



# Montclair

TOWNSHIP OF MONTCLAIR  
ESSEX COUNTY, NEW JERSEY  
REPORT OF AUDIT  
YEAR ENDED DECEMBER 31, 2016 AND 2015

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PART I  
REPORT ON EXAMINATION  
FINANCIAL STATEMENTS  
AND SUPPLEMENTARY EXHIBITS  
DECEMBER 31, 2016 AND 2015

## Independent Auditors' Report

**The Honorable Mayor and Members  
of the Township Council  
Township of Montclair  
Montclair, New Jersey**

### **Report on the Financial Statements**

We have audited the accompanying regulatory basis financial statements of the various funds and account group of the Township of Montclair (the "Township"), Essex County, State of New Jersey which comprise the balance sheets as of and for the years ended December 31, 2016 and 2015, and the related statements of revenues, expenditures and changes in fund balances for the years ended, statements of revenues, statements of expenditures and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States and the requirements prescribed by the Division. Those standards and requirements prescribed by the Division require that we plan and perform the audit to obtain reasonable assurance about whether the regulatory basis financial statements are free of material misstatement.

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

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

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

As described in Note 1, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division to demonstrate compliance with the Division's regulatory-basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U. S. Generally Accepted Accounting Principles 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 Township as of December 31, 2016 and 2015, or the results of its operations and changes in fund balances for the years then ended.

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

In our opinion, the regulatory basis financial statements referred to above present fairly, in all material respects, the respective financial position of the various funds and account group of the Township of Montclair, Essex County, New Jersey, as of December 31, 2016 and 2015, and the respective results of its operations and changes in fund balance for the years then ended in accordance with the financial reporting provisions of the Division, as described in Note 1 to the financial statements.

***Report on Supplementary Information as Required by the Division in Accordance with Regulatory-Basis***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Township's basic financial statements. The supplementary information, as identified as exhibits A-4 through F-16, the comments and recommendations and supplementary information in the table of contents, is presented for purposes of additional analysis as required by the Division and is not a required part of the 2016 regulatory-basis financial statements of the Township. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Report on Supplementary Information as Required by the Uniform Guidance***

Our audit was conducted for the purpose of forming opinions on the regulatory basis financial statements that collectively comprise the Township's basic financial statements. The accompanying schedule of expenditures of federal awards, financial data schedule balance sheet, and financial data schedule – schedule of changes to reserve as required by *Office of Management and Budget Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

**The Honorable Mayor and Members  
of the Township Council  
Township of Montclair  
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The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2017 on our consideration of the Township'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 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 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 the Township's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

Livingston, New Jersey  
June 29, 2017

John Lauria, RMA  
Licensed Registered Municipal Accountant # 403

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2016 AND 2015

A  
Sheet # 1

<u>ASSETS</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>Regular Fund</u>			
Current Assets:			
Cash - Checking	A-4	\$ 29,454,325.65	\$ 21,716,441.21
Cash - Cash Management Fund	A-6	3,489.77	3,477.20
Change Funds	A-7	525.00	525.00
		<u>29,458,340.42</u>	<u>21,720,443.41</u>
Due from State of New Jersey: (Ch. 129, P.L. 1976)	A-9	4,344.32	5,525.81
		<u>29,462,684.74</u>	<u>21,725,969.22</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-10	2,171,936.02	2,449,281.74
Tax Title Liens	A-11	152,642.07	167,409.51
Property Acquired for Taxes - Assessed Valuation	A-12	317,900.00	317,900.00
Other Liens Receivable	A-13	7,500.00	7,500.00
Other Accounts Receivable	A-14	73,508.49	94,177.97
Revenue Accounts Receivable	A-15	169,296.30	14,350.17
Interfunds Receivable	A-17	77,243.17	15,003.00
		<u>2,970,026.05</u>	<u>3,065,622.39</u>
Deferred Charges:			
Special Emergency Authorizations (40A:4-53)	A-19	1,000,000.00	178,000.00
		<u>1,000,000.00</u>	<u>178,000.00</u>
		<u>33,432,710.79</u>	<u>24,969,591.61</u>
<u>Federal and State Grant Fund</u>			
Grants Receivable	A-16	631,153.77	394,245.44
Interfunds Receivable	A-18	997,585.52	992,748.37
Deferred Charge			12,467.23
		<u>1,628,739.29</u>	<u>1,399,461.04</u>
		<u>\$ 35,061,450.08</u>	<u>\$ 26,369,052.65</u>

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2016 AND 2015

A  
Sheet # 2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>Regular Fund</u>			
Appropriated Reserves:			
Encumbered	A-3, A-20	\$ 878,685.79	\$ 1,210,777.48
Unencumbered	A-3, A-20	4,734,730.54	3,477,314.71
Due to State of New Jersey	A-21	18,622.00	16,550.00
Reserve for Revaluation	A-22	1,000,000.00	
Accounts Payable	A-23	841,409.82	66,794.15
Interfunds Payable	A-26	1,211,699.76	1,229,178.11
Payment in Lieu of Taxes - Overpayments	A-24	12,615.67	6,184.14
Tax Overpayments	A-25	1,211,121.35	1,192,261.85
County Taxes Payable	A-28	239,422.42	76,879.41
Special Improvement District Taxes Payable	A-30	177,307.97	641.96
School Taxes Payable	A-29	6,205,950.00	4,097,155.00
Note Payable	A-31	1,000,000.00	178,000.00
Prepaid Taxes	A-32	1,139,907.44	1,035,632.23
Accumulated Revenue Unappropriated	A-35	853,569.38	853,569.38
		19,525,042.14	13,440,938.42
Reserve for Receivables	Reserve	2,970,026.05	3,065,622.39
Fund Balance	A-1	10,937,642.60	8,463,030.80
		33,432,710.79	24,969,591.61
<u>Federal and State Grant Fund</u>			
Interfunds Payable	A-27		131,526.35
Due to Essex County	A-33	86,975.50	86,975.50
Appropriated Reserves for Federal and State Grants	A-34	1,500,079.46	1,125,150.84
Accumulated Revenue Unappropriated	A-35	41,684.33	55,808.35
		1,628,739.29	1,399,461.04
		\$ 35,061,450.08	\$ 26,369,052.65

See accompanying notes to financial statements.



TOWNSHIP OF MONTCLAIR  
CURRENT FUND

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE  
REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

A-1

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 3,235,000.00	\$ 3,025,000.00
Miscellaneous Revenue Anticipated	A-2	15,830,804.39	13,505,245.45
Receipts from Delinquent Taxes	A-2c	2,471,764.87	2,488,595.91
Receipts from Current Taxes	A-2c	207,379,565.02	200,644,911.17
Nonbudget Revenue	A-2d	526,050.19	308,214.30
Other Credits to Income:			
Unexpended Balance of Appropriation			
Reserves	A-20	2,180,068.19	1,803,111.74
Interfunds Returned			85,000.00
Other Accounts Receivable			89,203.91
Total Income		<u>231,623,252.66</u>	<u>221,949,282.48</u>
<u>Expenditures</u>			
Budget Appropriations	A-3	80,350,655.85	76,973,536.21
Refund of Prior Year Revenue			47,569.16
State Tax Court Judgments	A-25	386,154.18	
County Taxes	A-28	35,645,064.66	35,048,279.14
Local School District Tax	A-29	109,921,598.00	105,704,008.00
Special Improvement District Tax	A-30	547,928.00	495,657.96
Interfund Charges	A-17	62,240.17	
Total Expenditures		<u>226,913,640.86</u>	<u>218,269,050.47</u>
Excess Revenue		4,709,611.80	3,680,232.01
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which Are by			
Statute Deferred Charges to Budget of			
Succeeding Year	A-3	<u>1,000,000.00</u>	
Statutory Excess to Fund Balance		5,709,611.80	3,680,232.01
<u>Fund Balance</u>			
Balance, Beginning of Year	A	<u>8,463,030.80</u>	<u>7,807,798.79</u>
		14,172,642.60	11,488,030.80
Decreased by:			
Utilized as Anticipated Revenue	A-1, A-2	<u>3,235,000.00</u>	<u>3,025,000.00</u>
Balance, End of Year	A	<u>\$ 10,937,642.60</u>	<u>\$ 8,463,030.80</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

STATEMENT OF REVENUE  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

A-2

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	\$ 3,235,000.00	\$ 3,235,000.00	\$
Miscellaneous Revenue	A-1,2a	15,047,602.05	15,830,804.39	783,202.34
Receipts from Delinquent Taxes	A-1,2c	<u>2,340,000.00</u>	<u>2,471,764.87</u>	<u>131,764.87</u>
Sub-Total General Revenue		<u>20,622,602.05</u>	<u>21,537,569.26</u>	<u>914,967.21</u>
Amounts to be Raised by Taxation:				
Local Tax for Municipal Purposes	A-10	52,801,180.22		
Minimum Library Tax	A-10	2,273,956.27		
Addition to Local District School Tax	A-10	<u>7,383,100.00</u>		
	A-2c	<u>62,458,236.49</u>	<u>64,576,492.66</u>	<u>2,118,256.17</u>
Total General Revenue	A-3	83,080,838.54	86,114,061.92	3,033,223.38
Nonbudget Revenue	A-2d		<u>526,050.19</u>	<u>526,050.19</u>
		<u>\$83,080,838.54</u>	<u>\$ 86,640,112.11</u>	<u>\$ 3,033,223.38</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

STATEMENT OF REVENUE  
ANALYSIS OF MISCELLANEOUS REVENUE  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

A-2a  
Sheet # 1

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
<u>Miscellaneous Revenue</u>				
Licenses:				
Alcoholic Beverages	A-15	\$ 58,500.00	\$ 57,750.00	\$ 750.00
Other Licenses	A-2b	142,604.25	141,938.25	(666.00)
Fees and Permits	A-2b	767,210.99	867,730.71	100,519.72
Registration/Summons Fees for Foreclosed Properties	A-15	270,000.00	299,313.96	29,313.96
Fines and Costs:				
Municipal Court	A-15	1,493,389.81	1,597,524.06	104,134.25
Interest and Cost on Taxes	A-5	678,065.82	643,303.31	(34,762.51)
Interest on Investments and Deposits	A-15	73,930.93	70,747.23	(3,183.70)
Consolidated Municipal Property Tax Relief Aid	A-15	158,316.00	158,316.00	
Energy Receipts Tax	A-15	2,808,750.00	2,808,750.00	
Dedicated Uniform Construction Code Fees				
Offset with Appropriations:				
(N.J.S.A. 40A:4.36 and N.J.A.C. 5:23-4.17):				
Uniform Construction Code Fees	A-15	761,706.00	873,215.00	111,509.00
Additional Dedicated Uniform Construction Code Fees				
Offset with Appropriations-Anticipated with Prior Consent of DLGS:				
(N.J.S.A. 40A:4.45.3h and N.J.A.C. 5:23-4.17):				
Uniform Construction Code Fees	A-15	67,000.00	67,000.00	
Interlocal Government Services:				
Health Services	A-15	182,808.00	182,808.00	
Fire Services - Glen Ridge	A-15	625,000.00	625,000.00	
Health Services - Nutley	A-15	39,512.00	39,512.00	
Animal Control Services - Nutley	A-15	37,596.00	28,218.00	(9,378.00)
Animal Control Services - Verona	A-15	27,824.00	28,064.00	240.00
State and Federal Revenues Offset with				
Appropriations:				
Municipal Alliance and Alcoholism and Drug Abuse	A-16	73,500.00	73,500.00	
Shop Rite - Senior Shuttle Grant	A-16	2,000.00	2,000.00	
Seniorama Grant	A-16	4,732.00	4,732.00	
Local Food Promotion	A-16	20,846.73	20,846.73	
Alcohol Education, Rehabilitation and Enforcement	A-16	1,148.20	1,148.20	
Bicycle Safety program	A-16	11,000.00	11,000.00	
County of Essex Local Arts Grant	A-16	1,520.00	1,520.00	
ANJEC	A-16	1,500.00	1,500.00	
Division on Aging - Citizen Services	A-16	3,641.00	3,641.00	
Eat Healthy Grant	A-16	10,000.00	10,000.00	
USDA - Mobile Farm Stand	A-16	22,831.00	22,831.00	
FDA Standard Funding for Nutley and Belleville	A-16	15,096.97	15,096.97	
Cable Communication Grant - Comcast	A-16	5,000.00	5,000.00	
N.J. Pedestrian Safety Grant	A-16	32,000.00	32,000.00	
Click it or Ticket Enforcement Grant	A-16	5,000.00	5,000.00	
Drive Sober or Get Pulled Over	A-16	5,000.00	5,000.00	
Animal Shelter Grant	A-16	3,500.00	3,500.00	
Body Armor Replacement Fund	A-16	6,678.65	6,678.65	
Albert Terhune Grant	A-16	2,250.00	2,250.00	
Hazardous Discharge Grant	A-16	69,410.01	69,410.01	
Clean Communities	A-16	82,923.93	82,923.93	

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

STATEMENT OF REVENUE  
ANALYSIS OF MISCELLANEOUS REVENUE  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

A-2a  
Sheet # 2

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
<u>Miscellaneous Revenue</u>				
State and Federal Revenues Offset with				
Appropriations:				
Bulletproof Vest Program	A-16	\$ 17,826.08	\$ 17,826.08	
Historic Preservation Grant	A-16	23,500.00	23,500.00	
FEMA - Generator	A-16	192,000.00	192,000.00	
Unappropriated Reserves	A-16	3,640.00	3,640.00	
Other Special Items:				
Anticipated Utility Operating Surplus - Water	A-15	500,000.00	500,000.00	
Capital Fund Surplus	A-15	700,000.00	700,000.00	
Uniform Fire Safety Act	A-15	58,214.01	68,525.32	10,311.31
Cable Television Franchise Fees	A-15	578,364.52	578,364.52	
Section 8 - Administrative Costs	A-15	20,000.00	20,000.00	
Towing - Administrative Costs	A-15	3,120.00	3,664.00	544.00
Payment in Lieu of Taxes:				
Montclair Senior Housing Corp. (Orange Road)	A-2b	93,856.00	95,810.00	1,954.00
First Montclair Housing Corp. (Walnut Street)	A-2b	117,947.50	121,999.00	4,051.50
RTD Management Corp. (Lackawanna Plaza)	A-2b	112,551.00	122,584.00	10,033.00
RTD Management Corp. (Union Gardens)	A-2b	100,000.00	100,000.00	
United Methodist Homes (Pineridge of Montclair)	A-2b	25,463.00	25,341.00	(122.00)
Centro Verde	A-2b	500,000.00	814,336.08	314,336.08
Siena	A-2b	1,086,311.02	1,084,170.68	(2,140.34)
11 Pine Street	A-2b	233,546.57	263,164.25	29,617.68
Herod Redevelopment	A-2b	98,207.83	93,367.42	(4,840.41)
55 Glenridge Avenue	A-2b	14,683.50	15,429.00	745.50
11 Elm Street	A-2b	1,342.00	4,863.34	3,521.34
Alarm Registration Fees	A-15	181,491.54	183,518.83	2,027.29
Penalty on Delinquent Taxes (\$10,000 and Over)	A-15	85,477.54	124,639.25	39,161.71
Reserve for Payment of Debt service	A-15	1,100,000.00	1,100,000.00	
Administrative Fees - Police Off-Duty	A-15	59,367.65	150,138.61	90,770.96
Rear Yard Refuse Collection	A-15	68,900.00	39,725.00	(29,175.00)
Anticipated Utility Operating Surplus - Parking	A-15	500,000.00	500,000.00	
<b>Total Miscellaneous Revenue</b>	<b>A-1, A-2</b>	<b>\$ 15,047,602.05</b>	<b>\$ 15,830,804.39</b>	<b>\$ 784,702.34</b>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

STATEMENT OF REVENUE  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

A-2b

	<u>Ref.</u>		
<u>Other Licenses</u>			
Township Clerk	A-15	\$ 51,615.50	
Health Department	A-15	<u>90,322.75</u>	
	A-2a		<u>\$ 141,938.25</u>
 <u>Other Fees and Permits</u>			
Township Clerk	A-15	\$ 125,200.00	
Health Officer	A-15	89,225.00	
Planning Board	A-15	36,692.74	
Community Services	A-15	37,259.20	
Housing and Zoning	A-15	9,100.00	
Recreation	A-15	491,365.66	
Police	A-15	11,902.31	
Fire	A-15	48,360.80	
Collector	A-15	45.00	
Board of Adjustment	A-15	13,675.00	
Public Works	A-15	<u>4,905.00</u>	
	A-2a		<u>\$ 867,730.71</u>
 <u>Payment in Lieu of Taxes</u>			
Collections	A-15	\$ 2,858,952.77	
Less: Amount Due County of Essex	A-23	<u>117,888.01</u>	
	A-2a		<u>\$ 2,741,064.76</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

STATEMENT OF REVENUE  
ANALYSIS OF REALIZED REVENUE  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

A-2c

	<u>Ref.</u>		
<u>Receipts from Delinquent Taxes</u>			
Collections of Delinquent Taxes			
2016 Collections:			
Taxes and Tax Title Liens	A-1, A-2, A-10, A-11		<u>\$ 2,471,764.87</u>
 <u>Allocation of Current Tax Collections</u>			
Collection of Current Taxes:			
2016 Collections	A-1, A-2, A-10	\$ 206,242,266.58	
2015 Collections	A-1, A-2, A-10	1,035,632.00	
Due from State of New Jersey	A-9, A-10	<u>101,666.44</u>	
	A-1		\$ 207,379,565.02
 Allocated to:			
County Taxes	A-28	35,645,064.66	
Local School District Taxes	A-29	109,921,598.00	
Special Improvement District Taxes	A-30	<u>547,928.00</u>	
			<u>146,114,590.66</u>
			61,264,974.36
 Plus: Appropriation for "Reserve for Uncollected Taxes"			
	A-3		<u>3,311,518.30</u>
 Realized for Support of Municipal Budget			
	A-2		<u>\$ 64,576,492.66</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

STATEMENT OF REVENUE  
ANALYSIS OF NONBUDGET REVENUE  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

A-2d

	<u>Ref.</u>		
Arena Commission		\$ 33,445.11	
Sale of Assets		51,437.02	
Excess Deposits Prior Years to Payroll Accounts		287,300.35	
Copies		2,169.37	
Fee for Dumpster		325.00	
Unclaimed Bail		218.00	
Prior Year Storms - FEMA		148,486.05	
Motor Vehicle - Inspection Penalties		2,720.00	
Administrative Fee - Senior Citizen and Veteran Deductions		2,056.96	
Special Refuse Collection		500.00	
Vending Machine Commissions		1,690.81	
Sale of Bid Specifications		3,680.00	
Other		<u>521.00</u>	
	A-4		\$ 534,549.67
<u>Tax Collector</u>			
Cost of Tax Sale		<u>6,929.53</u>	
	A-5		6,929.53
Adjustment			<u>(15,429.01)</u>
	A-1, A-2		<u>\$ 526,050.19</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

A-3  
Sheet # 1

Appropriation	Appropriations		Paid or Charged	Reserved		Balance Canceled
	Budget	Modified Budget		Encumbered	Unencumbered	
<b>APPROPRIATIONS WITHIN "CAPS"</b>						
<b>GENERAL GOVERNMENT</b>						
Mayor and Council:						
Salaries and Wages	\$ 42,483.00	\$ 42,483.00	\$ 41,502.86	\$	\$ 980.14	\$
Other Expenses	15,800.00	15,800.00	10,280.99	2,508.49	3,010.52	
Township and Manager:						
Salaries and Wages	622,787.00	502,787.00	492,755.00		10,032.00	
Other Expenses	350,000.00	350,000.00	286,774.58	26,607.23	36,618.19	
Township Clerk:						
Salaries and Wages	255,584.00	255,584.00	241,304.70		14,279.30	
Other Expenses	37,250.00	37,250.00	29,953.15	1,637.01	5,659.84	
Election Expenses:						
Salaries and Wages	3,621.00	3,621.00	3,390.50		230.50	
Other Expenses	75,000.00	75,000.00	59,022.17	150.37	15,827.46	
Township Attorney:						
Salaries and Wages	281,321.00	281,321.00	272,804.54		8,516.46	
Other Expenses	300,000.00	420,000.00	386,005.57	19,320.64	14,673.79	
Municipal Court:						
Salaries and Wages	600,168.00	604,068.00	603,399.46		668.54	
Other Expenses	63,860.00	63,060.00	54,565.68	5,044.89	3,449.43	
Postage:						
Other Expenses	54,000.00	54,000.00	39,835.44	10,000.00	4,164.56	
	<u>2,701,874.00</u>	<u>2,704,974.00</u>	<u>2,521,594.64</u>	<u>65,268.63</u>	<u>118,110.73</u>	
<b>FINANCE DEPARTMENT</b>						
Administration:						
Salaries and Wages	63,756.00	63,756.00	46,275.94		17,480.06	
Other Expenses	179,838.20	179,838.20	61,865.40	12,400.15	105,572.65	
Accounting and Treasury:						
Salaries and Wages	246,460.00	246,460.00	218,580.61		27,879.39	
Other Expenses	20,000.00	20,000.00	14,689.51	652.88	4,657.61	
Tax Assessor:						
Salaries and Wages	337,207.00	337,207.00	290,060.99		47,146.01	
Other Expenses:						
Revaluation		1,000,000.00	1,000,000.00			
Miscellaneous	143,600.00	143,600.00	80,325.34	6,371.99	56,902.67	
Tax Collector:						
Salaries and Wages	298,622.00	298,622.00	272,991.45		25,630.55	
Other Expenses	28,350.00	28,350.00	19,771.00	277.94	8,301.06	
Auditing:						
Other Expenses	55,000.00	55,000.00	54,900.00		100.00	
	<u>1,372,833.20</u>	<u>2,372,833.20</u>	<u>2,059,460.24</u>	<u>19,702.96</u>	<u>293,670.00</u>	



TOWNSHIP OF MONTCLAIR  
CURRENT FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

A-3  
Sheet # 2

Appropriation	Appropriations		Paid or Charged	Reserved		Balance Canceled
	Budget	Modified Budget		Encumbered	Unencumbered	
<b>APPROPRIATIONS WITHIN "CAPS"</b>						
<b>PLANNING AND COMMUNITY DEVELOPMENT</b>						
Planning Administration:						
Salaries and Wages	\$ 303,957.00	\$ 303,957.00	\$ 273,517.21	\$	\$ 30,439.79	\$
Other Expenses	71,312.00	71,312.00	70,393.62	904.48	13.90	
Planning Board:						
Other Expenses	21,100.00	41,100.00	26,872.93	5,898.67	8,328.40	
Board of Adjustment:						
Other Expenses	11,850.00	11,850.00	11,514.50	28.30	307.20	
	<u>408,219.00</u>	<u>428,219.00</u>	<u>382,298.26</u>	<u>6,831.45</u>	<u>39,089.29</u>	
<b>DEPARTMENT OF ADMINISTRATION AND CODE ENFORCEMENT</b>						
Salaries and Wages	394,049.00	394,049.00	270,534.04		123,514.96	
Other Expenses	115,950.00	115,950.00	72,577.22	24,329.97	19,042.81	
	<u>509,999.00</u>	<u>509,999.00</u>	<u>343,111.26</u>	<u>24,329.97</u>	<u>142,557.77</u>	
<b>POLICE DEPARTMENT</b>						
Salaries and Wages	14,460,361.00	14,110,361.00	13,393,282.86		717,078.14	
ATB Service Police PD&Fire Alarm	61,000.00	61,000.00	29,118.40		31,881.60	
Other Expenses	700,000.00	700,000.00	309,128.72	183,917.23	206,954.05	
	<u>15,221,361.00</u>	<u>14,871,361.00</u>	<u>13,731,529.98</u>	<u>183,917.23</u>	<u>955,913.79</u>	
<b>FIRE DEPARTMENT</b>						
Salaries and Wages	9,653,266.00	9,653,266.00	8,899,584.80		753,681.20	
Other Expenses	348,900.00	348,900.00	187,366.11	59,026.28	102,507.61	
	<u>10,002,166.00</u>	<u>10,002,166.00</u>	<u>9,086,950.91</u>	<u>59,026.28</u>	<u>856,188.81</u>	
<b>UNIFORM FIRE SAFETY ACT (Ch. 383, P.L. 1983)</b>						
Life Hazard Use Fee Payment:						
Salaries and Wages	59,160.00	59,160.00	59,160.00			
	<u>59,160.00</u>	<u>59,160.00</u>	<u>59,160.00</u>			
<b>PUBLIC WORKS DEPARTMENT</b>						
Community Services Administration:						
Salaries and Wages	618,281.00	601,281.00	594,629.68		6,651.32	
Other Expenses	29,150.00	29,150.00	14,754.51	9,629.21	4,766.28	
Engineering:						
Salaries and Wages	123,000.00	205,000.00	204,302.72		697.28	
Other Expenses	3,700.00	3,700.00	1,379.53	80.00	2,240.47	
Street Repairs and Maintenance:						
Salaries and Wages	301,897.00	389,397.00	384,781.67		4,615.33	
Other Expenses	43,150.00	43,150.00	21,881.14	2,229.50	19,039.36	
Storm Sewers Repairs and Maintenance:						
Salaries and Wages	220,320.00	205,320.00	130,844.04		74,475.96	
Other Expenses	14,950.00	14,950.00	11,357.04		3,592.96	

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

A-3  
Sheet # 3

Appropriation	Appropriations		Paid or Charged	Reserved		Balance Canceled
	Budget	Modified Budget		Encumbered	Unencumbered	
<b>APPROPRIATIONS WITHIN "CAPS"</b>						
<b>PUBLIC WORKS DEPARTMENT</b>						
Refuse Collection and Disposal:						
Salaries and Wages	\$ 1,139,280.00	\$ 919,280.00	\$ 906,082.71		\$ 13,197.29	\$
Other Expenses	22,000.00	22,000.00	5,650.71	9,971.00	6,378.29	
Storm Clearance:						
Salaries and Wages	131,793.50	121,293.50	108,909.19		12,384.31	
Other Expenses	540,000.00	540,000.00	462,120.30	25,310.05	52,569.65	
Traffic:						
Salaries and Wages	179,520.00	179,520.00	147,323.07		32,196.93	
Other Expenses	13,000.00	13,000.00	9,325.88	317.02	3,357.10	
Central Garage Operation:						
Salaries and Wages	290,700.00	295,700.00	273,202.02		22,497.98	
Other Expenses	304,600.00	304,600.00	257,421.32	37,940.26	9,238.42	
Building Maintenance:						
Salaries and Wages	57,120.00	62,620.00	41,361.91		21,258.09	
Other Expenses	90,000.00	90,000.00	85,888.93	3,190.99	920.08	
Parks Maintenance:						
Salaries and Wages	361,440.00	465,940.00	462,223.82		3,716.18	
Other Expenses	136,500.00	136,500.00	116,310.93	14,644.41	5,544.66	
Shade Trees:						
Salaries and Wages	232,122.50	190,122.50	169,282.03		20,840.47	
Other Expenses	107,300.00	107,300.00	54,143.07	2,928.18	50,228.75	
	<u>4,959,824.00</u>	<u>4,939,824.00</u>	<u>4,463,176.22</u>	<u>106,240.62</u>	<u>370,407.16</u>	
<b>PARKS, RECREATION AND CULTURAL AFFAIRS DEPARTMENT</b>						
Recreation Program:						
Salaries and Wages	612,353.00	612,353.00	565,243.26		47,109.74	
Other Expenses	72,400.00	72,400.00	66,882.14	5,091.92	425.94	
	<u>684,753.00</u>	<u>684,753.00</u>	<u>632,125.40</u>	<u>5,091.92</u>	<u>47,535.68</u>	
<b>HEALTH AND HUMAN SERVICES DEPARTMENT</b>						
Health Services:						
Salaries and Wages	644,488.00	644,488.00	522,020.77		122,467.23	
Other Expenses	141,800.00	141,800.00	28,515.24	3,998.25	109,286.51	
Health Services (Contractual):						
Salaries and Wages	29,580.00	29,580.00			29,580.00	
Nursing Services:						
Salaries and Wages	188,609.54	188,609.54	148,575.46		40,034.08	
Animal Control:						
Salaries and Wages	315,946.00	268,946.00	194,075.55		74,870.45	
Other Expenses	137,565.00	137,565.00	71,749.60	10,650.17	55,165.23	
	<u>1,457,988.54</u>	<u>1,410,988.54</u>	<u>964,936.62</u>	<u>14,648.42</u>	<u>431,403.50</u>	

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

A-3  
Sheet # 4

<u>Appropriation</u>	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Reserved</u>		<u>Balance Canceled</u>
	<u>Budget</u>	<u>Modified Budget</u>		<u>Encumbered</u>	<u>Unencumbered</u>	
<b>APPROPRIATIONS WITHIN "CAPS"</b>						
<b>MISCELLANEOUS AND OTHER</b>						
Unemployment Compensation Insurance:						
Other Expenses	\$ 120,000.00	\$ 120,000.00	\$ 67,169.50	\$	\$ 52,830.50	\$
Refuse Tipping Fees:						
Other Expenses	1,200,000.00	1,200,000.00	1,018,917.90	173,353.46	7,728.64	
Mandatory Recycling Act:						
Other Expenses	932,688.00	1,122,688.00	1,122,688.00			
Accumulated Absences	100,000.00	100,000.00	100,000.00			
Aging in Montclair:						
Other Expenses	35,500.00	35,500.00	35,000.00		500.00	
Homeless Shelter:						
Other Expenses	25,000.00	37,000.00	37,000.00			
Montclair Early Childhood Corporation:						
Other Expenses	287,000.00	287,000.00	279,000.00		8,000.00	
Interlocal Animal Control Services - Nutley						
Salaries and Wages	6,594.00	6,594.00			6,594.00	
	<u>2,706,782.00</u>	<u>2,908,782.00</u>	<u>2,659,775.40</u>	<u>173,353.46</u>	<u>75,653.14</u>	
Insurances:						
Liability Insurance	1,600,000.00	1,600,000.00	1,387,047.74	4,537.50	208,414.76	
Health Benefit Waiver	230,000.00	230,000.00	230,000.00			
Employee Group Insurance	6,497,299.00	6,353,914.44	5,866,090.64	35,387.86	452,435.94	
	<u>8,327,299.00</u>	<u>8,183,914.44</u>	<u>7,483,138.38</u>	<u>39,925.36</u>	<u>660,850.70</u>	
<b>SPECIAL PROGRAMS AND ACTIVITIES</b>						
Parks, Recreation and Cultural Affairs:						
Salaries and Wages	147,250.00	157,250.00	141,818.53	2,750.34	12,681.13	
	<u>147,250.00</u>	<u>157,250.00</u>	<u>141,818.53</u>	<u>2,750.34</u>	<u>12,681.13</u>	
<b>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)</b>						
Salaries and Wages	566,167.00	566,167.00	539,034.28		27,132.72	
Other Expenses	90,000.00	90,000.00	82,353.94	4,788.05	2,858.01	
	<u>656,167.00</u>	<u>656,167.00</u>	<u>621,388.22</u>	<u>4,788.05</u>	<u>29,990.73</u>	
<b>UNCLASSIFIED</b>						
Emergency Assistance Coalition:						
Gasoline	235,000.00	200,000.00	124,602.24	16,319.45	59,078.31	
Fuel - Diesel	150,000.00	150,000.00	68,732.76	12,155.19	69,112.05	
Electricity	400,000.00	400,000.00	298,186.44	34,603.69	67,209.87	
Telephone	300,000.00	330,000.00	208,079.67	54,684.15	67,236.18	
Natural Gas	125,000.00	125,000.00	70,006.12	12,068.39	42,905.49	

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

A-3  
Sheet # 5

Appropriation	Appropriations		Paid or Charged	Reserved		Balance Canceled
	Budget	Modified Budget		Encumbered	Unencumbered	
<b>APPROPRIATIONS WITHIN "CAPS"</b>						
<b>UNCLASSIFIED</b>						
Utilities:						
Street Lighting	\$ 500,000.00	\$ 470,000.00	\$ 337,381.78	\$ 39,223.23	\$ 93,394.99	\$
	<u>1,710,000.00</u>	<u>1,675,000.00</u>	<u>1,106,989.01</u>	<u>169,074.10</u>	<u>398,936.89</u>	
Total Operations Within CAPS	<u>50,925,675.74</u>	<u>51,565,391.18</u>	<u>46,257,453.07</u>	<u>874,948.79</u>	<u>4,432,989.32</u>	
<b>CONTINGENT</b>						
	<u>3,500.00</u>	<u>3,500.00</u>			<u>3,500.00</u>	
Total Operations Within CAPS	<u>50,929,175.74</u>	<u>51,568,891.18</u>	<u>46,257,453.07</u>	<u>874,948.79</u>	<u>4,436,489.32</u>	
<b>DEFERRED CHARGES</b>						
Overexpenditure of Grant Appropriation	12,467.23	12,467.23	12,467.23			
Overexpenditure of Trust Reserve	50,855.00	50,855.00	50,855.00			
	<u>63,322.23</u>	<u>63,322.23</u>	<u>63,322.23</u>			
<b>STATUTORY EXPENDITURES</b>						
Contributions to:						
Public Employees' Retirement System of N.J.	1,244,976.10	1,244,976.10	1,244,976.10			
Social Security System (OASI)	1,273,500.00	1,273,500.00	1,092,205.73		181,294.27	
Police and Firemen's Retirement System of N.J.	4,960,632.60	4,960,632.60	4,960,632.60			
Pension Increase Fund Consolidated Police and Defined Contribution Retirement Plan	20,000.00	20,000.00	5,262.05		14,737.95	
Total Statutory Expenditures	<u>7,499,108.70</u>	<u>7,499,393.26</u>	<u>7,303,361.04</u>		<u>196,032.22</u>	
Total Appropriations Within "CAPS"	<u>58,491,606.67</u>	<u>59,131,606.67</u>	<u>53,624,136.34</u>	<u>874,948.79</u>	<u>4,632,521.54</u>	
<b>APPROPRIATIONS EXCLUDED FROM "CAPS"</b>						
<b>OTHER OPERATIONS</b>						
Maintenance of Free Public Library	3,302,093.00	3,302,093.00	3,300,000.00		2,093.00	
Employee Group Insurance	100,116.00	100,116.00			100,116.00	
	<u>3,402,209.00</u>	<u>3,402,209.00</u>	<u>3,300,000.00</u>		<u>102,209.00</u>	

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

A-3  
Sheet # 6

<u>Appropriation</u>	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Reserved</u>		<u>Balance Canceled</u>
	<u>Budget</u>	<u>Modified Budget</u>		<u>Encumbered</u>	<u>Unencumbered</u>	
<u>STATUTORY EXPENDITURES</u>						
<u>APPROPRIATIONS OFFSET BY</u>						
<u>INCREASED FEE REVENUE</u>						
<u>(N.J.A.C. 5:23-4.17)</u>						
Other Expenses	\$ 67,000.00	\$ 67,000.00	\$ 67,000.00	\$	\$	\$
<u>ADDITIONAL APPROPRIATIONS OFFSET BY</u>						
<u>REVENUES (N.J.S.A. 40A:4-43.3h)</u>						
Glen Ridge Fire Contract:						
Salaries and Wages	600,000.00	600,000.00	600,000.00			
Other Expenses	25,000.00	25,000.00	25,000.00			
Interlocal Government Health Service Contract:						
Salaries and Wages	179,280.00	179,280.00	179,280.00			
Interlocal Animal Control Services - Nutley						
Other Expenses	29,616.00	29,616.00	29,616.00			
Interlocal Animal Control Services - Verona						
Salaries and Wages	23,460.00	23,460.00	23,460.00			
Interlocal Nursing Services - Nutley						
Salaries and Wages	37,244.00	37,244.00	33,507.00	3,737.00		
	<u>894,600.00</u>	<u>894,600.00</u>	<u>890,863.00</u>	<u>3,737.00</u>		
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET</u>						
<u>BY REVENUES</u>						
Municipal Alliance and Alcoholism and Drug Abuse	73,500.00	73,500.00	73,500.00			
Shop Rite - Senior Shuttle Grant	2,000.00	2,000.00	2,000.00			
Seniorama Grant	4,732.00	4,732.00	4,732.00			
Local Food Promotion	20,846.73	20,846.73	20,846.73			
Alcohol Education, Rehabilitation and Enforcement	1,148.20	1,148.20	1,148.20			
Bicycle Safety program	11,000.00	11,000.00	11,000.00			
County of Essex Local Arts Grant	1,520.00	1,520.00	1,520.00			
ANJEC	1,500.00	1,500.00	1,500.00			
Division on Aging - Citizen Services - 2015	3,641.00	3,641.00	3,641.00			
Division on Aging - Citizen Services - 2016	14,560.00	14,560.00	14,560.00			
Eat Healthy Grant	10,000.00	10,000.00	10,000.00			
USDA - Mobile Farm Stand	22,831.00	22,831.00	22,831.00			
FDA Standard Funding for Nutley and Belleville	15,096.97	15,096.97	15,096.97			
Cable Communication Grant - Comcast	5,000.00	5,000.00	5,000.00			
N.J. Pedestrian Safety Grant	32,000.00	32,000.00	32,000.00			
Click it or Ticket Enforcement Grant	5,000.00	5,000.00	5,000.00			
Drive Sober or Get Pulled Over	5,000.00	5,000.00	5,000.00			
Animal Shelter Grant	3,500.00	3,500.00	3,500.00			
Body Armor Replacement Fund	6,678.65	6,678.65	6,678.65			
Albert Terhune Grant	2,250.00	2,250.00	2,250.00			
Hazardous Discharge Grant	69,410.01	69,410.01	69,410.01			
Clean Communities	82,923.93	82,923.93	82,923.93			
Bulletproof Vest Program	17,826.08	17,826.08	17,826.08			
Historic Preservation Grant	23,500.00	23,500.00	23,500.00			
FEMA - Generator	192,000.00	192,000.00	192,000.00			
Matching Funds - FEMA Grant	43,000.00	43,000.00	43,000.00			
Unappropriated Reserves- Senior Citizens	3,640.00	3,640.00	3,640.00			
Other Matching Funds	23,000.00	23,000.00	23,000.00			
	<u>697,104.57</u>	<u>697,104.57</u>	<u>697,104.57</u>			

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

A-3  
Sheet # 7

Appropriation	Appropriations		Paid or Charged	Reserved		Balance Canceled
	Budget	Modified Budget		Encumbered	Unencumbered	
<b>APPROPRIATIONS EXCLUDED FROM "CAPS"</b>						
Total Operations Excluded from "CAPS"	\$ 5,060,913.57	\$ 5,060,913.57	\$ 4,954,967.57	\$ 3,737.00	\$ 102,209.00	\$
<b>CAPITAL IMPROVEMENTS</b>						
Capital Improvement Fund	300,000.00	650,000.00	650,000.00			
<b>DEBT SERVICE</b>						
Payment of Bond Principal	4,885,000.00	4,895,000.00	4,895,000.00			
Payment of Bond Anticipation Notes and Capital Notes	800,000.00	800,000.00	798,797.00			1,203.00
Interest on Bonds	1,880,000.00	1,880,000.00	1,849,815.58			30,184.42
Interest on Notes	305,000.00	305,000.00	300,235.68			4,764.32
Loan Repayments-Downtown Business Improvement District	33,000.00	33,000.00	32,666.67			333.33
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	40,000.00	40,000.00	35,401.86			4,598.14
Environmental Trust - Principal	50,000.00	50,000.00	49,038.93			961.07
Environmental Trust - Interest	13,000.00	13,000.00	8,599.62			4,400.38
	8,006,000.00	8,016,000.00	7,969,555.34			46,444.66
<b>DEFERRED CHARGES</b>						
Special Emergency Authorization	178,000.00	178,000.00	178,000.00			
	178,000.00	178,000.00	178,000.00			
<b>FOR LOCAL SCHOOL DISTRICT PURPOSES</b>						
Type I School District Debt Service:						
Payment of Bond Principal	4,350,000.00	4,350,000.00	4,350,000.00			
Payment of Bond Anticipation Notes	50,000.00	50,000.00	49,084.00			916.00
Interest on Bonds	2,926,000.00	2,926,000.00	2,804,554.88			121,445.12
Interest on Notes	57,100.00	57,100.00	56,941.39			158.61
	7,383,100.00	7,383,100.00	7,260,580.27			122,519.73
<b>JUDGEMENTS</b>						
	350,000.00	350,000.00	100,000.00			250,000.00
Total Appropriations Excluded from "CAPS"	21,278,013.57	21,638,013.57	21,113,103.18	3,737.00	102,209.00	418,964.39
Sub-total Appropriations	79,769,620.24	80,769,620.24	74,737,239.52	878,685.79	4,734,730.54	418,964.39
Reserve for Uncollected Taxes	3,311,518.30	3,311,518.30	3,311,518.30			
Total Appropriations	\$ 83,081,138.54	\$ 84,081,138.54	\$ 78,048,757.82	\$ 878,685.79	\$ 4,734,730.54	\$ 418,964.39

A-3 Sheet 8

A-3 Sheet 8

A

A

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

A-3  
Sheet # 8

	<u>Ref.</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>
Adopted Budget	A-2	\$ 82,877,024.41	\$
Added by N.J.S.A. 40A:4-87	A-2	204,114.13	
Emergency Authorization	A-19	1,000,000.00	
Reserve for Uncollected Taxes	A-2c	(3,311,518.30)	3,311,518.30
Cash Disbursements	A-4		72,849,667.72
Deferred Charges	A-19		178,000.00
Reserve for Revaluation	A-22		1,000,000.00
Interfunds Payable	A-26		709,571.80
Canceled	A-3 Sh. 7	(418,964.39)	
	A-1	<u>\$ 80,350,655.85</u>	<u>\$ 78,048,757.82</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
TRUST FUNDS

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2016 AND 2015

B  
Sheet # 1

<u>ASSETS</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>Assessment Trust Fund</u>			
Assessments Receivable:			
Unpledged	B-4	\$ 10.65	\$ 10.65
Interfunds Receivable	B-8	<u>8,757.15</u>	<u>62,753.10</u>
		<u>8,767.80</u>	<u>62,763.75</u>
 <u>Animal Control Trust Fund</u>			
Cash - Checking	B-2	<u>97,400.68</u>	<u>70,505.24</u>
 <u>General Trust Fund</u>			
Cash - Checking	B-2	7,082,377.31	4,921,803.61
Due from Montclair Housing Agency	B-5	33,480.85	33,480.85
Deferred Charges	B-6	35,218.62	86,073.62
Due from County of Essex - Community Development Block Grant Programs	B-7	308,475.00	209,948.86
Interfunds Receivable	B-8	47,464.48	333,009.13
Accounts Receivable	B-10	<u>5,255.89</u>	<u>5,584,316.07</u>
		<u>7,512,272.15</u>	<u>5,584,316.07</u>
 <u>Payroll Account</u>			
Cash	B-2	<u>572,276.87</u>	<u>2,169,797.21</u>
		<u>\$ 8,190,717.50</u>	<u>\$ 7,887,382.27</u>

See accompanying notes to financial statements.



