,129.52	5,129.52	5,129.52
<u>Total Capital Fund</u>	<u>\$ 2,024,129.52</u>	<u>\$ 2,024,129.52</u>	<u>\$ 2,024,129.52</u>
	<u>\$ 2,080,077.11</u>	<u>\$ 2,098,152.67</u>	<u>\$ 2,114,490.01</u>

See Accountant's Report

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

CITY OF LINDEN

PUBLIC ASSISTANCE TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31,2025</u> (Unaudited)	BALANCE DECEMBER <u>31, 2024</u>	BALANCE DECEMBER <u>31,2023</u>
<u>ASSETS</u>			
Cash	\$ <u>109,117.58</u>	\$ <u>67,190.09</u>	\$ <u>25,313.94</u>
	\$ <u><u>109,117.56</u></u>	\$ <u><u>67,190.09</u></u>	\$ <u><u>25,313.94</u></u>
<u>LIABILITIES</u>			
Reserve for Public Assistance	\$ <u>109,117.56</u>	\$ <u>67,190.09</u>	\$ <u>25,313.94</u>
	\$ <u><u>109,117.56</u></u>	\$ <u><u>67,190.09</u></u>	\$ <u><u>25,313.94</u></u>

See Accountant's Report

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

CITY OF LINDEN

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

The accounting policies of the City of Linden conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the City of Linden are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services the City accounts for its financial transactions through the following individual funds and account group:

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

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

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

Sanitary Landfill Utility Operating and Capital Fund - account for the operations and acquisition of capital facilities of the City owned sanitary landfill

Public Assistance Fund - receipt and disbursement of funds that provide assistance to certain residents of the City pursuant to Title 44 of New Jersey statutes

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

C. Basis of Accounting

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenue when anticipated in the City's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the City's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the City, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Expenditures - are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances, at December 31, are reported as a cash liability in the financial statements and constitute part of the City's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding fiscal year.

Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (CONTINUED)

C. Basis of Accounting (Continued)

Interfunds - Interfunds 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. Interfunds receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

General Fixed Assets – New Jersey Administration Code (NJAC 5:30-5.6), Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the City as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$1,000.00 or more per unit.

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

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (CONTINUED)

C. Basis of Accounting (Continued)

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

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (CONTINUED)

C. Basis of Accounting (Continued)

Leases

Under GAAP, lease receivables are measured at the present value of the lease payments expected to be received during the lease term. Payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized in a systematic and rational manner over the lease term.

Lease liabilities represent obligations to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of the expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Payments for short-term leases with a term of 12 months or less are expensed as incurred and these leases are not included as lease liabilities or right –to-use assets on the statements of net position.

New Jersey's municipalities do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording lease receivables, deferred outflows, lease liabilities or deferred inflows on their balance sheets.

D. Basic Financial Statements

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

NOTE 2: CASH AND CASH EQUIVALENTS

The City considers petty cash, change funds, cash in banks, deposits in the Cooperative Liquid Asset Security System (CLASS) and certificates of deposit as cash and cash equivalents.

A. Deposits

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

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

<u>FUND</u>	<u>CASH IN BANK</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>CASH HELD BY ESCROW AGENT</u>	<u>CHANGE FUND</u>	<u>RECONCILED BALANCE</u>
Current Fund	\$ 31,911,760.59	\$ 282,716.81	\$ 1,000,973.15	\$	\$ 1,200.00	\$ 31,194,704.25
Grant Fund	1,705,640.06		6,314.19			1,699,325.87
Animal Control Trust Fund	17,565.09	79.20				17,644.29
Public Assistance Trust Fund	67,375.09		185.00			67,190.09
Trust CDBG Fund	160,277.98					160,277.98
Trust Other Fund	7,582,407.68	84,636.18	151,780.02	589,279.18		8,104,543.02
General Capital Fund	5,687,998.31		20,126.59			5,667,871.72
Sanitary Landfill Utility Operating Fund	74,023.15					74,023.15
Sanitary Landfill Utility Capital Fund	5,129.52					5,129.52
Total December 31, 2024	<u>\$ 47,212,177.47</u>	<u>\$ 367,432.19</u>	<u>\$ 1,179,378.95</u>	<u>\$ 589,279.18</u>	<u>\$ 1,200.00</u>	<u>\$ 46,990,709.89</u>

NOTE 2:

CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

Based upon GASB criteria, the City considers change funds; cash in bank, investment in certificates of deposits as cash and cash equivalents. Of the cash on balance in the bank of \$47,212,177.47, \$500,000.00 was covered by Federal Depository Insurance and \$46,712,177.47 was covered under the provision of NJGUDPA.

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The City does not have a specific deposit policy for custodial risk other than those policies that adhere to the requirements of statute. As of December 31, 2024, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial risk. The New Jersey Cash Management Fund is an investment pool and is not insured by either FDIC or GUDPA.

B. Investments

The purchase of investments by the City is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.

Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 *et seq.*, and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is local.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. A master repurchase agreement providing for the custody and security of collateral is executed.