TOWNSHIP OF MONTCLAIR  
TRUSTS FUNDS

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2016 AND 2015

B  
Sheet # 2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>Assessment Trust Fund</u>			
Interfunds Payable	B-12	\$	\$ 54,311.20
Reserve for:			
Assessments and Assessment Liens	B-13	10.65	10.65
Fund Balance	B-1	<u>8,757.15</u>	<u>8,441.90</u>
		<u>8,767.80</u>	<u>62,763.75</u>
<u>Animal Control Trust Fund</u>			
Due to State of New Jersey	B-9	2.40	
Interfunds Payable	B-12		2,503.00
Reserve for:			
Animal Shelter Expenditures	B-17	51,818.68	29,373.39
Animal Control Trust Fund Expenditures	B-19	<u>45,579.60</u>	<u>38,628.85</u>
		<u>97,400.68</u>	<u>70,505.24</u>
<u>General Trust Fund</u>			
Interfunds Payable	B-12	151,535.32	8,757.15
Special Deposits	B-11	6,419,605.55	5,076,638.73
Accounts Payable	B-15	12,510.00	
Prepaid Revenue	B-16	239,460.00	
Reserve for:			
Community Development Block Grant	B-14	308,475.00	209,948.86
Section 8 Voucher Program	B-15	380,686.28	227,692.25
State Unemployment Trust Fund Expenditures	B-21	<u>61,279.08</u>	<u>61,279.08</u>
		<u>7,512,272.15</u>	<u>5,584,316.07</u>
<u>Payroll Account</u>			
Interfunds Payable			39,542.57
Payroll Deductions and Other Payables	B-18	532,007.15	2,130,254.64
Flexible Spending Account	B-20	<u>40,269.72</u>	
		<u>572,276.87</u>	<u>2,169,797.21</u>
		<u>\$ 8,190,717.50</u>	<u>\$ 7,887,382.27</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
TRUST FUNDS

STATEMENT OF FUND BALANCE  
ASSESSMENT TRUST  
YEAR ENDED DECEMBER 31, 2016

B-1

	<u>Ref.</u>	
Balance, December 31, 2015	B	\$ 8,441.90
Increased by:		
Settlement of Interfunds	B-12	<u>54,311.20</u>
		62,753.10
Decreased by:		
Settlement of Interfunds	B-8	<u>53,995.95</u>
Balance, December 31, 2016	B	<u><u>\$ 8,757.15</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2016 AND 2015

C

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Cash - Checking	C-2	\$ 5,193,509.93	\$ 6,756,605.23
Grants Receivable	C-4	78,403.77	315,155.25
Interfunds Receivable	C-7	232,604.76	111,208.20
Note Receivable	C-5		178,000.00
Due from Improvement District	C-6	15,000.00	15,000.00
Deferred Charges to Future Taxation:			
Funded	C-8	111,126,478.65	122,184,697.71
Unfunded	C-9	35,349,998.09	25,861,783.61
		<u>\$ 151,995,995.20</u>	<u>\$ 155,422,450.00</u>

LIABILITIES, RESERVES AND FUND BALANCE

General Serial Bonds	C-22	\$ 43,034,000.00	\$ 47,981,000.00
School Serial Bonds	C-21	66,760,000.00	72,757,000.00
Environmental Infrastructure Loan Payable	C-19	412,402.49	461,441.42
Green Acres Loans Payable	C-18	560,742.84	593,256.30
Bond Anticipation Notes	C-17	24,939,200.00	17,908,600.00
Business District Loan Payable	C-20	359,333.32	391,999.99
Interfunds Payable	C-12		72,496.45
Improvement Authorizations:			
Funded	C-10	2,129,557.68	3,832,500.98
Unfunded	C-10	10,852,585.33	7,272,458.29
Capital Improvement Fund	C-11	447,321.83	90,965.83
Reserve for:			
Cost of Issuance	C-13	14,494.04	14,494.04
Repayment of Urban Development Action Grants	C-14	26,955.51	26,955.51
Grants Receivable	C-15	78,403.77	315,155.25
Debt Service	C-16	23,826.00	1,123,826.00
Fund Balance	C-1	2,357,172.39	2,580,299.94
		<u>\$ 151,995,995.20</u>	<u>\$ 155,422,450.00</u>

Bonds and Notes Authorized but Not Issued:

General		\$ 6,426,010.34	\$ 4,409,905.12
School		5,204,114.49	4,551,278.49
	C-23	<u>\$ 11,630,124.83</u>	<u>\$ 8,961,183.61</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

C-1

	<u>Ref.</u>		
Balance, December 31, 2015	C		\$2,580,299.94
Increased by:			
Premium on Sale of Notes	C-2	\$ 397,555.36	
Funded Improvement Authorizations Canceled	C-10	<u>679,534.69</u>	
			<u>1,077,090.05</u>
			3,657,389.99
Decreased by:			
Anticipated Revenue - Current Fund	C-2	700,000.00	
Appropriated to Finance Improvement Authorizations	C-10	<u>600,217.60</u>	
			<u>1,300,217.60</u>
Balance, December 31, 2016	C		<u><u>\$2,357,172.39</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
WATER UTILITY

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2016 AND 2015

D  
Sheet # 1

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>Operating Fund</u>			
Cash	D-5	\$ 5,029,004.34	\$ 4,025,384.76
Change Fund	D-7	200.00	200.00
		<u>5,029,204.34</u>	<u>4,025,584.76</u>
 Interfunds Receivable	 D-11	 3,025.21	 740,074.13
		<u>5,032,229.55</u>	<u>4,765,658.89</u>
<u>Receivables and Inventory with Full Reserves:</u>			
Consumer Accounts Receivable	D-12	1,827,692.04	1,765,027.50
Inventory - Materials and Supplies	D-13	126,298.65	126,298.65
		<u>1,953,990.69</u>	<u>1,891,326.15</u>
		<u>6,986,220.24</u>	<u>6,656,985.04</u>
 <u>Capital Fund</u>			
Cash - Checking	D-5, D-9	1,140,045.22	1,306,198.49
Loans Receivable	D-10	29,947.60	29,947.60
Fixed Capital	D-14	40,829,569.27	34,499,837.37
Fixed Capital - Authorized and Uncompleted	D-15	124,154.45	7,389,500.00
		<u>42,123,716.54</u>	<u>43,225,483.46</u>
		<u>\$ 49,109,936.78</u>	<u>\$ 49,882,468.50</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
WATER UTILITY

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2016 AND 2015

D  
Sheet # 2

<u>LIABILITIES, RESERVES AND FUND BALANCES</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>Operating Fund</u>			
Appropriation Reserves:			
Encumbered	D-4, D-16	\$ 596,076.56	\$ 277,002.60
Unencumbered	D-4, D-16	1,083,510.86	603,550.68
Accrued Interest on Bonds	D-17	99,168.75	115,033.76
Accrued Interest on Notes	D-18	21,147.54	18,007.57
Accrued Interest on Loans	D-19	15,932.28	25,960.42
Water Overpayments	D-21	24,277.32	27,477.03
		<u>1,840,113.31</u>	<u>1,067,032.06</u>
Reserve for Receivables and Inventory		1,953,990.69	1,891,326.15
Fund Balance	D-1	3,192,116.24	3,698,626.83
		<u>6,986,220.24</u>	<u>6,656,985.04</u>
 <u>Capital Fund</u>			
Serial Bonds	D-29	6,010,000.00	6,884,000.00
N.J. Environmental Infrastructure Trust			
Loan Payable	D-28	1,592,078.67	2,188,666.70
Bond Anticipation Notes	D-27	5,342,536.00	6,002,524.00
Improvement Authorizations:			
Funded	D-22		49,500.00
Unfunded	D-22	124,154.47	1,186,371.61
Capital Improvement Fund	D-23	572,256.53	147,256.53
Interfunds Payable	D-24	3,025.21	701,005.69
Reserves for:			
Amortization	D-25	27,885,361.33	25,301,524.45
Deferred Amortization	D-26	71,371.74	469,763.00
Fund Balance	D-2	522,932.59	294,871.48
		<u>42,123,716.54</u>	<u>43,225,483.46</u>
		<u>\$ 49,109,936.78</u>	<u>\$ 49,882,468.50</u>
 Bonds and Notes Authorized but Not Issued	 D-30	 \$ 133,006.22	 \$ 1,215,978.87

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
WATER UTILITY

COMPARATIVE STATEMENTS OF OPERATIONS  
AND CHANGES IN FUND BALANCE - OPERATING FUND  
REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

D-1

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	D-3	\$ 2,646,901.66	\$ 803,000.00
Rents	D-3	7,960,490.01	6,773,942.29
Miscellaneous Revenue	D-3	548,721.95	339,815.75
Other Credits to Income:			
Accrued Interest on Loans Canceled	D-19	9,829.44	
Unexpended Balance of Appropriation Reserves	D-16	547,547.81	480,330.12
		<u>11,713,490.87</u>	<u>8,397,088.16</u>
<u>Expenditures</u>			
Budgets Expenditures:			
Operating	D-4	5,266,535.00	5,196,000.00
Capital Improvements	D-4	1,275,000.00	50,000.00
Debt Service	D-4	2,246,843.80	1,506,794.76
Statutory Expenditures	D-4	284,721.00	330,000.00
		<u>9,073,099.80</u>	<u>7,082,794.76</u>
Excess Revenue		2,640,391.07	1,314,293.40
<u>Fund Balance</u>			
Balance, Beginning of Year	D	<u>3,698,626.83</u>	<u>3,337,333.43</u>
		<u>6,339,017.90</u>	<u>4,651,626.83</u>
Decreased by:			
Utilized as Anticipated Revenue:			
Water Operating Fund Budget	D-3	2,646,901.66	803,000.00
Current Fund Budget	D-5	500,000.00	150,000.00
		<u>3,146,901.66</u>	<u>953,000.00</u>
Balance, End of Year	D	<u>\$ 3,192,116.24</u>	<u>\$ 3,698,626.83</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
WATER UTILITY

STATEMENT OF WATER CAPITAL FUND BALANCE  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

D-2

	<u>Ref.</u>		
Balance, December 31, 2015	D		\$ 294,871.48
Increased by:			
Premium on Sales of Notes	D-5	\$ 85,747.70	
Funded Improvements Authorizations Canceled	D-25	<u>142,313.41</u>	
			<u>228,061.11</u>
Balance, December 31, 2016	D		<u>\$ 522,932.59</u>

See accompanying notes to financial statements.



TOWNSHIP OF MONTCLAIR  
WATER UTILITY

STATEMENT OF REVENUE  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

D-3

<u>Source</u>	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance Utilized	D-1	\$ 2,646,901.66	\$ 2,646,901.66	\$
Rents	D-1, D-12	6,425,000.00	7,960,490.01	1,535,490.01
Miscellaneous Revenue	D-1, Below	<u>150,000.00</u>	<u>548,721.95</u>	<u>398,721.95</u>
	D-4	<u>\$ 9,221,901.66</u>	<u>\$ 11,156,113.62</u>	<u>\$ 1,934,211.96</u>

Analysis of Realized Revenue

Miscellaneous Revenue:

Interest on Delinquent Rents	\$ 99,001.84		
Glen Ridge Management Fee	53,547.92		
New Service Fees	366,566.76		
Interest on Investments	15,422.25		
Return Check Fees	760.00		
Turn-On Fee	5,000.00		
Cost of Sale	8,388.18		
Miscellaneous	<u>35.00</u>		
Above		<u>\$ 548,721.95</u>	
Collections:			
Treasurer	D-5		\$ 446,694.90
Collector	D-6		99,001.84
Interfunds Receivable	D-11		<u>3,025.21</u>
Above			<u>\$ 548,721.95</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
WATER UTILITY

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

D-4  
Sheet # 1

Appropriation	Budget	Modified Budget	Paid or Charged	Expended		Balance Canceled
				Encumbered	Unencumbered	
<u>Operating</u>						
Salaries and Wages	\$ 1,127,535.00	\$ 1,127,535.00	\$ 1,069,548.86	\$	\$ 57,986.14	\$
Other Expenses	3,599,000.00	3,584,000.00	2,840,252.83	208,101.10	535,646.07	
<u>Commercial</u>						
Salaries and Wages	480,000.00	480,000.00	80,876.71		399,123.29	
Other Expenses	75,000.00	75,000.00	27,310.79		47,689.21	
	<u>5,281,535.00</u>	<u>5,266,535.00</u>	<u>4,017,989.19</u>	<u>208,101.10</u>	<u>1,040,444.71</u>	
<u>Capital Improvements</u>						
Capital Improvement Fund	425,000.00	425,000.00	425,000.00			
Capital Outlay	850,000.00	850,000.00	418,958.39	387,975.46	43,066.15	
	<u>1,275,000.00</u>	<u>1,275,000.00</u>	<u>843,958.39</u>	<u>387,975.46</u>	<u>43,066.15</u>	
<u>Debt Service</u>						
Payment on Bond Principal	720,000.00	735,000.00	735,000.00			
Payment on Bond Anticipation						
Notes and Capital Notes	891,455.00	891,455.00	857,171.00			34,284.00
Interest on Bonds	278,177.33	278,177.33	228,117.49			50,059.84
Interest on Notes	125,000.00	125,000.00	122,856.98			2,143.02
Environmental Trust Fund - Principal	303,698.33	303,698.33	303,698.33			
Environmental Trust Fund - Interest	62,315.00	62,315.00				62,315.00
	<u>2,380,645.66</u>	<u>2,395,645.66</u>	<u>2,246,843.80</u>			<u>148,801.86</u>
<u>Statutory Expenditures</u>						
Contribution to:						
Public Employees' Retirement System	207,000.00	207,000.00	207,000.00			
Social Security System	77,721.00	77,721.00	77,721.00			
	<u>284,721.00</u>	<u>284,721.00</u>	<u>284,721.00</u>			
	<u>\$ 9,221,901.66</u>	<u>\$ 9,221,901.66</u>	<u>\$ 7,393,512.38</u>	<u>\$ 596,076.56</u>	<u>\$ 1,083,510.86</u>	<u>\$ 148,801.86</u>

Ref.

D-3

D-4 Sheet 2

D

D

TOWNSHIP OF MONTCLAIR  
WATER UTILITY

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

D-4  
Sheet # 2

	<u>Ref.</u>	
Cash Disbursed	D-5	\$ 7,042,537.91
Accrued Interest on Bonds	D-17	228,117.49
Accrued Interest on Notes	D-18	<u>122,856.98</u>
	Sheet # 1	<u>\$ 7,393,512.38</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
SEWER UTILITY FUND

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2016 AND 2015

E  
Sheet # 1

<u>ASSETS</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>Operating Fund</u>			
Cash - Checking	E-5	\$ 2,046,609.54	\$ 1,012,027.77
Change Fund	E-7	200.00	200.00
		<u>2,046,809.54</u>	<u>1,012,227.77</u>
Interfund Receivable	E-9	27,232.57	632,392.98
		<u>2,074,042.11</u>	<u>1,644,620.75</u>
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	E-10	597,275.34	730,455.91
Inventory - Materials and Supplies	E-11	14,454.22	14,454.22
		<u>611,729.56</u>	<u>744,910.13</u>
		<u>2,685,771.67</u>	<u>2,389,530.88</u>
<u>Capital Fund</u>			
Cash	E-5, E-8	409,167.76	784,508.25
Environmental Infrastructure Loan Receivable	E-12		318,302.00
Fixed Capital	E-13	5,098,801.56	1,407,634.84
Fixed Capital Authorized and Uncompleted	E-14	439,877.01	4,145,000.00
		<u>5,947,846.33</u>	<u>6,655,445.09</u>
		<u>\$ 8,633,618.00</u>	<u>\$ 9,044,975.97</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
SEWER UTILITY FUND

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2016 AND 2015

E  
Sheet # 2

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Operating Fund</u>			
Appropriation Reserves:			
Encumbered	E-4, E-15	\$ 15,611.44	\$ 16,809.27
Unencumbered	E-4, E-15	460,399.18	287,316.83
Accrued Interest on Loans	E-18	3,473.44	5,601.74
Accrued Interest on Notes	E-19	8,120.38	6,747.70
Sewer Overpayments	E-16	34,288.70	67,758.80
Interfunds Payable	E-17	15.00	475.41
		<u>521,908.14</u>	<u>384,709.75</u>
Reserve for Receivables and Inventory		597,275.34	744,910.13
Fund Balance	E-1	1,552,133.97	1,259,911.00
		<u>2,671,317.45</u>	<u>2,389,530.88</u>
 <u>Capital Fund</u>			
Bond Anticipation Notes	E-25	2,051,464.00	2,352,876.00
Environmental Infrastructure Loan Payable	E-21	781,552.50	830,656.00
Improvements Authorizations:			
Funded	E-20	48,126.35	71,841.32
Unfunded	E-20	391,750.66	497,784.04
Capital Improvement Fund	E-23	120,500.00	120,500.00
Interfunds Payable	E-17	27,232.57	632,392.98
Reserve for:			
Amortization	E-24	2,374,084.15	336,909.00
Deferred Amortization	E-22	53,426.35	1,670,702.00
Fund Balance	E-2	99,709.75	141,783.75
		<u>5,947,846.33</u>	<u>6,655,445.09</u>
		<u>\$ 8,619,163.78</u>	<u>\$ 9,044,975.97</u>
 Bonds and Notes Authorized But Not Issued	 E-26	 \$ 337,779.50	 \$ 445,963.66

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
SEWER UTILITY FUND

COMPARATIVE STATEMENTS OF OPERATIONS  
AND CHANGES IN FUND BALANCE  
REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

E-1

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>Revenues and Other Income Realized</u>			
Fund Balance Utilized	E-3	\$ 975,786.41	\$ 539,715.00
Sewer Charges	E-3	4,953,429.15	4,420,697.18
Sewer Flow Usage Fees - Reservoir Ridge	E-3	69,644.00	69,644.00
Sewer Connection Fee	E-3	485,754.00	
Sewer Capital Fund Balance	E-3	75,000.00	
Miscellaneous	E-3	166,927.10	
Non Budget Revenue			334,230.63
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-15	286,959.34	148,945.22
		<u>7,013,500.00</u>	<u>5,513,232.03</u>
 <u>Expenditures</u>			
Budget Expenditures:			
Operating	E-4	5,117,550.15	4,827,915.00
Debt Service	E-4	474,640.47	318,941.50
Statutory Expenditures	E-4	153,300.00	57,800.00
Refund of Prior Year Revenue			35.00
		<u>5,745,490.62</u>	<u>5,204,691.50</u>
 Excess in Revenue		 1,268,009.38	 308,540.53
 <u>Fund Balance</u>			
Balance, Beginning of Year	E	1,259,911.00	1,491,085.47
		<u>2,527,920.38</u>	<u>1,799,626.00</u>
 Decreased by:			
Utilized as Anticipated Revenue:			
Sewer Operating Fund Budget	Above	975,786.41	539,715.00
		<u>975,786.41</u>	<u>539,715.00</u>
 Balance, End of Year	 E	 <u>\$ 1,552,133.97</u>	 <u>\$ 1,259,911.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
SEWER UTILITY CAPITAL FUND

STATEMENT OF FUND BALANCE  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

E-2

	<u>Ref.</u>	
Balance, December 31, 2015	E	\$ 141,783.75
Increased by:		
Premium on Sale of Notes:		
Cash Receipts	E-5	<u>32,926.00</u>
		174,709.75
Decreased by:		
Anticipated Revenue - Operating Fund	E-5	<u>75,000.00</u>
Balance, December 31, 2016	E	<u><u>\$ 99,709.75</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
SEWER UTILITY FUND

STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2016

E-3

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Utilized	E-1	\$ 975,786.41	\$ 975,786.41	\$
Sewer Charges	E-1, E-10	4,410,000.00	4,953,429.15	543,429.15
Sewer Flow Usage Fee:				
Reservoir Ridge	E-1, E-6	109,000.00	69,644.00	(39,356.00)
Sewer Connection Fees	E-1, E-6	150,000.00	485,754.00	335,754.00
Sewer Capital Surplus	E-5	75,000.00	75,000.00	
Miscellaneous	E-1, Below	55,000.00	166,927.10	111,927.10
	E-4	<u>\$ 5,774,786.41</u>	<u>\$ 6,726,540.66</u>	<u>\$ 951,754.25</u>
	<u>Ref.</u>	<u>Ref.</u>		
<u>Miscellaneous Revenue</u>				
Interest Earned on Investments:				
Collections	E-5		<u>\$ 3,697.69</u>	
Cost of Sale		\$ 6,415.53		
Interest on Delinquent Rents		45,573.79		
Glen Ridge Management Fee		16,837.23		
Other		<u>92,086.29</u>		
	E-6		<u>160,912.84</u>	
Interfunds Receivable	E-9		<u>2,316.57</u>	
			<u>\$ 166,927.10</u>	

See accompanying notes to financial statements.



TOWNSHIP OF MONTCLAIR  
SEWER UTILITY FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

E-4  
Sheet # 1

<u>Appropriation</u>	<u>Budget</u>	<u>Modified Budget</u>	<u>Expended</u>			<u>Balance Canceled</u>
			<u>Paid</u>	<u>Reserved</u>		
				<u>Encumbered</u>	<u>Unencumbered</u>	
<u>Operating</u>						
Salaries and Wages	\$ 629,146.00	\$ 629,146.00	\$ 493,976.69	\$	\$ 135,169.31	\$
Other Expenses	463,460.00	442,460.00	108,157.17	15,611.44	318,691.39	
Passaic Valley Sewer Commission	3,997,244.15	3,997,244.15	3,990,880.87		6,363.28	
Third River Sewer	1,500.00	1,500.00	1,334.36		165.64	
Second River Sewer	47,200.00	47,200.00	47,190.44		9.56	
	<u>5,138,550.15</u>	<u>5,117,550.15</u>	<u>4,641,539.53</u>	<u>15,611.44</u>	<u>460,399.18</u>	
<u>Debt Service</u>						
Payment on Bond Anticipation						
Notes and Capital Notes	375,000.00	396,000.00	370,796.00			25,204.00
Interest on Notes	49,100.00	49,100.00	48,299.48			800.52
Payment on Loan	50,000.00	50,000.00	49,103.50			896.50
Payment of Interest on Loan	8,836.26	8,836.26	6,441.49			2,394.77
	<u>482,936.26</u>	<u>503,936.26</u>	<u>474,640.47</u>			<u>29,295.79</u>
<u>Statutory Expenditures</u>						
Contribution to:						
Public Employees' Retirement System	78,300.00	78,300.00	78,300.00			
Social Security System	75,000.00	75,000.00	75,000.00			
	<u>153,300.00</u>	<u>153,300.00</u>	<u>153,300.00</u>			
	<u>\$ 5,774,786.41</u>	<u>\$ 5,774,786.41</u>	<u>\$ 5,269,480.00</u>	<u>\$ 15,611.44</u>	<u>\$ 460,399.18</u>	<u>\$ 29,295.79</u>

Ref.

E-3

Sheet # 2

E

E

TOWNSHIP OF MONTCLAIR  
SEWER UTILITY FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASS  
YEAR ENDED DECEMBER 31, 2016

E-4  
Sheet # 2

	<u>Ref.</u>	<u>Paid or Charged</u>
Cash Disbursed	E-5	\$ 5,239,655.03
Interfund Receiveable	E-9	(24,916.00)
Accrued Interest on Loans	E-18	6,441.49
Accrued Interest on Notes	E-19	<u>48,299.48</u>
	Sheet # 1	<u>\$ 5,269,480.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
PARKING UTILITY

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2016 AND 2015

E

<u>ASSETS</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>Operating Fund</u>			
Cash - Checking	F-4	\$ 2,247,460.47	\$ 2,388,958.80
Interfunds Receivable	F-6	1,781.42	
		<u>2,249,241.89</u>	<u>2,388,958.80</u>
<u>Capital Fund</u>			
Cash	F-4	891,781.42	803,449.94
Interfunds Receivable	F-6		86,550.06
Fixed Capital	F-7	16,445,000.00	16,445,000.00
Fixed Capital Authorized and Uncomplete	F-8	185,000.00	
		<u>17,521,781.42</u>	<u>17,335,000.00</u>
		<u>\$ 19,771,023.31</u>	<u>\$ 19,723,958.80</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Operating Fund</u>			
Accrued Interest on Bonds	F-10	\$ 295,618.98	\$ 312,444.58
Appropriation Reserves - Committed	F-3	370,992.86	427,443.08
Appropriation Reserves - Reserved	F-3, F-9	89,964.02	255,912.96
Interfunds Payable	F-14	405.00	101,550.06
Fund Balance	F-1	1,492,261.03	1,291,608.12
		<u>2,249,241.89</u>	<u>2,388,958.80</u>
<u>Capital Fund</u>			
Serial Bonds	F-16	13,780,000.00	14,195,000.00
Interfunds Payable	F-14	1,781.42	
Capital Improvement Fund	F-12	305,000.00	490,000.00
Improvement authorization - Funded	F-15	185,000.00	
Reserve for Amortization	F-11	2,665,000.00	2,250,000.00
Deferred Reserve for Amortization	F-13	185,000.00	
Fund Balance	F-1a	400,000.00	400,000.00
		<u>17,521,781.42</u>	<u>17,335,000.00</u>
		<u>\$ 19,771,023.31</u>	<u>\$ 19,723,958.80</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
PARKING UTILITY

COMPARATIVE STATEMENTS OF OPERATIONS  
AND CHANGES IN FUND BALANCE  
REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2016 AND 2015

F-1

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>Revenues and Other Income Realized</u>			
Fund Balance Utilized	F-2	\$ 163,318.56	\$ 165,000.00
Permit Fees	F-2	1,634,507.53	1,439,206.78
Meter Fees	F-2	1,564,833.17	1,267,203.35
Miscellaneous Revenue	F-2	320,215.23	236,988.17
Appropriation Reserves Canceled	F-9	253,504.24	744,278.10
		<u>3,936,378.73</u>	<u>3,852,676.40</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operating	F-3	1,926,517.00	1,943,000.00
Capital Improvements			45,000.00
Debt Service	F-3	998,587.96	1,031,519.22
Statutory Expenditures	F-3	87,388.00	92,000.00
		<u>3,012,492.96</u>	<u>3,111,519.22</u>
Other Debits to Income:			
Prior Year Revenue Refund	F-4	59,914.30	334,127.85
		<u>59,914.30</u>	<u>334,127.85</u>
Excess in Revenue		863,971.47	407,029.33
<u>Fund Balance</u>			
Balance, Beginning of Year	F	1,291,608.12	1,549,578.79
		<u>2,155,579.59</u>	<u>1,956,608.12</u>
Decreased by:			
Utilized as Anticipated Revenue - Current Fund	F-4	500,000.00	500,000.00
Utilized as Anticipated Revenue	Above	163,318.56	165,000.00
		<u>663,318.56</u>	<u>665,000.00</u>
Balance, End of Year	F	<u>\$ 1,492,261.03</u>	<u>\$ 1,291,608.12</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
PARKING UTILITY

STATEMENT OF PARKING CAPITAL FUND BALANCE  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

F-1A

	<u>Ref.</u>	
Balance, December 31, 2015	F	<u>\$ 400,000.00</u>
Balance, December 31, 2016	F	<u><u>\$ 400,000.00</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
PARKING UTILITY

STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2016

F-2

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
<u>Source:</u>				
Fund Balance Anticipated	F-1	\$ 163,318.56	\$ 163,318.56	\$
Meter Fees	F-1, F-4	1,522,000.00	1,564,833.17	42,833.17
Permit Fees	F-1, F-4	1,244,000.00	1,634,507.53	390,507.53
Miscellaneous	F-1, Below	<u>100,000.00</u>	<u>320,215.23</u>	<u>220,215.23</u>
	F-3	<u>\$ 3,029,318.56</u>	<u>\$ 3,682,874.49</u>	<u>\$ 653,555.93</u>
 <u>Miscellaneous Revenue</u>				
Interest on Deposits:				
Operating Fund	F-4	\$ 4,228.97		
Capital Fund	F-6	<u>1,781.42</u>		
			\$ 6,010.39	
 Rental Income	F-4	33,300.00		
ATM Fees	F-4	1,655.00		
Other	F-4	2,078.21		
Herod Lot	F-4	<u>277,171.63</u>		
			<u>314,204.84</u>	
	Above		<u>\$ 320,215.23</u>	

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
PARKING UTILITY

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2016

F-3

Appropriation	Budget	Modified Budget	Paid	Expended		Balance Canceled
				Encumbered	Reserved Unencumbered	
<b>Operating</b>						
Salaries and Wages	\$ 716,517.00	\$ 734,517.00	\$ 733,223.12	\$	\$ 1,293.88	\$
Other Expenses	1,210,000.00	1,192,000.00	732,337.00	370,992.86	88,670.14	
	<u>1,926,517.00</u>	<u>1,926,517.00</u>	<u>1,465,560.12</u>	<u>370,992.86</u>	<u>89,964.02</u>	
<b>Debt Service</b>						
Payment on Bond Principal	415,000.00	415,000.00	415,000.00			
Interest on Bonds	600,413.56	600,413.56	583,587.96			16,825.60
	<u>1,015,413.56</u>	<u>1,015,413.56</u>	<u>998,587.96</u>			<u>16,825.60</u>
<b>Statutory Expenditures</b>						
Contribution to:						
Public Employees' Retirement System	37,388.00	37,388.00	37,388.00			
Social Security System	50,000.00	50,000.00	50,000.00			
	<u>87,388.00</u>	<u>87,388.00</u>	<u>87,388.00</u>			
	<u>\$ 3,029,318.56</u>	<u>\$ 3,029,318.56</u>	<u>\$ 2,551,536.08</u>	<u>\$ 370,992.86</u>	<u>\$ 89,964.02</u>	<u>\$ 16,825.60</u>
Ref.	F-2		Below	F	F	
		Ref.				
		F-4	\$ 1,967,948.12			
		F-10	<u>583,587.96</u>			
			<u>\$ 2,551,536.08</u>			

TOWNSHIP OF MONTCLAIR  
CAPITAL FIXED ASSETS

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2016 AND 2015

G

	<u>2016</u>	<u>2015</u>
<u>CAPITAL FIXED ASSETS</u>		
Building and Contents	\$ 46,464,700.00	\$ 99,398,403.00
Land	50,338,800.00	50,327,400.00
Vehicles and Other Equipment	<u>16,811,733.00</u>	<u>12,091,913.00</u>
	<u>\$ 113,615,233.00</u>	<u>\$ 161,817,716.00</u>
 <u>RESERVE</u>		
Investment in Capital Fixed Assets	<u>\$ 113,615,233.00</u>	<u>\$ 161,817,716.00</u>

See accompanying notes to financial statements.



**NOTES TO FINANCIAL STATEMENTS**

# TOWNSHIP OF MONTCLAIR

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

### 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Reporting Entity

The Township of Montclair, Essex County, New Jersey (the "Township") is organized as a Council-Manager municipality under the provisions of N.J.S.A. 40:69A-81 et seq. The Township is "governed by an elected Mayor and Council and by an appointed Municipal Manager, and by such other officers and employees as may be duly appointed. The Council shall consist of four members elected by ward and two members elected at large by voters of the municipality and shall serve for a term of four years beginning on the first day of July next following their election".

The Governmental Accounting Standards Board and subsequent Codification (collectively, "GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB statement No. 14 as amended by GASB Statement No. 61 establishes certain standards for defining and reporting on the financial reporting entity. In accordance with these standards, the reporting entity should include the primary government and those component units which are fiscally accountable to the primary government. The municipalities in the State of New Jersey do not prepare financial statements in accordance with accounting principles generally accepted in the United States of America ("US GAAP") and thus do not comply with all of the GASB pronouncements.

The financial statements of the Township have been prepared on a basis of accounting in conformity with accounting principles and practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), which is a regulatory basis of accounting other than US GAAP. 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 Township accounts for its financial transactions through separate funds, which differ from the fund structure required by US GAAP.

GASB requires the financial reporting entity to include both the primary government and component units. Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves the budget, the issuance of debt or the levying of taxes. The Township is not includable in any other reporting entity as a component unit.

The financial statements contained herein include only those boards, bodies, officers or commissions as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township does not include the Montclair Public Library, which is considered a component unit under US GAAP. Complete financial statements of the Library can be obtained by contacting the Treasurer of the Library.

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

## TOWNSHIP OF MONTCLAIR

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

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

##### **Measurements Focus, Basis of Accounting and Basis of Presentation**

The Township has the following funds and account groups:

Current Fund - Encompasses resources and expenditures for basic governmental operations. Fiscal activity of Federal and State grant programs are reflected in a segregated section of the Current Fund.

Trust Funds - The records of receipts, disbursements and custodianship of monies in accordance with the purpose for which each account was created are maintained in Trust Funds. These include the Assessment Trust Fund, Animal Control Trust Fund, General Trust Fund, and Payroll Trust Fund.

General Capital Fund - The receipts and expenditure records for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund, are maintained in this Fund, as well as, related long-term debt accounts.

Water Utility Operating and Capital Funds - These Funds reflect revenue, expenditures, stewardship, acquisition of utility infrastructure and other capital facilities, as well as long-term debt, debt service and other related activity of the municipally-owned Water Utility.

Sewer Utility Operating and Capital Funds - These Funds reflect revenue, expenditures, stewardship, acquisition of utility infrastructure and other capital facilities, as well as long-term debt, debt service and other related activity of the municipally-owned Sewer Utility.

Parking Utility Operating and Capital Funds - These Funds reflect revenue, expenditures, stewardship, acquisition of utility infrastructure and other capital facilities, as well as long-term debt, debt service and other related activity of the municipally-owned Parking Utility.

General Fixed Assets Account Group - This account group is used to account for all general fixed assets of the Township. The Township's infrastructure is not reported in the account group.

##### **Basis of Accounting**

The Township follows the regulatory basis of accounting. Under this method of accounting, revenues, except for Federal and State Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed or permitted for municipalities by the Division ("regulatory basis of accounting") differ in certain respects from US GAAP applicable to local government units.

The more significant differences are as follows:

##### **Property Taxes and Other Revenue**

Property taxes and other revenue are realized when collected in cash or approved by regulation for accrual from certain sources of the State of New Jersey and the Federal Government. Accruals of taxes and other revenue are otherwise deferred as to realization by the establishment of offsetting reserve accounts. US GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

TOWNSHIP OF MONTCLAIR

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

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

**Grant Revenue**

Federal and State grants, entitlements or shared revenue received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's budget. US GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual.

**Expenditures**

Expenditures for general and utility operations are generally recorded on the accrual basis. Unexpended appropriation balances, except for amounts which may have been cancelled by the governing body or by statutory regulation, are automatically recorded as liabilities at December 31st of each year, under the title of "Appropriation Reserves".

Grant appropriations are charged upon budget adoption to create separate spending reserves.

Budgeted transfers to the Capital Improvement Fund are recorded as expenditures to the extent permitted by law.

Expenditures from Trust and Capital Funds are recorded upon occurrence and charged to accounts statutorily established for specific purposes.

Budget Appropriations for interest on General Capital Long-Term Debt is raised on the cash basis; interest on Utility Debt is recorded on the accrual basis.

US GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

**Encumbrances**

As of January 1, 1986, all local units were required to maintain an encumbrance accounting system. Contractual orders outstanding at December 31, are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under US GAAP.

**Appropriation Reserves**

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

**Compensated Absences**

Expenditures relating to obligations for unused vested accumulated sick, vacation and compensatory pay are not recorded until paid. GMP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

TOWNSHIP OF MONTCLAIR

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

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

Property Acquired for Taxes

Property acquired for Taxes (Foreclosed Property) is recorded in the Current Fund at the assessed valuation during the year when such property was acquired by deed or foreclosure and is offset by a corresponding reserve account. US GAAP requires such property to be recorded at market value on the date of acquisition.

Interfunds Receivable and Payable

Interfunds Receivable in the Current Fund are generally recorded with offsetting reserves which are established by charges to operations. Collections are recognized as income in the year that the receivables are realized. Interest Accounts Receivable of all other funds are recorded as accrued and are not offset with reserve accounts. Interfunds Receivable of one fund are offset with Interfunds Payable of the corresponding fund. US GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies

Materials and supplies purchased by all funds are recorded as expenditures.

Capital Fixed Assets

General:

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

US GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available. Depreciation on utility fixed assets should also be recorded.