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

The City of Linden had no investments outstanding at December 31, 2024. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, the City generally is not exposed to credit risk, custodial credit risk, concentration of credit risk and interest rate risk for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: GOVERNMENTAL DEBT

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

SUMMARY OF MUNICIPAL DEBT (EXCLUDING CURRENT
AND OPERATING DEBT AND TYPE II SCHOOL DEBT)

	<u>YEAR 2024</u>	<u>YEAR 2023</u>	<u>YEAR 2022</u>
Issued:			
General:			
Bonds and Notes	\$ 69,421,300.00	\$ 65,970,600.00	\$ 61,619,600.00
Bonds and Notes Guaranteed by the City	10,795,000.00	13,855,000.00	16,790,000.00
Loans	<u>206,196.77</u>	<u>370,924.23</u>	<u>527,209.92</u>
	<u>\$ 80,422,496.77</u>	<u>\$ 80,196,524.23</u>	<u>\$ 78,936,809.92</u>
	<u>\$ 80,422,496.77</u>	<u>\$ 80,196,524.23</u>	<u>\$ 78,936,809.92</u>
Less:			
Cash on Hand to Pay Notes	\$ 213,846.09	\$ 190,086.17	\$ 292,813.79
Reserve for Debt Service	180,284.10	9,131.31	9,131.31
Refunding Bonds	1,785,000.00	1,880,000.00	1,955,000.00
Bonds Issued by Another Public Body	<u>10,795,000.00</u>	<u>13,855,000.00</u>	<u>16,790,000.00</u>
Total Deductions	<u>\$ 12,974,130.19</u>	<u>\$ 15,934,217.48</u>	<u>\$ 19,046,945.10</u>
Net Debt Issued	<u>\$ 67,448,366.58</u>	<u>\$ 64,262,306.75</u>	<u>\$ 59,889,864.82</u>
Authorized But Not Issued:			
Bonds and Notes	\$ 21,273,166.17	\$ 18,485,613.65	\$ 19,558,689.29
Bonds Guaranteed by the City	<u>60,000.00</u>	<u>60,000.00</u>	<u>60,000.00</u>
	<u>\$ 21,333,166.17</u>	<u>\$ 18,545,613.65</u>	<u>\$ 19,618,689.29</u>
Less:			
Bonds Authorized by Another Public Body	<u>60,000.00</u>	<u>60,000.00</u>	<u>60,000.00</u>
Net Authorized But Not Issued	<u>\$ 21,273,166.17</u>	<u>\$ 18,485,613.65</u>	<u>\$ 19,558,689.29</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u><u>\$ 88,721,532.75</u></u>	<u><u>\$ 82,747,920.40</u></u>	<u><u>\$ 79,448,554.11</u></u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

SUMMARY OF STATUTORY DEBT CONDITION-ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.011%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
General Debt	\$ <u>101,755,662.94</u>	\$ <u>13,034,130.19</u>	\$ <u>88,721,532.75</u>
	\$ <u><u>101,755,662.94</u></u>	\$ <u><u>13,034,130.19</u></u>	\$ <u><u>88,721,532.75</u></u>

NET DEBT \$88,721,532.75 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S. 40A:2-2 \$8,779,009,619.00 EQUALS 1.011%.

BORROWING POWER CALCULATION

Equalized Valuation Basis-December 31, 2024	\$ 8,779,009,619.00
3-1/2% of Equalized Valuation Basis	\$ 307,265,336.67
Net Debt	<u>88,721,532.75</u>
Remaining Borrowing Power	<u><u>\$ 218,543,803.92</u></u>

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

CALCULATION OF "SELF-LIQUIDATING PURPOSE"
SANITARY LANDFILL UTILITY UNDER N.J.S.A. 40A:2-45

Fund Balance Anticipated and Cash Receipts from Fees, Rents or Other Charges for Year	\$-0-
Deductions:	
Operating and Maintenance Cost	<u>\$93,500.00</u>
Deficit in Revenue - Not Self-Liquidating	<u><u>(\$93,500.00)</u></u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

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

CALENDAR YEAR	GENERAL		TOTAL
	PRINCIPAL	INTEREST	
2025	\$ 5,360,000.00	\$ 1,010,261.25	\$ 6,370,261.25
2026	5,375,000.00	810,248.75	6,185,248.75
2027	4,555,000.00	647,008.75	5,202,008.75
2028	4,575,000.00	506,253.75	5,081,253.75
2029	4,590,000.00	368,895.00	4,958,895.00
2030-2033	10,765,000.00	435,726.25	11,200,726.25
	<u>\$ 35,220,000.00</u>	<u>\$ 3,778,393.75</u>	<u>\$ 38,998,393.75</u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR GREEN TRUST LOAN PROGRAM

	PRINCIPAL	INTEREST	TOTAL
2025	\$ 41,711.45	\$ 1,391.34	\$ 43,102.79
2026	16,255.42	755.05	17,010.47
2027	10,640.55	487.13	11,127.68
2028	10,854.42	273.26	11,127.68
2029	5,508.75	55.09	5,563.84
	<u>\$ 84,970.59</u>	<u>\$ 2,961.87</u>	<u>\$ 87,932.46</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOAN

		<u>PRINCIPAL</u>		<u>INTEREST</u>		<u>TOTAL</u>
2025	\$	67,748.04	\$	3,400.00	\$	71,148.04
2026		<u>53,478.14</u>		<u>1,700.00</u>		<u>55,178.14</u>
	\$	<u>121,226.18</u>	\$	<u>5,100.00</u>	\$	<u>126,326.18</u>

The General Improvement and Refunding Bonds are comprised of the following issues:

<u>ISSUE</u>	<u>OUTSTANDING BALANCE DECEMBER 31, 2024</u>
<p>\$3,515,000.00 in General Obligation Refunding Bonds dated April 1, 2003, due in remaining annual installments ranging between \$115,000.00 and \$290,000.00 beginning April 1, 2025 and ending April 1, 2033 with interest of 5.950%</p>	\$ 1,785,000.00
<p>\$11,625,000.00 in General Obligation Bonds, Series 2015 dated March 31, 2015, due in remaining annual installments of \$850,000.00 beginning March 15, 2025 and ending March 15, 2030 with interest rate from 2.25% to 5.00%</p>	5,100,000.00
<p>\$21,205,000.00 in General Obligation Bonds, Series 2018 dated March 20, 2018, due in remaining annual installments of \$1,600,000.00 beginning April 1, 2025 and ending April 1, 2032 with interest rate from 4.00% to 5.00%</p>	14,000,000.00
<p>\$5,224,000.00 in General Obligation Bonds, Series 2020 dated September 29, 2020, due in remaining annual installments of \$550,000.00 beginning September 15, 2025 and ending September 15, 2031 with interest rate from 2.00% and 3.00%</p>	3,850,000.00

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

<u>ISSUE</u>	<u>OUTSTANDING BALANCE DECEMBER 31, 2024</u>
\$10,721,000.00 in General Obligation Bonds dated August 26, 2021, due in remaining annual installments of \$1,200,000.00 beginning August 15, 2025 and ending August 15, 2031 with interest from 0.05% to 3.00%	\$ 8,400,00.00
\$5,235,000.00 in General Obligation Refunding Bonds, Series 2021 dated October 7, 2021, due in remaining annual installments ranging between \$1,040,000.00 and \$1,045,000.00 beginning May 1, 2025 and ending May 1, 2026 with interest rate of 4.00%	<u>2,085,000.00</u>
	\$ <u>35,220,000.00</u>

SHORT-TERM DEBT

BOND ANTICIPATION NOTES

Outstanding Bond Anticipation Notes are summarized as follows:

<u>FUND</u>	<u>INTEREST RATE</u>	<u>ORIGINAL DATE OF ISSUE</u>	<u>MATURITY DATE</u>	<u>AMOUNT</u>
General Capital Fund	4.50%	12/05/2019	07/10/2025	\$ 1,322,500.00
General Capital Fund	4.50%	09/29/2020	07/10/2025	1,694,500.00
General Capital Fund	4.50%	08/26/2021	07/10/2025	3,914,000.00
General Capital Fund	4.50%	08/24/2023	07/10/2025	9,672,300.00
General Capital Fund	4.50%	07/13/2024	07/10/2025	7,388,000.00
General Capital Fund	4.50%	07/11/2025	07/10/2025	<u>10,210,000.00</u>
				\$ <u>34,201,300.00</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances, at December 31, 2024, which were appropriated and included as anticipated revenue in their own respective fund for the year ending December 31, 2025 are as follows:

Current Fund	<u>\$10,500,000.00</u>
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NOTE 5: PROPERTY TAXES

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

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

	<u>BALANCE DECEMBER 31, 2024</u>	<u>BALANCE DECEMBER 31, 2023</u>
Prepaid Taxes	<u>\$914,242.58</u>	<u>\$844,095.14</u>

NOTE 6: PENSION PLANS

Plan Descriptions

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

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

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

Vesting and Benefit Provisions

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

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

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

NOTE 6: PENSION PLANS (CONTINUED)

Funding Policy

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

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

Certain portions of the costs are contributed by the employees. The City's share of pension costs, which is based upon the annual billings received from the State, amounted to \$11,920,249 for 2024, \$11,175,462.00 for 2023 and \$10,403,236.00 for 2022.

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

Accounting and Financial Reporting for Pensions – GASB #68

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

Public Employees Retirement System (PERS)

At June 30, 2023, the State reported a net pension liability of \$28,443,262.00 for the City of Linden's proportionate share of the total net pension liability. The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the City's proportion was 0.1963720517 percent, which was a decrease of 0.0029542988 percent from its proportion measured as of June 30, 2022.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

For the year ended June 30, 2023, the State recognized an actuarially determined pension benefit of \$1,472,185.00 for the City of Linden's proportionate share of the total pension expense. The pension expense recognized in the City's financial statement based on the April 1, 2023 billing was \$2,513,601.00.

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

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 271,954.00	\$ 116,267.00
Changes of assumptions	62,484.00	1,723,784.00
Net difference between projected and actual earnings on pension plan investments	130,985.00	
Changes in proportion and differences between City contributions and proportionate share of contributions		<u>1,948,243.00</u>
	<u>\$ 465,423.00</u>	<u>\$ 3,788,294.00</u>

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

Year Ended <u>June 30,</u>	<u>Amount</u>
2024	(\$1,891,346.60)
2025	(1,227,838.60)
2026	781,666.40
2027	(599,267.60)
2028	<u>(386,084.60)</u>
	<u><u>(\$3,322,871.00)</u></u>

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

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

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

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

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

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

Discount Rate

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

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

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

	June 30, 2023		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
City's proportionate share of the pension liability	\$37,027,076.00	\$28,443,262.00	\$21,137,302.00

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. For PERS, the legislation which legally obligates the State is found in Chapter 133, P.L. 2001. This special funding situation is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2023, there is no net pension liability associated with this special funding situation as there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date.

The amounts contributed by the State on behalf of the City under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the City does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the City related to this legislation.

The non-employer contributing entities' total proportionate share of the non-employer contribution that is associated with the Town as of June 30, 2023 was 0.1971176179% which was a decrease of 0.0030092891 percent from its proportion measured as of June 30, 2022. The non-employer contributing entities' contribution and employer pension expense and related revenue for the years ended June 30, 2023 and June 30, 2022 was \$88,704.00 and 63,292.00, respectively.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Pension plan fiduciary net position

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

Police and Firemen's Retirement System (PFRS)

At June 30, 2023, the State reported a net pension liability of \$77,152,869.00 for the City of Linden's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2023, the City's proportion was 0.6982929200 percent, which was an increase of 0.0322794000 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the State recognized an actuarially determined pension expense of \$3,935,893.00. The pension expense recognized in the City's financial statement based on the April 1, 2023 billing was \$8,661,861.00.