Fixed assets used in governmental operations (general capital fixed assets) are accounted for in the Capital Fixed Assets. Public domain ("infrastructure") general capital fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

Acquisitions of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual fixed asset record.

Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established fixed assets are valued at cost

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

Utilities:

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

## TOWNSHIP OF MONTCLAIR

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

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

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

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

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

#### **Recent Pronouncements**

The GASB issued Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions in June 2015. This Statement replaces the requirements of Statement 45 and the primary objective of this Statement is to improve accounting and reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local government employers about financial support for OPEB that is provided by other entities. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2017. Management has not yet determined the impact of the Statement on the financial statements.

The GASB issued Statement 77, Tax Abatement Disclosures in August 2015. This Statement is intended to improve financial reporting by requiring disclosure of tax abatement information about a reporting government's own tax abatement agreements and those that are entered into by other governments and that reduce the reporting government's tax revenues. The requirements of this Statement are effective for financial statements for reporting periods beginning after December 15, 2015. The Township has implemented this standard in the current year. The detail is reflected in footnote 20.

**Use of Estimates** - The preparation of financial statements requires management of the Town to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of accrued revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

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

#### 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

##### **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 US GAAP. The Township presents the financial statements listed in the table of contents, which are required by the Division and differ from the financial statements required by US GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from US GAAP.

TOWNSHIP OF MONTCLAIR

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

Cash and Cash Equivalents

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

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature or are redeemed within one year. Twenty-five percent of the Fund may be invested in eligible securities which mature within two years provided, however, the average maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund investments is generally not required.

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

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

The market value of the collateral must equal 5% of the average daily balance of public funds or

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

All collateral must be deposited with the Federal Reserve Bank, The Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments

New Jersey statutes permit the Township to purchase the following types of securities:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- Local government investment pools, such as New Jersey CLASS and the New Jersey Arbitrage Rebate Management Program.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

**TOWNSHIP OF MONTCLAIR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)**

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank for periods ending December 31, 2016 and 2015. At December 31, 2016 and 2015, the book value of the Township's deposits were \$54,264,985 and \$46,183,942, respectively. The Township's deposits, which are displayed on the various fund Balance Sheet as "cash and cash equivalents", are categorized as:

<u>Depository Account</u>	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Insured	\$ 1,500,000	\$ 1,000,000
Uninsured and Collateralized	53,151,070	43,503,108
	<u>\$54,651,070</u>	<u>\$44,503,108</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. The government does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute and to deposit all of its funds in banks covered by FDIC and GUDP A. At least five percent of the Township's deposits were fully collateralized by funds held by the financial institution, but not in the name of the Township. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

**3. TAXES AND TAX TITLE LIENS RECEIVABLE**

Property assessments are determined on true values and taxes are assessed based upon these values. The residential tax bill includes the levies for the Township, County and School purposes. Certified adopted budgets are submitted to the County Board of Taxation by each taxing district. The tax rate is determined by the board upon the filing of these budgets.

The tax bills are mailed by the Tax Collector annually in June and are payable in four quarterly installments due the first of August and November of the current year and a preliminary billing due the first of February and May of the subsequent year. The August and November billings represent the third and fourth quarter installments and are calculated by taking the total year tax levy less the preliminary first and second quarter installments due February and May. The preliminary levy is based on one-half of the current year's total tax.

Tax installments not paid by the above due dates are subject to interest penalties determined by a resolution of the governing body. The rate of interest in accordance with the aforementioned resolution is 8% per annum on the first \$1,500.00 of delinquency and 18% on any delinquency in excess of \$1,500.00. The resolution also sets a grace period of ten days before interest is calculated. In addition, any delinquency in excess of \$10,000.00 at the end of the calendar year is subject to a 6% penalty on the unpaid balance.

Taxes unpaid on the 11th day of the eleventh month in the fiscal year when the taxes became in arrears are subject to the tax sale provisions of the New Jersey statutes. The municipality may institute in rem foreclosure proceedings after six months from the date of the sale if the lien has not been redeemed.



**TOWNSHIP OF MONTCLAIR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**3. TAXES AND TAX TITLE LIENS RECEIVABLE (continued)**

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

**Comparative Schedule of Tax Rates**

	<u>Calendar Year 2016</u>	<u>Calendar Year 2015</u>	<u>Calendar Year 2014</u>
Tax Rate	<u>\$ 3.634</u>	<u>\$ 3.526</u>	<u>\$ 3.408</u>
Apportionment of Tax Rate:			
Municipal	\$ 0.964	\$ 0.952	\$ 0.944
County	0.601	0.591	0.572
County Open Space	0.018	0.018	0.018
School	<u>2.051</u>	<u>1.965</u>	<u>1.874</u>

**Assessed Valuation**

<u>Calendar Year</u>	<u>Amount</u>
2016	\$ 5,718,760,800.00
2015	5,743,231,038.00
2014	5,742,708,051.00

**Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2016	\$ 209,768,645.29	\$ 207,379,565.02	98.86 %
2015	203,446,828.87	200,644,911.17	98.62
2014	196,667,367.88	193,571,707.85	98.43

**Delinquent Taxes and Tax Title Liens**

This tabulation includes a comparison, expressed in percentage of the total of delinquent taxes and tax title liens at each year end, in relation to the tax levies of the last five years.

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2016	\$ 152,642.07	\$ 2,171,936.02	\$ 2,324,578.09	1.11 %
2015	167,409.51	2,449,281.74	2,616,691.25	1.29
2014	132,336.06	2,541,986.86	2,674,322.92	1.35

**TOWNSHIP OF MONTCLAIR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**4. SPECIAL IMPROVEMENT DISTRICT ASSESSMENTS**

A Special Improvement District was established by ordinance of the Township, adopted on February 19, 2002, in accordance with the provisions of N.J.S.A. 40:56-65 et seq. for the purposes of promoting economic growth and employment within the Montclair Town Center Business District (the "District").

Properties within the geographic boundaries of the District are subject to the assessment. Tax exempt properties and properties exclusively in residential use are excluded from the special assessment.

The assessment for the year ending December 31, 2016 and 2015 was \$547,928.00 and \$495,658.00, respectively.

**5. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

The value of properties acquired by tax title lien liquidation is carried at the current assessed valuation.

<u>Year</u>	<u>Amount</u>
2016	\$ 317,900.00
2015	317,900.00
2014	317,900.00

**6. WATER CONSUMER ACCOUNTS RECEIVABLE**

The Township maintains a Utility Fund for the billing and collection of water rents. The Township is divided into six sections for the purposes of billings which are done on a quarterly basis.

Water Utility billings and collections for the past five years are as follows:

<u>Year</u>	<u>Billings</u>	<u>Cash Collections</u>
2016	\$8,023,154.55	\$7,960,490.01
2015	7,575,055.22	6,773,942.29
2014	6,259,852.94	6,228,899.32

Cash collections include realization of prior year uncollected balances.

**7. SEWER RENTS RECEIVABLE**

The Township maintains a Utility Fund for the billing and collection of sewer rents. The Township is divided into six sections for the purposes of billings which are done on a quarterly basis.

Sewer Utility billings and collections for the past five years are as follows:

<u>Year</u>	<u>Billings</u>	<u>Collections</u>
2016	\$ 4,820,248.58	\$ 4,953,249.15
2015	4,412,642.66	4,420,697.18
2014	4,585,778.39	4,615,720.97

Cash collections include realization of prior year uncollected balances.

**TOWNSHIP OF MONTCLAIR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**8. FUND BALANCES APPROPRIATED**

	<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized in Budgets of Succeeding Year</u>
Current Fund:	2016	\$ 10,937,642.60	\$ 3,935,000.00
	2015	8,463,030.80	3,235,000.00
	2014	7,807,798.79	3,025,000.00
Water Utility Operating Fund:	2016	\$ 3,192,116.24	\$ 1,947,397.01
	2015	3,698,626.83	2,646,901.66
	2014	3,337,333.43	803,000.00
Sewer Utility Operating Fund:	2016	\$ 1,552,133.97	\$ 926,271.16
	2015	1,259,911.00	975,786.41
	2014	1,491,085.47	539,715.00
Parking Utility Operating Fund:	2016	\$ 1,492,261.03	\$ 504,683.26
	2015	1,291,608.12	163,318.56
	2014	1,549,578.79	165,000.00

**9 PENSION PLANS**

**Public Employee Retirement System**

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

*Plan Membership and Contributing Employers-* Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction's pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Inactive plan members or beneficiaries currently receiving benefits	170,685	166,637
Inactive plan members entitled to but not yet receiving benefits	650	703
Active plan members	<u>254,685</u>	<u>259,161</u>
Total	<u>426,020</u>	<u>426,501</u>

Contributing Employers – 1,710

*Significant Legislation* – For State of New Jersey contributions to PERS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven year period beginning in the fiscal year ended June 30, 2012. For State fiscal year 2016, the State was required to make a minimum contribution representing 5/7<sup>th</sup> of the actuarially determined contribution amount based on the July 1, 2014 actuarial valuation.

**TOWNSHIP OF MONTCLAIR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**9 PENSION PLANS (continued)**

Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State Fiscal Year 2009. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of PERS, by employer, for the reduced normal and accrued liability contributions provided under this law.

This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

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

For the year ended December 31, 2016 and 2015 the Township's total payroll for all employees was \$32,967,177 and \$34,788,001. Total PERS covered payroll was \$10,752,338 and \$10,484,883. Due to payroll system limitations, covered payroll refers to pensionable compensation, rather than total compensation, paid by the Township to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A 43:15 and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 6.92% in State fiscal year 2015 and increased to 7.20% for State fiscal year 2016, commencing July 1, 2016. The phase-in of the additional incremental member contribution rate will take place in July of each subsequent State fiscal year. Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. Township contributions are due and payable on April 1<sup>st</sup> in the second fiscal period subsequent to plan year for which the contributions requirements were calculated. Township payments to PERS for the years ending December 31, 2016 and 2015 consisted of the following:

	<u>2016</u>	<u>2015</u>
Total Regular Billing	<u>\$1,290,433</u>	<u>\$1,291,229</u>

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

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

The following represents the membership tiers for PERS:

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

**TOWNSHIP OF MONTCLAIR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**9 PENSION PLANS (continued)**

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

At June 30, 2016, the PERS reported a net pension liability of \$29,617,131,759 for its Non-State Employer Member Group. The Township's proportionate share of the net pension liability for the Non-State Employer Member Group that is attributable to the Township was \$43,020,642 or 0.1452559373%, which was a decrease of -0.0049338072% from its proportion measured as of June 30, 2015.

The pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2016.

At June 30, 2015, the PERS reported a net pension liability of \$22,447,996,119 for its Non-State Employer Member Group. The proportionate share of the State of New Jersey's the net pension liability for the Non-State Employer Member Group that is attributable to the Township was \$33,714,588 or 0.1501897445%.

At December 31, 2016, the Township's deferred outflows of resources and deferred inflows of resources related to PERS were from the following sources, if GASB #68 was recognized:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expensed and actual experience	\$ 800,054	\$
Changes in assumptions	8,911,579	
Net difference between projected and actual earnings on pension plan investments	1,640,416	
Changes in proportion and differences between Township contributions and proportionate share of contributions	921,949	1,254,222
Township contributions subsequent to the measurement date	1,290,433	
	<u>\$ 13,564,431</u>	<u>\$ 1,254,222</u>

**TOWNSHIP OF MONTCLAIR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**9 PENSION PLANS (continued)**

\$1,290,433 shown as deferred outflows of resources related to PERS resulting from Township contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense on the GAAP basis as follows:

Year ended	<u>Amount</u>
<u>December 31,</u>	
2017	\$ 2,693,932
2018	2,693,933
2019	2,693,933
2020	2,260,984
2021	<u>676,995</u>
 Total	 <u>\$11,019,777</u>

*Actuarial Assumptions-* The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	June 30, 2016	June 30, 2015
Inflation	3.08%	3.04%
Salary Increases (2012-2026)	1.65-4.15% Based on age	2.15-4.40% Based on age
Thereafter	2.65-5.15% Based on age	3.15-5.40% Based on age
Investment rate of return	7.65%	7.90%

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

Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**TOWNSHIP OF MONTCLAIR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**9 PENSION PLANS (continued)**

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 and 2015 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2016</u>		<u>June 30, 2015</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%	5.00%	1.04%
Core Bond				
Intermediate Term Bonds				
Mortgages	2.00%	1.67%	2.10%	1.62%
High Yield Bonds	2.00%	4.56%	2.00%	4.03%
Inflation Indexed Bonds	1.50%	3.44%	1.50%	3.25%
Broad U.S. Equities	26.00%	8.53%	27.25%	8.52%
Developed Foreign Markets	13.25%	6.83%	12.00%	6.88%
Emerging Market Equities	6.50%	9.95%	6.40%	10.00%
Private Equity	9.00%	12.40%	9.25%	12.41%
Hedge Funds/Absolute Returns	12.50%	4.68%	12.00%	4.72%
Real Estate (Property)	2.00%	6.91%	2.00%	6.83%
Commodities	0.50%	5.45%	1.00%	5.32%
U.S. Treasuries	1.50%	1.74%	1.75%	1.64%
Investment Grade Credit	8.00%	1.79%	10.00%	1.79%
Global Debt ex US	5.00%	-0.25%	3.50%	-0.40%
REIT	5.25%	5.63%	4.25%	5.12%
	<u>100.00%</u>		<u>100.00%</u>	

*Discount Rate* – The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**TOWNSHIP OF MONTCLAIR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**9 PENSION PLANS (continued)**

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

	<u>At 1% Decrease</u>	<u>At Current Discount Rate</u>	<u>At 1% Increase</u>
Township's proportionate share	\$52,716,775	\$43,020,642	\$35,015,643

*Plan Fiduciary Net Position* – The plan fiduciary net position for PERS, including the State of New Jersey, at June 30, 2016 and 2015 were \$26,762,070,610 and \$28,553,566,906 respectively. The portion of the Plan Fiduciary Net Position was allocable to the Local (Non-Sate) Groups at June 30, 2016 and 2015 was \$19,857,566,387 and \$20,661,583,919, respectively.

*Additional Information*

Collective balances at June 30, 2016 are as follows:

Collective deferred outflows of resources	\$ 8,658,338,380
Collective deferred inflows of resources	870,133,595
Collective net pension liability – Local group	29,617,131,759

Township's Proportion 0.1452559373%

Collective pension expense for the Local Group for the measurement period ended June 30, 2016 and 2015 was \$2,830,763,540 and \$1,481,308,816, respectively.

The average of the expected remaining service lives of all plan members if 5.57, 5.72 and 6.44 years for 2016, 2015 and 2014, respectively.

**Police and Firemen's Retirement System**

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

*Plan Membership and Contributing Employers*- Substantially all full-time county and municipal police and firemen and state firemen or officer employees with police powers appointed after June 30, 1944 are enrolled in PFRS Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Inactive plan members or beneficiaries currently receiving benefits	40,789	44,252
Inactive plan members entitled to but not yet receiving benefits	47	51
Active plan members	<u>45,625</u>	<u>40,359</u>
<b>Total</b>	<b><u>86,461</u></b>	<b><u>84,662</u></b>

Contributing Employers – 585



**TOWNSHIP OF MONTCLAIR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**9 PENSION PLANS (continued)**

Significant Legislation – For State of New Jersey contributions to PFRS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven year period beginning in the fiscal year ended June 30, 2012. For State fiscal year 2016, the State was required to make a minimum contribution representing 5/7<sup>th</sup> of the actuarially determined contribution amount based on the July 1, 2014 actuarial valuation.

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

For the year ended December 31, 2016 and 2015 the Township's total payroll for all employees was \$32,967,177 and \$34,788,001, respectively. Total PFRS covered payroll was \$18,898,745 and \$18,837,495, respectively. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the Township to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contributions rate increased from 8.5% of annual compensation to 10.0% in October 2011. Employer contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. Township contributions are due and payable on April 1<sup>st</sup> in the second fiscal period subsequent to plan year for which the contributions requirements were calculated.

Township payments to PFRS for the years ending December 31, 2016 and 2015 consisted of the following:

	<u>2016</u>	<u>2015</u>
Total Regular Billing	<u>\$4,749,755</u>	<u>\$4,667,159</u>

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

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

The following represents the membership tiers for PFRS:

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

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

**TOWNSHIP OF MONTCLAIR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**9 PENSION PLANS (continued)**

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

At June 30, 2016, the PFRS reported a net pension liability of \$20,706,699,056 for its Non-State, Non-Special Funding Situation Employer Member Group. The Township’s proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$111,281,679, or 0.0582585743% which was an increase of 0.0083769370% from its proportion measured as of June 30, 2015. Then pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016.

At June 30, 2015, the PFRS reported a net pension liability of \$18,117,234,618 for its Non-State, Non-Special Funding Situation Employer Member Group. The Township’s proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$95,636,980, or 0.5741716373%.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expended and actual experience	\$	\$ 729,468
Changes in assumptions	15,413,427	
Net difference between projected and actual earnings on pension plan investments	7,797,283	
Changes in proportion and differences between Township contributions and proportionate share of contributions	963,620	454,296
Township contributions subsequent to the measurement date	<u>4,749,755</u>	
	<u>\$28,924,085</u>	<u>\$ 1,183,764</u>

\$4,749,755 shown as deferred outflows of resources related to PFRS resulting from Township contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense on the GAAP basis as follows:

<u>Year ended</u> <u>December 31,</u>	<u>Amount</u>
2017	\$ 5,445,524
2018	5,445,524
2019	7,288,498
2020	4,485,192
2021	<u>325,828</u>
Total	<u>\$22,990,566</u>

**TOWNSHIP OF MONTCLAIR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**9 PENSION PLANS (continued)**

*Actuarial Assumptions-* The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Inflation	3.08%	3.04%
Salary Increases (2012-2026)	2.10-8.98% based on age	2.60-9.48% based on age
Thereafter	3.10-9.98% based on age	3.60-10.48% based on age
Investment rate of return	7.65%	7.90%

Pre-retirement mortality rates were based on the RP-2000 Pre-Retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's 2014 projection scales. Post-retirement mortality rates for female service retirements and beneficiaries were based the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality tables were based on special mortality tables used for the period after disability retirement.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) 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 real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2016 and 2015 are summarized in the following table:

**TOWNSHIP OF MONTCLAIR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**9 PENSION PLANS (continued)**

<u>Asset Class</u>	<u>June 30, 2016</u>		<u>June 30, 2015</u>	
	<u>Target Allocation</u>	<u>Long-Term</u>	<u>Target Allocation</u>	<u>Long-Term</u>
		<u>Expected Real Rate of Return</u>		<u>Expected Real Rate of Return</u>
Cash	5.00%	0.87%	5.00%	1.04%
Core Bond				
Intennediate Term Bonds				
Mortgages	2.00%	1.67%	2.10%	1.62%
High Yield Bonds	2.00%	4.56%	2.00%	4.03%
Inflation Indexed Bonds	1.50%	3.44%	1.50%	3.25%
Broad U.S. Equities	26.00%	8.53%	27.25%	8.52%
Developed Foreign Markets	13.25%	6.83%	12.00%	6.88%
Emerging Market Equities	6.50%	9.95%	6.40%	10.00%
Private Equity	9.00%	12.40%	9.25%	12.41%
Hedge Funds/Absolute Returns	12.50%	4.68%	12.00%	4.72%
Real Estate (Property)	2.00%	6.91%	2.00%	6.83%
Commodities	0.50%	5.45%	1.00%	5.32%
U.S. Treasuries	1.50%	1.74%	1.75%	1.64%
Investment Grade Credit	8.00%	1.79%	10.00%	1.79%
Global Debt ex US	5.00%	-0.25%	3.50%	-0.40%
REIT	5.25%	5.63%	4.25%	5.12%
	<u>100.00%</u>		<u>100.00%</u>	

*Discount Rate* – The discount rate used to measure the total pension liability was 5.55% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

	<u>At 1% Decrease</u>	<u>At current discount rate</u>	<u>At 1% increase</u>
PFRS	\$143,489,565	\$111,281,679	\$85,018,085

TOWNSHIP OF MONTCLAIR

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

9 PENSION PLANS (continued)

*Plan Fiduciary Net Position* – The plan fiduciary net position for PFRS at June 30, 2016 and 2015 was \$23,984,726,664 and \$25,106,858,921, respectively.

*Additional Information*

Collective balances at June 30, 2016 are as follows:

Collective deferred outflows of resources	\$ 4,547,316,543
Collective deferred inflows of resources	688,197,590
Collective net pension liability – Local group	20,706,699,056
Township's Proportion	0.5825485743%

Collective pension expense for the Local Group for the measurement period ended June 30, 2016 and 2015 was \$2,255,296,958 and \$1,645,612,699, respectively. The average of the expected remaining service lives of all plan members if 5.58, 5.53 and 6.17 years for 2016, 2015 and 2014, respectively.

Special Funding Situation- Under N.J.S.A 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation and state is treated as a non-employer entity. The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Township as of June 30, 2016 and 2015 for police and fire is 0.582548743% and 0.5741716373%, respectively.

The non-employer contributing entities' contribution for the year ended June 30, 2016 and 2015 was \$358,069 and \$436,589, respectively.

The state's proportionate share of net pension liability attributable to the Township as of June 30, 2016 and 2015 was \$9,344,901 and \$8,387,042, respectively.

**Defined Contribution Retirement Plan**

DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. Prudential is acting on behalf of the NJ Division of Pensions and Benefits as the record keeper and investment funds manager. Chapter 1, P.L. 2010 increased the minimum annual salary required for eligibility in the DCRP. An employee must earn an annual salary of at least \$5,000 to be eligible or to continue participation.

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

*Plan Membership and Contributing Employers*- Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in PFRS or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PFRS or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in PFRS or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually. At June 30, 2016 and 2015, the membership in the DCRP, based on the information within the Division's database, was 36,808 and 28,270.

TOWNSHIP OF MONTCLAIR

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

9 PENSION PLANS (continued)

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

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

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 7.20% for PERS, 10.0% for PFRS and 5.5% for DCRP of employees' base wages.

Contributions Required and Made

Contributions made by employees for DCRP are currently at 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution. Contributions to the plan for the past two years are as follows:

<u>Year</u>	<u>Township</u>	<u>Employees</u>
2016	\$ 5,262.05	\$ 3,479.89
2015	8,601.92	**
2014	3,099.89	* 2,364.48

\* Includes a 2013 contribution made in 2014.

\*\* Information not made available.

10. HEALTH BENEFITS

P.L. 2011 Ch. 78 Section 39 established guidelines for implementing employee contributions to the cost of their health insurance coverage.

The benefit cost of coverage is the premium. For State Health Benefit Plan ("SHBP") employers, the cost of coverage is the cost of medical and prescription coverage. For non-SHBP employers, the law requires that the cost of coverage includes all health care benefits; medical, prescription, dental, vision etc.

The base salary of the employees determines the percent of premium cost that is contributed.



## TOWNSHIP OF MONTCLAIR

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

#### 10. HEALTH BENEFITS (continued)

The contribution is phased in at 25% per year:

- a) for employees hired on June 28, 2011 and not subject to Collective Negotiations Agreement ("CNA") that is in effect, contributions are effective upon date of hire.
- b) when a CNA that was in effect on June 28, 2011 expires or is in almost anyway modified;

Full contribution (Year 4) takes effect immediately for employees hired after June 28, 2011, who are not covered by a CNA or would be covered by a CNA that has expired.

When contributions begin, if the 1.5% of base salary calculation under Ch. 2 is greater than the standard contribution, that amount is paid until the new contribution percentage is greater.

#### 11. OTHER POST-EMPLOYMENT (RETIREMENT) BENEFITS (OPEB)-OTHER THAN PENSIONS

The Township has a defined post retirement Employee Health Benefits Program authorized pursuant to ordinance(s) to provide medical benefits to retired employees. The Township provides medical and prescription drug insurance to all regular permanent full-time employees upon their successful retirement with the State of New Jersey, Division of Pensions. At the time of the previous OPEB report uniformed police and fire employees were enrolled in the State Health Benefits Program (SHBP) while non-uniformed employees were enrolled in the below identified Blue Cross Blue Shield insurance program. The uniformed employees were placed into the BC/BS program and now (2017) all employees are enrolled in the SHBP and, as such, in the future the Township is not required to report separately on these OPEB inasmuch as the SHBP will calculate system-wide OPEB for each participating municipality.

The Township provides, through 2016, employees with health benefits pursuant to an agreement with Horizon Blue Cross Blue Shield. The Montclair Group BC/BS group number is 47589132 and the invoice date used for premium and program verification purposes is August 1, 2016. The rates used for the OPEB study are those furnished by the Township. The combined year end 2016 ("YE") monthly retiree premium is \$44,935. This is an annual OPEB cost of \$539,220 in 2016 dollars.

Based on a review of the employee roster (or census) one hundred thirty-six (136) Township employees may be eligible to receive the aforementioned OPEB over the next thirty years. The Township's OPEB costs are funded on a pay as you go basis; as invoices are submitted they are paid through the annual budget process. The payments for OPEB costs to be funded in the future, by the Township, are calculated based on the annual required contribution (ARC). The specific calculation of the ARC is actuarially determined in accordance with GASB 45 and pursuant to the guidance provided in LFN-2007-15 of the New Jersey Division of Local Government Services, pertaining to the "Disclosure of Liabilities for Other Post- Employment Benefits for Municipalities and Counties". The rules established in these guidelines are intended to provide: 1-a calculation of an annual payment that reflects the current expense of paying for already retired employees; and, 2-to recognize the costs being incurred for payments that will be made in the future for today's employees.

The result of funding future OPEB by taxpayers to the recipient of the OPEB may NOT be realized; however, calculation and disclosure will help local officials and regulators, as well as investors in local unit debt, understand the nature of the Township's OPEB plan. The aforementioned LFN indicates that New Jersey Budget Law does NOT require funding of OPEB amounts beyond the invoices presented for payment and budgeted for on an annual basis. In other words, future OPEB expenses are deferred and not recorded on the financial records of local units. However, local units in New Jersey are required to comply with the calculation and disclosure provisions of GASB 45 (and related SEC requirements when a local unit has outstanding debt obligations).

## TOWNSHIP OF MONTCLAIR

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

#### 11. OTHER POST-EMPLOYMENT (RETIREMENT) BENEFITS (OPEB)-OTHER THAN PENSIONS (continued)

Of particular importance to note is that most local units located in New Jersey participate and contribute to the State Health Benefits Program (SHBP), which includes providing the OPEB calculation required pursuant to GASB 45. The Township now (2017) enrolls all police and fire employees in the SHBP. The SHBP is a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A 52:14-17.25 et seq., to provide health benefits to State employees, retirees and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 89 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees and dependents of participating local public employers in the year 1964. Local employers must adopt a resolution to participate in the SHBP. The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplemental information for the SHBP. The actuarial information provided by the SHBP satisfies GASB 45 and related rules.

The cost of the Township's OPEB plan is ameliorated by retirees reaching age 65, at which time the employee is enrolled in Medicare and may elect to pay their continuing "wrap-around" premium directly to the Township/insurer, or obtain a private individual Medicare Advantage type policy. The claims history of those retirees continuing with the Township's health insurance plan and may impact the overall health insurance rate charged to the Township. Notwithstanding the foregoing, the 65 year of age restriction reduces the Township's exposure and increases the accuracy of the OPEB calculations.

As of December 31, 2016, the Township has 49 covered, eligible employees; who may reasonably be assumed to continue to receive OPEB. The calculation of OPEB assumes that at some point (2030) the Township may need to pay up to 68 additional employees for OPEB. This is a total of 127 employees receiving retiree health benefits.

To comply with GASB and related rules, the Township must update the calculated OPEB obligation every three years. The actuarial assumptions are based on the demographic guidelines and health care assumptions of the SHBP. However, the aforementioned age 65 restriction provides for actuarial compliance and accuracy. The following is the annual OPEB cost calculation and related information for the plan:

1. The Township's December 31, 2016 "Normal" cost of OPEB for current retirees to be paid in the future: Current Eligible Regular Employees (49) = \$539,220.

This cost is based on the current health insurance plan design and premiums excluding certain regular employees and COBRA eligible employees. This is the estimated (projected) annual cost of future retirees assuming the growth in health insurance costs and that all 49 employees will retire with benefits, spread out over a 10-year eligibility period for current retirees, and with an OPEB age cap of 65 years of age.



TOWNSHIP OF MONTCLAIR

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015

11. OTHER POST-EMPLOYMENT (RETIREMENT) BENEFITS (OPEB)-OTHER THAN PENSIONS  
(continued)

2. Actuarial calculations:

Valuation date: 12/31/16

Actuarial Valuation of OPEB Assets: \$0 (zero)

Actuarial estimated ("projected") simple present value of accrued total OPEB liability: \$81,709,464 for all years in the calculation period. The simple PV is \$2,805,358 multiplied by the valuation cycle of 30 years.

Approximate OPEB calculation period: 2017-2047 (valuation cycle: 30 years- which is the actuarial period).

Unfunded actuarial percent: 100% (or 0% funded). The Township pays the annual OPEB through the annual appropriation process.

The present value (PV) of all other post-employment benefits (OPEB) is the total of all expected future benefits to be paid over the actuarial period, based on certain assumptions. (This PV is \$2,723,649 annually, on average for the 30-year actuary period with a maximum payout of fifteen years and an average payout of seven and one-half years.) On average over the next 30 years the Township will incur up to \$2,805,358 annually, for OPES applicable to the current eligible member employee group. This number may increase depending on medical cost inflation rates. A 5% inflation factor has been used for retiree health benefits.

The Township will have its future OPEB calculated by the SHBP. The SHBP assumptions, for example the rate of increase in medical costs.

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Pursuant to N.J.S.A. 40A:2-8, Bond Anticipation Notes, which are issued to temporarily finance capital projects, cannot be renewed past the third anniversary, unless an amount equal to at least the first legally required installment is paid prior to each anniversary and must be paid off within ten years and five months or retired by the issuance of bonds.

**TOWNSHIP OF MONTCLAIR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**12. MUNICIPAL DEBT (continued)**

Summary of Municipal Debt (Excluding Current and Operating Debt and Type I School Debt):

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Issued</u>			
General:			
Bonds, Notes and Loans	\$ 64,450,678.65	\$ 64,481,297.71	\$ 60,934,960.84
Water:			
Bonds, Notes and Loans	12,944,614.67	15,075,190.70	14,903,770.35
Sewer:			
Notes and Loans	2,833,016.50	3,183,532.00	4,492,473.50
Parking:			
Bonds and Notes	13,780,000.00	14,195,000.00	14,595,000.00
Total Issued	<u>\$ 94,008,309.82</u>	<u>96,935,020.41</u>	<u>94,926,204.69</u>
 <u>Authorized but Not Issued</u>			
General:			
Bonds and Notes	6,426,010.34	4,409,905.12	12,560,727.18
Water:			
Bonds and Notes	133,006.22	1,215,978.87	2,793,793.00
Sewer:			
Bonds and Notes	337,779.50	445,963.66	1,113,857.00
	<u>6,896,796.06</u>	<u>6,071,847.65</u>	<u>16,468,377.18</u>
 Less: Cash on Hand			
General			
Reserve for Debt Service	23,826.00	1,101,976.39	836,321.96
	<u>23,826.00</u>	<u>1,101,976.39</u>	<u>836,321.96</u>
 Net Bonds and Notes Issued and Authorized but Not Issued			
	<u>\$ 100,881,279.88</u>	<u>\$ 101,904,891.67</u>	<u>\$ 110,558,259.91</u>

**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 Statement and indicates a statutory net debt of 1.031%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 76,819,114.49	\$ 76,819,114.49	\$
Utility Debt	30,028,416.89	30,028,416.89	
General Debt	<u>70,876,688.99</u>	<u>23,826.00</u>	<u>70,852,862.99</u>
	<u>\$ 177,724,220.37</u>	<u>\$ 106,871,357.38</u>	<u>\$ 70,852,862.99</u>

Net Debt, \$70,852,862.99 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$6,869,904,939.00 equals 1.031%. A revised annual debt statement will be submitted.

**Borrowing Power Available Under N.J.S.A. 40:A2-6 as Amended**

3 1/2% of Equalized Valuation Basis	\$ 240,446,672.85
Net Debt	<u>70,852,862.99</u>
Remaining Borrowing Capacity	<u>\$ 169,593,809.86</u>

**TOWNSHIP OF MONTCLAIR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**12. MUNICIPAL DEBT (continued)**

**School Debt Deductions**

School debt is deductible up to the extent of 4.0% of the Average Equalized Assessed Valuations of real property for the Local School District.

**Calculation of "Self-Liquidating Purposes" per N.J.S.A. 40A:2-45**

<u>Water Utility</u>	<u>2016</u>	<u>2015</u>
Fund Balance and Cash Receipts from Fees, Rents or Other Charges for Year	\$ 11,156,114	\$ 7,916,758
Deductions:		
Operating and Maintenance Cost	\$ 5,551,256	\$ 5,526,000.00
Debt Service	<u>2,246,844</u>	<u>1,506,795</u>
	<u>7,798,100</u>	<u>7,032,795</u>
Excess Revenue	<u>\$ 3,358,014</u>	<u>\$ 883,963</u>

There being an excess in revenue, all such utility debt is deductible.

**Sewer Utility**

Fund Balance and Cash Receipts from Fees, Rents or Other Charges for Year	\$ 6,651,541	5,364,287
Deductions:		
Operating and Maintenance Cost	\$ 5,270,850.00	\$ 4,885,715
Debt Service	<u>474,640.00</u>	<u>318,941.50</u>
	<u>5,745,490</u>	<u>5,204,657</u>
Excess Revenue	<u>\$ 906,051</u>	<u>\$ 159,630</u>

There being an excess in revenue, all such utility debt is deductible.

**Parking Utility**

Fund Balance and Cash Receipts from Fees, Rents or Other Charges for Year	\$ 3,682,874	3,108,398
Deductions:		
Operating and Maintenance Cost	\$ 2,013,905	2,035,000
Debt Service	<u>998,588</u>	<u>1,031,519</u>
	<u>3,012,493</u>	<u>3,066,519</u>
Excess Revenue	<u>\$ 670,381</u>	<u>\$ 41,879</u>

The foregoing debt information is in agreement with the Revised Annual Debt Statement filed by the Chief Financial Officer.

**TOWNSHIP OF MONTCLAIR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**12. MUNICIPAL DEBT (continued)**

As of December 31, 2016 and 2015, the Township's long-term debt is as follows:

<u>General Capital Bonds</u>	<u>2016</u>	<u>2015</u>
\$19,215,000, 2006 Bonds, due in annual installments of \$600,000 through January 1, 2016, interest at rate of 4.50%.	\$	\$ 600,000
\$8,252,000, 2008 Bonds, due in annual installments of \$750,000 through September 1, 2018, interest at rate of 3.75%. Bonds were refunded in 2016.	1,500,000	4,652,000
\$18,519,000, 2011 Bonds, due in annual installments of \$1,345,000 to \$1,889,000 through March 1, 2024, interest at rates from 3.00% to 4.00%.	12,994,000	14,259,000
\$4,960,000, 2011 Refunding Bonds, due in annual installment of \$1,075,000 through February 1, 2017, interest at rate of 5.00%.	1,075,000	2,135,000
\$2,780,000, 2012 Pension Refunding Bonds, due in annual installments of \$320,000 to \$455,000 through April 1, 2021, interest at rates from 1.960% to 3.053%.	1,915,000	2,210,000
\$10,500,000, 2013 Bonds, due in annual installments of \$830,000 to \$1,270,000 through March 1, 2024, interest at rates from 4.00% to 5.00%.	8,400,000	9,165,000
\$14,960,000, 2014 Refunding Bonds, due in annual installments of \$610,000 to \$1,915,000 through January 1, 2026, interest at rates from 3.00% to 5.00%.	14,960,000	14,960,000
\$2,200,000, 2016 Refunding Bonds due in annual installments of \$730,000 through October 2021 at an interest rate of 4.0%	2,190,000	
	<u>\$ 43,034,000</u>	<u>\$ 47,981,000</u>

**TOWNSHIP OF MONTCLAIR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**12. MUNICIPAL DEBT (continued)**

<u>Water Utility Bonds</u>	<u>2016</u>	<u>2015</u>
\$3,453,000, 2006 Bonds, due an annual installment of \$110,000 through January 1, 2016, interest at rate of 4.50%.	\$	\$ 110,000
\$3,349,000, 2008 Bonds, due in annual installments of \$195,000 to \$250,000 through September 1, 2018, interest rate of 3.75%. Bonds were refunded in 2016	445,000	2,934,000
\$1,065,000, 2011 Bonds, due in annual installments of \$100,000 to \$165,000 through March 1, 2021, interest at rates from 3.00% to 3.375%.	565,000	665,000
\$1,550,000, 2011 Refunding Bonds, with one final installment of \$280,000 through February 1, 2017, interest at a rate of 3.00%.	280,000	595,000
\$2,580,000, 2014 Refunding Bonds, due in annual installments of \$150,000 to \$260,000 starting January 1, 2017 through January 1, 2027, interest at rates of 3.00% to 5.00%.	2,580,000	2,580,000
\$2,155,000, 2016 Refunding Bonds due in annual installments of \$235,000 to \$280,000 from October 1, 2019 through October 1, 2026 at interest rate of 4.0%.	2,140,000	
	<u>\$ 6,010,000</u>	<u>\$ 6,884,000</u>

**Parking Utility Bonds**

	<u>2016</u>	<u>2015</u>
\$14,555,000, Series A Bonds, due in annual installment of \$340,000 through January 1, 2016, interest at a rate of 4.50%.	\$	\$ 340,000
\$1,890,000, Series B Bonds, due in annual installments of \$40,000 through January 1, 2016, interest at rate 6.40%. Bonds were refunded in 2014.		40,000
\$12,030,000, 2014 Series A Refunding Bonds, due in annual installments of \$370,000 to \$855,000 through January 1, 2037, interest at rates from 2.00% to 5.00%.	12,000,000	12,015,000
\$1,820,000, 2014 Series B Refunding Bonds, due in annual installments of \$60,000 to \$125,000 through January 1, 2037, interest at rates from 1.489% to 4.556%.	1,780,000	1,800,000
	<u>\$ 13,780,000</u>	<u>\$ 14,195,000</u>

**TOWNSHIP OF MONTCLAIR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**12. MUNICIPAL DEBT (continued)**

A schedule of annual debt service for principal and interest for bonded debt is as follows:

Calendar Year	Total	<u>IMPROVEMENT BONDS</u>					
		<u>General</u>		<u>Water Utility</u>		<u>Parking Utility</u>	
		<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 8,644,181.57	\$ 4,955,000.00	\$ 1,703,020.55	\$ 725,000.00	\$ 244,069.76	\$ 430,000.00	\$ 587,091.26
2018	8,506,681.19	5,135,000.00	1,525,654.63	610,000.00	219,418.75	440,000.00	576,607.81
2019	8,352,550.31	5,180,000.00	1,378,944.75	580,000.00	196,943.75	455,000.00	561,661.81
2020	8,113,153.57	5,205,000.00	1,140,674.26	580,000.00	173,456.25	470,000.00	544,023.06
2021	7,347,063.39	4,540,000.00	941,621.21	705,000.00	147,084.37	490,000.00	523,357.81
2022	6,684,909.29	4,295,000.00	739,750.63	515,000.00	120,725.00	515,000.00	499,433.66
2023	7,104,116.21	4,955,000.00	531,966.25	515,000.00	97,775.00	530,000.00	474,374.96
2024	6,978,923.76	5,069,000.00	302,280.00	520,000.00	74,700.00	565,000.00	447,943.76
2025	3,633,411.36	1,915,000.00	137,125.00	520,000.00	51,500.00	590,000.00	419,786.36
2026	3,373,110.26	1,785,000.00	44,625.00	510,000.00	28,300.00	615,000.00	390,185.26
2027	1,244,868.26			230,000.00	5,750.00	650,000.00	359,118.26
2028	1,001,445.68					670,000.00	331,445.68
2029	1,002,223.40					695,000.00	307,223.40
2030	1,001,241.75					720,000.00	281,241.75
2031	993,941.35					740,000.00	253,941.35
2032	1,005,081.90					780,000.00	225,081.90
2033	994,630.75					800,000.00	194,630.75
2034	998,440.70					840,000.00	158,440.70
2035	1,000,804.10					885,000.00	115,804.10
2036	991,189.70					920,000.00	71,189.70
2037	1,004,222.50					980,000.00	24,222.50
	<u>\$ 79,976,191.00</u>	<u>\$ 43,034,000.00</u>	<u>\$ 8,445,662.28</u>	<u>\$ 6,010,000.00</u>	<u>\$ 1,359,722.88</u>	<u>\$ 13,780,000.00</u>	<u>\$ 7,346,805.84</u>

Green Acres Trust Loans Payable – General Capital Fund

The Township has three loan from the State of New Jersey, Department of Environmental Protection, at an interest rate of 0.00% to 2.00% for Project Youth Sports.