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 3,303,531.00	\$ 3,679,507.00
Changes of assumptions	166,523.00	5,209,667.00
Net difference between projected and actual earnings on pension plan investments	3,929,250.00	
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>4,864,912.00</u>	<u>3,785,577.00</u>
	<u>\$ 12,264,216.00</u>	<u>\$ 12,674,751.00</u>

NOTE 6: PENSION PLANS (CONTINUED)

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

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

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

Year Ended		<u>Amount</u>
<u>June 30</u>		
2024	\$	(2,786,653.00)
2025		(2,665,583.00)
2026		4,851,826.00
2027		(182,862.00)
2028		358,184.00
Thereafter		<u>14,553.00</u>
	\$	<u><u>(410,535.00)</u></u>

Actuarial Assumptions

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

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

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

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

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Long-Term Rate of Return

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

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

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Discount Rate

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

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

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

	June 30, 2023		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
City's proportionate share of the PFRS pension liability	\$107,499,012.00	\$77,152,869.00	\$51,881,781.00

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Special Funding Situation

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

The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the City as of December 31, 2023 and 2022 is 0.69829309% and 0.66601370% respectively, the non-employer contributing entities' contribution for the year ended June 30, 2023 and 2022 was \$1,625,799.00 and \$1,689,084.00, respectively and the employer pension expense and related revenue for the year ended June 30, 2023 and 2022 was \$1,617,076.00 and \$1,565,327.00, respectively.

At June 30, 2023 and 2022, the State's proportionate share of the net pension liability attributable to the City for the PFRS special funding situation is \$14,216,314.00 and \$13,567,467.00 respectively.

At June 30, 2023, the City's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

City's Proportionate Share of Net Pension Liability	\$77,152,869.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the City	<u>14,216,314.00</u>
	<u>\$91,369,183.00</u>

Pension plan fiduciary net position

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

NOTE 7: COMPENSATED ABSENCES

Under the existing policy of the City, employees are allowed to accumulate unused sick pay over the life of their working careers which may be taken as time off or paid at a later date as outlined in City personnel policies. It is estimated that, at December 31, 2024, the current cost of such unpaid compensation would approximate \$4,545,480.35. Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented and any amounts required to be paid are raised in that year's budget or paid from a reserve that has been established through annual budget appropriations. At December 31, 2024, the amount reserved for unpaid compensated absences is \$545,129.76.

NOTE 8: UNION COUNTY IMPROVEMENT AUTHORITY LEASES

The City of Linden and the Union County Improvement Authority entered into agreements which:

- a. Leases the airport property and existing improvements thereon owned by the City to the Authority for the Airport Reconstruction Project. The Authority is to pay the sum of \$1.00 to the City under the terms of the lease.
- b. Leases the Authority's Airport Reconstruction Project to the City. The lease requires the City to pay to the Authority a "basic" annual rent which is equal to the debt service on all project bonds outstanding. The Union County Improvement Authority issued Lease Revenue Bonds dated September 1, 1998 to fund the project. As additional rent, the City will pay the Authority an annual administrative fee and actual legal and accounting expenses incurred by the Authority.
- c. Lease the Linden-South Wood Avenue Redevelopment Project. The lease requires the City to pay to the Authority a "basic" annual rent which is equal to the debt service on all project bonds outstanding. The Union County Improvement Authority issued City Guaranteed Revenue Bonds dated April 1, 2004 to fund the project. As additional rent, the City will pay the Authority an annual administrative fee incurred by the Authority.
- d. Leases the Linden-Morning Star Redevelopment Project. The lease requires the City to pay to the Authority a "basic" annual rent which is equal to the debt service on all projects bonds outstanding. The Union County Improvement Authority issued City Guaranteed Revenue Bonds dated June 14, 2007 to fund the project. As additional rent, the City will pay the Authority an annual administrative fee incurred by the Authority.

The terms of the leases commenced with the issuance of the bonds and will terminate upon retirement of the bonds.

NOTE 8: UNION COUNTY IMPROVEMENT AUTHORITY LEASES (CONTINUED)

- e. Leases the City of Linden Omnibus Revenue Refunding Project. The lease requires the City to pay to the Authority a “basic” annual rent which is equal to the debt service on all projects bonds outstanding. The Union County Improvement Authority issued City Guaranteed Revenue Bonds dated August 23, 2017 to fund the project. As additional rent, the City will pay the Authority an annual administrative fee incurred by the Authority.

The terms of the leases commenced with the issuance of the bonds and will terminate upon retirement of the bonds.

On the following page is a schedule of future minimum lease payments under the Union County Improvement Authority leases, after the restructuring together with the net present value of the minimum lease payments.

NOTE 8: UNION COUNTY IMPROVEMENT AUTHORITY LEASES (CONTINUED)

The following is a schedule of future minimum lease payments under the Union County Improvement Authority leases, after restructuring, together with the net present value of the minimum lease payments:

	TOTAL	AIRPORT RECONSTRUCTION PROJECT	SOUTH WOOD REDEVELOPMENT PROJECT	MORNING STAR REDEVELOPMENT PROJECT	OMNIBUS REVENUE REFUNDING PROJECT
2025	\$ 4,782,603.00	\$ 1,354,175.00	\$ 244,933.00	\$ 451,895.00	\$ 2,731,600.00
2026	4,268,805.75	1,353,625.00	241,568.25	449,012.50	2,224,600.00
2027	3,749,138.25	1,352,375.00	242,763.25		2,154,000.00
2028	1,994,239.25	1,353,000.00	243,239.25		398,000.00
2029	635,488.25		242,988.25		392,500.00
2030-34	2,126,542.50		1,204,317.50		922,225.00
2035-39	128,437.50				128,437.50
Minimum Lease Payments	\$ 17,685,254.50	\$ 5,413,175.00	\$ 2,419,809.50	\$ 900,907.50	\$ 8,951,362.50
Less: Amount Representing Interest	1,990,254.50	513,175.00	599,809.50	70,907.50	806,362.50
Present Value of Minimum Lease Payments	\$ 15,695,000.00	\$ 4,900,000.00	\$ 1,820,000.00	\$ 830,000.00	\$ 8,145,000.00

NOTE 9: FIXED ASSETS

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

	Balance December 31, <u>2023</u>	<u>Additions</u>	Adjustments/ <u>Deletions</u>	Balance December 31, <u>2024</u>
Land	\$90,043,679.50		\$10,500.00	\$90,033,179.50
Buildings	31,656,757.60	\$108,364.88	182,865.78	31,582,256.70
Machinery and Equipment	52,982,659.31	2,230,658.27	9,074,210.52	46,139,107.06
	<u>\$174,683,096.41</u>	<u>\$2,339,023.15</u>	<u>\$9,267,576.30</u>	<u>\$167,754,543.26</u>

NOTE 10: LITIGATION

The City Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the City's insurance carrier or would have a material financial impact on the City's financial condition. Special legal counsels representing the City of Linden have indicated that there are matters concerning the financial condition of the City involving ongoing litigation regarding pending tax appeals and it would be reasonable to assume that some of these matters present substantial, though not yet quantified, exposure.

NOTE 11: CONTINGENT LIABILITIES

The City participates in several financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. The state and federal grants received and expended in 2024 were subject to the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and State of New Jersey OMB Circular 15-08 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid" mandates that grant revenues and expenditures be audited in conjunction with the City's annual audit. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in detail in Part II, Single Audit Section of the 2024 audit. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2024, the City does not believe that any material liabilities will result from such audits.

NOTE 12: TAX APPEALS

There are a number of tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for the years 2024 and prior. Any reduction in assessed valuation will result in a refund of prior years taxes in the years of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51. The City has made provision, in the amount of \$2,722,300.91 for these appeals in the event that the tax reductions are granted.

NOTE 13: DEFICIENCY AGREEMENTS

The City of Linden has guarantee agreements with the Union County Improvement Authority in which the City agreed to guarantee the punctual payment of the principal and interest on the following Long-Term Lease Revenue Bonds and Bond Anticipation Notes Issued by the Authority.

<u>Title of Issue</u>	<u>Dated</u>	<u>Bonds Outstanding December 31, 2024</u>
City of Linden Guaranteed Revenue Bonds South Wood Avenue Redevelopment Project Series 2004 Bond (Federally Taxable)	April 1, 2004	\$1,820,000.00
City of Linden Guaranteed Revenue Bonds Morning Star Redevelopment Project Series 2007 Bond (Federally Taxable)	October 1, 2007	830,000.00
City of Linden Guaranteed Revenue Bonds Omnibus Revenue Refunding Project Series 2017 Bond (Federally Taxable)	August 23, 2017	<u>8,145,000.00</u>
		<u>\$10,795,000.00</u>

The City of Linden has a guarantee agreement with the Union County Improvement Authority in which the City agreed to guarantee the punctual payment of the principal and interest on Long-Term Bonds which are authorized but have not been issued by the authority.

<u>Guaranty Ordinances</u>	<u>Dated</u>	<u>Bonds Authorized But Not Issued December 31, 2024</u>
Linden Football and Track and Field Stadium Project	December 14, 2012	<u>\$60,000.00</u>

NOTE 14: RISK MANAGEMENT

The City established a self-insurance program in accordance with New Jersey Statute Chapter 40A:10. The City is currently self-insured for dental and prescriptions, and workers' compensation exposures. Additionally, the City maintains insurance policies covering health insurance, property, boiler and machinery and excess general liability. Employee fidelity, general liability, automobile, property, law enforcement liability are covered under the Garden State Municipal Joint insurance Fund. The City appropriates annually as required to provide for claims in the year payment is made. At December 31, 2024, the amount reserved for unpaid workers' compensation claims is \$349,258.16.

New Jersey Unemployment Compensation Insurance - The City has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the City is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The City is billed quarterly for amounts due to the State. Below is a summary of City's contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the City's expendable trust fund for the current and previous two years.

<u>Year</u>		<u>Employee and Other Contributions</u>		<u>Amount Reimbursed</u>		<u>Ending Balance</u>
2024	\$	116,645.70	\$	272,557.27	\$	179,963.14
2023		174,488.80		167,918.47		335,874.71
2022		240,628.60		75,757.30		329,304.38

NOTE 15: INTERFUND RECEIVABLES AND PAYABLES

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

<u>FUND</u>		<u>INTERFUND RECEIVABLE</u>		<u>INTERFUND PAYABLE</u>
Current Fund	\$	43,875.54	\$	48,211.55
Animal Control Trust Fund				4,750.75
Trust Other Fund		48,211.55		
Sanitary Landfill Utility		<u> </u>		<u>39,124.79</u>
	\$	<u>92,087.09</u>	\$	<u>92,087.09</u>

All interfund balances resulted from the time lag between the dates that payments between funds are made.

NOTE 16: DEFERRED COMPENSATION PLAN

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

In accordance with the requirements of the Small Business Job Protection Act of 1999 and the funding requirements of Internal Revenue Code Section 457(g), the City's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

All assets of the plan are held by an independent administrator, the Massachusetts Mutual Life Insurance Company ("Mass Mutual") and Voya Financial, Inc.

The accompanying financial statements do not include the City's Deferred Compensation Plan activities. The City's Deferred Compensation Plan financial statements are contained in a separate report.

NOTE 17: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75

Plan Description and Benefits Provided

The City's defined benefit OPEB plan, City of Linden Postretirement Healthcare Plan (the Plan), provides OPEB for all eligible employees of the City in accordance with the terms of their labor agreements. The Plan is a single-employer defined benefit OPEB plan administered by the City. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

The Plan provides retirees and their eligible dependents medical, prescription drug and dental benefits provided that they have meet the eligibility requirement contained in the City' various labor agreements.

Employees Covered by Benefits Terms

Inactive employees or beneficiaries currently receiving benefits payments	674
Inactive employees entitled to but not currently receiving benefits payments	-0-
Active employees	<u>430</u>
	<u>1,104</u>

NOTE 17: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Total Net OPEB Liability

At December 31, 2024, the Plan reported a liability of \$326,263,650.00 for the City's proportionate share of the collective Net OPEB Liability. The total net OPEB liability measured as of December 31, 2024 was determined by an actuarial valuation as of December 31, 2024.

The City's proportion of the Net OPEB Liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period January 1, 2024 through December 31, 2024.

For the year ended December 31, 2024, the State reported OPEB expense of \$23,944,337.00. This OPEB expense was based on the OPEB plans December 31, 2024 measurement date.

At December 31, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Subtotals Based on Prior Valuations		(\$9,880,728.00)
Changes of assumptions	\$159,760,219.00	
	<u>\$159,760,219.00</u>	<u>(\$9,880,728.00)</u>

Other local amounts reported as the City's proportionate share of deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the actuarially calculated pension (benefit)/expense as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2025	\$11,433,504.00
2026	13,640,831.00
2027	24,383,436.00
2028	10,009,397.00
2029	17,336,974.00
Thereafter	<u>73,075,348.00</u>
	<u>\$149,879,490.00</u>

NOTE 17: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs

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

Inflation rate	2.50%
Salary Increases	2.50%

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

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

Discount Rate

The discount rate for December 31, 2024 was 4.08%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

NOTE 17: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Discount Rate (Continued)

Changes in the Total OPEB Liability:

	Total OPEB <u>Liability</u>
Balance at 12/31/23	\$148,949,819
Changes for the year:	
Service Cost	4,593,447
Interest Cost	4,855,031
Changes in assumptions or other inputs	177,097,192
Benefit payments	<u>(9,231,839)</u>
Net change in OPEB liability	<u>177,313,831</u>
Balance at 12/31/24	<u><u>\$326,263,650</u></u>

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

The following presents the Net OPEB Liability associated with the City as of December 31, 2024, calculated using the discount rate as disclosed above as well as what the Net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	December 31, 2024		
	<u>1.00% Decrease (3.08%)</u>	<u>At Discount Rate (4.08%)</u>	<u>1.00% Increase (5.08%)</u>
City's proportionate share of the Net OPEB Liability	\$358,064,965	\$326,263,650	\$301,465,150

NOTE 17: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

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

The following presents the total Net OPEB Liability associated with the City as of December 31, 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:

	December 31, 2024		
	<u>1.00% Decrease</u>	Healthcare Cost <u>Trend Rate</u>	<u>1.00% Increase</u>
City's proportionate share of the Net OPEB Liability	\$301,556,657	\$326,263,650	\$357,352,349

NOTE 18: COMMITMENT - PENSION CONTRIBUTION DEFERRAL

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

Retirement <u>System</u>	Original Amount <u>Deferred</u>	<u>2024 Payments</u>	
		<u>Principal</u>	<u>Interest</u>
PFRS	\$ 5,253,665.00	\$ 317,516.00	71,702.00
PERS	<u>1,464,540.00</u>	<u>84,376.00</u>	<u>18,988.00</u>
Total	<u>\$ 6,718,205.00</u>	<u>\$ 401,892.00</u>	<u>90,690.00</u>

The amount of the actuarially computed value balance outstanding at December 31, 2024 is not available from the State Retirement System and is therefore not presented.

NOTE 19: LEASES

The City, as lessor, has entered into the following leases:

- Bridgeway 1201 S Park Ave Parking Lot. The current lease term expires 11/01/32 with one 3 year extension and includes an annual 2% increase. Payments in 2024 totaled \$21,942.03.
- Linden Landfill Solar - Navisun. The current lease term expires December 2040 with one 10 year extension available and includes annual increases of 1.50%. Payments in 2024 totaled \$266,058.60.
- Fire Training Academy. The current lease term expires 05/01/30 with no available extensions and includes annual increases based on the consumer price index each year. Payments in 2024 totaled \$10,000.00.
- Cell Tower – Crown Castle NG East LLC. The current lease term expires 01/15/24 with three 5 year extensions available. Monthly payments in 2024 totaled \$6,396.18.
- Cell Tower – Nextel. The current lease term expires 08/01/27 with two 5 year extensions available and includes annual increases of 3%. Monthly payments in 2024 totaled \$86,037.68.
- Linden Airport. The current lease term expires 02/15/43 with one 10 year extension available and includes annual increases based on the consumer price index. Monthly payments in 2024 totaled \$483,332.14.

NOTE 20: SUBSEQUENT EVENTS

The City has evaluated subsequent events occurring after the financial statement date through June 24, 2025 which is the date the financial statements were available to be issued. The City has determined the following subsequent events need to be disclosed.