**TOWNSHIP OF MONTCLAIR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**12. MUNICIPAL DEBT (continued)**

	2016	2015
<u>Project Youth Sports:</u>		
\$250,000, loan due in semi-annual installments through May 2026, interest at 2.00%.	\$ 133,896.02	\$ 146,573.42
<u>Project Youth Sports II:</u>		
\$250,000, loan due in semi-annual installments of \$6,410.26 through December 2029, interest free.	160,256.36	173,076.88
<u>Project Youth Sports III</u>		
\$273,606, loan due in semi-annual installments of \$7,015.54 through December 2035, interest free.	266,590.46	273,606.00
	\$ 560,742.84	\$ 595,271.30

The following is a schedule of annual principal and interest payments for Green Acres Trust Loans:

Year	Principal	Interest	Total
2017	\$ 39,783.82	\$ 2,613.58	\$ 42,397.40
2018	40,043.75	2,353.65	42,397.40
2019	40,308.92	2,088.48	42,397.40
2020	40,579.42	1,817.99	42,397.41
2021	40,855.33	1,542.06	42,397.39
2022	41,136.81	1,260.59	42,397.40
2023	41,423.94	973.46	42,397.40
2024	41,716.85	680.55	42,397.40
2025	42,015.64	381.76	42,397.40
2026	34,547.54	76.96	34,624.50
2027	26,851.60		26,851.60
2028	26,851.60		26,851.60
2029	20,441.20		20,441.20
2030-2035	84,186.42		84,186.42
	\$ 560,742.84	\$ 13,789.08	\$ 574,531.92

**Environmental Infrastructure Loans Payable – General Capital Fund**

The Township was awarded a loan in 2004 from New Jersey Environmental Infrastructure Trust in the sum of \$878,438.00. The loan portion of \$443,438.00 was issued interest free, while the trust loan portion of \$435,000.00 was issued at interest rates ranging from 3.00% to 5.00%.

2004:	2016	2015
Payments are semi-annual through the year 2024	\$ 412,402.49	\$ 461,441.42

**TOWNSHIP OF MONTCLAIR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**12. MUNICIPAL DEBT (continued)**

The following is a schedule of annual principal and interest payments for the Environmental Infrastructure Loan – General Capital Fund:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 48,390.21	\$ 11,056.26	\$ 59,446.47
2018	47,579.32	9,806.26	57,385.58
2019	46,768.42	8,556.26	55,324.68
2020	54,201.10	7,306.26	61,507.36
2021	53,228.04	5,806.26	59,034.30
2022	52,254.96	4,306.26	56,561.22
2023	51,282.08	2,806.26	54,088.34
2024	58,698.36	1,531.26	60,229.62
	<u>\$ 412,402.49</u>	<u>\$ 51,175.08</u>	<u>\$ 463,577.57</u>

Business District Loan Payable

The Township has taken over the repayment of a business district loan issued by the State Department of Community Affairs in the sum of \$490,000.00. The loan is interest free and payable over fifteen years. Payments are \$32,666.67 a year. The balance remaining at December 31, 2015 was \$391,999.99 and at December 31, 2016 is \$359,333.32.

Environmental Infrastructure Loans Payable – Water Utility Fund

The Township was awarded four loans from the New Jersey Environmental Infrastructure Trust. The Fund Loan portion was issued interest free, while the Trust Loan portion was issued at interest ranging from 4.00% to 5.70%.

	<u>2016</u>	<u>2015</u>
1999 Loan:		
Payments are semi-annual through the year 2019.	\$ 34,574.30	\$ 370,000.00
2001 Loan:		
Payments are semi-annual through the year 2021.	422,086.44	497,595.32
2002 Loan:		
Payments are semi-annual through the year 2022.	673,666.14	778,839.01
2010 Loan:		
Payments are semi-annual through the year 2029.	461,751.49	542,232.37
	<u>\$ 1,592,078.37</u>	<u>\$ 2,188,666.70</u>



**TOWNSHIP OF MONTCLAIR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**12. MUNICIPAL DEBT (continued)**

The following is a schedule of annual principal and interest payments for the Environmental Infrastructure Loan – Water Capital Fund:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 253,016.42	\$ 37,118.26	\$ 290,134.68
2018	232,462.49	30,825.20	263,287.69
2019	235,557.25	25,075.00	260,632.25
2020	238,376.14	19,175.00	257,551.14
2021	242,953.97	13,050.00	256,003.97
2022	156,060.19	6,875.00	162,935.19
2023	38,016.58	3,150.00	41,166.58
2024	38,016.58	2,750.00	40,766.58
2025	38,016.58	2,350.00	40,366.58
2026	38,016.58	1,950.00	39,966.58
2027	38,016.58	1,600.00	39,616.58
2028	28,569.42	1,200.00	29,769.42
2029	14,999.89	600.00	15,599.89
	<u>\$ 1,592,078.67</u>	<u>\$ 145,718.46</u>	<u>\$ 1,737,797.13</u>

**Environmental Infrastructure Loans Payable – Sewer Utility Fund**

The Township was awarded a loan from the New Jersey Environmental Infrastructure Trust. The Fund Loan portion was issued interest free, while the Trust Loan portion was issued at interest ranging from 2.00% to 5.00%. Payments are semi-annual through the year 2031. The balance at December 31, 2015 was \$830,656.00 and for December 31, 2016 is \$781,552.50.

The following is a schedule of annual debt service for principal and interest for the Environmental Infrastructure Loan – Sewer Capital Fund:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 49,103.50	\$ 8,336.26	\$ 57,439.76
2018	49,103.50	7,836.26	56,939.76
2019	49,103.50	7,336.26	56,439.76
2020	49,103.50	6,836.26	55,939.76
2021	49,103.50	6,336.26	55,439.76
2022	49,103.50	5,836.26	54,939.76
2023	54,103.50	5,336.26	59,439.76
2024	54,103.50	4,586.26	58,689.76
2025	54,103.50	3,836.26	57,939.76
2026	54,103.50	3,086.26	57,189.76
2027	54,103.50	2,336.26	56,439.76
2028	54,103.50	1,886.26	55,989.76
2029	54,103.50	1,436.26	55,539.76
2030	54,103.50	967.50	55,071.00
2031	54,103.50	487.50	54,591.00
	<u>\$ 781,552.50</u>	<u>\$ 66,476.38</u>	<u>\$ 848,028.88</u>

**TOWNSHIP OF MONTCLAIR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**12. MUNICIPAL DEBT (continued)**

Special Emergency Note

Outstanding Special Emergency Note is as follows:

	<u>Interest Rate</u>	<u>2015 Total</u>	<u>Interest Rate</u>	<u>2016 Total</u>
Current Fund    Capital Note - No Interest		\$ 178,000.00	2.5%	\$ 1,000,000.00

Bond Anticipation Notes

Outstanding Bond Anticipation Notes are summarized as follows:

<u>Notes</u>	<u>2016</u>		<u>2015</u>	
	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>
General Capital Fund	2.50%	\$ 20,084,200.00	2.00%	\$ 15,053,600.00
Water Utility Capital Fund	2.50%	5,342,536.00	2.00%	6,002,524.00
Sewer Utility Capital Fund	2.50%	2,051,464.00	2.00%	2,352,876.00
		<u>\$ 27,478,200.00</u>		<u>\$ 23,409,000.00</u>

Statutory requirements for providing sums equivalent to legally payable installments for the redemption of notes (Budget Appropriation) and permanent funding (Bond Issues) are summarized as follows:

<u>Original Notes Issued</u>	<u>Legal Installments Due</u>	<u>Permanent Funding Required as of May 1</u>
2011	2014 - 2021	2022
2012	2015 - 2022	2023
2013	2016 - 2023	2024
2014	2017 - 2024	2025

Bonds and Notes Authorized but Not Issued

There were Bonds and Notes Authorized but Not Issued in the following amounts:

	<u>Balance Dec. 31, 2016</u>	<u>Balance Dec. 31, 2015</u>
General Capital Fund		
General Improvements	\$ 6,426,010.34	\$ 4,409,905.12
Water Utility Capital Fund		
General Improvements	\$ 133,006.22	\$ 1,215,978.87
Sewer Utility Capital Fund		
General Improvements	\$ 337,779.50	\$ 445,963.66

**TOWNSHIP OF MONTCLAIR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**13. SCHOOL DEBT**

The Board of Education of the Township of Montclair is a Type I School District and the members of the Board of Education are appointed by the Mayor. A Board of School Estimate approves the school district tax levy after the final budget is determined by the Board of Education. The members of the Board of School Estimate include the Mayor, two members of the local school board and two members of the governing body. School debt, authorized by the Board of School Estimate, are obligations of the Township and school debt service is raised as part of the school tax levy. School debt is reported on the balance sheet of the General Capital Fund and is detailed as follows:

	2016	2015
\$16,715,000, 2006 Bonds, due in annual installments of \$1,000,000 through January 1, 2016, interest at 4.50%.	\$	\$ 1,000,000.00
\$14,600,000, 2008 Bonds, due in annual installments of \$460,000 to \$900,000 through May 2018, interest at 4.00% to 5.00%. Bonds were Refunded in 2016.	1,550,000.00	11,650,000.00
\$9,662,000, 2010 Bonds, due in annual installments of \$360,000 to \$460,000 through June 2020, interest at 2.50% to 4.00%. Bonds were Refunded in 2016.	1,650,000.00	8,677,000.00
\$21,660,000, 2011 Bonds, due in annual installments of \$905,000 to \$1,450,000 through March 2031, interest at 3.00% to 4.625%.	17,665,000.00	18,535,000.00
\$2,750,000, 2011 Refunding Bonds, with one final installment of \$485,000 through February 2017, interest at 3.00%.	485,000.00	1,070,000.00
\$22,000,000, 2013 Bonds, due in annual installments of \$1,190,000 to \$1,450,000 through March 2028, interest at 2.50% to 5.00%.	18,855,000.00	19,970,000.00
\$11,855,000, 2014 Refunding Bonds, due in annual installments of \$940,000 to \$1,225,000 through January 2028, interest at 3.00% to 5.00%.	11,855,000.00	11,855,000.00
\$14,840,000, 2016 Refunding Bonds due in annual installments of \$680,000 to \$1,690,000 through October 2030, interest at 3.75% to 5.00%.	14,700,000.00	
	\$ 66,760,000.00	\$ 72,757,000.00

**TOWNSHIP OF MONTCLAIR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**13. SCHOOL DEBT (continued)**

A schedule of annual debt service for principal and interest for School Serial Bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 4,550,000.00	\$ 2,746,690.05	\$ 7,296,690.05
2018	4,450,000.00	2,566,143.50	7,016,143.50
2019	4,450,000.00	2,393,018.50	6,843,018.50
2020	4,580,000.00	2,195,743.50	6,775,743.50
2021	4,715,000.00	1,997,568.50	6,712,568.50
2022	4,865,000.00	1,783,606.00	6,648,606.00
2023	5,004,000.00	1,562,938.50	6,566,938.50
2024	5,248,000.00	1,334,523.50	6,582,523.50
2025	5,407,000.00	1,103,086.00	6,510,086.00
2026	5,641,000.00	884,933.63	6,525,933.63
2027	5,990,000.00	649,908.13	6,639,908.13
2028	6,229,000.00	399,588.75	6,628,588.75
2029	2,050,000.00	214,826.25	2,264,826.25
2030	2,131,000.00	127,610.00	2,258,610.00
2031	1,450,000.00	33,531.25	1,483,531.25
	<u>\$ 66,760,000.00</u>	<u>\$ 19,993,716.06</u>	<u>\$ 86,753,716.06</u>

Temporary Notes

Outstanding Temporary Notes for School purposes are as follows:

<u>Notes</u>	<u>2016</u>		<u>2015</u>	
	<u>Interest Rate</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Amount</u>
General Capital Fund	2.50%	<u>\$ 4,855,000.00</u>	2.00%	<u>\$ 2,855,000.00</u>

Bonds and Notes Authorized but Not Issued for School purposes in the following amount:

	<u>2016</u>	<u>2015</u>
General Capital Fund	<u>\$ 5,204,114.49</u>	<u>\$ 4,551,278.49</u>

**14 PRIOR YEAR DEFEASANCES OF DEBT**

In August 2016 the Township issued \$19,195,000 of refunding bonds consisting of \$2,200,000 General Improvement Bonds, \$14,840,000 School Improvement Bonds and \$2,155,000 Water Improvement Bonds with interest rates ranging from 2.0% to 5.0%. These bonds were issued in order to advance refund certain principal maturities of General Improvement Bonds and School Improvement Bonds. The total principal refunded was \$2,252,000 General Improvements, \$2,294,000 Water Improvements and \$16,347,000 School Improvement Bonds. The current advance refunding resulted in a decrease of \$1,507,000 of School Improvement Bonds and a decrease \$191,000 of General Improvement Bonds.

**TOWNSHIP OF MONTCLAIR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**15. INTERFUND RECEIVABLES AND PAYABLES**

As of December 31, 2016 and 2015, interfund receivables and payable that resulted from various interfund transactions were as follows:

Fund	2016		2015	
	Due from Other Funds	Due to Other Funds	Due from Other Funds	Due to Other Funds
Current Fund	\$ 77,243.17	\$ 1,211,699.76	\$ 15,003.00	\$ 1,229,178.11
Federal and State Grant Fund	997,585.52		992,748.37	131,526.35
Assessment Trust Fund	8,757.15		62,753.10	54,311.20
Animal Control Trust Fund				2,503.00
General Trust Fund	47,464.48	151,535.32	333,009.13	8,757.15
General Capital Fund	232,604.76		111,208.20	72,496.45
Water Utility Operating Fund	3,025.21		740,074.13	
Water Utility Capital Fund		3,025.21		701,005.69
Sewer Utility Operating Fund	27,232.57	15.00	632,392.98	475.41
Sewer Utility Capital Fund		27,232.57		632,392.98
Parking Utility Operating Fund	1,781.42	405.00		101,550.06
Parking Utility Capital Fund		1,781.42	86,550.06	
Payroll Account				39,542.57
	<u>\$ 1,395,694.28</u>	<u>\$ 1,395,694.28</u>	<u>\$ 2,973,738.97</u>	<u>\$ 2,973,738.97</u>

**16. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEARS BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2016 and 2015, the following deferred charges are shown on the balance sheet of the Current Fund:

	Balance Dec. 31, 2015	2016 Budget Appropriation
Current Fund:		
Special Emergency Authorization	\$ 178,000.00	\$ 178,000.00
Federal and State Grant Fund:		
Overexpenditure of Grant Funds	12,467.23	12,467.23
Trust Fund:		
Overexpenditure of Special Deposits	50,855.25	50,855.25
Expenditures without an Appropriation	35,218.37	
	Balance Dec. 31, 2016	2017 Budget Appropriation
Current Fund:		
Special Emergency Authorization	\$ 1,000,000.00	\$ 200,000.00
Trust Fund:		
Expenditures without an Appropriation	35,218.37	\$ 35,218.37

**TOWNSHIP OF MONTCLAIR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**17. DEFERRED SCHOOL TAX**

The Local School District Tax was raised on the school year basis and liability deferred by statute, resulting in school tax payable set forth in liabilities computed as follows;

	Balance <u>Dec. 31, 2016</u>	Balance <u>Dec. 31, 2015</u>	2016 Increase <u>(Decrease)</u>	Balance <u>Dec. 31, 2014</u>	2015 Increase <u>(Decrease)</u>
* Balance of Tax	\$ 54,960,799.00	\$ 52,852,004.00	\$ 2,108,795.00	\$ 50,746,043.00	\$ 2,105,961.00
Amount Deferred	<u>48,754,849.00</u>	<u>48,754,849.00</u>		<u>48,754,849.00</u>	
Total Payable (Cash Liability)	<u>\$ 6,205,950.00</u>	<u>\$ 4,097,155.00</u>	<u>\$ 2,108,795.00</u>	<u>1,991,194.00</u>	<u>\$ 2,105,961.00</u>

**18. RISK MANAGEMENT**

The Township is a member of the Garden State Municipal Joint Insurance Fund which provides coverage for Workers Compensation, General Liability, Property and Automobile coverage.

There have been no provisions included in the financial statements for claims incurred but not reported (IBNR) for the above listed coverage's as of December 31, 2016 and 2015.

**19. CONTINGENT LIABILITIES**

a. Compensated Absences

The Township's policy for accrued sick and vacation benefits is summarized as follows:

Employees can only accrue one year of vacation days. Vacation must be taken within one year of accrual, unless authorized by the Township Manager.

Employees covered under the Public Employees' Retirement System can accumulate up to 225 sick days if they were employed by the Township prior to January 1, 1963, and 130 sick days for those employed after January 1, 1963. Terminal leave will be capped at \$5,000.00 for employees hired after June 1, 1994.

Employees covered under the Police and Firemen's Retirement System can accumulate up to 225 sick days if they were employed by the Township prior to January 1, 1963, and 130 sick days for those employed after January 1, 1963. Terminal leave will be capped at \$18,761.00 for employees hired after July 1, 1994.

It is estimated that the \$13,011,180, computed internally at the 2016 salary rates would be payable to officials and employees of the Township as of December 31, 2016 for accumulated sick and vacation days. This amount was not verified by audit. The Township has set up a reserve for accumulated absences of \$530,034.35 as of December 31, 2016.

Provision for the above are not reflected in the financial statements of the Township.

**TOWNSHIP OF MONTCLAIR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**19. CONTINGENT LIABILITIES (continued)**

**b. Tax Appeals**

As of December 31, 2016, there were tax appeals pending before the New Jersey Tax Court of an undetermined amount.

Judgments favorable to the taxpayers generally extend to two years following the year judged and would also subject the Township to a liability for statutory interest based upon the amount of taxes refunded from the date of payment to the date of refund (R.S. 54:3-27.2). County Taxes paid on the reductions in assessed valuations are subject to credits against the County tax levy of the year subsequent to the year in which the appeals are adjudicated.

**c. Federal and State Awards**

The Township participates in several federal and state grant programs which are governed by various rules and regulations of the grantor agencies; therefore to the extent that the Township has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at December 31, 2016 may be impaired. In the opinion of management, there are no significant contingent liabilities relating to noncompliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying statutory basis financial statements for such contingencies.

**d. Litigation**

The Township is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Township.

**20. GASB 77 TAX ABATEMENTS**

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

Entity Name	Pilot Billing	Taxes if Billed in Full	Abated Taxes
60 Glen Ridge	\$ 25,463	\$ 241,890	\$ 216,427
11 Pine Street	233,547	1,254,638	1,021,091
40 Greenwood Ave.	100,000	262,713	162,713
56 Walnut	117,948	357,498	239,550
340 Orange Road	93,856	235,948	142,092
80 Glen Ridge Ave.	112,551	267,244	154,693
48 South Park St.	1,086,311	1,691,478	605,167
20 Glen Ridge Ave.	98,208	194,059	95,851
Central Verde*	500,000	1,529,946	1,029,946
11 Elm Street	14,684	31,739	17,055
Orange Road Parking Deck	100,000	222,792	122,792
	<u>\$ 2,482,568</u>	<u>\$ 6,289,945</u>	<u>\$ 3,807,377</u>

\* Pilot billing is subject to occupancy.

**TOWNSHIP OF MONTCLAIR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

**21. SUBSEQUENT EVENTS**

The Township has evaluated subsequent events occurring after December 31, 2016 through June 29, 2017, which is the date the financial statements were available to be issued. Based on this evaluation, management has determined that the following subsequent events require disclosure:

- A bond ordinance for various capital improvement in the sum of \$4,957,189.



TOWNSHIP OF MONTCLAIR  
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS - TREASURER  
YEAR ENDED DECEMBER 31, 2016

A-4

	<u>Ref.</u>			<u>Regular Fund</u>
Balance, December 31, 2015	A		\$	21,716,441.21
<b>Increased by Receipts:</b>				
Miscellaneous Revenue Not Anticipated	A-2d	\$		534,549.67
Tax Collector	A-5			213,750,951.12
Petty Cash	A-8			3,550.00
Due from State of New Jersey:				
Senior Citizens' and Veterans' Deductions	A-9			102,847.93
Revenue Accounts Receivable	A-15			11,814,405.17
Interfunds Receivable	A-17			15,003.00
Due to State of New Jersey	A-21			86,270.00
Interfunds Payable	A-26			425,641.24
Capital Note Payable	A-31			1,000,000.00
				<u>227,733,218.13</u>
				249,449,659.34
<b>Decreased by Disbursements:</b>				
Budget Appropriations	A-3			72,849,667.72
Petty Cash	A-8			3,550.00
Interfunds Receivable	A-17			77,243.17
Appropriation Reserves	A-20			1,851,296.34
Due to State of New Jersey	A-21			84,198.00
Tax Overpayments Refunded	A-25			759,995.24
Interfunds Payable	A-26			702,796.58
County Taxes Payable	A-28			35,482,521.65
Local School District Tax	A-29			107,812,803.00
Special Improvement District Tax	A-30			371,261.99
				<u>219,995,333.69</u>
Balance, December 31, 2016	A		\$	<u>29,454,325.65</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENT - COLLECTOR  
YEAR ENDED DECEMBER 31, 2016

A-5

	<u>Ref.</u>	
Increased by Receipts:		
Interest and Costs on Taxes	A-2a	\$ 643,303.31
Miscellaneous Revenue Not Anticipated	A-2d	6,929.53
Taxes Receivable	A-10	208,631,126.56
Tax Title Liens	A-11	43,309.16
Revenue Accounts Receivable	A-15	2,841,463.39
Other Accounts Receivable	A-2,15	
Prepaid Taxes	A-32	1,111,729.73
PILOT Overpayments	A-24	12,615.67
		<hr/> 213,750,951.12
Decreased by Disbursements:		
Paid to Treasurer	A-4	<hr/> 213,750,951.12
		<hr/> \$ <hr/> <hr/>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

CASH MANAGEMENT FUND  
YEAR ENDED DECEMBER 31, 2016

A-6

	<u>Ref.</u>	
Balance, December 31, 2015	A	\$ 3,477.20
Increased by:		
Accrued Interest	A-15	<u>12.57</u>
Balance, December 31, 2016	A	<u>\$ 3,489.77</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

CHANGE FUNDS  
DECEMBER 31, 2016

A-7

	<u>Ref.</u>	
Balance, December 31, 2015	A	<u>\$ 525.00</u>
Balance, December 31, 2016	A	<u><u>\$ 525.00</u></u>
 <u>Analysis of Balance</u>		
Tax Collector		\$ 200.00
Municipal Court Clerk		220.00
Municipal Clerk		30.00
Building Inspector		25.00
Public Works (Recycling)		<u>50.00</u>
		<u><u>\$ 525.00</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

PETTY CASH FUNDS  
DECEMBER 31, 2016

A-8

	<u>Funds Established</u>	<u>Funds Returned</u>
Treasurer	\$ 3,000.00	\$ 3,000.00
Public Works	150.00	150.00
Recreation Department	100.00	100.00
Municipal Clerk	150.00	150.00
Police Department	150.00	150.00
	<u>\$ 3,550.00</u>	<u>\$ 3,550.00</u>
	A-4	A-4

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

DUE FROM STATE OF NEW JERSEY  
PER CHAPTER 129, P.L. 1976  
YEAR ENDED DECEMBER 31, 2016

A-9

	<u>Ref.</u>	
Balance, December 31, 2015	A	\$ 5,525.81
Increased by:		
Veterans' and Senior Citizens' Deductions per Tax Billings		\$ 101,000.00
Veterans' and Senior Citizens' Deductions Allowed by Tax Collector		<u>1,250.00</u>
		102,250.00
Less: Veterans' and Senior Citizens' Deductions Disallowed by Tax Collector		
	A-2c, A-10	<u>583.56</u>
		<u>101,666.44</u>
		107,192.25
Decreased by:		
Collections	A-4	<u>102,847.93</u>
Balance, December 31, 2016	A	<u><u>\$ 4,344.32</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY  
YEAR ENDED DECEMBER 31, 2016

A-10

<u>Year</u>	<u>Balance</u>	<u>2016 Levy</u>	<u>Added Taxes</u>	<u>Collections - Cash</u>		<u>State of New Jersey</u>	<u>Canceled</u>	<u>Transferred to Tax Title Liens</u>	<u>Balance</u>
	<u>Dec. 31, 2015</u>			<u>2015</u>	<u>2016</u>				<u>Dec. 31, 2016</u>
2013	\$ 21,107.20	\$	\$	\$	\$ 21,107.20	\$		\$	\$
2014	29,083.01				29,083.01				
2015	2,399,091.53				2,378,265.50			5,610.11	15,215.92
	2,449,281.74				2,428,455.71			5,610.11	15,215.92
2016		209,768,645.29		1,035,632.00	206,242,266.58	101,666.44	210,995.89	21,364.28	2,156,720.10
	<u>\$ 2,449,281.74</u>	<u>\$ 209,768,645.29</u>	<u>\$</u>	<u>\$ 1,035,632.00</u>	<u>\$ 208,670,722.29</u>	<u>\$ 101,666.44</u>	<u>\$ 210,995.89</u>	<u>\$ 26,974.39</u>	<u>\$ 2,171,936.02</u>
<u>Ref.</u>	A	Below	Reserve	A-2c, A-32	A-2c, Below	A-9	Reserve	A-11	A

Cash Collector  
Overpayments Applied

Ref.

A-5      \$ 208,631,126.56  
A-25      39,595.73  
  
Above      \$ 208,670,722.29

ANALYSIS OF 2016 PROPERTY TAX LEVY

Tax Yield  
General Property Tax  
Added and Omitted

\$ 208,368,039.80  
1,400,605.49

Tax Levy

Local School District Tax:  
Levy  
Addition to Local School District  
Tax (Budget)  
  
County Taxes:  
County Tax  
Special Improvement District Tax  
Local Tax for Municipal Purposes:  
Budget  
Minimum Library Tax  
Additional Taxes Levied

Ref.

A-29      \$ 109,921,598.00  
  
A-2      7,383,100.00  
  
A-28      35,645,064.66  
A-30      547,928.00  
  
A-2      52,801,180.22  
A-2      2,273,956.27  
Reserve      1,195,818.14

\$ 117,304,698.00  
  
  
35,645,064.66  
547,928.00  
  
56,270,954.63

\$ 209,768,645.29

\$ 209,768,645.29

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

TAX TITLE LIENS  
YEAR ENDED DECEMBER 31, 2016

A-11

	<u>Ref.</u>		
Balance, December 31, 2015	A		\$ 167,409.51
Increased by:			
Transferred from Taxes Receivable	A-10	\$ 26,974.39	
Cost of Tax Sale	Reserve	<u>1,567.33</u>	
			<u>28,541.72</u>
			195,951.23
Decreased by:			
Collections	A-2c,5		<u>43,309.16</u>
Balance, December 31, 2016	A		<u><u>\$ 152,642.07</u></u>

PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)  
DECEMBER 31, 2016

A-12

	<u>Ref.</u>		
Balance, December 31, 2015	A		<u>\$ 317,900.00</u>
Balance, December 31, 2016	A		<u><u>\$ 317,900.00</u></u>

See accompanying notes to financial statements.



TOWNSHIP OF MONTCLAIR  
CURRENT FUND

OTHER LIENS RECEIVABLE  
DECEMBER 31, 2016

A-13

	<u>Ref.</u>	<u>Demolition</u>
Balance, December 31, 2015	A	<u>\$ 7,500.00</u>
Balance, December 31, 2016	A	<u>\$ 7,500.00</u>
Analysis of Balance		
	<u>Block</u> <u>Lot</u>	
	4203      13	<u>\$ 7,500.00</u>

OTHER ACCOUNTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2016

A-14

	<u>Ref.</u>	
Balance, December 31, 2015	A	\$ 94,177.97
Decreased by:		
Canceled	Reserve	<u>20,669.48</u>
Balance, December 31, 2016	A	<u>\$ 73,508.49</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2016

A-15  
Sheet # 1

	Ref.	Balance Dec. 31, 2015	Accrued in 2016	Collections		Balance Dec. 31, 2016
				Treasurer	Collector	
Clerk:						
Licenses:						
Alcoholic Beverages	A-2a	\$	\$ 57,750.00	\$ 57,750.00	\$	\$
Other	A-2b		51,615.50	51,615.50		
Fees and Permits	A-2b		125,200.00	125,200.00		
Health Officer:						
Licenses	A-2b		90,322.75	90,322.75		
Fees and Permits	A-2b		89,225.00	89,225.00		
Planning Board:						
Fees and Permits	A-2b		36,692.74	36,692.74		
Community Services:						
Fees and Permits	A-2b		37,259.20	37,259.20		
Housing and Zoning:						
Fees and Permits	A-2b		9,100.00	9,100.00		
Recreation and Parks:						
Fees and Permits	A-2b		491,365.66	491,365.66		
Police Department:						
Fees and Permits	A-2b		11,902.31	11,902.31		
Fire:						
Fees and Permits	A-2b		48,360.80	48,360.80		
Registration Fees and Penalties on Vacant Properties	A-2a		299,313.96	299,313.96		
Collector:						
Tax Searches	A-2b		45.00		45.00	
Public Works:						
Fees and Permits	A-2b		4,905.00	4,905.00		
Board of Adjustment:						
Fees and Permits	A-2b		13,675.00	13,675.00		
Construction Code Official:						
Building Permits	A-2a		940,215.00	940,215.00		
Municipal Court:						
Fines and Costs	A-2a		1,755,291.58	1,597,524.06		157,767.52
Interest on Investments and Deposits	A-2a		70,747.23	70,747.23		
Energy Receipts Tax	A-2a		2,808,750.00	2,808,750.00		
Consolidated Municipal Property Tax Relief	A-2a		158,316.00	158,316.00		

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2016

A-15  
Sheet # 2

	Ref.	Balance Dec. 31, 2015	Accrued in 2016	Collections		Balance Dec. 31, 2016
				Treasurer	Collector	
Interlocal Government Services:						
Fire Services	A-2a	\$	\$ 625,000.00	\$ 625,000.00	\$	\$
Health Contracts	A-2a		182,808.00	182,808.00		
Health Contract - Nutley	A-2a		39,512.00	39,512.00		
Animal Control Services:						
Nutley	A-2a		28,218.00	28,218.00		
Verona	A-2a		28,064.00	28,064.00		
Anticipated Utility Surplus - Parking	A-2a		500,000.00	500,000.00		
Anticipated Utility Surplus - Water	A-2a		500,000.00	500,000.00		
Uniform Fire Safety Act	A-2a		68,525.32	68,525.32		
Cable Television Franchise Fee	A-2a		578,364.52	578,364.52		
Section 8 - Administrative Costs	A-2a		20,000.00	20,000.00		
Towing - Administrative Costs	A-2a		3,664.00	3,664.00		
Payments in Lieu of Taxes:						
Montclair Senior Housing Corp. (Orange Road)	A-2b		95,810.00		95,810.00	
First Montclair Housing Corp. (Walnut Street)	A-2b		121,999.00		121,999.00	
RTD Management Corp. (Lackawanna Plaza)	A-2b		122,584.00		122,584.00	
RTD Management Corp. (Union Gardens)	A-2b		100,000.00		100,000.00	
RTD Management Corp. (United Methodist Homes - Pineridge of Montclair)	A-2b		25,341.00		25,341.00	
Centro Verde	A-2b		857,195.87		857,195.87	
11 Pine Street	A-2b		277,015.00		277,015.00	
Siena	A-2b	14,350.17	1,137,612.68		1,140,434.07	11,528.78
55 Glenridge	A-2b		4,863.34		4,863.34	
Herod Redevelopment	A-2b		98,281.49		98,281.49	
11 Elm Street	A-2b		15,429.00		15,429.00	
Capital Fund Surplus	A-2a		700,000.00	700,000.00		
Alarm Registration Fees	A-2a		183,518.83	183,518.83		
Rear Yard Refuse Collection	A-2a		39,725.00	39,725.00		
Reserve to Pay Debt Service	A-2a		1,100,000.00	1,100,000.00		
Penalty on Delinquent Taxes	A-2a		124,639.25	124,639.25		
Administrative Fees - Police Off-Duty	A-2a		150,138.61	150,138.61		
		<u>\$ 14,350.17</u>	<u>\$ 14,828,361.64</u>	<u>\$ 11,814,417.74</u>	<u>\$ 2,858,997.77</u>	<u>\$ 169,296.30</u>
	Ref.	A	Reserve	A-15 Sheet 3	A-15 Sheet 3	A

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2016

A-15  
Sheet # 3

	<u>Ref.</u>	<u>Collections</u>	
		<u>Treasurer</u>	<u>Tax Collector</u>
Cash Receipts	A-4, A-5	\$ 11,814,405.17	\$ 2,841,463.39
Accrued Interest	A-6	12.57	
Applied from Overpayments	A-24		6,184.14
Interfunds Payable	A-26		11,350.24
		<hr/>	<hr/>
Sheet # 2		<u>\$ 11,814,417.74</u>	<u>\$ 2,858,997.77</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
FEDERAL AND STATE GRANT FUND

GRANTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2016

A-16  
Sheet #1

	Balance 12/31/2015	Realized		Collections	Unappropriated	Canceled	Balance 12/31/2016
		Budgeted	Chapter 159				
Essex County - Hurricane Sandy	\$ 25,826.00	\$	\$	\$	\$	\$	\$ 25,826.00
Division on Aging - Citizen Services	1.00	3,641.00		3,641.00			1.00
Division on Aging - Citizen Services-2015 unapprop		3,640.00			3,640.00		
Safe and Secure Communities:							
2011	8,975.00						8,975.00
Nonpublic School Nursing:							
2015	160,486.00						160,486.00
DOT - Transit Village	15,646.12						15,646.12
Historic Trust - 2013	524.22						524.22
Historic Preservation	2,800.00	23,500.00		23,500.00			2,800.00
Historic Trust - Watchung Plaza	4,870.00						4,870.00
Partners for Health - Seniors Transit Grant	4,146.00			4,146.00			
Deaprtment of Envriornmental Protection							
Climate Showcase Communities Grant 2010	17,582.78					17,582.78	
U.S. Dept of Home Security:							
Assistance to Firefighters: 2010	25,265.00						25,265.00
N.J. Highway Traffic Safety:							
Pedestrian Safety Education and Enforcement-2016		4,000.00	16,000.00	8,900.00	4,000.00		7,100.00
Pedestrian Safety Education and Enforcement-2016			12,000.00	11,400.00			600.00
Pedestrian Safety Education and Enforcement-2015	15,550.00			15,010.00			540.00
Click It or Ticket			5,000.00	5,000.00			
Bicycle Safety Grant	5,450.00		11,000.00				16,450.00
2007	91,441.70						91,441.70
Police	10.00						10.00
Engineer	352.00						352.00
Recycling Tonnage 2013		30,620.01		30,620.01			
Hazardous discharge			38,790.00	7,787.00			31,003.00
Division of Aging - Local Food Promotion grant		20,846.73			20,846.73		
USDA - Mobile Farm Stand Grant		22,831.00					22,831.00
MCIA		49,000.00	24,500.00	73,500.00			
FDA Standards - Belleville, Nutley grant		15,096.97		15,096.97			
Shoprite Senior Shuttle Grant		2,000.00		2,000.00			
Eat Healthy Grant		10,000.00		10,000.00			

TOWNSHIP OF MONTCLAIR  
FEDERAL AND STATE GRANT FUND

GRANTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2016

A-16  
Sheet #2

	Balance 12/31/2015	Realized		Collections	Unappropriated	Canceled	Balance 12/31/2016
		Budgeted	Chapter 159				
Animal Shelter Grant/Health Officer grant?	\$	\$ 3,500.00	\$	\$	\$ 3,500.00	\$	\$
Albert Tertune grant		2,250.00			2,250.00		
Body Armor Replacement Grant		6,678.65			6,678.65		
Bullet Proof Vest Program		8,233.11					8,233.11
Bullet Proof Vest Program		9,592.97			9,592.97		
Generator Grant		192,000.00					192,000.00
Comcast Grant		5,000.00			5,000.00		
LifeLong Montclair - Marketing Intern							
Seniorama			4,732.00	4,732.00			
Local Arts Grant			1,520.00	1,140.00			380.00
ANJEC			1,500.00	1,000.00			500.00
Alcohol Education/Rehabilitation Program			1,148.20	1,148.20			
Clean Community Program			82,923.93	82,923.93			
Body Armor Grant 2015	10,319.62						10,319.62
Drive Sober Get Pulled Over 2015	5,000.00						5,000.00
Drive Sober or Get Pulled Over-Labor Day Crackdown			5,000.00	5,000.00			
	<u>\$ 394,245.44</u>	<u>\$ 412,430.44</u>	<u>\$ 204,114.13</u>	<u>\$ 306,545.11</u>	<u>\$ 55,508.35</u>	<u>\$ 17,582.78</u>	<u>\$ 631,153.77</u>
Ref.	A	A-18	A-18	A-18	A-35	A-34	A

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TOWNSHIP OF MONTCLAIR  
CURRENT FUND

INTERFUNDS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2016

A-17

	Ref.	Total Current Fund	Current Fund			Trust Fund
			Animal Control Trust Fund	Sewer Operating Fund	Parking Utility Operating Fund	State Unemployment Insurance
Balance, December 31, 2015	A	\$ 15,003.00	\$ 3.00	\$	\$ 15,000.00	\$
Increased by:						
Advances	A-4	77,243.17		15.00	405.00	76,823.17
		<u>92,246.17</u>	<u>3.00</u>	<u>15.00</u>	<u>15,405.00</u>	<u>76,823.17</u>
Decreased by:						
Settlements	A-4	15,003.00	3.00		15,000.00	
Balance, December 31, 2016	A	<u>\$ 77,243.17</u>	<u>\$</u>	<u>\$ 15.00</u>	<u>\$ 405.00</u>	<u>\$ 76,823.17</u>
<u>Analysis of Net Debit to Fund Balance</u>						
Balance December 31, 2016		\$ 77,243.17				
Balance December 31, 2015		<u>15,003.00</u>				
Net Debit to Operations	A-1	<u>\$ 62,240.17</u>				

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

INTERFUNDS RECEIVABLE  
FEDERAL AND STATE GRANT FUND  
YEAR ENDED DECEMBER 31, 2016

A-18

	Ref.	Total Federal and State Grant Fund	Federal and State Grant Fund	
			Current Fund	General Capital Fund
Balance, December 31, 2015	A	\$ 992,748.37	\$ 980,991.57	\$ 11,756.80
Increased by:				
Budget Appropriation - Grants	A-34	697,104.57	697,104.57	
Budget Appropriation - Deferred Charge	A	12,467.23	12,467.23	
Grants Received through Current Fund:				
Grants Receivable	A-16	306,545.11	306,545.11	
Due General Capital Fund	Below	11,756.80	11,756.80	
Unappropriated Revenue	A-35	41,384.33	41,384.33	
		<u>1,069,258.04</u>	<u>1,069,258.04</u>	
		<u>2,062,006.41</u>	<u>2,050,249.61</u>	<u>11,756.80</u>
Decreased by:				
Trust Interfund Settled thru Current Fund	A-27	131,526.35	131,526.35	
Anticipated Revenue	A-16	616,544.57	616,544.57	
Grants Disbursed through Current Fund	A-35, Above	316,349.97	304,593.17	11,756.80
		<u>1,064,420.89</u>	<u>1,052,664.09</u>	<u>11,756.80</u>
Balance, December 31, 2016	A	<u>\$ 997,585.52</u>	<u>\$ 997,585.52</u>	<u>\$</u>

See accompanying notes to financial statements.



TOWNSHIP OF MONTCLAIR  
CURRENT FUND

DEFERRED CHARGES  
N.J.S.A. 40A:4-55 SPECIAL EMERGENCY  
YEAR ENDED DECEMBER 31, 2016

A-19

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2015</u>	<u>Budget Appropriation</u>	<u>Balance Dec. 31, 2016</u>
11-14-11	Accumulated Absences	\$ 890,000.00	\$ 178,000.00	\$ 178,000.00	\$(178,000.00)	\$
2-28-16	Revaluation Program	<u>1,000,000.00</u>	<u>200,000.00</u>	<u>                    </u>	<u>1,000,000.00</u>	<u>1,000,000.00</u>
		<u>\$ 1,890,000.00</u>	<u>\$ 378,000.00</u>	<u>\$ 178,000.00</u>	<u>\$ 822,000.00</u>	<u>\$ 1,000,000.00</u>
	<u>Ref.</u>			A	A-3	A

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TOWNSHIP OF MONTCLAIR  
CURRENT FUND

APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2016

	Balance Dec. 31, 2015		Balance After Transfers	Paid or Charged	Balance Lapsed
	Encumbered	Reserved			
<u>General Government</u>					
Township Council:					
Salaries and Wages	\$	\$ 3,496.63	\$ 3,496.63	\$ 2,909.15	\$ 587.48
Other Expenses	4,455.00	1,158.62	5,613.62	4,575.38	1,038.24
Township Manager:					
Salaries and Wages		49,023.76	49,023.76	49,023.76	
Other Expenses	26,737.14	6,193.52	54,930.66	43,833.19	11,097.47
Township Clerk:					
Salaries and Wages		33,945.77	33,945.77	33,945.77	
Other Expenses	2,476.92	9,976.41	12,453.33	3,139.28	9,314.05
Election Expense:					
Salaries and Wages		1,164.25	1,164.25	1,164.25	
Other Expenses		3,097.81	3,097.81		3,097.81
Township Attorney:					
Salaries and Wages		294.78	294.78		294.78
Other Expenses	36,096.99		106,096.99	100,060.70	6,036.29
Municipal Court:					
Salaries and Wages		4,031.42	4,031.42	4,031.42	
Other Expenses	10,727.81	10,904.97	21,632.78	11,398.60	10,234.18
Postage:					
Other Expenses	450.45	630.91	1,081.36	246.47	834.89
<u>Finance Department</u>					
Administration:					
Salaries and Wages		113,408.07	113,408.07	113,408.07	
Other Expenses	15,141.46	3,198.43	18,339.89	17,471.67	868.22
Accounting and Treasury:					
Salaries and Wages		65,913.59	65,913.59	65,913.59	
Other Expenses	99.00	2,209.50	2,308.50	303.87	2,004.63
Assessor's Office:					
Salaries and Wages		23,941.48	23,941.48	23,941.48	
Other Expenses	6,238.59	21.98	6,260.57	6,238.59	21.98
Tax Collector:					
Salaries and Wages		5,977.67	5,977.67	5,977.67	
Other Expenses	1,927.78	6,150.50	8,078.28	1,173.98	6,904.30
Auditing:					
Other Expenses		9,952.50	9,952.50		9,952.50

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2016

	Balance Dec. 31, 2015		Balance After Transfers	Paid or Charged	Balance Lapsed
	Encumbered	Reserved			
<u>Planning and Community Development</u>					
Administration:					
Salaries and Wages	\$	\$ 2,040.86	\$ 2,040.86	2,040.00	\$ 0.86
Other Expenses	7,424.20	4,218.55	19,642.75	15,696.70	3,946.05
Planning Board:					
Other Expenses	94.59	532.39	123,626.98	104,485.57	19,141.41
Board of Adjustment:					
Other Expenses	76.00	149.81	225.81	76.00	149.81
<u>Administration and Code Enforcement Department</u>					
Salaries and Wages		100.91	100.91		100.91
Other Expenses	6,194.23	20,800.70	26,994.93	6,429.13	20,565.80
<u>Police Department</u>					
Salaries and Wages		28.70	28.70		28.70
Other Expenses	242,396.79	107,477.62	349,874.41	288,531.59	61,342.82
Police & Fire Alarm System		24,589.35	24,589.35	12,196.00	12,393.35
<u>Fire Department</u>					
Salaries and Wages		7,674.32	7,674.32	7,674.32	
Other Expenses	94,831.95	41,172.20	136,004.15	98,872.21	37,131.94
<u>Public Works Department</u>					
Community Services Administration:					
Salaries and Wages		52,523.97	52,523.97	52,523.97	
Other Expenses	1,767.09	19,900.18	21,667.27	1,767.09	19,900.18
Engineering:					
Salaries and Wages		101,251.07	101,251.07	101,251.07	
Other Expenses	495.60	2,195.74	2,691.34	184.00	2,507.34

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2016

	Balance Dec. 31, 2015		Balance After Transfers	Paid or Charged	Balance Lapsed
	Encumbered	Reserved			
Public Works Department					
Street Repairs and Maintenance:					
Salaries and Wages	\$	\$ 20,002.42	\$ 20,002.42	\$ 20,002.42	\$
Other Expenses	1,795.66	12,702.99	14,498.65	1,795.66	12,702.99
Sanitary and Storm Sewer Maintenance:					
Salaries and Wages		13,689.94	13,689.94	13,689.94	
Other Expenses	150.00	4,536.56	4,686.56	150.00	4,536.56
Refuse Collection and Disposal:					
Salaries and Wages		38,478.90	38,478.90	38,478.90	
Other Expenses	6,972.71	58,417.38	65,390.09	6,862.67	58,527.42
Storm Clearance:					
Salaries and Wages		10,023.80	10,023.80	10,023.80	
Other Expenses	19,212.02	298,155.69	317,367.71	116,521.71	200,846.00
Traffic:					
Salaries and Wages		11,030.48	11,030.48		11,030.48
Other Expenses	115.65	29,578.77	29,694.42	49.44	29,644.98
Central Garage Operation:					
Salaries and Wages		323.12	323.12		323.12
Other Expenses	38,661.71	68,010.72	106,672.43	43,541.33	63,131.10
Building Maintenance:					
Salaries and Wages		6,625.29	6,625.29	6,625.29	
Other Expenses	5,856.45	8,996.23	16,852.68	15,710.52	1,142.16
Parks Maintenance:					
Salaries and Wages		29.49	29.49		29.49
Other Expenses	19,958.32	18,393.12	38,351.44	29,216.49	9,134.95
Shade Trees:					
Salaries and Wages		19,500.45	19,500.45	19,500.45	
Other Expenses	5,428.19	26,923.59	32,351.78	5,601.15	26,750.63

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2016

	Balance Dec. 31, 2015		Balance After Transfers	Paid or Charged	Balance Lapsed
	Encumbered	Reserved			
<u>Parks, Recreation and Cultural Affairs Department</u>					
Recreation Programs:					
Salaries and Wages	\$ 1,026.10	\$ 297.37	\$ 297.37	\$ 1,274.95	\$ 297.37
Other Expenses		2,141.93	3,168.03		1,893.08
<u>Health and Human Services Department</u>					
Health Services:					
Salaries and Wages		60,740.10	60,740.10	60,740.10	
Other Expenses	9,309.61	3,411.73	12,721.34	9,464.22	3,257.12
Nursing Services:					
Salaries and Wages		2,628.19	2,628.19	2,628.19	
Animal Control:					
Salaries and Wages		49,880.74	49,880.74	49,880.74	
Other Expenses	3,580.55	50.69	3,631.24	2,424.98	1,206.26
<u>Miscellaneous and Other</u>					
Unemployment Insurance:					
Other Expenses		88,519.00	88,519.00	88,519.00	
Refuse Tipping Fees:					
Other Expenses	268,273.40	35,226.14	303,499.54	150,823.62	152,675.92
Defined Contribution Retirement Plan:					
Other Expenses		1,398.08	1,398.08		1,398.08
Adult School					
		91,500.00	91,500.00		91,500.00
Insurances:					
Liability	74,173.00	142,746.37	216,919.37	154,811.63	62,107.74
Employee Group Insurance	4,889.27	737,951.54	517,840.81	23,785.91	494,054.90

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2016

	Balance Dec. 31, 2015		Balance After Transfers	Paid or Charged	Balance Lapsed
	Encumbered	Reserved			
<u>Special Programs and Activities</u>					
<u>Parks, Recreation and Cultural Affairs:</u>					
Other Expenses	\$ 5,193.60	\$ 18,739.90	\$ 23,933.50	\$ 15,441.08	\$ 8,492.42
<u>Pedestrian Safety:</u>					
Other Expenses		13,000.00	13,000.00		13,000.00
<u>Uniform Construction Code - Appropriations Offset</u>					
<u>by Dedicated Revenues</u>					
Salaries and Wages		3.79	3.79		3.79
Other Expenses	1,174.85	21,349.27	22,524.12	2,082.07	20,442.05
<u>Unclassified</u>					
<u>Utilities:</u>					
Gasoline	16,229.57	117,525.39	133,754.96	16,229.57	117,525.39
Fuel - Diesel	11,222.98	107,844.42	119,067.40	15,487.38	103,580.02
Electricity	82,463.92	213,602.81	296,066.73	152,663.23	143,403.50
Telephone	38,140.57	18,671.51	69,812.08	55,664.45	14,147.63
Natural Gas	15,873.42	92,077.80	107,951.22	31,982.89	75,968.33
Street Lighting	120,444.34	102,577.96	223,022.30	163,775.18	59,247.12
Water		13,250.00	250.00		250.00
<u>Contingent</u>		166.67	166.67		166.67
<u>Statutory Expenditures</u>					
Social Security System (OASI)		132,195.03	132,195.03		132,195.03
Police and Firemen's Retirement System of N.J.		0.02	0.02		0.02
Firemen's Pension System		0.88	0.88		0.88
<u>Total Appropriations Within "CAPS"</u>	<u>1,207,777.48</u>	<u>3,452,265.21</u>	<u>4,660,042.69</u>	<u>2,505,933.50</u>	<u>2,154,109.19</u>

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2016

	Balance Dec. 31, 2015		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
<u>Other Operations</u>					
Interlocal Nursing Services - Verona					
Salaries and Wages	\$ 3,000.00	\$ 25,049.50	\$ 28,049.50	\$ 2,090.50	\$ 25,959.00
 Total Appropriations Excluded from "CAPS"	<u>3,000.00</u>	<u>25,049.50</u>	<u>28,049.50</u>	<u>2,090.50</u>	<u>25,959.00</u>
 Total	<u>\$ 1,210,777.48</u>	<u>\$ 3,477,314.71</u>	<u>\$ 4,688,092.19</u>	<u>\$ 2,508,024.00</u>	<u>\$ 2,180,068.19</u>
	<u>Ref.</u> A	A		Below	A-1
			<u>Ref.</u>		
		Cash Disbursements	A-4	\$ 1,851,296.34	
		Accounts Payable	A-23	<u>656,727.66</u>	
			Above	<u>\$ 2,508,024.00</u>	

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See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

DUE TO STATE OF NEW JERSEY  
YEAR ENDED DECEMBER 31, 2016

A-21

	<u>Ref.</u>	<u>Total</u>	<u>Construction Training Fees</u>	<u>Marriage Surcharge Fees</u>
Balance, December 31, 2015	A	\$ 16,550.00	\$ 15,510.00	\$ 1,040.00
Increased by:				
Collections	A-4	86,270.00	81,670.00	4,600.00
		<u>102,820.00</u>	<u>97,180.00</u>	<u>5,640.00</u>
Decreased by:				
Payments	A-4	84,198.00	79,598.00	4,600.00
Balance, December 31, 2016	A	<u>\$ 18,622.00</u>	<u>\$ 17,582.00</u>	<u>\$ 1,040.00</u>

See accompanying notes to financial statements.



TOWNSHIP OF MONTCLAIR  
CURRENT FUND

RESERVE FOR REVALUATION  
YEAR ENDED DECEMBER 31, 2016

A-22

	<u>Ref.</u>	
Increased by:		
Budget Appropriations	A-3	<u>\$ 1,000,000.00</u>
Balance, December 31, 2016	A	<u>\$ 1,000,000.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

ACCOUNTS PAYABLE  
YEAR ENDED DECEMBER 31, 2016

A-23

	<u>Ref.</u>		
Balance, December 31, 2015	A		\$ 66,794.15
Increased by:			
Due County of Essex	A-2b	\$ 117,888.01	
Commitments:			
Transfer from Appropriations Reserves	A-20	<u>656,727.66</u>	
			<u>774,615.67</u>
Balance, December 31, 2016	A		<u>\$ 841,409.82</u>
 <u>Analysis of Balance</u>			
PILOT - Due to County of Essex			\$ 184,682.16
Retroactive Salaries			<u>656,727.66</u>
			<u>\$ 841,409.82</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

PAYMENTS IN LIEU OF TAXES - OVERPAYMENTS  
YEAR ENDED DECEMBER 31, 2016

A-24

	<u>Ref.</u>	
Balance, December 31, 2015	A	\$ 6,184.14
Increased by:		
Cash Receipts	A-5	12,615.67
		<u>18,799.81</u>
Decreased by:		
Applied to Revenue Accounts Receivable	A-15	6,184.14
		<u>6,184.14</u>
Balance, December 31, 2016	A	<u>\$ 12,615.67</u>

TAX OVERPAYMENTS  
YEAR ENDED DECEMBER 31, 2016

A-25

Balance, December 31, 2015	A		\$ 1,192,261.85
Increased by:			
Cash Receipts	A-5	\$ 460,473.77	
State Tax Court Judgements	A-1	<u>386,154.18</u>	
			<u>846,627.95</u>
			2,038,889.80
Decreased by:			
Refunds	A-4	759,995.24	
Applied to Prepaid Taxes	A-32	28,177.48	
Applied to Taxes Receivable	A-10	<u>39,595.73</u>	
			<u>827,768.45</u>
Balance, December 31, 2016	A		<u>\$ 1,211,121.35</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

INTERFUNDS PAYABLE  
YEAR ENDED DECEMBER 31, 2016

A-26

	Ref.	Total	Federal and State Grant Fund	Assessment Trust Fund	General Trust Fund	General Capital Fund	Water Utility Operating Fund
Balance, December 31, 2015	A	\$ 1,229,178.11	\$ 980,991.57	\$ 53,995.95	\$ 98,700.56	\$ 9,527.22	\$ 85,962.81
Increased by:							
Budget Appropriation	A-3	709,571.80	709,571.80				
Capital Note Payable	A-31	178,000.00				178,000.00	
Advances	A-4	425,641.24	359,686.24		65,955.00		
		<u>1,313,213.04</u>	<u>1,069,258.04</u>		<u>65,955.00</u>	<u>178,000.00</u>	
		<u>2,542,391.15</u>	<u>2,050,249.61</u>	<u>53,995.95</u>	<u>164,655.56</u>	<u>187,527.22</u>	<u>85,962.81</u>
Decreased by:							
Settlements	A-4	702,796.58	436,119.52	53,995.95	117,191.08	9,527.22	85,962.81
Revenue Accounts Receivable	A-15	11,350.24				11,350.24	
Revenues Anticipated	A-2a	616,544.57	616,544.57				
		<u>1,330,691.39</u>	<u>1,052,664.09</u>	<u>53,995.95</u>	<u>117,191.08</u>	<u>20,877.46</u>	<u>85,962.81</u>
Balance, December 31, 2016	A	<u>\$ 1,211,699.76</u>	<u>\$ 997,585.52</u>	<u>\$</u>	<u>\$ 47,464.48</u>	<u>\$ 166,649.76</u>	<u>\$</u>

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TOWNSHIP OF MONTCLAIR  
CURRENT FUND

INTERFUND PAYABLE  
FEDERAL AND STATE GRANT FUND  
YEAR ENDED DECEMBER 31, 2016

A-27

	<u>Ref.</u>	<u>General Trust Fund</u>
Balance, December 31, 2015	A	\$ 131,526.35
Decreased by:		
Settlement of Interfund through Current Fund	A-18	<u>131,526.35</u>
Balance, December 31, 2016		<u><u>\$</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

COUNTY TAXES  
YEAR ENDED DECEMBER 31, 2016

A-28

	<u>Ref.</u>		
Balance, December 31, 2015	A		\$ 76,879.41
Increased by:			
Tax Levy		\$ 34,378,736.79	
Open Space		1,026,905.44	
Added and Omitted		<u>239,422.43</u>	
	A-1, A-2c, A-10		<u>35,645,064.66</u>
			<u>35,721,944.07</u>
Decreased by:			
Payments	A-4		<u>35,482,521.65</u>
Balance, December 31, 2016	A		<u><u>\$ 239,422.42</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

LOCAL SCHOOL DISTRICT TAX  
YEAR ENDED DECEMBER 31, 2016

A-29

	<u>Ref.</u>	
Balance, December 31, 2015	Below	\$ 4,097,155.00
Increased by:		
Levy - School Year July 1, 2016 to June 30, 2017	A-1, A-2c, A-10	109,921,598.00
		<u>114,018,753.00</u>
Decreased by:		
Payments	A-4	<u>107,812,803.00</u>
Balance, December 31, 2016		
Deferred School Tax	Below	\$ 48,754,849.00
School Tax Payable	A	<u>6,205,950.00</u>
		<u>\$ 54,960,799.00</u>
<u>Analysis of Deferred School Tax</u>		
Deferred School Tax December 31, 2016	Above	\$ 48,754,849.00
Deferred School Tax December 31, 2015	Above	<u>48,754,849.00</u>
		<u>\$</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

SPECIAL IMPROVEMENT DISTRICT TAXES PAYABLE  
YEAR ENDED DECEMBER 31, 2016

A-30

	<u>Ref.</u>	
Balance, December 31, 2015	A	\$ 641.96
Increased by:		
2016 Tax Levy	A-1, A-2c, A-10	<u>547,928.00</u>
		548,569.96
Decreased by:		
Payments	A-4	<u>371,261.99</u>
Balance, December 31, 2016	A	<u>\$ 177,307.97</u>

See accompanying notes to financial statements.



TOWNSHIP OF MONTCLAIR  
CURRENT FUND

A-31

NOTE PAYABLE  
YEAR ENDED DECEMBER 31, 2016

	<u>Ref.</u>	
Balance, December 31, 2015	A	\$ 178,000.00
Increased by:		
Cash Receipts	A-4	<u>1,000,000.00</u>
		1,178,000.00
Decreased by:		
Interfund Payable	A-26	<u>178,000.00</u>
Balance, December 31, 2016	A	<u><u>\$ 1,000,000.00</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

PREPAID TAXES  
YEAR ENDED DECEMBER 31, 2016

A-32

	<u>Ref.</u>		
Balance, December 31, 2015	A		\$ 1,035,632.23
Increased by:			
Cash Receipts	A-5	\$ 1,111,729.73	
Transfer from Tax Overpayments	A-25	<u>28,177.48</u>	
			<u>1,139,907.21</u>
			<u>2,175,539.44</u>
Decreased by:			
Applied to Taxes Receivable	A-10		<u>1,035,632.00</u>
Balance, December 31, 2016	A		<u><u>\$ 1,139,907.44</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

DUE TO ESSEX COUNTY  
FEDERAL AND STATE GRANT FUND  
YEAR ENDED DECEMBER 31, 2016

A-33

	<u>Ref.</u>	
Balance, December 31, 2015	A	<u>\$ 86,975.50</u>
Balance, December 31, 2016	A	<u><u>\$ 86,975.50</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
FEDERAL AND STATE GRANT FUND

APPROPRIATED RESERVES  
YEAR ENDED DECEMBER 31, 2016

A-34  
Sheet #1

	Balance Dec. 31, 2015	Transferred from Budget Appropriation	Added by NJSA 40A-4-87	Expended Cash Disbursements	Canceled	Balance Dec. 31, 2016
<b>Grants</b>						
Clean Communities Program:						
2014	\$ 59,671.51			\$ 59,671.51		\$
2016			82,923.93			82,923.93
Historic Trust - Watchung Plaza	6,928.00					6,928.00
Historic Preservation Grant		23,500.00		23,500.00		
Safe and Secure Communities	68,975.00					68,975.00
Nonpublic School Nursing:						
2014	103,998.43					103,998.43
Prior years	33,037.89					33,037.89
Body Armor Replacement Fund:						
2013	992.00					992.00
2014	10,083.54			7,936.00		2,147.54
2015	9,592.97					9,592.97
2016		6,678.65				6,678.65
Edward Byrne Juvenile Assistance Program	16,254.00			409.06		15,844.94
Enforcement Fund:						
2016			1,148.20			1,148.20
2015	1,709.06					1,709.06
2014	1,772.40					1,772.40
Prior Years	10,286.30			2,650.00		7,636.30
Drunk Driving Enforcement Fund	10,262.75			7,819.76		2,442.99
Essex County Division on Aging:						
Citizen Services 2015	7,280.00					7,280.00
N.J. Highway Traffic Safety:						
Bicycle Safety Grant	1,040.00			800.00		240.00
Bicycle Safety Grant-2016			11,000.00	9,800.00		1,200.00
Click It or Ticket	6,050.00					6,050.00
Click It or Ticket 2016(5-316 thru 6-5-16)			5,000.00	3,750.00		1,250.00
Pedestrian Safety Education 2010	2,725.00					2,725.00
Pedestrian Safety Education 2016-17		4,000.00	12,000.00			16,000.00
Pedestrian Safety Education 2015-16			16,000.00	13,700.00		2,300.00
Drive Sober or Get Pulled Over - 2012 &13	18,200.00					18,200.00
Drive Sober or Get Pulled Over - 2014	13,400.00					13,400.00
Drive Sober or Get Pulled Over - 2015	5,000.00					5,000.00
Drive Sober or Get Pulled Over - Labor Day 2016			5,000.00	3,200.00		1,800.00
Cops in Shops	3,600.00					3,600.00
Pedestrian Safety Grant	3,001.50					3,001.50
Pedestrian Safety Grant	5,291.00					5,291.00
Pedestrian Safety Grant	6,850.00					6,850.00
Essex County - Hurricane Sandy	31,946.00					31,946.00
Safe Routes to School Program:						
2007	313,890.00					313,890.00
Police	9,220.00			800.00		8,420.00
Engineer	22,752.00					22,752.00
State of N.J. Tobacco Control	5,940.00					5,940.00

TOWNSHIP OF MONTCLAIR  
FEDERAL AND STATE GRANT FUND

APPROPRIATED RESERVES  
YEAR ENDED DECEMBER 31, 2016

A-34  
Sheet #2

	Balance Dec. 31, 2015	Transferred from Budget Appropriation	Added by NJSA 40A-4-87	<u>Expended</u> Cash Disbursements	Canceled	Balance Dec. 31, 2016
FEMA - Assistance to Firefighter:						
2004	\$ 19,300.10					\$ 19,300.10
2005	571.84					571.84
2008	13,365.07					13,365.07
2010	25,508.87					25,508.87
Other	9,500.00					9,500.00
Department of Environmental Protection:						
Climate Showcase Communities Grant:						
2010	17,582.78				17,582.78	
U.S. Department of Energy:						
Energy Efficiency and Conservation Block Grant:						
2010	4,270.63					4,270.63
Bulletproof Vest Partnership Grant:						
2015	9,899.00					9,899.00
2015 A		8,233.11				8,233.11
2016		9,592.97				9,592.97
Historic Preservation	2,560.00					2,560.00
Safe and Secure	60,000.00					60,000.00
NJEDA - Hazardous Discharge	70,986.35	30,620.01	38,790.00	13,077.48		127,318.88
DOT - Transit Village	15,646.12					15,646.12
Essex Cty. PARIS - Police Records	2,500.00					2,500.00
National Association of County Health Officers						
2014	2,844.39			229.10		2,615.29
2013	2,559.84					2,559.84
2011	3,371.56			268.08		3,103.48
Fire Incentive Grant	1,000.00					1,000.00
Emergency Preparedness Grant - 2009	791.75			189.10		602.65
Mountainside Health Foundation:						
2010	4,946.25					4,946.25
Historic Preservation	524.22					524.22
Cable Communication Grant	10,288.53					10,288.53
Police Donation	250.00					250.00
Partners for Health	5,000.00			981.09		4,018.91
Partners for Health	39,925.95			31,875.98		8,049.97
Partners for Health - 2014 & snow buddies	2,113.27			1,200.00		913.27
Partners for Health - Senior MMA* Seniors in Transit	9,320.21			9,320.21		
News and Views	774.76					774.76
Citizen Services Grant 2015		7,281.00				7,281.00
Citizen Services Grant 2016		14,560.00				14,560.00
USDA Mobile Farm Stand Grant		22,831.00		22,831.00		
USDA Mobile Farm Stand Grant-Match		8,000.00		7,735.00		265.00
Shop Rite-Senior Shuttle Grant		2,000.00		1,993.00		7.00
FDA funding for Belleville, Nutley grant		15,096.97		15,096.97		
Eat Healthy Grant		10,000.00		6,693.17		3,306.83
Albert Terhune		2,250.00				2,250.00

TOWNSHIP OF MONTCLAIR  
FEDERAL AND STATE GRANT FUND

APPROPRIATED RESERVES  
YEAR ENDED DECEMBER 31, 2016

A-34  
Sheet #3

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Transferred</u> <u>from Budget</u> <u>Appropriation</u>	<u>Added by</u> <u>NJSA 40A-4-87</u>	<u>Expended</u> <u>Cash</u> <u>Disbursements</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
MCIA	\$	\$ 49,000.00	\$ 24,500.00	\$ 47,269.74	\$	\$ 26,230.26
Matching Funds - MCIA		15,000.00				15,000.00
Div of Aging - Health Officer Grant		3,500.00				3,500.00
Comcast grant		5,000.00				5,000.00
Generator Grant		192,000.00				192,000.00
Matching Funds - Generator grant		43,000.00				43,000.00
Local Food Promotion grant		20,846.73		7,742.82		13,103.91
Seniorama			4,732.00	1,398.46		3,333.54
ANJEC			1,500.00	1,205.64		294.36
Essex County Local arts grant			1,520.00	1,450.00		70.00
	<u>\$ 1,125,150.84</u>	<u>\$ 492,990.44</u>	<u>\$ 204,114.13</u>	<u>\$ 304,593.17</u>	<u>\$ 17,582.78</u>	<u>\$ 1,500,079.46</u>
<u>Ref.</u>	A	A-18	A-18	A-18	A-16	A

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
CURRENT FUND

ACCUMULATED REVENUE UNAPPROPRIATED  
YEAR ENDED DECEMBER 31, 2016

A-35

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
<b><u>Current Fund</u></b>				
Proceeds from Sale of Municipal Assets	\$ 853,569.38	\$	\$	\$ 853,569.38
<u>Ref.</u>	A			A
<b><u>Federal and State Grant Fund</u></b>				
Local Food Promotion Grants	\$ 20,846.73	\$ 5,773.88	\$ 20,846.73	\$ 5,773.88
Division on Aging - Citizens Services	3,640.00		3,640.00	
Division on Aging - Health Officer	3,500.00		3,500.00	
Comcast	5,000.00		5,000.00	
MCIA		186.20		186.20
Bullet Proof Vest Program	9,592.97		9,592.97	
Drive Sober or Get Pulled over		5,000.00		5,000.00
Shop Rite Senior Shuttle		423.00		423.00
Donation - Albert Payson Terhune	2,550.00		2,250.00	300.00
Body Amor Grant	6,678.65	9,081.25	6,678.65	9,081.25
Pedestrian Safety	4,000.00		4,000.00	
Comcast Grant		5,000.00		5,000.00
Lifelong Montclair - Marketing Intern		5,000.00		5,000.00
Partners in Health - Visiting Nurse		10,920.00		10,920.00
	<u>\$ 55,808.35</u>	<u>\$ 41,384.33</u>	<u>\$ 55,508.35</u>	<u>\$ 41,684.33</u>
<u>Ref.</u>	A	A-18	A-16	A

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
TRUST FUNDS

CASH RECEIPTS AND DISBURSEMENTS - TREASURER  
YEAR ENDED DECEMBER 31, 2016

B-2

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>	<u>General Trust Fund</u>	<u>Payroll Account</u>
Balance, December 31, 2015	B	\$ 70,505.24	\$ 4,921,803.61	\$ 2,169,797.21
Increased by:				
Budget Appropriation	B-6	\$	\$ 50,855.00	\$
Interfunds Receivable	B-8		285,544.65	
Accounts Receivable	B-10		13,234.63	
Various Reserves and Deposits	B-11		9,075,874.07	
Section 8 Voucher Program	B-15		3,402,702.44	
Prepaid Revenue	B-16		239,460.00	
State Registration Fees	B-9	1,807.20		
Interfunds Payable	B-12		65,955.00	
Donations for Animal Shelter	B-17	43,716.25		
Collection of Animal Control Fees	B-19	15,120.80		
Payroll Accounts	B-18			38,844,906.08
Flexible Spending Transfers	B-20			93,164.50
State Unemployment Compensation Insurance	B-21		10,510.34	
		<u>60,644.25</u>	<u>13,144,136.13</u>	<u>38,938,070.58</u>
		131,149.49	18,065,939.74	41,107,867.79
Decreased by:				
Payments to State	B-9	1,798.80		
Various Reserves and Deposits	B-11		7,746,364.02	
Interfunds Payable	B-12	2,503.00		
Section 8 Voucher Program	B-15		3,237,198.41	
Animal Shelter Expenditures	B-17	21,270.96		
Payroll Deductions and Other Payments	B-18			40,482,696.14
Flexible Spending Payments	B-20			52,894.78
Expenditures Under R.S. 4:19-15.11	B-19	8,176.05		
		<u>33,748.81</u>	<u>10,983,562.43</u>	<u>40,535,590.92</u>
Balance, December 31, 2016	B	<u>\$ 97,400.68</u>	<u>\$ 7,082,377.31</u>	<u>\$ 572,276.87</u>

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TOWNSHIP OF MONTCLAIR  
TRUST FUNDS

ANALYSIS OF ASSESSMENT CASH AND INVESTMENTS  
YEAR ENDED DECEMBER 31, 2016 AND 2015

B-3

	<u>Balance</u> <u>December 31, 2015</u>	<u>Balance</u> <u>December 31, 2016</u>
<u>General Accounts</u>		
Fund Balance	\$ 8,441.90	\$ 8,757.15
Current Fund Interfund	(53,995.95)	
General Trust Fund Interfund	(8,757.15)	(8,757.15)
General Capital Fund Interfund	54,311.20	
	<u>\$</u>	<u>\$</u>

TOWNSHIP OF MONTCLAIR  
TRUST FUNDS

ASSESSMENTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2016 AND 2015

B-4

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Date of Confirmation</u>	<u>Annual Installments</u>	<u>Due Dates</u>	<u>Balance December 31, 2015</u>		<u>Balance December 31, 2016</u>	
					<u>Pledged</u>	<u>Unpledged</u>	<u>Pledged</u>	<u>Unpledged</u>
02-41	Resurfacing and Curbing of Briar Hill Road	7-01-04	10		<u>\$</u>	<u>\$ 10.65</u>	<u>\$</u>	<u>\$ 10.65</u>
				<u>Ref.</u>		B		B

TOWNSHIP OF MONTCLAIR  
TRUST FUNDS

DUE FROM MONTCLAIR HOUSING AGENCY  
YEAR ENDED DECEMBER 31, 2016

B-5

	<u>Ref.</u>	
Balance, December 31, 2015 and December 31, 2016	B	<u>\$ 33,480.85</u>

DEFERRED CHARGES  
GENERAL TRUST FUND  
YEAR ENDED DECEMBER 31, 2016

B-6

	<u>Ref.</u>	
Balance, December 31, 2015	B	\$ 86,073.62
Decreased by:		
Budget Appropriation	B-2	<u>50,855.00</u>
Balance, December 31, 2016	B	<u>\$ 35,218.62</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
TRUST FUNDS

COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2016

B-7

<u>Program Year</u>	<u>Description</u>	<u>Balance Dec. 31, 2015</u>	<u>2016 Grants</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2016</u>
2016	Willowdale Avenue Reconstruction	\$	\$ 143,825.00	\$	\$ 143,825.00
2015	Orange Road West Streetscape	155,650.00			155,650.00
2015	Shelter Improvements - Edgemont Park	9,000.00			9,000.00
2014	Glenridge Avenue Streetscape Phase II	45,298.86		45,298.86	-
		<u>\$ 209,948.86</u>	<u>\$ 143,825.00</u>	<u>\$ 45,298.86</u>	<u>\$ 308,475.00</u>
	<u>Ref.</u>	B	B-14	B-14	B

TOWNSHIP OF MONTCLAIR  
TRUST FUNDS

INTERFUNDS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2016

B-8

	Ref.	Assessment Trust Fund			General Trust Fund					
		Total Assessment Trust Fund	Current Fund	General Trust Fund	Total General Trust Fund	General Capital Fund	Current Fund	Federal and State Grant Fund	Animal Control Trust Fund	Payroll Fund
Balance, December 31, 2015	B	\$ 62,753.10	\$ 53,995.95	\$ 8,757.15	\$ 333,009.13	\$ 60,739.65	\$ 98,700.56	\$ 131,526.35	\$ 2,500.00	\$ 39,542.57
Decreased by:										
Settlements	B-2				285,544.65	60,739.65	51,236.08	131,526.35	2,500.00	39,542.57
Lien Collections held in Trust Fund	B-1	53,995.95	53,995.95		-					
Balance, December 31, 2016	B	<u>\$ 8,757.15</u>	<u>\$ -</u>	<u>\$ 8,757.15</u>	<u>\$ 47,464.48</u>	<u>\$ -</u>	<u>\$ 47,464.48</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF MONTCLAIR  
TRUSTS FUNDS

B-9

DUE TO STATE OF NEW JERSEY  
YEAR ENDED DECEMBER 31, 2016

	<u>Ref.</u>		
Increased by:			
Registration Fees		\$ 1,276.00	
Pilot Clinic Fund Fees		255.20	
Population Control Fees		276.00	
	B-2	1,807.20	1,807.20
Decreased by:			
Payments	B-2	1,798.80	
Transfer to Reserve	B-19	6.00	
		1,804.80	1,804.80
Balance, December 31, 2016	B		\$ 2.40

ACCOUNTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2016

B-10

	<u>Ref.</u>		
Increased by:			
Special Deposits	B-11		\$ 18,490.52
Decreased by:			
Cash Receipts	B-2		13,234.63
Balance, December 31, 2016	B		\$ 5,255.89

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
GENERAL TRUST FUND

SPECIAL DEPOSITS  
YEAR ENDED DECEMBER 31, 2016

B-11

	Balance Dec. 31, 2015	Receipts	Disbursements	Adjustment	Balance Dec. 31, 2016
Recycling Program	\$	\$ 1,497,767.32	\$ 1,245,925.68	\$	\$ 251,841.64
Railroad Station Projects	243,709.69	39,600.00	14,260.84		269,048.85
Recreation	74,953.75	65,990.00	66,106.23		74,837.52
Parking Adjudication Fines	144,756.31	29,964.00	1,691.62		173,028.69
D.A.R.E. Donations	3,147.13				3,147.13
Uniform Fire Safety Act	72,260.01	51,069.00	38,790.02		84,538.99
Child Fire Safety	4,320.44				4,320.44
Police Off-Duty	326.47	1,567,521.07	1,463,263.28		104,584.26
Police Off-Duty - Administrative Fee		150,528.61	150,138.61		390.00
Firemen Off-Duty	11,005.57	1,238.00			12,243.57
Firemen Off-Duty - Adm Fee		24.00			24.00
Reserve for First Nite	9,759.94	550.00			10,309.94
Developers' Escrow	29,993.30	1.43			29,994.73
Performance Bonds	8,881.18				8,881.18
Planning Escrow Deposits	289,938.49	115,836.54	145,773.22		260,001.81
Inspection Escrow Deposits	77,680.84				77,680.84
Payment in Lieu of Bonds	10,479.20				10,479.20
CDBG - Subrecipients - Contra		135,812.50	115,812.50		20,000.00
Rental Security:					
Walnut Street	3,150.00				3,150.00
Bellevue Avenue	9,000.00				9,000.00
Mountain Avenue	1,000.00				1,000.00
Fire - Right-to-Know	595.00				595.00
LEA - Penalty Account	38,179.03	2,694.00			40,873.03
Snow Removal	343,583.22	397,942.35	4,900.00		736,625.57
Collector's Redemption Account	211,892.65	2,662,069.73	2,475,303.90	18,490.52	417,149.00
Public Defender Application Fees	1,249.50	52,935.00	46,250.00		7,934.50
Reserve for 4th of July	936.00	100.00	1,004.00		32.00
Contribution - Public Memorials	600.00				600.00
Other	3,610.00	40.00	2,749.60		900.40
Edgemont Memorial	1,299.64		1,299.64		
Edgemont Playground	2,068.20		2,068.20		
Various Self-Insurances	31,724.44			(5,033.75)	26,690.69
Health Program	131,287.35	395.00	3,300.75		128,381.60
Forfeited Assets	31,389.44	8,044.78			39,434.22
Cultural Affairs	3,000.00				3,000.00
Voucher Program- COAH	457,627.59	91,650.74	203,525.93		345,752.40
Crime Prevention	100.00		100.00		
Accumulated Absences	430,034.35	450,000.00	350,000.00		530,034.35
Premium on Tax Sales	2,391,000.00	1,754,100.00	1,414,100.00		2,731,000.00
Municipal Alliance Contribution	2,100.00				2,100.00
	<u>\$ 5,076,638.73</u>	<u>\$ 9,075,874.07</u>	<u>\$ 7,746,364.02</u>	<u>\$ 13,456.77</u>	<u>\$ 6,419,605.55</u>

Ref.

B

B-2

B-2

Below

B

Ref.