Authorization of Debt

On February 18, 2025 the City adopted six bond ordinances authorizing a total issuance of not exceeding \$4,508,130.00 aggregate principal amount of bonds and notes.

On March 18, 2025 the City adopted two bond ordinances authorizing a total issuance of not exceeding \$1,265,495.00 aggregate principal amount of bonds and notes.

On April 15, 2025 the City adopted two bond ordinances authorizing a total issuance of not exceeding \$1,885,450.00 aggregate principal amount of bonds and notes.

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APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Undertaking”) dated as of June 1, 2026 by the City of Linden, New Jersey, a public body corporate and politic of the State of New Jersey (the “Issuer”) is executed and delivered in connection with the issuance of the Issuer’s \$22,594,000 principal amount of Bond Anticipation Notes, Series 2026 (the “Notes”). Capitalized terms used in this Undertaking shall have the respective meanings specified above or in Article IV hereof.

ARTICLE I

THE UNDERTAKING

Section 1.1. Purpose. This Undertaking shall constitute a written undertaking for the benefit of the holders of the Notes, and is being executed and delivered solely to assist the successful bidder in complying with subsection (b)(5) of the Rule.

Section 1.2. Disclosure Event Notices. If a Disclosure Event occurs, the Issuer shall provide, in a timely manner not in excess of ten business days following the occurrence of any of the Disclosure Events, a Disclosure Event Notice to the MSRB.

Section 1.3. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that under some circumstances compliance with this Undertaking, without additional disclosures or other action, may not fully discharge all duties and obligations of the Issuer under such laws.

Section 1.4. Additional Information. Nothing in this Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Disclosure Event Notice, in addition to that which is required by this Undertaking. If the Issuer chooses to include any information in any Disclosure Event Notice in addition to that which is specifically required by this Undertaking, the Issuer shall have no obligation under this Undertaking to update such information or include it in any future Disclosure Event Notice.

ARTICLE II

OPERATING RULES

Section 2.1. Disclosure Event Notices. Each Disclosure Event Notice shall be so captioned and shall prominently state the title, date and CUSIP numbers of the Notes.

Section 2.2. Transmission of Notices. Unless otherwise required by law and, in the Issuer’s sole determination, subject to technical and economic feasibility, the Issuer shall employ such methods of notice transmission as shall be requested or recommended by the herein-designated recipients of the Issuer’s notices.

ARTICLE III

TERMINATION, AMENDMENT AND ENFORCEMENT

Section 3.1. Termination. (a) The Issuer's obligations under this Undertaking shall terminate upon a legal defeasance, prior redemption or payment in full of all of the Notes.

(b) This Undertaking, or any provision hereof, shall be null and void in the event that the Issuer (1) receives an opinion of Counsel, addressed to the Issuer, to the effect that those portions of the Rule which require this Undertaking, or any of the provisions hereof, do not or no longer apply to the Notes, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion and (2) delivers copies of such opinion to the MSRB.

Section 3.2. Amendment. (a) This Undertaking may be amended, in writing, without the consent of the holders of the Notes (except to the extent required under clause (4)(ii) below), if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the Issuer or the type of business conducted thereby, (2) this Undertaking as so amended would have complied with the requirements of the Rule as of the date of this Undertaking, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the Issuer shall have received an opinion of Counsel, addressed to the Issuer, to the same effect as set forth in clause (2) above, (4) either (i) the Issuer shall have received an opinion of Counsel or a determination by a person, in each case unaffiliated with the Issuer (such as bond counsel) and acceptable to the Issuer, addressed to the Issuer, to the effect that the amendment does not materially impair the interests of the holders of the Notes or (ii) the holders of the Notes consent to the amendment to this Undertaking and (5) the Issuer shall have delivered copies of such opinion(s) and amendment to the MSRB.

(b) In addition to subsection (a) above, this Undertaking may be amended and any provision of this Undertaking may be waived, in writing, without the consent of the holders of the Notes, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Undertaking which is applicable to this Undertaking, (2) the Issuer shall have received an opinion of Counsel, addressed to the Issuer, to the effect that performance by the Issuer under this Undertaking as so amended or giving effect to such waiver, as the case may be, will not result in a violation of the Rule and (3) the Issuer shall have delivered copies of such opinion and amendment to the MSRB.

Section 3.3. Benefit; Third-Party Beneficiaries; Enforcement. (a) The provisions of this Undertaking shall inure solely to the benefit of the holders from time to time of the Notes, except that beneficial owners of Notes shall be third-party beneficiaries of this Undertaking.

(b) Except as provided in this subsection (b), the provisions of this Undertaking shall create no rights in any person or entity. The obligations of the Issuer to comply with the provisions

of this Undertaking shall be enforceable (i) in the case of enforcement of obligations to provide notices, by any holder of outstanding Notes, or (ii) in the case of challenges to the adequacy of the notices so provided, by the holders of not less than a majority in aggregate principal amount of the Notes at the time outstanding. The holders' rights to enforce the provisions of this Undertaking shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the Issuer's obligations under this Undertaking. In consideration of the third-party beneficiary status of beneficial owners of Notes pursuant to subsection (a) of this Section, beneficial owners shall be deemed to be holders of Notes for purposes of this subsection (b).

(c) Any failure by the Issuer to perform in accordance with this Undertaking shall not constitute a default with respect to the Notes.

(d) This Undertaking shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Undertaking shall be instituted in a court of competent jurisdiction in the State; provided, however, that to the extent this Undertaking addresses matters of federal securities laws, including the Rule, this Undertaking shall be construed in accordance with such federal securities laws and official interpretations thereof.