Due to State Unemploy-  
ment Account

B-21

\$ (5,033.75)

Account Receivable

B-8

18,490.52

\$ 13,456.77

TOWNSHIP OF MONTCLAIR  
TRUSTS FUNDS

INTERFUNDS PAYABLE  
YEAR ENDED DECEMBER 31, 2016

B-12

	Ref.	Assessment	Total	Animal Control Trust Fund		General Trust Fund			
		Trust Fund General Capital Fund	Animal Control Trust Fund	Current Fund	General Trust Fund	Total General Trust Fund	General Capital Fund	Current Fund	Assessment Trust Fund
Balance, December 31, 2015	B	\$ 54,311.20	\$ 2,503.00	\$ 3.00	\$ 2,500.00	\$ 8,757.15	\$	\$	\$ 8,757.15
Increased by:									
Cash Receipts	B-2					65,955.00	65,955.00		
Claims Paid thru Current Fund	B-21					76,823.17		76,823.17	
		54,311.20	2,503.00	3.00	2,500.00	151,535.32	65,955.00	76,823.17	8,757.15
Decreased by:									
Settlements	B-2		2,503.00	3.00	2,500.00				
Fund Balance	B-1	54,311.20							
Balance, December 31, 2016	B	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 151,535.32</u>	<u>\$ 65,955.00</u>	<u>\$ 76,823.17</u>	<u>\$ 8,757.15</u>

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TOWNSHIP OF MONTCLAIR  
TRUST FUNDS

RESERVE FOR ASSESSMENTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2016

B-13

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2015 Unpledged</u>	<u>Applied to Fund Balance</u>	<u>Balance Dec. 31, 2016 Unpledged</u>
02-41	Resurfacing and Curbing of Briar Hill Road	\$ 10.65	\$	\$ 10.65
		<u>Ref.</u> <u>B</u>		<u>B</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
TRUST FUNDS

RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT EXPENDITURES  
YEAR ENDED DECEMBER 31, 2016

B-14

<u>Program Year</u>	<u>Analysis of Balance</u>	<u>Balance Dec. 31, 2015</u>	<u>2016 Grants</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2016</u>
2016	Willowdale Avenue Reconstruction	\$	\$ 143,825.00		\$ 143,825.00
2015	Orange Road West - Streetscape	155,650.00			155,650.00
2015	Shelter Improvements - Edgemont Park	9,000.00			9,000.00
2014	Glenridge Avenue Streetscape Phase III	45,298.86		45,298.86	
		<u>\$ 209,948.86</u>	<u>\$ 143,825.00</u>	<u>\$ 45,298.86</u>	<u>\$ 308,475.00</u>
	<u>Ref.</u>	B	B-7	B-7	B

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TOWNSHIP OF MONTCLAIR  
TRUST FUNDS

RESERVE FOR SECTION 8 VOUCHER PROGRAM  
YEAR ENDED DECEMBER 31, 2016

B-15

	<u>Ref.</u>		
Balance, December 31, 2015	B		\$ 227,692.25
Increased by:			
Housing and Urban Development Assistance:			
Cash Received		\$ 3,129,526.00	
Interest Earned		1,133.35	
Recovery of Funds		1,155.00	
Payments Received from Other Municipalities and Other Sources		<u>270,888.09</u>	
	B-2		<u>3,402,702.44</u>
			<u>3,630,394.69</u>
Decreased by:			
Housing Assistance Payments - Includes			
HAP Portability-In		3,018,084.00	
Administrative Expenses		221,065.64	
Adjustment		<u>(1,951.23)</u>	
	B-2		<u>3,237,198.41</u>
Accounts Payable - Administrative	B	<u>12,510.00</u>	
			<u>3,249,708.41</u>
Balance, December 31, 2016	B		<u>\$ 380,686.28</u>

PREPAID RVENUE - SECTION 8  
YEAR ENDED DECEMBER 31, 2016

B-16

	<u>Ref.</u>		
Increased by:			
Cash Receipts	B-2		<u>\$ 239,460.00</u>
Balance, December 31, 2016	B		<u>\$ 239,460.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
TRUST FUNDS

RESERVE FOR ANIMAL SHELTER EXPENDITURES  
YEAR ENDED DECEMBER 31, 2016

B-17

	<u>Ref.</u>	
Balance, December 31, 2015	B	\$ 29,373.39
Increased by:		
Donations	B-2	43,716.25
		<u>73,089.64</u>
Decreased by:		
Expenditures	B-2	21,270.96
		<u>21,270.96</u>
Balance, December 31, 2016	B	<u>\$ 51,818.68</u>

ANALYSIS OF PAYROLL ACTIVITY  
YEAR ENDED DECEMBER 31, 2016

B-18

	<u>Ref.</u>	
Balance, December 31, 2015	B	\$ 2,169,797.21
Increased by:		
Gross Payroll		\$ 37,541,630.99
Employer FICA Contribution		1,300,596.28
Interest Earned		2,678.81
	B-2	<u>38,844,906.08</u>
		<u>41,014,703.29</u>
Decreased by:		
Cash Disbursements	B-2	40,482,696.14
		<u>40,482,696.14</u>
Balance, December 31, 2016	B	<u>\$ 532,007.15</u>
 <u>Analysis of Balance</u>		
Public Employees Retirement System		\$ 135,934.87
Police and Fire Retirement System		351,774.16
Deferred Contribution Retirement		4,602.69
State Unemployment Insurance		27,241.32
Other		12,454.11
		<u>12,454.11</u>
		<u>\$ 532,007.15</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
TRUST FUNDS

RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES  
YEAR ENDED DECEMBER 31, 2016

B-19

	<u>Ref.</u>	
Balance, December 31, 2015	B	\$ 38,628.85
Increased by:		
Dog License Fees Collected	B-2	\$ 13,780.80
Late Fees and Replacement Fees	B-2	1,340.00
Unidentified	B-9	6.00
	B-2	<u>15,126.80</u>
		<u>53,755.65</u>
Decreased by:		
Expenditures Under R.S. 4:19-15.11	B-2	<u>8,176.05</u>
Balance, December 31, 2016	B	<u><u>\$ 45,579.60</u></u>

FLEXIBLE SPENDING ACCOUNT  
YEAR ENDED DECEMBER 31, 2016

B-20

	<u>Ref.</u>	
Increased by:		
Transferred from Payroll Agency Account	B-2	\$ 93,164.50
Decreased by:		
Cash Disbursements	B-2	<u>52,894.78</u>
Balance, December 31, 2016	B	<u><u>\$ 40,269.72</u></u>

TOWNSHIP OF MONTCLAIR  
TRUST FUNDS

RESERVE FOR STATE UNEMPLOYMENT TRUST FUND EXPENDITURES  
YEAR ENDED DECEMBER 31, 2016

B-21

	<u>Ref.</u>		
Balance, December 31, 2015	B		\$ 61,279.08
Increased by:			
Interest Earned	B-2	\$ 52.91	
Reimbursement	B-2	10,457.43	
Due from Special Deposits	B-11	<u>5,033.75</u>	
			<u>15,544.09</u>
			76,823.17
Decreased by:			
Unemployment Claims Payable	B-12		<u>76,823.17</u>
Balance, December 31, 2016			<u><u>\$</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS  
YEAR ENDED DECEMBER 31, 2016

C-2

	<u>Ref.</u>		
Balance, December 31, 2015	C		\$ 6,756,605.23
Increased by Receipts:			
Premium on Sale of Notes and Bonds	C-1	\$ 397,555.36	
Grants Receivable	C-4	377,485.80	
Interfunds Receivable	C-7	122,558.44	
Capital Improvement Fund	C-11	650,000.00	
Bond Anticipation Notes Issued	C-17	<u>24,939,200.00</u>	
			<u>26,486,799.60</u>
			<u>33,243,404.83</u>
Increased by Disbursements:			
Revenue Realized in Current Fund	C-1	700,000.00	
Interfunds Payable	C-12	72,496.45	
Reserve to Pay Debt Service	C-16	1,100,000.00	
Improvement Authorizations	C-10	9,116,679.45	
Bond Anticipation Notes Redeemed	C-17	<u>17,060,719.00</u>	
			<u>28,049,894.90</u>
Balance, December 31, 2016	C		<u>\$ 5,193,509.93</u>

See accompanying notes to financial statements.

**TOWNSHIP OF MONTCLAIR  
GENERAL CAPITAL FUND**

**ANALYSIS OF CASH  
YEAR ENDED DECEMBER 31, 2016**

	Receipts			Disbursements			Transfers		Balance December 31, 2016
	Balance December 31, 2015	Bond Anticipation Notes	Other	Improvement Authorizations	Bond Anticipation Notes	Other	From	To	
<b>Improvement Authorizations</b>									
General Improvements:									
#02-11	\$	\$ 95,775.00	\$	\$	\$ 95,775.00	\$	\$		
#03-08		102,144.00			102,144.00				
#04-46	367.85			95.70			272.15		
#04-49	(14,298.72)	117,957.00			117,957.00				(14,298.72)
#05-15	(1,637.09)								(1,637.09)
#05-37	(469.49)								(469.49)
#06-37	468,651.70			58,470.85			401,951.72		8,229.13
#06-78	(1,019.36)								(1,019.36)
#07-06	(138,351.79)	138,352.00							0.21
#07-19	(287,885.89)								(287,885.89)
#08-43	(40,933.12)	23,934.00							(16,999.12)
#08-44	(152,694.47)	152,695.00							0.53
#09-11	(24,545.62)	20,221.00							(4,324.62)
#09-52b1	(100,611.00)								(100,611.00)
#10-12	16,829.62	40,264.00		6,181.62	62,000.00				(11,088.00)
#10-13	20,263.68	499,286.00			508,000.00				11,549.68
#10-70	(15,304.43)	179,013.00		44,223.83	168,152.00				(48,667.26)
#11-14	73,914.57						73,914.57		
#11-18	(2,881.60)	54,339.00		12,500.00	44,825.00				(5,867.60)
#11-19	215,291.18						215,291.18		
#11-20	303,622.19	252,343.00	211,327.80	11,326.25	448,274.00				307,692.74
#11-67	49,043.27						48,714.07		329.20
#11-72		1,446,200.00			1,446,200.00				
#12-26	(747.12)	507,000.00		7,106.90	507,000.00			60,609.00	52,754.98
#12-27	8,192.59	44,736.00			44,736.00				8,192.59
#12-31	(2,002.62)	323,041.00		2,250.00	317,740.00				1,048.38
#12-35	9,542.17			8,587.18					954.99
#12-36	(492.48)	503,000.00		102,296.94	420,000.00				(19,789.42)
#12-40	(2,898.22)	573,200.00		12,239.43	558,000.00				62.35
#12-41	53,920.85	640,000.00		45,536.08	640,000.00				8,384.77
#12-42	(93.36)	143,000.00			143,000.00				(93.36)
#13-18	310.33	97,700.00		21,048.77	80,000.00				(3,038.44)
#13-20	(786.90)	930,400.00			923,000.00				6,613.10
#13-31	38,912.26			38,777.53					134.73
#13-43	15,936.21			6,871.12					9,065.09
#13-49	979.33								979.33
#13-74	59,964.96			22,412.33					37,552.63
#14-03/14-34	157,601.85	346,000.00		23,140.10	346,000.00			65,955.00	200,416.75
#14-04	34,689.72	325,000.00		1,812.61	325,000.00				32,877.11
#14-05/14-27	(111,065.39)	3,377,700.00		8,437.14	3,325,000.00				(66,802.53)
#14-06	2,096.83			1,398.00					698.83
#14-09	(7,140.58)	429,200.00			422,000.00				59.42
#14-22	5,632.88								5,632.88
#14-23	124,845.08			53,063.59					71,781.49
#14-25	12,404.60	1,090,000.00		28,455.66	1,050,000.00				23,948.94
#14-26	48,082.15	417,700.00		102,569.36	360,000.00				3,212.79
#14-35	(147,091.30)	250,000.00							102,908.70
#14-36	(10,128.08)	6,300.00		7,924.15					(11,752.23)
#15-09	(282,490.13)	2,861,200.00	166,158.00	788,516.76	1,800,000.00				156,351.11
#15-35	1,788,105.47			897,954.03					890,151.44



TOWNSHIP OF MONTCLAIR  
GENERAL CAPITAL FUND

ANALYSIS OF CASH  
YEAR ENDED DECEMBER 31, 2016

	Receipts			Disbursements			Transfers		Balance December 31, 2016
	Balance December 31, 2015	Bond Anticipation Notes	Other	Improvement Authorizations	Bond Anticipation Notes	Other	From	To	
<b>Improvement Authorizations</b>									
<b>General Improvements (Continued):</b>									
#16-10	\$	\$ 4,096,500.00	\$	\$ 4,051,410.25	\$	\$	\$	\$ 293,644.00	\$ 338,733.75
#16-11				167,792.96				450,000.00	282,207.04
#16-32				63,560.85				150,217.60	88,656.75
<b>School Improvements:</b>									
#06-30	388,000.00	388,000.00		48,442.96	388,000.00				339,557.04
#07-26	538,000.00	538,000.00		8,470.00	538,000.00				529,530.00
#08-14	81,000.00	81,000.00		15,660.00	81,000.00				65,340.00
#09-20	82,000.00	82,000.00			82,000.00				82,000.00
#10-28	753,955.53			249,127.11					504,828.42
#11-41	(29,515.84)	156,131.00		51,809.41	325,000.00				(250,194.25)
#12-32	(122,869.43)	1,323,597.00		125,010.95	1,078,916.00				(3,199.38)
#13-17/13-67	(534,809.36)	973,345.00		125,985.30	313,000.00				(449.66)
#15-24	(167,617.82)	1,312,927.00		1,331,438.64					(186,129.46)
#16-12				564,775.09					(564,775.09)
<b>Other Accounts</b>									
Fund Balance	2,580,299.94		397,555.36			700,000.00	600,217.60	679,534.69	2,357,172.39
Capital Improvement Fund	90,965.83		650,000.00				293,644.00		447,321.83
Due from Improvement District	(15,000.00)								(15,000.00)
Cost of Issuance	14,494.04								14,494.04
Note Receivable	(178,000.00)							178,000.00	
General Trust Fund	60,739.65					60,739.65	65,955.00		(65,955.00)
Current Fund Interfund	(9,527.22)		20,877.46				178,000.00		(166,649.76)
Federal and State Grant Fund Interfund	11,756.80				11,756.80				
Assessment Trust Fund Interfund	(54,311.20)		54,311.20						
Water Capital Fund Interfund	(47,369.78)		47,369.78						
Reserve for Repayment of UDAG	26,955.51								26,955.51
Reserve for Debt Service	1,123,826.00					1,100,000.00			23,826.00
	<u>\$ 6,756,605.23</u>	<u>\$ 24,939,200.00</u>	<u>\$ 1,547,599.60</u>	<u>\$ 9,116,679.45</u>	<u>\$ 17,060,719.00</u>	<u>\$ 1,872,496.45</u>	<u>\$ 1,877,960.29</u>	<u>\$ 1,877,960.29</u>	<u>\$ 5,193,509.93</u>
Ref.	C								C

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See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
GENERAL CAPITAL FUND

GRANTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2016

C-4

Ordinance Number	Purpose	Balance December 31, 2015	Grants	Decrease	Balance December 31, 2016
<u>Federal Grants</u>					
County of Essex:					
Community Development Block					
Grants:					
12-17	Glenridge Avenue Streetscape - Phase II & III	\$ 45,298.86	\$	\$ 45,298.86	\$
<u>State Grants</u>					
New Jersey Dept. of Environmental Protection:					
Green Acres Program:					
11-20	Edgemont Pond	234,345.57		211,327.80	23,017.77
New Jersey Dept. of Transportation:					
15-09	Various Streets		221,544.00	166,158.00	55,386.00
14-03	Union Street Section 2	35,510.82		35,510.82	
		<u>\$ 315,155.25</u>	<u>\$ 221,544.00</u>	<u>\$ 458,295.48</u>	<u>\$ 78,403.77</u>
	<u>Ref.</u>	C	C-15	Below	C
			Ref.		
	Cash Receipts		C-2	\$ 377,485.80	
	Cancelled Against Reserve for Grants		C-15	45,298.86	
	Interfunds Receivable		C-7	35,510.82	
				<u>\$ 458,295.48</u>	

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
GENERAL CAPITAL FUND

DUE FROM IMPROVEMENT DISTRICT  
YEAR ENDED DECEMBER 31, 2016

C-6

	<u>Ref.</u>	
Balance, December 31, 2015	C	<u>\$ 15,000.00</u>
Balance, December 31, 2016	C	<u>\$ 15,000.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
GENERAL CAPITAL FUND

INTERFUNDS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2016

C-7

	<u>Ref.</u>	<u>Total</u>	<u>Current Fund</u>	<u>Assessment Trust Fund</u>	<u>General Trust Fund</u>	<u>Water Utility Capital Fund</u>
Balance, December 31, 2015	C	\$ 111,208.20	\$ 9,527.22	\$ 54,311.20	\$	\$ 47,369.78
Increased by:						
Grants Received:						
Applied to Grant Receiveable	C-4				35,510.82	
Applied to Deferred Charges - Unfunded	C-9				30,444.18	
Tax Appeal Note Received in Current Fund	C-5	178,000.00	178,000.00			
		<u>289,208.20</u>	<u>187,527.22</u>	<u>54,311.20</u>	<u>65,955.00</u>	<u>47,369.78</u>
Decreased by:						
Settlements	C-2	122,558.44	20,877.46	54,311.20		47,369.78
		<u>122,558.44</u>	<u>20,877.46</u>	<u>54,311.20</u>		<u>47,369.78</u>
Balance, December 31, 2016	C	<u>\$ 232,604.76</u>	<u>\$ 166,649.76</u>	<u>\$</u>	<u>\$ 65,955.00</u>	<u>\$</u>

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TOWNSHIP OF MONTCLAIR  
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - FUNDED  
YEAR ENDED DECEMBER 31, 2016

C-8

	<u>Ref.</u>		
Balance, December 31, 2015	C		\$ 122,184,697.71
Increased by:			
Refunded Bonds:			
School Issue	C-21	\$ 14,840,000.00	
General Issue	C-22	<u>2,200,000.00</u>	
			<u>17,040,000.00</u>
			139,224,697.7
Decreased by:			
Downtown Business District Loan	C-20	32,666.67	
Green Acres Loan	C-18	32,513.46	
Infrastructure Loan	C-19	49,038.93	
School Bonds	C-21	20,837,000.00	
Municipal Bonds	C-22	<u>7,147,000.00</u>	
			<u>28,098,219.06</u>
Balance, December 31, 2016	C		<u>\$ 111,126,478.65</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
YEAR ENDED DECEMBER 31, 2016

Ordinance Number	Improvements	Balance Dec. 31, 2015	2016			Funded by Budget Appropriation	Balance Dec. 31, 2016	December 31, 2016		Unexpended Improvement Authorization
			Authorizations	Canceled	Collections			Bond Anticipation Notes	Expended	
00-29	Various Capital Improvements	\$ 5,774.00	\$	\$	\$	\$ 5,774.00	\$	\$	\$	
02-11	Reconstruction of Various Streets	102,178.00				6,403.00	95,775.00	95,775.00		
03-08	Various Street Improvements (DOT)	108,555.00				6,411.00	102,144.00	102,144.00		
04-20	Streetscape Improvements on Valley Road	2,299.00				2,299.00				
04-49	Various Library Capital Improvements	137,786.72	(2.00)			5,531.00	132,253.72	117,957.00	14,296.72	
05-15	Refunding Bond	1,637.09					1,637.09		1,637.09	
05-37	Acquisition of Land	10,153.49				9,684.00	469.49		469.49	
06-78	Preliminary Design and Planning of Day Care Facility	1,019.36					1,019.36		1,019.36	
07-06	Various Capital Improvements	138,351.79	0.21				138,352.00	138,352.00		
07-19	Acquisition of Property	287,885.89			30,214.18		257,671.71		257,671.71	
8-43	Removal and Replacement of Trees	23,933.12	0.88				23,934.00	23,934.00		
8-44	Various Capital Improvements	152,694.47	0.53				152,695.00	152,695.00		
9-11	Orange Road Redevelopment	20,220.62	0.38				20,221.00	20,221.00		
9-52b1	Improvements to Clary Anderson Arena	100,611.00					100,611.00		100,611.00	
10-12	Multi-purpose	101,639.36		30,687.36			70,952.00	40,264.00	19,600.00	
10-13	Traffic Calming Improvements	526,700.00		13,713.68			512,986.32	499,286.00	13,700.32	
10-70	Multi-purpose	287,518.00		48,944.74		10,616.00	227,957.26	179,013.00	48,667.26	
11-18	Shade Tree Improvements	67,800.00		5,868.40		1,725.00	60,206.60	54,339.00	5,867.60	
11-20	Improvements to Edgemont Pond	465,516.00		195,930.94	211,327.80	17,242.00	41,015.26	41,015.26		
11-72	Tax Appeal Refunding	2,169,300.00				723,100.00	1,446,200.00	1,446,200.00		
12-26	Paving South Mountain Avenue	726,258.00		60,609.00			665,649.00	507,000.00	158,649.00	
12-27	Pavement and Restoration - South Park Place	47,368.00				2,632.00	44,736.00	44,736.00		
12-31	Various Capital Improvements	376,657.00				7,380.00	369,277.00	323,041.00	46,236.00	
12-36	Various Capital Improvements	812,962.00					812,962.00	503,000.00	19,789.42	
12-40	Acquisition of Vehicles	584,250.00					584,250.00	573,200.00	11,050.00	
12-41	Various Capital Improvements	733,806.80					733,806.80	640,000.00	93,806.80	
12-42	Acquisition of Ambulance	144,875.00					144,875.00	143,000.00	1,781.64	
13-18	HVAC Upgrades - Firehouse Server	113,430.00					113,430.00	97,700.00	3,038.44	
13-20	Police Radio System	171,000.00					171,000.00	170,400.00	600.00	
14-03	Improvements to Union and Park Streets	541,510.59			65,955.00		475,555.59	346,000.00	129,555.59	
14-04	Various Park Improvements	403,750.00					403,750.00	325,000.00	78,750.00	
14-05	Various Road Improvements	2,245,127.00					2,245,127.00	2,245,127.00		
14-06	Police Radio System	897,000.00					897,000.00	760,000.00	137,000.00	
14-09	Acquisition of Vehicles	443,850.00					443,850.00	429,200.00	14,650.00	

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**TOWNSHIP OF MONTCLAIR  
GENERAL CAPITAL FUND**

**DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
YEAR ENDED DECEMBER 31, 2016**

Ordinance Number	Improvements	Balance Dec. 31, 2015	2016 Authorization	Canceled	Collections	Funded by Budget Appropriation	Balance Dec. 31, 2016	Analysis of Balance December 31, 2016		
								Bond Anticipation Notes	Expended	Unexpended Improvement Authorization
14-25	Acquisition of Trucks	\$ 1,178,000.00	\$	\$	\$	\$	\$ 1,178,000.00	\$ 1,090,000.00	\$	\$ 88,000.00
14-26	Various Capital Improvements	435,300.00					435,300.00	417,700.00		17,600.00
14-27	Various Road Improvements	1,301,500.00					1,301,500.00	1,132,573.00	145,121.50	23,805.50
14-35	Park Improvements at Washington Field	358,250.00					358,250.00	250,000.00		108,250.00
14-36	Library Improvements	239,894.00					239,894.00	6,300.00	11,752.23	221,841.77
15-09	Various Capital Improvements	2,997,143.82			135,943.82		2,861,200.00	2,861,200.00		
16-10	Various Capital Improvements		5,579,236.00				5,579,236.00	4,096,500.00		1,482,736.00
16-32	Various Road Improvements		2,854,134.40				2,854,134.40			2,854,134.40
<b>School</b>										
8-14	Various School Improvements	165,166.21					165,166.21	81,000.00		84,166.21
10-28	Multi-purpose	86,360.00					86,360.00			86,360.00
11-41	Various School Improvements	586,360.00					586,360.00	156,131.00		430,229.00
12-32	Various School Improvements	1,834,440.00				49,084.00	1,785,356.00	1,323,597.00		461,759.00
13-17/13-67	Various School Improvements	1,088,512.28					1,088,512.28	973,345.00		115,167.28
15-24	Various School Improvements	2,637,440.00					2,637,440.00	1,312,927.00		1,324,513.00
16-12	Various School Improvements		2,701,920.00				2,701,920.00			2,701,920.00
		<b>\$ 25,861,783.61</b>	<b>\$ 11,135,290.40</b>	<b>\$ 355,754.12</b>	<b>\$ 443,440.80</b>	<b>\$ 847,881.00</b>	<b>\$ 35,349,998.09</b>	<b>\$ 23,719,872.26</b>	<b>\$ 621,123.18</b>	<b>\$ 11,009,002.65</b>
<u>Ref.</u>		C	C-10	C-10	Below	Below	C	Below	C-3	C-10
				<u>Ref.</u>					<u>Ref.</u>	
	Interfunds Receivable			C-7	\$ 30,444.18	\$		Bond Anticipation Notes Issued	C-17	\$24,939,200.00
	Bond Anticipation Notes Paid Down			C-17		847,881.00		Less; Excess Notes Issued:	C-3	
								School		(1,008,000.00)
	Applied from Reserve for State Grants			C-15	412,996.62			General		(211,327.74)
					<b>\$ 443,440.80</b>	<b>\$ 847,881.00</b>				
									Above	<b>\$23,719,872.26</b>

TOWNSHIP OF MONTCLAIR  
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS  
YEAR ENDED DECEMBER 31, 2016

C-10  
Sheet 1

Description	Ordinance Number	Date	Amount	Balance Dec. 31, 2015		2016 Authorizations	Paid or Charged	Canceled	Balance Dec. 31, 2016	
				Funded	Unfunded				Funded	Unfunded
<b>General Improvements</b>										
Various Capital Improvements	04-46	03/30/04	\$ 1,595,600.00	\$ 367.85	\$	\$	\$ 95.70	\$ 272.15	\$	\$
Various Capital Improvements	06-37	06/27/06	6,260,650.00	468,651.70			58,470.85	401,951.72	8,229.13	
Various Capital Improvements	10-12	03/09/10	584,000.00		56,468.98		6,181.62	30,687.36		19,600.00
Traffic Calming Improvements	10-13	12/28/10	1,186,000.00		38,963.68			13,713.68		25,250.00
Various Capital Improvements	10-70	12/07/10	325,000.00		93,445.57		44,223.83	48,944.74		277.00
Pavement and Restoration of S.Park Plaza	11-14	04/05/11	500,000.00	73,914.57				73,914.57		
Shade Tree Improvement	11-18	04/21/11	75,000.00		18,368.40		12,500.00	5,868.40		
Improvement to South Mountain Ave	11-19	04/21/11	700,000.00	154,682.18				215,291.18		
Improvement to Edgemont Pond	11-20	04/21/11	1,000,000.00		207,257.19		11,326.25	195,930.94		
Pavement and Restoration of S.Park Plaza	11-67	11/01/11	250,000.00	49,043.27				48,714.07	329.20	
Paving of South Mountain Avenue	12-26	04/03/12	726,500.00		218,510.88		7,106.90			211,403.98
Pavement and Restoration of S.Park Plaza	12-27	04/17/12	90,000.00		8,192.59					8,192.59
Various Capital Improvements	12-31	05/01/12	404,250.00		49,534.38		2,250.00			47,284.38
Various Capital Improvements	12-35	05/22/12	222,068.00	9,542.17			8,587.18		954.99	
Various Capital Improvements	12-36	05/22/12	855,750.00		392,469.52		102,296.94			290,172.58
Acquisition of Vehicles	12-40	08/12/12	615,000.00		23,351.75		12,239.43			11,112.35
Various Capital Improvements	12-41	06/12/12	1,144,080.00		147,727.65		45,536.08			102,191.57
Acquisition of Ambulance	12-42	08/12/12	152,500.00		1,781.64					1,781.64
HVAC Upgrades - Firehouse Server	13-18	05/14/13	119,400.00		33,740.33		21,048.77			12,691.56
Police Radio System	13-20	06/11/13	180,000.00		7,213.10					7,213.10
Various Capital Improvements	13-31	07/15/13	210,000.00	38,912.26			38,777.53		134.73	
Various Street Improvements	13-43	09/03/13	350,000.00	15,936.21			6,871.12		9,065.09	
Various Capital Improvements	13-49	09/10/13	266,097.34	979.33					979.33	
Acquisition of Various Equipment	13-74	12/30/13	214,500.00	59,964.96			22,412.33		37,552.63	
Improvements to Union and Park Streets	14-03	03/04/14	1,114,197.00		353,112.44		23,140.10			329,972.34
Various Park Improvements	14-04	03/04/14	425,000.00		113,439.72		1,812.61			111,627.11
Various Road Improvements	14-05	03/04/14	2,363,292.00		79,296.89		977.92			78,318.97
Police Radio System	14-06	03/04/14	950,000.00		139,096.83		1,398.00			137,698.83
Acquisition of Vehicles	14-09	04/29/14	467,250.00		14,709.42					14,709.42
Elevator Improvements	14-22	07/22/14	150,000.00	5,632.88					5,632.88	
Various Capital Improvements	14-23	07/22/14	147,500.00	124,845.08			53,063.59		71,781.49	
Acquisition of Trucks	14-25	08/12/14	1,240,000.00		140,404.60		28,455.66			111,948.94
Various Capital Improvements	14-26	08/12/14	458,300.00		123,382.15		102,568.36			20,812.79
Various Road Improvements	14-27	08/12/14	1,370,000.00		31,264.72		7,459.22			23,805.50
Park Improvements at Washington Field	14-35	10/07/14	535,000.00		108,577.39					108,577.39
Library Improvements	14-36	10/07/14	252,520.00		229,765.92		7,924.15			221,841.77



TOWNSHIP OF MONTCLAIR  
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS  
YEAR ENDED DECEMBER 31, 2016

C-10  
Sheet 2

Description	Ordinance Number	Date	Amount	Balance Dec. 31, 2015		2016 Authorizations	Paid or Charged	Canceled	Balance Dec. 31, 2016	
				Funded	Unfunded				Funded	Unfunded
Various Capital Improvements	15-09	03/10/15	\$ 3,375,000.00	\$	\$ 914,653.69	\$	\$ 788,516.76	\$	\$	\$ 126,136.93
Various Capital Improvements	15-35	11/10/15	1,788,105.47	1,788,105.47			897,954.03		890,151.44	
Various Capital Improvements	16-10	04/04/16	5,872,880.00			5,872,880.00	4,051,410.25			1,821,469.75
Redevelopment Projects	16-11	05/31/16	450,000.00			450,000.00	167,792.96		282,207.04	
Various Capital Improvements	16-32	07/26/16	3,004,352.00			3,004,352.00	63,560.85		86,656.75	2,854,134.40
<u>School Improvements</u>										
Various School Improvements	06-30	05/09/06	4,649,840.00	102,721.52			48,442.96		54,278.56	
Various School Improvements	07-26	05/08/07	4,381,520.00	185,246.00			8,470.00		176,776.00	
Various School Improvements	08-14	04/15/08	5,346,848.00		54,820.00		15,660.00			39,160.00
Various School Improvements	10-28	06/22/10	2,986,360.00	753,955.53	86,360.00		249,127.11		504,828.42	86,360.00
Various School Improvements	11-41	07/12/11	1,686,360.00		231,844.16		51,809.41			180,034.75
Various School Improvements	12-32	05/01/12	3,053,440.00		583,570.57		125,010.95			458,559.62
Various School Improvements	13-17/13-67	05/01/12	2,900,000.00		240,702.92		125,985.30			114,717.62
Various School Improvements	15-24	08/04/15	2,637,440.00		2,469,822.18		1,331,438.64			1,138,383.54
Various School Improvements	16-12	06/21/16	2,701,920.00			2,701,920.00	564,775.09			2,137,144.91
				<u>\$ 3,832,500.98</u>	<u>\$ 7,272,458.29</u>	<u>\$ 12,029,152.00</u>	<u>\$ 9,116,679.45</u>	<u>\$ 1,035,288.81</u>	<u>\$ 2,129,557.68</u>	<u>\$ 10,852,585.33</u>
	Reference			C	C	Below	Below	Below	C	C
	Capital Surplus				C-1	\$ 600,217.60	\$	\$ 679,534.69		
	Cash Disbursements				C-2		9,116,679.45			
	Deferred Charge to Future Taxation - Unfunded				C-9	11,135,290.40		355,754.12		
	Capital Improvement Fund				C-11	293,644.00				
						<u>\$ 12,029,152.00</u>	<u>\$ 9,116,679.45</u>	<u>\$ 1,035,288.81</u>		

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
GENERAL CAPITAL FUND

CAPITAL IMPROVEMENT FUND  
YEAR ENDED DECEMBER 31, 2016

C-11

	<u>Ref.</u>	
Balance, December 31, 2015	C	\$ 90,965.83
Increased by:		
Budget Appropriations	C-2	<u>650,000.00</u>
		740,965.83
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-10	<u>293,644.00</u>
Balance, December 31, 2016	C	<u>\$ 447,321.83</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
GENERAL CAPITAL FUND

INTERFUNDS PAYABLE  
YEAR ENDED DECEMBER 31, 2016

C-12

	<u>Ref.</u>	<u>Total</u>	<u>Trust Fund</u>	<u>Federal and State Grant Fund</u>
Balance, December 31, 2015	C	\$ 72,496.45	\$ 60,739.65	\$ 11,756.80
Decreased by: Settlements	C-2	<u>72,496.45</u>	<u>60,739.65</u>	<u>11,756.80</u>
Balance, December 31, 2016		<u>\$</u>	<u>\$</u>	<u>\$</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
GENERAL CAPITAL FUND

RESERVE FOR COST OF ISSUANCE  
YEAR ENDED DECEMBER 31, 2016

C-13

	<u>Ref.</u>	
Balance, December 31, 2015	C	<u>\$ 14,494.04</u>
Balance, December 31, 2016	C	<u>\$ 14,494.04</u>

RESERVE FOR REPAYMENT  
OF URBAN DEVELOPMENT ACTION GRANT  
DECEMBER 31, 2016

C-14

	<u>Ref.</u>	
Balance, December 31, 2015	C	<u>\$ 26,955.51</u>
Balance, December 31, 2016	C	<u>\$ 26,955.51</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
GENERAL CAPITAL FUND

RESERVE FOR GRANTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2016 AND 2015

C-15

Ordinance Number	Purpose	Balance December 31, 2015	Grants	Decreased	Balance December 31, 2016
<u>Federal Grants</u>					
County of Essex:					
Community Development Block Grants:					
	Glenridge Avenue Streetscape Phase II & III	\$ 45,298.86	\$	\$ 45,298.86	\$
<u>State Grants</u>					
New Jersey Department of Transportation:					
14-03	Union Street Section 2	35,510.82		35,510.82	0.00
15-09	Various Roads		221,544.00	166,158.00	55,386.00
Department of Environmental Protection:					
Green Acres Program:					
11-20	Edgemont Pond	<u>234,345.57</u>		<u>211,327.80</u>	<u>23,017.77</u>
		<u>\$ 315,155.25</u>	<u>\$ 221,544.00</u>	<u>\$ 458,295.48</u>	<u>\$ 78,403.77</u>
	<u>Ref.</u>	C	C-4	Below	C
		Ref.			
	Applied to Deferred Charges to Future Taxation Unfunded	C-9		\$ 412,996.62	
	Canceled against Grants Receivable	C-4		<u>45,298.86</u>	
				<u>\$ 458,295.48</u>	

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
GENERAL CAPITAL FUND

RESERVE FOR PAYMENT OF DEBT SERVICE  
YEAR ENDED DECEMBER 31, 2016

C-16

	<u>Ref.</u>	
Balance, December 31, 2015	C	\$ 1,123,826.00
Decreased by:		
Applied to Current Fund Revenue Anticipated	C-2	<u>1,100,000.00</u>
Balance, December 31, 2016	C	<u>\$ 23,826.00</u>
 <u>Analysis of Balance</u>		
General Improvements		\$ 1,976.39
School Improvements		<u>21,849.61</u>
		<u>\$ 23,826.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
GENERAL CAPITAL FUND

BOND ANTICIPATION NOTES  
YEAR ENDED DECEMBER 31, 2016

C-17  
Sheet # 1

Ordinance Number	Description	Date of Original Issue	Date of Maturity	Interest Rate	Balance December 31, 2015	Increase	Decrease	Balance December 31, 2016
	<u>General</u>							
00-29	Various Capital Improvements	12-15-11		%	\$ 5,774.00	\$	\$ 5,774.00	\$
02-11	Various Capital Improvements	12-15-11	11-03-17	2.50	102,178.00	95,775.00	102,178.00	95,775.00
03-08	Various Capital Improvements	12-15-11	11-03-17	2.50	108,555.00	102,144.00	108,555.00	102,144.00
04-20	Various Capital Improvements	12-15-11			2,299.00		2,299.00	
04-49	Various Capital Improvements	12-15-11	11-03-17	2.50	123,488.00	117,957.00	123,488.00	117,957.00
05-37	Various Capital Improvements	11-07-14			9,684.00		9,684.00	
10-12	Various Capital Improvements	11-07-14	11-03-17	2.50	62,000.00	40,264.00	62,000.00	40,264.00
10-13	Various Capital Improvements	11-07-14	11-03-17	2.50	508,000.00	499,286.00	508,000.00	499,286.00
10-70	Various Capital Improvements	12-15-11	11-03-17	2.50	178,768.00	179,013.00	178,768.00	179,013.00
11-18	Shade Tree Improvements	12-15-11	11-03-17	2.50	46,550.00	54,339.00	46,550.00	54,339.00
11-20	Various Capital Improvements	12-15-11	11-03-17	2.50	465,516.00	252,343.00	465,516.00	252,343.00
11-72	Tax Appeal Refunding	12-15-11	11-03-17	2.50	2,169,300.00	1,446,200.00	2,169,300.00	1,446,200.00
12-27	Pavement Restoration at South Park Plaza	12-14-12	11-03-17	2.50	47,368.00	44,736.00	47,368.00	44,736.00
12-26	Paving of South Mountain Avenue	11-07-14	11-03-17	2.50	507,000.00	507,000.00	507,000.00	507,000.00
12-31	Various Capital Improvements	12-14-12	11-03-17	2.50	195,120.00	193,041.00	195,120.00	193,041.00
		11-07-14	11-03-17	2.50	130,000.00	130,000.00	130,000.00	130,000.00
12-36	Various Capital Improvements	11-07-14	11-03-17	2.50	315,000.00	315,000.00	315,000.00	315,000.00
		11-05-15	11-03-17	2.50	105,000.00	105,000.00	105,000.00	105,000.00
		11-04-16	11-03-17	2.50		83,000.00		83,000.00
12-40	Acquisition of Vehicles	11-07-14	11-03-17	2.50	558,000.00	558,000.00	558,000.00	558,000.00
		11-04-16	11-03-17	2.50		15,200.00		15,200.00
12-41	Various Capital Improvements	11-05-15	11-03-17	2.50	640,000.00	640,000.00	640,000.00	640,000.00
12-42	Acquisition of Ambulance	11-07-14	11-03-17	2.50	143,000.00	143,000.00	143,000.00	143,000.00

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
GENERAL CAPITAL FUND

BOND ANTICIPATION NOTES  
YEAR ENDED DECEMBER 31, 2016

C-17  
Sheet # 2

Ordinance Number	Description	Date of Original Issue	Date of Maturity	Interest Rate	Balance December 31, 2015	Increase	Decrease	Balance December 31, 2016
<u>General</u>								
13-18	HVAC - Firehouse Server Room	11-07-14	11-03-17	2.50	\$ 33,000.00	\$ 33,000.00	\$ 33,000.00	\$ 33,000.00
		11-05-15	11-03-17	2.50	47,000.00	47,000.00	47,000.00	47,000.00
		11-04-16	11-03-17	2.50		17,700.00		17,700.00
13-20	Acquisition of Police Radio System	11-07-14	11-03-17	2.50	163,000.00	163,000.00	163,000.00	163,000.00
14-06		11-05-15	11-03-17	2.50	760,000.00	760,000.00	760,000.00	760,000.00
		11-04-16	11-03-17	2.50		7,400.00		7,400.00
14-03	Improvements to Union and Park Streets	11-05-15	11-03-17	2.50	346,000.00	346,000.00	346,000.00	346,000.00
14-04	Various Park Improvements	11-05-15	11-03-17	2.50	325,000.00	325,000.00	325,000.00	325,000.00
14-05/14-27	Various Road Improvements	11-05-15	11-03-17	2.50	3,325,000.00	3,325,000.00	3,325,000.00	3,325,000.00
		11-04-16	11-03-17	2.50		52,700.00		52,700.00
14-09	Acquisition of Vehicles	11-05-15	11-03-17	2.50	422,000.00	422,000.00	422,000.00	422,000.00
		11-04-16	11-03-17	2.50		7,200.00		7,200.00
14-25	Acquisition of Trucks	11-05-15	11-03-17	2.50	1,050,000.00	1,050,000.00	1,050,000.00	1,050,000.00
		11-04-16	11-03-17	2.50		40,000.00		40,000.00
14-26	Various Capital Improvements	11-05-15	11-03-17	2.50	360,000.00	360,000.00	360,000.00	360,000.00
		11-04-16	11-03-17	2.50		57,700.00		57,700.00
14-35	Multi-Use Field Improvements	11-04-16	11-03-17	2.50		250,000.00		250,000.00
15-09	Various Capital Improvements	11-05-15	11-03-17	2.50	1,800,000.00	1,800,000.00	1,800,000.00	1,800,000.00
		11-04-16	11-03-17	2.50		1,061,200.00		1,061,200.00
07-06	Various Capital Improvements	11-04-16	11-03-17	2.50		138,352.00		138,352.00
08-43	Various Capital Improvements	11-04-16	11-03-17	2.50		23,934.00		23,934.00
08-44	Various Capital Improvements	11-04-16	11-03-17	2.50		152,695.00		152,695.00
09-11	Various Capital Improvements	11-04-16	11-03-17	2.50		20,221.00		20,221.00
14-36	Various Library Improvements	11-04-16	11-03-17	2.50		6,300.00		6,300.00
16-10	Various Capital Improvements	11-04-16	11-03-17	2.50		4,096,500.00		4,096,500.00
					<u>15,053,600.00</u>	<u>20,084,200.00</u>	<u>15,053,600.00</u>	<u>20,084,200.00</u>

See accompanying notes to financial statements.



TOWNSHIP OF MONTCLAIR  
GENERAL CAPITAL FUND

BOND ANTICIPATION NOTES  
YEAR ENDED DECEMBER 31, 2016

C-17  
Sheet # 3

Ordinance Number	Description	Date of Original Issue	Date of Maturity	Interest Rate	Balance December 31, 2015	Increase	Decrease	Balance December 31, 2016
	<u>School</u>							
12-32	Various School Improvements	12-14-12	11-03-17	2.50	\$ 231,000.00	\$ 181,916.00	\$ 231,000.00	\$ 181,916.00
		11-07-14	11-03-17	2.50	897,000.00	897,000.00	897,000.00	897,000.00
6-30	Various School Improvements	11-07-14	11-03-17	2.50	388,000.00	388,000.00	388,000.00	388,000.00
7-26	Various School Improvements	11-07-14	11-03-17	2.50	538,000.00	538,000.00	538,000.00	538,000.00
08-14	Various School Improvements	11-07-14	11-03-17	2.50	81,000.00	81,000.00	81,000.00	81,000.00
09-20	Various School Improvements	11-07-14	11-03-17	2.50	82,000.00	82,000.00	82,000.00	82,000.00
11-41	Various School Improvements	11-07-14	11-03-17	2.50	325,000.00	156,131.00	325,000.00	156,131.00
13-17	Various School Improvements	11-07-14	11-03-17	2.50	313,000.00	313,000.00	313,000.00	313,000.00
12-32	Various School Improvements	11-04-16	11-03-17	2.50		244,681.00		244,681.00
13-17	Various School Improvements	11-04-16	11-03-17	2.50		660,345.00		660,345.00
15-24	Various School Improvements	11-04-16	11-03-17	2.50		1,312,927.00		1,312,927.00
					<u>2,855,000.00</u>	<u>4,855,000.00</u>	<u>2,855,000.00</u>	<u>4,855,000.00</u>
					<u>\$ 17,908,600.00</u>	<u>\$ 24,939,200.00</u>	<u>\$ 17,908,600.00</u>	<u>\$ 24,939,200.00</u>
				<u>Ref.</u>	C	C-2	Below	C
					<u>Ref.</u>			
	Cash Disbursements				C-2		\$ 17,060,719.00	
	Budget Appropriation- Pay Down				C-9		847,881.00	
							<u>\$ 17,908,600.00</u>	

TOWNSHIP OF MONTCLAIR  
GENERAL CAPITAL FUND

GREEN ACRES TRUST LOAN PAYABLE  
YEAR ENDED DECEMBER 31, 2016 AND 2015.

C-18  
Sheet # 1

Description	Amount of Original Issue	Maturities of Loan Outstanding December 31, 2016		Interest Rate	Balance December 31, 2015	Decrease	Balance December 31, 2016
		Date	Amount				
Project Youth Sports	\$ 250,000.00	2017	\$ 12,932.22				
		2018	13,192.15				
		2019	13,457.32				
		2020	13,727.82				
		2021	14,003.73				
		2022	14,285.21				
		2023	14,572.34				
		2024	14,865.25				
		2025	15,164.04				
		2026	7,695.94			2.00 %	\$ 146,573.42
Project Youth Sports II	250,000.00	2017	12,820.52	*			
		2018	12,820.52	*			
		2019	12,820.52	*			
		2020	12,820.52	*			
		2021	12,820.52	*			
		2022	12,820.52	*			
		2023	12,820.52	*			
		2024	12,820.52	*			
		2025	12,820.52	*			
		2026	12,820.52	*			
		2027	12,820.52	*			
2028	12,820.52	*					
2029	6,410.12	*			173,076.88	12,820.52	160,256.36

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TOWNSHIP OF MONTCLAIR  
GENERAL CAPITAL FUND

C-18  
Sheet # 2

GREEN ACRES TRUST LOAN PAYABLE  
YEAR ENDED DECEMBER 31, 2016 AND 2015

Description	Amount of Original Issue	Maturities of Loan Outstanding December 31, 2016		Interest Rate	Balance	Decrease	Balance
		Date	Amount		December 31, 2015		December 31, 2016
Project Youth Sports III	\$ 273,606.00	2017-2035	\$ 14,031.08	*	\$ 273,606.00	\$ 7,015.54	\$ 266,590.46
				*			
					<u>\$ 593,256.30</u>	<u>\$ 32,513.46</u>	<u>\$ 560,742.84</u>
				Ref.	C	C-8	C

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\* Interest Free

TOWNSHIP OF MONTCLAIR  
GENERAL CAPITAL FUND

N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE  
YEAR ENDED DECEMBER 31, 2016 AND 2015

C-19

Description	Original Issue		Loan Maturities Outstanding December 31, 2016		Interest Rate	Balance Dec. 31, 2015	Decrease	Balance Dec. 31, 2016
	Date	Amount	Date	Amount				
Trust Share	10-14-04	\$ 435,000.00	8-01-2017	\$ 25,000.00	5.00 %			
			8-01-2018	25,000.00	5.00			
			8-01-2019	25,000.00	5.00			
			8-01-2020	30,000.00	5.00			
			8-01-2021	30,000.00	5.00			
			8-01-2022	30,000.00	5.00			
			8-01-2023	30,000.00	4.25			
			8-01-2024	35,000.00	4.375	\$ 255,000.00	\$ 25,000.00	\$ 230,000.00
Fund Share	10-14-04	443,438.00	2-01-2017	3,586.17	*			
			8-01-2017	19,804.04	*			
			2-01-2018	3,180.73	*			
			8-01-2018	19,398.59	*			
			2-01-2019	2,775.28	*			
			8-01-2019	18,993.14	*			
			2-01-2020	2,369.83	*			
			8-01-2020	21,831.27	*			
			2-01-2021	1,883.30	*			
			8-01-2021	21,344.74	*			
			2-01-2022	1,396.76	*			
			8-01-2022	20,858.20	*			
			2-01-2023	910.23	*			
			8-01-2023	20,371.85	*			
			2-01-2024	496.67	*			
			8-01-2024	23,201.69	*			
						206,441.42	24,038.93	182,402.49
						<u>\$ 461,441.42</u>	<u>\$ 49,038.93</u>	<u>\$ 412,402.49</u>
						Ref. C	C-8	C

\* Interest Free

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
GENERAL CAPITAL FUND

N.J. BUSINESS DISTRICT  
LOAN PAYABLE  
YEAR ENDED DECEMBER 31, 2016 AND 2015

C-20

Description	Original Issue		Loan Maturities Outstanding December 31, 2016		Interest Rate	Balance Dec. 31, 2015	Decrease	Balance Dec. 31, 2016
	Date	Amount	Date	Amount				
Loan	12-31-12	\$ 490,000.00	12-31-14/27	\$ 32,666.67	* %	\$ 391,999.99	\$ 32,666.67	\$ 359,333.32
					<u>Ref.</u>	C	C-8	C

\* Interest Free

TOWNSHIP OF MONTCLAIR  
GENERAL CAPITAL FUND

C-21  
Sheet # 1

SERIAL BONDS - SCHOOL  
YEAR ENDED DECEMBER 31, 2016

Purpose	Date of Issue	Issue Amount	Maturities of Bonds Outstanding Dec. 31, 2016		Interest Rate	Balance Dec. 31, 2015	Bonds Issued	Decrease	Balance Dec. 31, 2016
			Date	Amount					
School Improvements	5-15-06	\$ 16,715,000.00				\$ 1,000,000.00	\$	\$ 1,000,000.00	\$
School Improvements (Refunded)	5-15-08	14,600,000.00	5-15-17	\$ 650,000.00	4.00 %	11,650,000.00		10,100,000.00	1,550,000.00
			5-15-18	900,000.00	5.00				
School Improvements (Refunded)	6-08-10	9,662,000.00	6-01-17	360,000.00	2.50	8,677,000.00		7,027,000.00	1,650,000.00
			6-01-18	400,000.00	3.00				
			6-01-19	430,000.00	4.00				
			6-01-20	460,000.00	3.25				
Refunding School	8-01-11	2,750,000.00	2-01-17	485,000.00	3.00	1,070,000.00		585,000.00	485,000.00
School Improvements	3-01-11	21,660,000.00	3-01-17	905,000.00	3.00	18,535,000.00		870,000.00	17,665,000.00
			3-01-18	940,000.00	3.00				
			3-01-19	975,000.00	4.00				
			3-01-20	1,010,000.00	4.00				
			3-01-21	1,050,000.00	4.00				
			3-01-22	1,090,000.00	3.75				
			3-01-23	1,134,000.00	4.00				
			3-01-24	1,178,000.00	4.00				
			3-01-25	1,222,000.00	4.00				
			3-01-26	1,266,000.00	4.10				
			3-01-27	1,310,000.00	4.20				
			3-01-28	1,354,000.00	4.375				
			3-01-29	1,370,000.00	4.375				
			3-01-30	1,411,000.00	4.50				
			3-01-31	1,450,000.00	4.625				
			School Improvements	3-01-13	22,000,000.00				
3-01-18	1,260,000.00	5.00							
3-01-19	1,325,000.00	5.00							
3-01-20	1,395,000.00	5.00							
3-01-21	1,465,000.00	5.00							
3-01-22	1,535,000.00	5.00							
3-01-23	1,605,000.00	5.00							
3-01-24	1,675,000.00	5.00							
3-01-25	1,745,000.00	2.50							
3-01-26	1,815,000.00	2.625							
3-01-27	1,885,000.00	2.625							
3-01-28	1,960,000.00	2.75							

TOWNSHIP OF MONTCLAIR  
GENERAL CAPITAL FUND  
 SERIAL BONDS - SCHOOL  
 YEAR ENDED DECEMBER 31, 2016

C-21  
 Sheet # 2

Purpose	Date of Issue	Issue Amount	Maturities of Bonds Outstanding Dec. 31, 2016		Interest Rate	Balance Dec. 31, 2015	Bonds Issued	Decrease	Balance Dec. 31, 2016
			Date	Amount					
Refunding School	3-01-14	\$ 11,855,000.00	1-01-17	\$ 960,000.00	3.00				
			1-01-18	950,000.00	4.00				
			1-01-19	940,000.00	4.00				
			1-01-20/21	940,000.00	5.00				
			1-01-22/23	945,000.00	5.00				
			1-01-24/25	950,000.00	5.00				
			1-01-26	955,000.00	5.00				
			1-01-27	1,155,000.00	5.00				
			1-01-28	1,225,000.00	5.00				
Refunding School	9-01-16	14,840,000.00	10-01-19	780,000.00	4.00				
			10-01-20	775,000.00	4.00				
			10-01-21	1,260,000.00	4.00				
			10-01-22	1,295,000.00	4.00				
			10-01-23	1,320,000.00	4.00				
			10-01-24	1,445,000.00	5.00				
			10-01-25	1,490,000.00	5.00				
			10-01-26	1,605,000.00	5.00				
			10-01-27	1,640,000.00	5.00				
			10-01-28	1,690,000.00	4.00				
			10-01-29	680,000.00	3.75				
			10-01-30	720,000.00	4.00				
						\$ 72,757,000.00	\$ 14,840,000.00	\$ 20,837,000.00	\$ 66,760,000.00
					Ref.	C	C-8	C-8	C

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TOWNSHIP OF MONTCLAIR  
GENERAL CAPITAL FUND  
GENERAL SERIAL BONDS  
YEAR ENDED DECEMBER 31, 2016

C-22  
Sheet # 1

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2016		Interest Rate	Balance Dec. 31, 2015	Bonds Issued	Decrease	Balance Dec. 31, 2016
			Date	Amount					
General Improvements	5-15-06	\$ 19,215,000.00				\$ 600,000.00	\$	\$ 600,000.00	\$
General Improvements (Refunded)	9-01-08	8,252,000.00	9-01-17/18	\$ 750,000.00	3.75 %	4,652,000.00		3,152,000.00	1,500,000.00
General Improvements	3-01-11	18,519,000.00	3-01-17	1,345,000.00	3.00				
			3-01-18	1,425,000.00	3.00				
			3-01-19	1,505,000.00	3.00				
			3-01-20	1,585,000.00	3.125				
			3-01-21	1,665,000.00	3.375				
			3-01-22	1,745,000.00	3.625				
			3-01-23	1,835,000.00	3.75				
			3-01-24	1,889,000.00	4.00	14,259,000.00		1,265,000.00	12,994,000.00
Refunding Bonds	8-01-11	4,960,000.00	2-01-17	1,075,000.00	5.00	2,135,000.00		1,060,000.00	1,075,000.00
Pension Refunding Bonds	10-01-12	2,780,000.00	4-01-17	320,000.00	1.960				
			4-01-18	345,000.00	2.371				
			4-01-19	380,000.00	2.521				
			4-01-20	415,000.00	2.853				
			4-01-21	455,000.00	3.053	2,210,000.00		295,000.00	1,915,000.00

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TOWNSHIP OF MONTCLAIR  
GENERAL CAPITAL FUND

C-22  
Sheet # 2

GENERAL SERIAL BONDS  
YEAR ENDED DECEMBER 31, 2016

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2016		Interest Rate	Balance Dec. 31, 2015	Bonds Issued	Decrease	Balance Dec. 31, 2016
			Date	Amount					
General Improvement	3-01-13	\$ 10,500,000.00	3-01-17	\$ 830,000.00	4.00 %				
			3-01-18	890,000.00	4.00				
			3-01-19	955,000.00	4.00				
			3-01-20	1,020,000.00	5.00				
			3-01-21	1,080,000.00	5.00				
			3-01-22	1,145,000.00	5.00				
			3-01-23	1,210,000.00	5.00				
			3-01-24	1,270,000.00	5.00	\$ 9,165,000.00	\$	\$ 765,000.00	\$ 8,400,000.00
General Improvement Refunding Bonds	3-01-14	14,960,000.00	1-01-17	635,000.00	3.00				
			1-01-18	1,725,000.00	4.00				
			1-01-19	1,610,000.00	4.00				
			1-01-20	1,455,000.00	5.00				
			1-01-21	610,000.00	5.00				
			1-01-22	1,405,000.00	5.00				
			1-01-23	1,910,000.00	5.00				
			1-01-24	1,910,000.00	5.00				
			1-01-25	1,915,000.00	5.00				
			1-01-26	1,785,000.00	5.00	14,960,000.00			14,960,000.00
General Improvement Refunding Bonds	9-01-16	2,200,000.00	9-01-19	730,000.00	4.00				
			9-01-20	730,000.00	4.00				
			9-01-21	730,000.00	4.00		2,200,000.00	10,000.00	2,190,000.00
						<u>\$ 47,981,000.00</u>	<u>\$ 2,200,000.00</u>	<u>\$ 7,147,000.00</u>	<u>\$ 43,034,000.00</u>
					<u>Ref.</u>	C	C-8	C-8	C

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TOWNSHIP OF MONTCLAIR  
GENERAL CAPITAL FUND

C-23  
Sheet # 1

**BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**  
**YEAR ENDED DECEMBER 31, 2016**

Ordinance Number	Improvement Description	Balance Dec. 31, 2015	Authorizations/ Adjustments	Grants/ Budget	Notes Issued	Canceled	Balance Dec. 31, 2016
	<u>General Improvements</u>						
04-49	Various Library Capital Improvements	\$ 14,298.72	(2.00)	\$		\$	\$ 14,298.72
05-15	Refunding Bond Issue	2,106.58					2,106.58
06-78	Preliminary Design and Planning of Day Care Facility	1,019.36					1,019.36
07-06	Various Capital Improvements	138,351.79	0.21		138,352.00		
07-19	Acquisition of Property	287,885.89		30,214.18			257,671.71
08-43	Removal and Replacement of Trees	23,933.12	0.88		23,934.00		
08-44	Various Capital Improvements	152,694.47	0.53		152,695.00		
09-11	Orange Road Redevelopment	20,220.62	0.38		20,221.00		
09-52b1	Improvements to Clary Anderson Arena	100,611.00					100,611.00
10-12	Multi-Purpose	39,639.36	30,687.00		8,952.00	30,687.36	30,687.00
10-13	Traffic Calming Improvements	18,700.00	13,714.00		5,000.00	13,713.68	13,700.32
10-70	Multi-Purpose	108,750.00	48,945.00		59,806.00	48,944.74	48,944.26
11-18	Shade Tree Improvements	21,250.00	5,868.00		15,382.00	5,868.40	5,867.60
11-19	Improvements to South Mountain Ave	60,609.00				60,609.00	
12-26	Paving South Mountain Arena	158,649.00					158,649.00
12-31	Various Capital Improvements	51,537.00			5,301.00		46,236.00
12-36	Various Capital Improvements	392,962.00			83,000.00		309,962.00
12-40	Acquisition of Vehicles	26,250.00			15,200.00		11,050.00
12-41	Various Capital Improvements	93,806.80					93,806.80
12-42	Acquisition of Ambulance	1,875.00					1,875.00
13-18	Upgrade to Firehouse Server	33,430.00			17,700.00		15,730.00
14-03	Improvements to Union and Park Streets	328,802.82	(133,292.23)	65,955.00			129,555.59
14-04	Various Park Improvements	78,750.00					78,750.00
14-05	Various Road Improvements	11,834.77					11,834.77
14-06	Police Radio System	145,000.00			7,400.00		137,600.00

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TOWNSHIP OF MONTCLAIR  
GENERAL CAPITAL FUND

C-23  
Sheet # 2

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
YEAR ENDED DECEMBER 31, 2016

Ordinance Number	Improvement Description	Balance Dec. 31, 2015	Authorizations/ Adjustments	Grants/ Budget	Notes Issued	Canceled	Balance Dec. 31, 2016
<u>General Improvements</u>							
14-09	Acquisition of Vehicles	\$ 21,850.00	\$	\$	\$ 7,200.00	\$	\$ 14,650.00
14-25	Acquisition of Trucks	128,000.00			40,000.00		88,000.00
14-26	Various Capital Improvements	75,300.00			57,700.00		17,600.00
14-27	Various Road Improvements	76,500.00	133,292.23		52,700.00		157,092.23
14-35	Park Improvements at Washington Field	358,250.00			250,000.00		108,250.00
14-36	Library Improvements	239,894.00			6,300.00		233,594.00
15-09	Various Capital Improvements	1,197,143.82		135,943.82	1,061,200.00		
16-10	Various Capital Improvements		5,579,236.00		4,096,500.00		1,482,736.00
16-32	Various Capital Improvements		2,854,134.40				2,854,134.40
		<u>4,409,905.12</u>	<u>8,532,584.40</u>	<u>232,113.00</u>	<u>6,124,543.00</u>	<u>159,823.18</u>	<u>6,426,010.34</u>
<u>School Improvements</u>							
08-14	Various School Improvements	84,166.21					84,166.21
10-28	Multi-Purpose	86,360.00					86,360.00
11-41	Various School Improvements	261,360.00	215,115.00		46,246.00		430,229.00
12-32	Various School Improvements	706,440.00			244,681.00		461,759.00
13-17/13-67	Various School Improvements	775,512.28			660,345.00		115,167.28
15-24	Various School Improvements	2,637,440.00			1,312,927.00		1,324,513.00
16-12	Various School Improvements		2,701,920.00				2,701,920.00
		<u>4,551,278.49</u>	<u>2,917,035.00</u>		<u>2,264,199.00</u>		<u>5,204,114.49</u>
		<u>\$ 8,961,183.61</u>	<u>\$ 11,449,619.40</u>	<u>\$ 232,113.00</u>	<u>\$ 8,388,742.00</u>	<u>\$ 159,823.18</u>	<u>\$ 11,630,124.83</u>

Ref. C

C

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TOWNSHIP OF MONTCLAIR  
WATER UTILITY

CASH RECEIPTS AND DISBURSEMENTS - TREASURER  
YEAR ENDED DECEMBER 31, 2016

D-5

	Ref.	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance, December 31, 2015	D	\$ 4,025,384.76	\$ 1,306,198.49
Increased by Receipts:			
Premium on Sales of Notes	D-2	\$	\$ 85,747.70
Miscellaneous Revenue	D-3	446,694.90	
Collector	D-6	8,071,267.03	
Petty Cash Funds	D-8	150.00	
Interfund Receivable	D-11	790,399.25	
Capital Improvement Fund	D-23		425,000.00
Interfunds Payable	D-24		3,025.21
Bond Anticipation Notes	D-27		5,342,536.00
		<u>9,308,511.18</u>	<u>5,856,308.91</u>
		13,333,895.94	7,162,507.40
Decreased by Disbursements:			
Anticipated Revenue - Current Fund	D-1	500,000.00	
Budget Appropriations	D-4	7,042,537.91	
Petty Cash Funds	D-8	150.00	
Interfunds Receivable	D-11	50,325.12	
Appropriation Reserves	D-16	333,005.47	
Accrued Interest on Bonds	D-17	243,982.50	
Accrued Interest on Notes	D-18	119,717.01	
Accrued Interest on Loans	D-19	198.70	
Due to State of New Jersey	D-20	14,520.58	
Water Overpayments	D-21	454.31	
Improvement Authorizations	D-22		176,103.49
Interfund Payable	D-24		701,005.69
Bond Anticipation Notes	D-27		5,145,353.00
		<u>8,304,891.60</u>	<u>6,022,462.18</u>
Balance, December 31, 2016	D	<u>\$ 5,029,004.34</u>	<u>\$ 1,140,045.22</u>

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TOWNSHIP OF MONTCLAIR  
WATER UTILITY

CASH RECEIPTS AND DISBURSEMENTS - COLLECTOR  
YEAR ENDED DECEMBER 31, 2016

D-6

	<u>Ref.</u>	
Increased by:		
Miscellaneous Revenue	D-3	\$ 99,001.84
Consumer Accounts Receivable	D-12	7,933,467.29
Due to State of New Jersey	D-20	14,520.58
Water Overpayments	D-21	<u>24,277.32</u>
		8,071,267.03
Decreased by:		
Turnovers to Treasurer	D-5	<u>8,071,267.03</u>
		<u>\$</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
WATER UTILITY

CHANGE FUNDS  
YEAR ENDED DECEMBER 31, 2016

D-7

	<u>Ref.</u>	
Balance, December 31, 2015	D	\$ 200.00
Balance, December 31, 2016	D	<u>\$ 200.00</u>

PETTY CASH FUNDS  
YEAR ENDED DECEMBER 31, 2016

D-8

	<u>Ref.</u>	
Increased by:		
Petty Cash Fund Established	D-5	\$ 150.00
Decreased by:		
Petty Cash Fund Returned	D-5	<u>150.00</u>
		<u>\$</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
WATER UTILITY

ANALYSIS OF CAPITAL CASH  
YEAR ENDED DECEMBER 31, 2016

D-9

	Balance Dec. 31, 2015	Receipts		Disbursements		Transfers		Balance Dec. 31, 2016
		Bond Anticipation Notes	Other	Improvement Authorizations	Other	From	To	
<u>Improvement Authorizations</u>								
General Improvements:								
#02-33	\$ (10,179.87)	\$	\$	\$	\$	\$	\$ 225.65	\$ (9,954.22)
#02-34	(160,571.92)	160,600.00				28.08		
#05-39	49,500.00					49,500.00		
#06-39	(324.00)						324.00	
#10-73	511.50			7,021.50				(6,510.00)
#11-74	62,628.93			61,028.50		197.57		1,402.86
#12-73	31,574.25	22,883.00		53,730.37				726.88
#14-20	46,105.85	13,700.00		54,323.12				5,482.73
<u>Other Accounts</u>								
Fund Balance	294,871.48		85,747.70				142,313.41	522,932.59
Cash on Hand	143,820.05					63,189.81		80,630.24
Capital Improvement Fund	147,256.53		425,000.00					572,256.53
Loan Receivable						29,947.60		(29,947.60)
General Capital Fund Interfund	47,369.78				47,369.78			
Water Operating Fund Interfund	653,635.91		3,025.21		653,635.91			3,025.21
	<u>\$ 1,306,198.49</u>	<u>\$ 197,183.00</u>	<u>\$ 513,772.91</u>	<u>\$ 176,103.49</u>	<u>\$ 701,005.69</u>	<u>\$ 142,863.06</u>	<u>\$ 142,863.06</u>	<u>\$ 1,140,045.22</u>

Ref. D

D

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TOWNSHIP OF MONTCLAIR  
WATER UTILITY

LOANS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2016

D-10

	<u>Ref.</u>	
Balance, December 31, 2015	D	<u>\$ 29,947.60</u>
Balance, December 31, 2016	D	<u>\$ 29,947.60</u>
 <u>Analysis of Balance</u>		
N.J. Environmental Infrastructure		
Trust Loan:		
Ordinance #09-35		<u>\$ 29,947.60</u>

See accompanying notes to financial statements.



TOWNSHIP OF MONTCLAIR  
WATER UTILITY

INTERFUNDS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2016

D-11

	Ref.	Total Water Operating Fund	Water Operating Fund		
			Current Fund	Water Capital Fund	Sewer Operating Fund
Balance, December 31, 2015	D	\$ 740,074.13	\$ 85,962.81	\$ 653,635.91	\$ 475.41
Increased by:					
Interest on Deposit	D-3	3,025.21		3,025.21	
Advances	D-5	50,325.12			50,325.12
		<u>53,350.33</u>		<u>3,025.21</u>	<u>50,325.12</u>
		793,424.46	85,962.81	656,661.12	50,800.53
Decreased by:					
Settlements	D-5	790,399.25	85,962.81	653,635.91	50,800.53
Balance, December 31, 2016	D	<u>\$ 3,025.21</u>	<u>\$</u>	<u>\$ 3,025.21</u>	<u>\$</u>

TOWNSHIP OF MONTCLAIR  
WATER UTILITY

CONSUMER ACCOUNTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2016

D-12

	<u>Ref.</u>		
Balance, December 31, 2015	D		\$ 1,765,027.50
Increased by:			
Water Rents Levied - Net	Reserve		<u>8,023,154.55</u>
			<u>9,788,182.05</u>
Decreased by:			
Collections	D-6	\$ 7,933,467.29	
Overpayments Applied	D-21	<u>27,022.72</u>	
	D-3		<u>7,960,490.01</u>
Balance, December 31, 2016	D		<u><u>\$ 1,827,692.04</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
WATER UTILITY

INVENTORY - MATERIALS AND SUPPLIES  
YEAR ENDED DECEMBER 31, 2016

D-13

	<u>Ref.</u>	
Balance, December 31, 2015	D	<u>\$ 126,298.65</u>
Decreased by:		
Adjustment to write-off		(126,298.65)
Balance, December 31, 2016	D	<u><u>\$ -</u></u>

FIXED CAPITAL  
YEAR ENDED DECEMBER 31, 2016

D-14

	<u>Ref.</u>	
Balance, December 31, 2015	D	\$ 34,499,837.37
Increased by:		
Transferred from Fixed Capital	D-15	<u>6,329,731.90</u>
Balance, December 31, 2016	D	<u><u>\$ 40,829,569.27</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
WATER UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED  
YEAR ENDED DECEMBER 31, 2016

D-15

<u>Ordinance Number</u>	<u>Description</u>	<u>Balance Dec. 31, 2015</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2016</u>
02-34	Construction of Facilities for the Nishuane Well	\$ 1,060,000.00	\$ 1,060,000.00	\$
05-39	Various Water System Improvements	1,190,000.00	1,190,000.00	
06-39	Various Water System Improvements	1,022,000.00	1,022,000.00	
09-69	Various Water System Improvements	825,000.00	825,000.00	
10-73	Various Water Utility Improvements	650,000.00	650,000.00	
11-74	Various Water Utility Improvements	715,000.00	713,597.14	1,402.86
12-73	Various Water Utility Improvements	577,500.00	575,031.14	2,468.86
14-20	Various Water Utility Improvements	1,350,000.00	1,229,717.27	120,282.73
		<u>\$ 7,389,500.00</u>	<u>\$ 7,265,345.55</u>	<u>\$ 124,154.45</u>
		<u>Ref.</u> D	Below	D
			Ref.	
	Improvement Authorizations Canceled	D-22	\$ 935,613.65	
	Transferred to Fixed Capital	D-14	<u>6,329,731.90</u>	
			<u>\$ 7,265,345.55</u>	

TOWNSHIP OF MONTCLAIR  
WATER UTILITY

APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2016

D-16

	Balance Dec. 31, 2015		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Unencumbered</u>			
<u>Operating</u>					
Salaries and Wages	\$	\$ 17,505.74	\$ 17,505.74	\$	\$ 17,505.74
Other Expenses	276,535.03	514,453.13	790,988.16	331,537.90	459,450.26
<u>Commercial</u>					
Salaries and Wages		55,525.31	55,525.31		55,525.31
Other Expenses	467.57	16,066.50	16,534.07	1,467.57	15,066.50
	<u>\$ 277,002.60</u>	<u>\$ 603,550.68</u>	<u>\$ 880,553.28</u>	<u>\$ 333,005.47</u>	<u>\$ 547,547.81</u>
<u>Ref.</u>	D	D		D-5	D-1

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See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
WATER UTILITY

ACCRUED INTEREST ON BONDS  
YEAR ENDED DECEMBER 31, 2016

D-17

	<u>Ref.</u>	
Balance, December 31, 2015	D	\$ 115,033.76
Increased by:		
Budget Appropriation	D-4	228,117.49
		<u>343,151.25</u>
Decreased by:		
Payments	D-5	<u>243,982.50</u>
Balance, December 31, 2016	D	<u>\$ 99,168.75</u>

Analysis of Balance

Principal Outstanding Dec. 31, 2016	Interest Rate	Accrued		Period	Amount
		From	To		
\$ 445,000.00	3.75	9-01-16	12-31-16	4 Months	\$ 5,562.50
300,000.00	3.00	9-01-16	12-31-16	4 Months	3,000.00
100,000.00	3.125	9-01-16	12-31-16	4 Months	1,041.67
165,000.00	3.375	9-01-16	12-31-16	4 Months	1,856.25
280,000.00	5.00	8-01-16	12-31-16	5 Months	5,833.33
150,000.00	3.00	7-01-16	12-31-16	6 Months	2,250.00
505,000.00	4.00	7-01-16	12-31-16	6 Months	10,100.00
1,925,000.00	5.00	7-01-16	12-31-16	6 Months	48,125.00
2,140,000.00	4.00	10-01-16	12-31-16	3 Months	21,400.00
<u>\$ 6,010,000.00</u>					<u>\$ 99,168.75</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
WATER UTILITY

ACCRUED INTEREST ON NOTES  
YEAR ENDED DECEMBER 31, 2016

D-18

	<u>Ref.</u>	
Balance, December 31, 2015	D	\$ 18,007.57
Increased by:		
Budget Appropriation	D-4	122,856.98
		<u>140,864.55</u>
Decreased by:		
Payments	D-5	119,717.01
		<u>119,717.01</u>
Balance, December 31, 2016	D	<u>\$ 21,147.54</u>

Analysis of Balance

Notes Outstanding Dec. 31, 2016	Interest Rate	Accrued		Period	Amount
		From	To		
<u>\$ 5,342,536.00</u>	2.50%	11-04-16	12-31-16	57 Days	<u>\$ 21,147.54</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
WATER UTILITY

ACCRUED INTEREST ON LOANS  
YEAR ENDED DECEMBER 31, 2016

D-19

	<u>Ref.</u>		
Balance, December 31, 2015	D		\$ 25,960.42
Decreased by:			
Payments	D-5	\$ 198.70	
Canceled	D-1	<u>9,829.44</u>	
			<u>10,028.14</u>
Balance, December 31, 2016	D		<u>\$ 15,932.28</u>

Analysis of Balance

Principal Outstanding Dec. 31, 2016	Interest Rate	Accrued		Period	Amount
		From	To		
\$ 29,138.04	5.50%	8-01-16	12-31-16	5 Months	\$ 667.75
5,436.26	5.70	8-01-16	12-31-16	5 Months	129.11
140,000.00	5.00	8-01-16	12-31-16	5 Months	2,916.67
100,000.00	4.75	8-01-16	12-31-16	5 Months	1,979.17
310,000.00	5.00	8-01-16	12-31-16	5 Months	6,458.33
70,000.00	4.75	8-01-16	12-31-16	5 Months	1,385.42
20,000.00	5.00	8-01-16	12-31-16	5 Months	416.67
10,000.00	4.00	8-01-16	12-31-16	5 Months	166.67
10,000.00	5.00	8-01-16	12-31-16	5 Months	208.33
10,000.00	3.00	8-01-16	12-31-16	5 Months	125.00
40,000.00	4.00	8-01-16	12-31-16	5 Months	666.67
10,000.00	3.50	8-01-16	12-31-16	5 Months	145.83
40,000.00	4.00	8-01-16	12-31-16	5 Months	666.67
\$ 794,574.30					\$ 15,932.28

See accompanying notes to financial statements.



TOWNSHIP OF MONTCLAIR  
WATER UTILITY

DUE TO STATE OF NEW JERSEY WATER SURCHARGE  
YEAR ENDED DECEMBER 31, 2016

D-20

	<u>Ref.</u>	
Increased by:		
Collections	D-6	\$ 14,520.58
		<u>14,520.58</u>
Decreased by:		
Payments	D-5	<u>14,520.58</u>
Balance, December 31, 2016		<u><u>\$</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
WATER UTILITY

WATER OVERPAYMENTS  
YEAR ENDED DECEMBER 31, 2016

D-21

	<u>Ref.</u>		
Balance, December 31, 2015	D		\$ 27,477.03
Increased by:			
Collections	D-6		<u>24,277.32</u>
			51,754.35
Decreased by:			
Refunds	D-5	\$ 454.31	
Applied to Rents	D-12	<u>27,022.72</u>	
			<u>27,477.03</u>
Balance, December 31, 2016	D		<u>\$ 24,277.32</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
WATER UTILITY

WATER IMPROVEMENT AUTHORIZATIONS  
YEAR ENDED DECEMBER 31, 2016

D-22

<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance</u> <u>Dec. 31, 2015</u>		<u>2016</u> <u>Authorizations</u>	<u>Paid or</u> <u>Charged</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2016</u>		
	<u>Number</u>	<u>Date</u>	<u>Amount</u>	<u>Funded</u>				<u>Unfunded</u>	<u>Funded</u>	<u>Unfunded</u>
Construction of Facilities for the Nishuane Well	02-34	7-23-02	\$ 1,060,000.00	\$	\$ 821,202.08	\$	\$ 821,202.08	\$	\$	
Various Water System Improvements	05-39	9-13-05	1,190,000.00	49,500.00			49,500.00			
Various Water System Improvements	06-39	6-27-06	1,022,000.00		324.00		324.00			
Various Water System Improvements	10-73	12-07-10	650,000.00		40,011.50	7,021.50	32,990.00			
Various Water System Improvements	11-74	11-01-11	715,000.00		94,028.93	61,028.50	31,597.57		1,402.86	
Various Water System Improvements	12-73	12-28-12	577,500.00		56,199.25	53,730.37			2,468.88	
Various Water System Improvements	14-20	06/17/14	1,350,000.00		174,605.85	54,323.12			120,282.73	
				<u>\$ 49,500.00</u>	<u>\$ 1,186,371.61</u>	<u>\$</u>	<u>\$ 176,103.49</u>	<u>\$ 935,613.65</u>	<u>\$</u>	<u>\$ 124,154.47</u>
		<u>Reference</u>		D	D		D-5	D-15		D

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TOWNSHIP OF MONTCLAIR  
WATER UTILITY

CAPITAL IMPROVEMENT FUND  
YEAR ENDED DECEMBER 31, 2016

D-23

	<u>Ref.</u>	
Balance, December 31, 2015	D	\$ 147,256.53
Increased by:		
Budget Appropriation	D-5	<u>425,000.00</u>
Balance, December 31, 2016	D	<u><u>\$ 572,256.53</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
WATER UTILITY

INTERFUNDS PAYABLE  
YEAR ENDED DECEMBER 31, 2016

D-24

	Ref.	<u>Total</u>	<u>Water Capital Fund</u>	
			<u>General Capital Fund</u>	<u>Water Operating Fund</u>
Balance, December 31, 2015	D	\$ 701,005.69	\$ 47,369.78	\$ 653,635.91
Increased by:				
Interest Earned	D-5	3,025.21		3,025.21
		<u>3,025.21</u>		<u>3,025.21</u>
		704,030.90	47,369.78	656,661.12
Decreased by:				
Cash Disbursements	D-5	701,005.69	47,369.78	653,635.91
		<u>701,005.69</u>	<u>47,369.78</u>	<u>653,635.91</u>
Balance, December 31, 2016	D	<u>\$ 3,025.21</u>	<u>\$ -</u>	<u>\$ 3,025.21</u>

TOWNSHIP OF MONTCLAIR  
WATER UTILITY

RESERVE FOR AMORTIZATION  
YEAR ENDED DECEMBER 31, 2016

D-25

	<u>Ref.</u>		
Balance, December 31, 2015	D		\$ 25,301,524.45
Increased by:			
Transferred from Deferred Reserve	D-26	\$ 398,391.26	
Paydown of Bond Anticipation Notes	D-27	857,171.00	
N.J. Environmental Infrastructure Trust Loan Paid by Operating Budget	D-28	303,698.33	
N.J. Environmental Infrastructure Trust Loan Defeased by State	D-28	292,889.70	
Serial Bonds Paid	D-29	<u>874,000.00</u>	
			<u>2,726,150.29</u>
			<u>28,027,674.74</u>
Decreased by:			
Improvement Authorizations Canceled: To Fund Balance	D-2		<u>142,313.41</u>
Balance, December 31, 2016	D		<u><u>\$ 27,885,361.33</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
WATER UTILITY

DEFERRED RESERVE FOR AMORTIZATION  
YEAR ENDED DECEMBER 31, 2016

D-26

<u>Ordinance Number</u>	<u>Description</u>	<u>Balance Dec. 31, 2015</u>	<u>To Reserve for Amortization</u>	<u>Balance Dec. 31, 2016</u>
02-34	Construction of Facilities for the Nishuane Well	\$ 50,926.00	\$ 50,926.00	\$
05-39	Various Water System Improvements	74,500.00	74,500.00	
06-39	Various Water System Improvements	119,245.00	119,245.00	
09-69	Various Water System Improvements	52,347.00	52,347.00	
10-73	Various Water Utility Improvements	40,620.00	40,620.00	
11-74	Various Water Utility Improvements	35,750.00	34,347.14	1,402.86
12-73	Various Water Utility Improvements	28,875.00	26,406.12	2,468.88
14-20	Various Water Utility Improvements	67,500.00		67,500.00
		<u>\$ 469,763.00</u>	<u>\$ 398,391.26</u>	<u>\$ 71,371.74</u>
		Ref. D	D-25	D

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TOWNSHIP OF MONTCLAIR  
WATER UTILITY

D-27

BOND ANTICIPATION NOTES  
YEAR ENDED DECEMBER 31, 2016

Ordinance Number	Description	Date of Original Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2015	Increase	Decrease	Balance Dec. 31, 2016
06-39	Various Water System Improvements	12-21-06			\$ 805,265.00	\$	\$ 805,265.00	\$
07-50	Various Water System Improvements	12-18-08	11-03-17	2.50%	370,156.00	364,208.00	370,156.00	364,208.00
		03-13-09	11-03-17	2.50	382,696.00	376,644.00	382,696.00	376,644.00
08-35	Various Water System Improvements	12-18-09	11-03-17	2.50	469,312.00	461,624.00	469,312.00	461,624.00
		12-16-10	11-03-17	2.50	381,172.00	375,021.00	381,172.00	375,021.00
09-69	Various Water System Improvements	03-11-10	11-03-17	2.50	238,901.00	235,202.00	238,901.00	235,202.00
		03-10-11	11-03-17	2.50	242,604.00	238,905.00	242,604.00	238,905.00
		11-07-14	11-03-17	2.50	208,000.00	208,000.00	208,000.00	208,000.00
02-34	Various Water System Improvements	12-15-11	11-03-17	2.50	26,911.00	26,465.00	26,911.00	26,465.00
		11-04-16	11-03-17	2.50		160,600.00		160,600.00
10-73	Various Water System Improvements	12-15-11	11-03-17	2.50	483,760.00	475,640.00	483,760.00	475,640.00
		11-07-14	11-03-17	2.50	39,000.00	39,000.00	39,000.00	39,000.00
		11-05-15	11-03-17	2.50	39,000.00	39,000.00	39,000.00	39,000.00
11-74	Various Water System Improvements	12-14-12	11-03-17	2.50	311,747.00	301,644.00	311,747.00	301,644.00
		11-07-14	11-03-17	2.50	180,000.00	180,000.00	180,000.00	180,000.00
		11-05-15	11-03-17	2.50	146,000.00	146,000.00	146,000.00	146,000.00
12-73	Various Water System Improvements	11-07-14	11-03-17	2.50	403,000.00	403,000.00	403,000.00	403,000.00
		11-05-15	11-03-17	2.50	121,000.00	121,000.00	121,000.00	121,000.00
		11-04-16	11-03-17	2.50		22,883.00		22,883.00
14-20	Various Water System Improvements	11-07-14	11-03-17	2.50	164,000.00	164,000.00	164,000.00	164,000.00
		11-05-15	11-03-17	2.50	990,000.00	990,000.00	990,000.00	990,000.00
		11-04-16	11-03-17	2.50		13,700.00		13,700.00
					<u>\$ 6,002,524.00</u>	<u>\$ 5,342,536.00</u>	<u>\$ 6,002,524.00</u>	<u>\$ 5,342,536.00</u>

Ref.                      D                      D-5                      Below                      D

Ref.