ARTICLE IV

DEFINITIONS

Section 4.1. Definitions. The following terms used in this Undertaking shall have the following respective meanings:

(1) "Counsel" means FBT Gibbons LLP or other nationally recognized bond counsel or counsel expert in federal securities laws.

(2) "Disclosure Event" means any of the following events with respect to the Notes, whether relating to the Issuer or otherwise:

- (i) principal and interest delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) 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 of determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;
- (vii) modifications to rights of Noteholders; if material;

- (viii) Note calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Notes, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (xiii) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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; and
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (xv) incurrence of a financial obligation (as defined in the Rule) of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

(3) “Disclosure Event Notice” means notice of a Disclosure Event.

(4) “MSRB” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to Rule 15c2-12. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

(5) “Official Statement” means the “final official statement”, as defined in paragraph (f)(3) of the Rule.

(6) “Rule” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as in effect on the date of this undertaking, including any official interpretations thereof issued either before or after the effective date of this Undertaking which are applicable to this Undertaking.

(7) “SEC” means the United States Securities and Exchange Commission.

(8) “State” means the State of New Jersey.

IN WITNESS WHEREOF, THE CITY OF LINDEN, NEW JERSEY has caused this Undertaking to be executed in its name and its corporate seal to be hereunto affixed, all as of the date first above written.

[SEAL]

CITY OF LINDEN

By: _____
Alexis Zack, Chief Financial Officer

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APPENDIX D

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

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June __, 2026

Mayor and City Council
City of Linden
301 North Wood Avenue
Linden, New Jersey 07036

Dear Mayor and City Council:

We have examined certified copies of the proceedings of the City Council of the City of Linden, in the County of Union, State of New Jersey (the "City"), including ordinances, affidavits and certificates delivered by officials of the City, and other proofs submitted to us relative to the issuance and sale of \$22,594,000 aggregate principal amount of the City's Bond Anticipation Notes, Series 2026 (the "Notes"). The Notes are issued in registered form, are dated June 11, 2026, bear interest at the rate of _____ and _____ Hundredths per centum (_____ %) per annum and are payable at maturity on June 10, 2027.

The Notes are issued pursuant to the Local Bond Law, constituting Chapter 2 of Title 40A of the New Jersey Statutes (the "Local Bond Law"), and the bond ordinances of the City, in all respects duly adopted by the Mayor and Council of the City. The Notes are temporary obligations issued in anticipation of the issuance of bonds.

We have examined the Local Bond Law and such other laws and originals (or copies certified or otherwise identified to our satisfaction) of such instruments, certificates and documents as we deem necessary to render the opinions set forth herein. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies.

Based upon the foregoing and subject to the qualifications set forth herein, we are of the opinion that:

1. The aforementioned proceedings and proofs show lawful authority for the issuance and sale of the Notes pursuant to the Local Bond Law and other applicable provisions of law, and that the Notes have been duly authorized, executed and delivered and are a valid and legally binding obligation of the City.

2. The City has the power and is obligated to levy ad valorem taxes upon all the taxable property within the City for the payment of the principal of and interest on the Notes, without limitation as to rate or amount.

3. Under existing law, interest on the Notes is excluded from the gross income of the owners of the Notes for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and interest on the Notes is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under the Code. We express no opinion regarding any other Federal income tax consequences arising with respect to the Notes.

4. Under existing law, interest on the Notes and net gains from the sale of the Notes are exempt from the tax imposed by the New Jersey Gross Income Tax Act.

With respect to our federal income tax opinion, we note that the Code imposes certain requirements that must be met on the date of issuance and on a continuing basis subsequent to the issuance of the Notes in order for interest on the Notes to be excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code. The City has made certain representations and covenants in its tax certificate, which is executed on the date of issuance of the Notes, as to various tax requirements. In addition, the City has covenanted to comply with the provisions of the Code applicable to the Notes and has covenanted not to take any action or fail to take any action to be taken which would cause the interest on the Notes to lose the exclusion from gross income for Federal income tax purposes under Section 103 of the Code or cause interest on the Notes to be treated as an item of tax preference under Section 57 of the Code. With your permission, we have relied upon the representations made in the tax certificate and have assumed continuing compliance by the City with the above covenants in rendering our federal tax opinion with respect to the exclusion of interest on the Notes from gross income for Federal income tax purposes and with respect to interest on the Notes not constituting an item of tax preference.

Attention is called to the fact that for purposes of this letter we have not been requested to examine and have not examined any documents or information relating to the City other than the certified copies of the proceedings and proofs referred to hereinabove, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been or may be supplied to any purchaser of said Notes.

Our opinion concerning the enforceability of the Notes is subject to federal and state laws regarding bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and remedies generally (including, without limitation, laws relating to fraudulent conveyance, and by general principles of law and equity (regardless of whether enforcement is considered or sought in proceedings at law or in equity) and by limitation on remedial rights under applicable law). Their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

The opinions expressed herein are based upon the laws and judicial decisions of the State of New Jersey and the federal laws and judicial decisions of the United States as of the date hereof and are subject to any amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for our opinions, or laws or judicial decisions hereafter enacted or rendered. Our engagement by the City with respect to the opinions expressed herein does not require, and shall not be construed to constitute, a continuing obligation on our part to notify or

otherwise inform the addressee hereof of the amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for this opinion letter or of laws or judicial decisions hereafter enacted or rendered which impact on this opinion letter.

This opinion letter is rendered to you in connection with the above described transaction. This opinion letter may not be relied upon by you for any other purpose, or relied upon by, or furnished to, any other person, firm or corporation without our prior written consent. This is only an opinion letter and not a warranty or guaranty of the matters discussed herein.

Very truly yours,

FBT GIBBONS LLP

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