Cash Disbursements                      D-5                      \$ 5,145,353.00  
Paid by Budget Appropriation                      D-25                      857,171.00

\$ 6,002,524.00

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TOWNSHIP OF MONTCLAIR  
WATER UTILITY

N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE  
YEAR ENDED DECEMBER 31, 2016

D-28

	<u>Original Issue</u>		<u>Balance</u>	<u>Decrease</u>	<u>Balance</u>
	<u>Date</u>	<u>Amount</u>	<u>December 31, 2015</u>		<u>December 31, 2016</u>
Trust Share	11-04-99	\$ 1,245,000.00	\$ 370,000.00	\$ 335,425.70	\$ 34,574.30
Trust Share	11-08-01	660,000.00	280,000.00	40,000.00	240,000.00
Fund Share	11-08-01	706,820.00	217,595.32	35,508.88	182,086.44
Trust Share	11-07-02	915,000.00	435,000.00	55,000.00	380,000.00
Fund Share	11-07-02	962,135.00	343,839.01	50,172.87	293,666.14
Trust Share	3-10-10	180,000.00	150,000.00	10,000.00	140,000.00
Fund Share	3-10-10	550,993.00	392,232.37	70,480.58	321,751.79
			<u>\$ 2,188,666.70</u>	<u>\$ 596,588.03</u>	<u>\$ 1,592,078.67</u>
	Reference		D	D-25	D

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TOWNSHIP OF MONTCLAIR  
WATER UTILITY

SERIAL BONDS  
YEAR ENDED DECEMBER 31, 2016

D-29

Purpose	Date of Issue	Amount of Original Issue	Bonds Outstanding Dec. 31, 2016		Interest Rate	Balance Dec. 31, 2015	Bonds Issued	Decrease	Balance Dec. 31, 2016
			Date	Amount					
Water Improvements	5-15-06	\$ 3,453,000.00				\$ 110,000.00	\$	\$ 110,000.00	\$
Water Improvements	9-01-08	3,349,000.00	9-01-17 9-01-18	\$ 195,000.00 250,000.00	3.75 % 3.75	2,934,000.00		2,489,000.00	445,000.00
Water Improvements	3-01-11	1,065,000.00	3-01-17/19 3-01-20 3-01-21	100,000.00 100,000.00 165,000.00	3.00 3.125 3.375	665,000.00		100,000.00	565,000.00
Water Refunding	8-15-11	1,550,000.00	2-01-17	280,000.00	3.00	595,000.00		315,000.00	280,000.00
Water Refunding	3-01-14	2,580,000.00	1-01-17 1-01-18 1-01-19 1-01-20 1-01-21 1-01-22/23 1-01-24/26 1-01-27	150,000.00 260,000.00 245,000.00 245,000.00 260,000.00 235,000.00 240,000.00 230,000.00	3.00 4.00 4.00 5.00 5.00 5.00 5.00 5.00	2,580,000.00			2,580,000.00
Water Refunding	8-15-16	2,155,000.00	10-01-19/20 10-01-21/25 10-01-26	235,000.00 280,000.00 270,000.00	4.00 4.00 4.00		2,155,000.00	15,000.00	2,140,000.00
						<u>\$ 6,884,000.00</u>	<u>\$ 2,155,000.00</u>	<u>\$ 3,029,000.00</u>	<u>\$ 6,010,000.00</u>
						Ref. D	Below	Below	D
						Bonded Refunded Bonds Paid	Contra D-25	\$ 2,155,000.00	\$ 2,155,000.00 874,000.00
								<u>\$ 2,155,000.00</u>	<u>\$ 3,029,000.00</u>

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TOWNSHIP OF MONTCLAIR  
WATER UTILITY

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
YEAR ENDED DECEMBER 31, 2016

D-30

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2015</u>	<u>Bond Anticipation Notes Issued</u>	<u>Canceled</u>	<u>Balance December 31, 2016</u>
02-33	Reconstruction of Pumping Station - Grove Street	\$ 10,179.87	\$	\$ 225.65	\$ 9,954.22
02-34	Construction of Nishuane Well	981,774.00	160,600.00	821,174.00	0.00
10-73	Various Water Improvements	39,500.00		32,990.00	6,510.00
11-74	Various Water Improvements	31,400.00		31,400.00	0.00
12-73	Various Water Improvements	24,625.00	22,883.00		1,742.00
14-20	Various Water Improvements	128,500.00	13,700.00		114,800.00
		<u>\$ 1,215,978.87</u>	<u>\$ 197,183.00</u>	<u>\$ 885,789.65</u>	<u>\$ 133,006.22</u>
			D-9		
<u>Ref.</u>		D			D

TOWNSHIP OF MONTCLAIR  
SEWER UTILITY FUND

CASH RECEIPTS, DISBURSEMENTS  
TREASURER  
YEAR ENDED DECEMBER 31, 2016

E-5

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance, December 31, 2015	E	\$ 1,012,027.77	\$ 784,508.25
Increased by Receipts:			
Premium on Sales of Notes	E-2	\$	\$ 32,926.00
Interest on Deposits	E-3	3,697.69	
Collector	E-6	5,637,430.77	
Environmental Loan Receivable	E-12		318,302.00
Capital Fund Balance	E-3	75,000.00	
Interfunds Receivable	E-9	632,392.98	
Interfunds Payable	E-17	15.00	27,232.57
Bond Anticipation Notes	E-25		2,051,464.00
		<u>6,348,536.44</u>	<u>2,429,924.57</u>
		7,360,564.21	3,214,432.82
Decreased by Disbursements:			
Anticipated Revenue - Water Operating Fund	E-2		75,000.00
Budget Appropriations	E-4	5,239,655.03	
Appropriation Reserves	E-15	17,166.76	
Accrued Interest on Notes	E-19	46,926.80	
Accrued Interest on Loans	E-18	8,569.79	
Sewer Overpayments	E-16	1,160.88	
Improvements Authorizations	E-20		115,792.08
Interfund Payable	E-17	475.41	632,392.98
Bond Anticipation Notes	E-25		1,982,080.00
		<u>5,313,954.67</u>	<u>2,805,265.06</u>
Balance, December 31, 2016	E	<u>\$ 2,046,609.54</u>	<u>\$ 409,167.76</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
SEWER UTILITY FUND

CASH RECEIPTS AND DISBURSEMENTS - COLLECTOR  
YEAR ENDED DECEMBER 31, 2016

E-6

	<u>Ref.</u>	
Increased by:		
Miscellaneous Revenue Not Anticipated	E-3	\$ 160,912.84
Sanitary Sewer Connection Reservoir Ridge	E-3	69,644.00
Consumer Accounts Receivable	E-10	4,886,831.23
Sewer Connection Fees	E-3	485,754.00
Sewer Overpayments	E-16	<u>34,288.70</u>
		5,637,430.77
Decreased by:		
Turnovers to Treasurer	E-5	<u>5,637,430.77</u>
		<u>\$</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
SEWER UTILITY FUND

CHANGE FUNDS  
YEAR ENDED DECEMBER 31, 2016

E-7

	<u>Ref.</u>	
Balance, December 31, 2015	E	<u>\$ 200.00</u>
Balance, December 31, 2016	E	<u><u>\$ 200.00</u></u>

TOWNSHIP OF MONTCLAIR  
SEWER UTILITY FUND

ANALYSIS OF CAPITAL CASH  
YEAR ENDED DECEMBER 31, 2016

E-8

	Balance Dec. 31, 2015	Receipts Other	Disbursements		Transfers		Balance Dec. 31, 2016
			Improvement Authorizations	Other	From	To	
<u>Improvement Authorizations</u>							
General Improvements:							
#09-17	\$ 13,368.56		\$ 7,996.45		\$ 72.11		\$ 5,300.00
#09-70	(10,322.50)						(10,322.50)
#12-21	(202,341.30)	\$ 318,302.00	40,164.59		84,471.82		(8,675.71)
#14-19	17,285.44		43,916.07			\$ 94,300.00	67,669.37
#15-32	71,841.32		23,714.97				48,126.35
		2,051,464.00		\$ 1,982,080.00	94,300.00	24,916.00	
<u>Other Accounts</u>							
Fund Balance	141,783.75	32,926.00		75,000.00			99,709.75
Excess Bond Anticipation Notes						59,627.93	59,627.93
Capital Improvement Fund	120,500.00						120,500.00
Sewer Operating Fund Interfund	632,392.98	27,232.57		632,392.98			27,232.57
	<u>\$ 784,508.25</u>	<u>\$ 2,429,924.57</u>	<u>\$ 115,792.08</u>	<u>\$ 2,689,472.98</u>	<u>\$ 178,843.93</u>	<u>\$ 178,843.93</u>	<u>\$ 409,167.76</u>

Ref.

E

E

TOWNSHIP OF MONTCLAIR  
SEWER UTILITY FUND

INTERFUNDS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2016

		<u>E-9</u>
		Sewer Operating Fund
		<u>Sewer Capital</u>
	Ref.	
Balance, December 31, 2015	E	<u>\$ 632,392.98</u>
Increased by:		
Interest Earned	E-3	2,316.57
Budget Appropriation	E-4	<u>24,916.00</u>
		<u>27,232.57</u>
		659,625.55
Decreased by:		
Settlements	E-5	<u>632,392.98</u>
Balance, December 31, 2016	E	<u>\$ 27,232.57</u>

See accompanying notes to financial statements.



TOWNSHIP OF MONTCLAIR  
SEWER UTILITY FUND

CONSUMER ACCOUNTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2016

E-10

	<u>Ref.</u>		
Balance, December 31, 2015	E		\$ 730,455.91
Increased by:			
Sewer Charges Levied - Net	Reserve		<u>4,820,248.58</u>
			<u>5,550,704.49</u>
Decreased by:			
Collections	E-6	\$ 4,886,831.23	
Overpayments Applied	E-16	<u>66,597.92</u>	
	E-3		<u>4,953,429.15</u>
Balance, December 31, 2016	E		<u><u>\$ 597,275.34</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
SEWER UTILITY FUND

INVENTORY - MATERIALS AND SUPPLIES  
YEAR ENDED DECEMBER 31, 2016

E-11

	<u>Ref.</u>	
Balance, December 31, 2015	E	<u>\$ 14,454.22</u>
Decreased by:		
Adjustment to write-off		(14,454.22)
Balance, December 31, 2016	E	<u><u>\$ -</u></u>

ENVIRONMENTAL INFRASTRUCTURE LOAN RECEIVABLE  
YEAR ENDED DECEMBER 31, 2016

E-12

	<u>Ref.</u>	
Balance, December 31, 2015	E	\$ 318,302.00
Decreased by:		
Cash Receipt	E-5	<u>318,302.00</u>
Balance, December 31, 2016		<u><u>\$</u></u>

FIXED CAPITAL  
YEAR ENDED DECEMBER 31, 2016

E-13

	<u>Ref.</u>	
Balance, December 31, 2015	E	\$ 1,407,634.84
Increased by:		
Transferred from Fixed Capital Authorized and Uncomplete	E-14	<u>3,691,166.72</u>
Balance, December 31, 2016	E	<u><u>\$ 5,098,801.56</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
SEWER UTILITY FUND

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED  
YEAR ENDED DECEMBER 31, 2016

E-14

Ordinance Number	Description	Balance Dec. 31, 2015	2016 Authorizations	Decrease	Balance Dec. 31, 2016
09-17	Various Sewer System Improvements	\$ 550,000.00	\$	\$ 544,700.00	\$ 5,300.00
09-70	Various Sewer System Improvements	450,000.00		450,000.00	
12-21	Various Sewer System Improvements	1,100,000.00		981,918.71	118,081.29
14-19	Various Sewer System Improvements	445,000.00		176,630.63	268,369.37
15-32	Various Sewer System Improvements	<u>1,600,000.00</u>		<u>1,551,873.65</u>	<u>48,126.35</u>
		<u>\$ 4,145,000.00</u>	<u>\$</u>	<u>\$ 3,705,122.99</u>	<u>\$ 439,877.01</u>
	Ref. E			Below	E
			Ref.		
	Transferred to Fixed Capital Improvement Authorizations Canceled		E-13	\$ 3,691,166.72	
			E-20	<u>13,956.27</u>	
				<u>\$ 3,705,122.99</u>	

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
SEWER UTILITY FUND

APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2016

E-15

	<u>Balance Dec. 31, 2015</u>		<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
	<u>Encumbered</u>	<u>Unencumbered</u>			
<u>Operating:</u>					
Salary and Wages	\$	\$ 97,713.85	\$ 97,713.85	\$	\$ 97,713.85
Other Expenses	16,809.27	152,095.09	168,904.36	17,166.76	151,737.60
Passaic Valley Sewer Commission		7,135.97	7,135.97		7,135.97
Third River Sewer		165.64	165.64		165.64
Second River Sewer		706.28	706.28		706.28
Social Security System		26,000.00	26,000.00		26,000.00
Unemployment Insurance		3,500.00	3,500.00		3,500.00
	<u>\$ 16,809.27</u>	<u>\$ 287,316.83</u>	<u>\$ 304,126.10</u>	<u>\$ 17,166.76</u>	<u>\$ 286,959.34</u>
<u>Ref.</u>	E	E		E-5	E-1

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TOWNSHIP OF MONTCLAIR  
SEWER UTILITY FUND

SEWER OVERPAYMENTS  
YEAR ENDED DECEMBER 31, 2016

E-16

	<u>Ref.</u>	
Balance, December 31, 2015	E	\$ 67,758.80
Increased by:		
Collections	E-6	<div style="display: flex; justify-content: flex-end; align-items: center;"> <span style="margin-right: 10px;"><u>34,288.70</u></span> </div>
		102,047.50
Decreased by:		
Refunds	E-5	\$ 1,160.88
Applied to Water Rents	E-10	<div style="display: flex; justify-content: flex-end; align-items: center;"> <span style="margin-right: 10px;"><u>66,597.92</u></span> </div>
		<div style="display: flex; justify-content: flex-end; align-items: center;"> <span style="margin-right: 10px;"><u>67,758.80</u></span> </div>
Balance, December 31, 2016	E	<div style="display: flex; justify-content: flex-end; align-items: center;"> <span style="margin-right: 10px;"><u><u>\$ 34,288.70</u></u></span> </div>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
SEWER UTILITY FUND

INTERFUNDS PAYABLE  
YEAR ENDED DECEMBER 31, 2016

E-17

	<u>Ref.</u>	<u>Sewer Operating Fund</u>		<u>Sewer Capital Fund</u>
		<u>Water Operating</u>	<u>Current Fund</u>	<u>Sewer Operating Fund</u>
Balance, December 31, 2015	E	<u>\$ 475.41</u>	<u>                    </u>	<u>\$ 632,392.98</u>
Increased by:				
Advances	E-5		\$ 15.00	24,916.00
Interest on Deposit	E-5		<u>                    </u>	<u>2,316.57</u>
			<u>15.00</u>	<u>27,232.57</u>
		475.41	15.00	659,625.55
Decreased by:				
Settlements	E-5	<u>475.41</u>	<u>                    </u>	<u>632,392.98</u>
Balance, December 31, 2016	E	<u><u>\$</u></u>	<u><u>\$ 15.00</u></u>	<u><u>\$ 27,232.57</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
SEWER UTILITY FUND

ACCRUED INTEREST ON LOANS  
YEAR ENDED DECEMBER 31, 2016

E-18

	<u>Ref.</u>	
Balance, December 31, 2015	E	\$ 5,601.74
Increased by:		
Budget Appropriation	E-4	6,441.49
		12,043.23
Decreased by:		
Payments	E-5	8,569.79
		8,569.79
Balance, December 31, 2016	E	\$ 3,473.44

Analysis of Balance

<u>Notes Outstanding</u> <u>Dec. 31, 2016</u>	<u>Interest</u> <u>Rate</u>	<u>Accrued</u>		<u>Period</u>	<u>Period</u>
		<u>From</u>	<u>To</u>		
\$ 120,000.00	5.00 %	8/1/2016	12/31/2016	5 months	\$ 2,500.00
30,000.00	3.00				375.00
15,000.00	3.125				195.31
15,000.00	3.2				200.00
15,000.00	3.25				203.13
					\$ 3,473.44

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
SEWER UTILITY FUND

ACCRUED INTEREST ON NOTES  
YEAR ENDED DECEMBER 31, 2016

E-19

	<u>Ref.</u>	
Balance, December 31, 2015	E	\$ 6,747.70
Increased by:		
Budget Appropriation	E-4	48,299.48
		55,047.18
Decreased by:		
Payments	E-5	46,926.80
		46,926.80
Balance, December 31, 2016	E	\$ 8,120.38

Analysis of Balance

<u>Notes Outstanding</u> <u>Dec. 31, 2016</u>	<u>Interest</u> <u>Rate</u>	<u>Accrued</u>		<u>Period</u>	<u>Period</u>
		<u>From</u>	<u>To</u>		
<u>\$ 2,051,464.00</u>	2.50 %	11/4/2016	12/31/2016	57 Days	<u>\$ 8,120.38</u>

See accompanying notes to financial statements.



TOWNSHIP OF MONTCLAIR  
SEWER UTILITY

E-20

SEWER IMPROVEMENT AUTHORIZATIONS  
YEAR ENDED DECEMBER 31, 2016

<u>Improvement Description</u>	<u>Number</u>	<u>Ordinance</u>		<u>Balance Dec. 31, 2015</u>		<u>2016 Authorizations</u>	<u>Paid or Charged</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2016</u>	
		<u>Date</u>	<u>Amount</u>	<u>Funded</u>	<u>Unfunded</u>				<u>Funded</u>	<u>Unfunded</u>
Various Sewer System Improvements	09-17	4-21-09	550,000.00	\$	\$ 13,368.56	\$	\$ 7,996.45	\$ 72.11	\$	\$ 5,300.00
Various Sewer System Improvements	09-70	11-10-09	450,000.00		13,884.16			13,884.16		
Various Sewer System Improvements	12-21	03-06-12	1,100,000.00		158,245.88		40,164.59			118,081.29
Various Sewer System Improvements	14-19	06-17-14	445,000.00		312,285.44		43,916.07			268,369.37
Various Sewer System Improvements	15-32	11-10-15	1,600,000.00		71,841.32		23,714.97			48,126.35
					<u>\$ 71,841.32</u>		<u>\$ 115,792.08</u>	<u>\$ 13,956.27</u>		<u>\$ 48,126.35</u>
					<u>\$ 497,784.04</u>					<u>\$ 391,750.66</u>
		<u>Reference</u>		<u>E</u>	<u>E</u>		<u>E-5</u>	<u>E-14</u>	<u>E</u>	<u>E</u>

TOWNSHIP OF MONTCLAIR  
SEWER UTILITY FUND

ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE  
YEAR ENDED DECEMBER 31, 2016

E-21

	<u>Ref.</u>	
Balance, December 31, 2015	E	\$ 830,656.00
Decreased by:		
Loan Payments	E-24	<u>49,103.50</u>
Balance, December 31, 2016	E	<u>\$ 781,552.50</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
SEWER UTILITY FUND

DEFERRED RESERVE FOR AMORTIZATION  
YEAR ENDED DECEMBER 31, 2016

E-22

Ordinance Number	Improvement Description	Balance Dec. 31, 2015	Increase	Decrease	Balance Dec. 31, 2016
09-17	Various Sewer System Improvements	\$ 39,868.00	\$	\$ 34,568.00	\$ 5,300.00
09-70	Various Sewer System Improvements	30,834.00		30,834.00	
15-32	Various Sewer System Improvements	1,600,000.00		1,551,873.65	48,126.35
		<u>\$ 1,670,702.00</u>	<u>\$</u>	<u>\$ 1,617,275.65</u>	<u>\$ 53,426.35</u>
	Ref.	E		E-24	E

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
SEWER UTILITY FUND

CAPITAL IMPROVEMENT FUND  
YEAR ENDED DECEMBER 31, 2016

E-23

	<u>Ref.</u>	
Balance, December 31, 2015	E	<u>\$ 120,500.00</u>
Balance, December 31, 2016	E	<u><u>\$ 120,500.00</u></u>

RESERVE FOR AMORTIZATION  
YEAR ENDED DECEMBER 31, 2016

E-24

	<u>Ref.</u>	
Balance, December 31, 2015	E	\$ 336,909.00
Increased by:		
Transferred from Deferred Reserve	E-22	\$ 1,617,275.65
Paydown of Bond Anticipation Notes	E-25	370,796.00
Payment of Loans	E-21	<u>49,103.50</u>
		<u>2,037,175.15</u>
Balance, December 31, 2016	E	<u><u>\$ 2,374,084.15</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
SEWER UTILITY FUND

BOND ANTICIPATION NOTES  
YEAR ENDED DECEMBER 31, 2016

E-25

Ordinance Number	Purpose	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2015	Increase	Decrease	Balance Dec. 31, 2016	
06-38, 07-44	Various Sewer System Improvements	12-21-06	11-04-16	11-03-17	2.50 %	\$ 343,052.00	\$	\$ 343,052.00	\$	
		12-18-08	11-04-16	11-03-17	2.50	278,300.00	272,875.00	278,300.00	272,875.00	
		12-18-09	11-04-16	11-03-17	2.50	46,754.00	45,842.00	46,754.00	45,842.00	
		12-16-10	11-04-16	11-03-17	2.50	549.00	538.00	549.00	538.00	
08-11	Various Sewer Improvements	3-13-09	11-04-16	11-03-17	2.50	471,454.00	463,662.00	471,454.00	463,662.00	
		11-07-14	11-04-16	11-03-17	2.50	78,000.00	78,000.00	78,000.00	78,000.00	
08-36	Repairs to Sewer Utility System	3-13-09	11-04-16	11-03-17	2.50	189,270.00	170,511.07	189,270.00	170,511.07	
		3-11-10	11-04-16	11-03-17	2.50	96,534.00	87,107.93	96,534.00	87,107.93	
09-17	Various Sewer Improvements	3-11-10	11-04-16	11-03-17	2.50	356,464.00	350,296.00	356,464.00	350,296.00	
09-70	Various Sewer Improvements	12-16-10	11-04-16	11-03-17	2.50	287,499.00	283,332.00	287,499.00	283,332.00	
		11-07-14	11-04-16	11-03-17	2.50	55,000.00	55,000.00	55,000.00	55,000.00	
14-19	Various Sewer Improvements	11-05-15	11-04-16	11-03-17	2.50	150,000.00	150,000.00	150,000.00	150,000.00	
		11-04-16	11-04-16	11-03-17	2.50		94,300.00	94,300.00	94,300.00	
						<u>\$ 2,352,876.00</u>	<u>\$ 2,051,464.00</u>	<u>\$ 2,352,876.00</u>	<u>\$ 2,051,464.00</u>	
						<u>Ref.</u>	E	E-5	Below	E
						<u>Ref.</u>				
						E-24	\$ 370,796.00			
						Cash	E-5		<u>1,982,080.00</u>	
						Above	<u>\$ 2,352,876.00</u>			

TOWNSHIP OF MONTCLAIR  
SEWER UTILITY FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
YEAR ENDED DECEMBER 31, 2016

E-26

Ordinance Number	Improvement Description	Balance Dec. 31, 2015	Decreased	Balance Dec. 31, 2016
09-70	Various Sewer System Improvements	\$ 24,206.66	\$ 13,884.16	\$ 10,322.50
12-21	Various Sewer System Improvements	126,757.00		126,757.00
14-19	Various Sewer System Improvements	295,000.00	94,300.00	200,700.00
		<u>\$ 445,963.66</u>	<u>\$ 108,184.16</u>	<u>\$ 337,779.50</u>
	<u>Ref.</u>	E		E

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
PARKING UTILITY

CASH RECEIPTS, DISBURSEMENTS AND RECONCILIATION -  
TREASURER  
YEAR ENDED DECEMBER 31, 2016

F-4

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance, December 31, 2015	F	\$ 2,388,958.80	\$ 803,449.94
Increased by Receipts:			
Interest on Deposits	F-2, F-14	\$ 4,228.97	\$ 1,781.42
Meter Fees	F-2	1,564,833.17	
Miscellaneous Revenue	F-2	314,204.84	
Permit Fees	F-2	1,634,507.53	
Interfund Receivable	F-6	380,000.00	86,550.06
Interfund Payable	F-14	25,835.00	
		<u>3,923,609.51</u>	<u>88,331.48</u>
		6,312,568.31	891,781.42
Increased by Disbursements:			
Anticipated Revenue - Current Fund	F-1	500,000.00	
Adjustment of Prior Year Revenue	F-1	59,914.30	
Budget Appropriations	F-3	1,967,948.12	
Interfund Receivable	F-6	466,550.06	
Appropriation Reserves	F-9	429,851.80	
Interfunds Payable	F-14	40,430.00	
Accrued Interest on Bonds	F-10	600,413.56	
		<u>4,065,107.84</u>	
Balance, December 31, 2016	F	<u>\$ 2,247,460.47</u>	<u>\$ 891,781.42</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
PARKING UTILITY

ANALYSIS OF CAPITAL CASH  
DECEMBER 31, 2016 AND 2015

F-5

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
<u>Other Accounts</u>		
Capital Improvement Fund	\$ 305,000.00	\$ 490,000.00
Fund Balance	400,000.00	400,000.00
Improvement Authorization	185,000.00	
Parking Utility Operating Fund Interfund	<u>1,781.42</u>	<u>(86,550.06)</u>
	<u>\$ 891,781.42</u>	<u>\$ 803,449.94</u>
<u>Ref.</u>	F-4	F-4

See accompanying notes to financial statements.



TOWNSHIP OF MONTCLAIR  
PARKING UTILITY

INTERFUNDS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2016

F-6

	<u>Ref.</u>	<u>Total</u>	<u>Parking Utility Operating Fund Parking Utility Capital Fund</u>	<u>Parking Utility Operating Fund General Capital Fund</u>	<u>Parking Utility Capital Fund Parking Utility Operating Fund</u>
Balance, December 31, 2015	F	\$	\$	\$	\$ 86,550.06
Increased by:					
Interest Earned	F-2	1,781.42	1,781.42		
Advances	F-4	<u>466,550.06</u>	<u>86,550.06</u>	<u>380,000.00</u>	
		468,331.48	88,331.48	380,000.00	86,550.06
Decreased by:					
Transferred From Interfunds Payable	F-14	86,550.06	86,550.06		
Collections	F-4	<u>380,000.00</u>		<u>380,000.00</u>	<u>86,550.06</u>
		<u>466,550.06</u>	<u>86,550.06</u>	<u>380,000.00</u>	<u>86,550.06</u>
Balance, December 31, 2016	F	<u>\$ 1,781.42</u>	<u>\$ 1,781.42</u>	<u>\$</u>	<u>\$</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
PARKING UTILITY

FIXED CAPITAL  
DECEMBER 31, 2016

F-7

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Construction of Various Parking Decks	<u>\$ 16,445,000.00</u>	<u>\$ 16,445,000.00</u>
<u>Ref.</u>	F	F

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED  
DECEMBER 31, 2016

F-8

	Ref.	
Increased by:		
Improvement Authorization	F-15	<u>\$ 185,000.00</u>
Balance, December 31, 2016	F	<u>\$ 185,000.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
PARKING UTILITY

APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2016

F-9

	Balance Dec. 31, 2015		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Committed</u>	<u>Reserved</u>			
<u>Operating</u>					
Salaries and Wages	\$	\$ 16,540.53	\$ 16,540.53	\$	\$ 16,540.53
Other Expenses	427,443.08	222,591.43	650,034.51	429,851.80	220,182.71
<u>Statutory Expenditures</u>					
Public Employees' Retirement System		16,781.00	16,781.00		16,781.00
	<u>\$ 427,443.08</u>	<u>\$ 255,912.96</u>	<u>\$ 683,356.04</u>	<u>\$ 429,851.80</u>	<u>\$ 253,504.24</u>
<u>Ref.</u>	F	F		F-4	F-1

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TOWNSHIP OF MONTCLAIR  
PARKING UTILITY

ACCRUED INTEREST ON BONDS  
YEAR ENDED DECEMBER 31, 2016

F-10  
Sheet # 1

	<u>Ref.</u>	
Balance, December 31, 2015	F	\$ 312,444.58
Increased by:		
Budget Appropriation	F-3	583,587.96
		<u>896,032.54</u>
Decreased by:		
Payments	F-4	600,413.56
		<u>600,413.56</u>
Balance, December 31, 2016	F	<u>\$ 295,618.98</u>

Analysis of Balance

Bonds Outstanding Dec. 31, 2016	Interest Rate	Accrued		Period	Amount
		From	To		
\$ 370,000.00	2.000%	7/1/2016	12/31/2016	6 Months	\$ 3,700.00
375,000.00	3.000%	7/1/2016	12/31/2016		5,625.00
795,000.00	4.000%	7/1/2016	12/31/2016		15,900.00
3,445,000.00	5.000%	7/1/2016	12/31/2016		86,125.00
585,000.00	3.375%	7/1/2016	12/31/2016		9,871.88
610,000.00	3.500%	7/1/2016	12/31/2016		10,675.00
1,280,000.00	3.625%	7/1/2016	12/31/2016		23,200.00
1,375,000.00	3.750%	7/1/2016	12/31/2016		25,781.25
3,165,000.00	5.000%	7/1/2016	12/31/2016		79,125.00
<u>12,000,000.00</u>					<u>260,003.13</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
PARKING UTILITY

ACCRUED INTEREST ON BONDS  
YEAR ENDED DECEMBER 31, 2016

F-10  
Sheet # 2

Bonds Outstanding Dec. 31, 2016	Interest Rate	Accrued		Period	Amount
		From	To		
\$ 60,000.00	1.489%	7/1/2016	12/31/2016		\$ 446.70
65,000.00	2.190%	7/1/2016	12/31/2016		711.75
65,000.00	2.490%	7/1/2016	12/31/2016		809.25
65,000.00	2.860%	7/1/2016	12/31/2016		929.50
65,000.00	3.110%	7/1/2016	12/31/2016		1,010.75
70,000.00	3.324%	7/1/2016	12/31/2016		1,163.40
65,000.00	3.524%	7/1/2016	12/31/2016		1,145.30
70,000.00	3.674%	7/1/2016	12/31/2016		1,285.90
410,000.00	4.324%	7/1/2016	12/31/2016		8,864.20
845,000.00	4.556%	7/1/2016	12/31/2016		19,249.10
<u>1,780,000.00</u>					<u>35,615.85</u>
<u>\$ 13,780,000.00</u>					<u>\$ 295,618.98</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
PARKING UTILITY

RESERVE FOR AMORTIZATION  
YEAR ENDED DECEMBER 31, 2016

F-11

	<u>Ref.</u>	
Balance, December 31, 2015	F	\$ 2,250,000.00
Increased by:		
Serial Bonds Paid by Operating Budget:		
Current Year	F-16	<u>415,000.00</u>
Balance, December 31, 2016	F	<u>\$ 2,665,000.00</u>

CAPITAL IMPROVEMENT FUND  
YEAR ENDED DECEMBER 31, 2016

F-12

	<u>Ref.</u>	
Balance, December 31, 2015	F	\$ 490,000.00
Decreased by:		
Applied to Improvement Authorization	F-13	<u>185,000.00</u>
Balance, December 31, 2016	F	<u>\$ 305,000.00</u>

DEFERRED RESERVE FOR AMORTIZATION  
YEAR ENDED DECEMBER 31, 2016

F-13

	<u>Ref.</u>	
Increased by:		
Improvement Authorization No. 12-16	F-12	<u>\$ 185,000.00</u>
Balance, December 31, 2016	F	<u>\$ 185,000.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
PARKING UTILITY

INTERFUNDS PAYABLE  
DECEMBER 31, 2016

F-14

		<u>Parking Utility Operating Fund</u>		<u>Parking Utility Capital Fund</u>
	<u>Ref.</u>	<u>Current Fund</u>	<u>Parking Utility Capital Fund</u>	<u>Parking Utility Operating Fund</u>
Balance, December 31, 2015	F	\$ 15,000.00	\$ 86,550.06	\$
Increased by:				
Cash Receipts	F-4	25,835.00		
Interest Earned	F-4			1,781.42
		40,835.00	86,550.06	1,781.42
Decreased by:				
Transferred To Interfunds Receivable	F-6		86,550.06	
Cash Disbursements	F-4	40,430.00		
		40,430.00	86,550.06	
Balance, December 31, 2016	F	\$ 405.00	\$	\$ 1,781.42

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR  
PARKING UTILITY

IMPROVEMENT AUTHORIZATIONS  
YEAR ENDED DECEMBER 31, 2016

F-15

<u>Improvement Description</u>	<u>Ordinance</u>		<u>2016</u> <u>Authorizations</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u>
	<u>Number</u>	<u>Date</u>			<u>Amount</u>
Various Parking Improvements	12-16	6-15-16	185,000.00	\$	\$ 185,000.00
		<u>Reference</u>	F-8, F-12		F



TOWNSHIP OF MONTCLAIR  
PARKING UTILITY

SERIAL BONDS  
YEAR ENDED DECEMBER 31, 2016

F-16  
Sheet # 1

Purpose	Date of Issue	Amount of Original Issue	Bonds Outstanding		Interest Rate	Balance Dec. 31, 2015	Decrease	Balance Dec. 31, 2016
			Date	Amount				
Series A	5-15-06	\$ 14,555,000.00				\$ 340,000.00	\$ 340,000.00	\$
Refunding	7-1-14	12,030,000.00	1-01-17	\$ 370,000.00	2.00 %			
			1-01-18	375,000.00	3.00			
			1-01-19	390,000.00	4.00			
			1-01-20	405,000.00	4.00			
			1-01-21	425,000.00	5.00			
			1-01-22	445,000.00	5.00			
			1-01-23	465,000.00	5.00			
			1-01-24	495,000.00	5.00			
			1-01-25	515,000.00	5.00			
			1-01-26	535,000.00	5.00			
			1-01-27	565,000.00	5.00			
			1-01-28	585,000.00	3.375			
			1-01-29	610,000.00	3.50			
			1-01-30	630,000.00	3.625			
			1-01-31	650,000.00	3.625			
			1-01-32	680,000.00	3.750			
			1-01-33	695,000.00	3.750			
			1-01-34	735,000.00	5.00			
			1-01-35	770,000.00	5.00			
			1-01-36	805,000.00	5.00			
			1-01-37	855,000.00	5.00	12,015,000.00	15,000.00	12,000,000.00

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TOWNSHIP OF MONTCLAIR  
PARKING UTILITY

SERIAL BONDS  
YEAR ENDED DECEMBER 31, 2016

F-16  
Sheet # 2

Purpose	Date of Issue	Amount of Original Issue	Bonds Outstanding Dec. 31, 2016		Interest Rate	Balance Dec. 31, 2015	Decrease	Balance Dec. 31, 2016
			Date	Amount				
Series B	5-15-06	\$ 1,890,000.00				\$ 40,000.00	\$ 40,000.00	\$
Refunding	7-1-14	1,820,000.00	1-01-17	\$ 60,000.00	1.489 %			
			1-01-18	65,000.00	2.190			
			1-01-19	65,000.00	2.490			
			1-01-20	65,000.00	2.860			
			1-01-21	65,000.00	3.110			
			1-01-22	70,000.00	3.324			
			1-01-23	65,000.00	3.524			
			1-01-24	70,000.00	3.674			
			1-01-25	75,000.00	4.324			
			1-01-26	80,000.00	4.324			
			1-01-27	85,000.00	4.324			
			1-01-28	85,000.00	4.324			
			1-01-29	85,000.00	4.324			
			1-01-30	90,000.00	4.556			
			1-01-31	90,000.00	4.556			
			1-01-32	100,000.00	4.556			
			1-01-33	105,000.00	4.556			
			1-01-34	105,000.00	4.556			
			1-01-35	115,000.00	4.556			
			1-01-36	115,000.00	4.556			
			1-01-37	125,000.00	4.556			
						1,800,000.00	20,000.00	1,780,000.00
						<u>\$ 14,195,000.00</u>	<u>\$ 415,000.00</u>	<u>\$ 13,780,000.00</u>
					<u>Ref.</u>	F	F-11	F

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PART II  
REPORT ON INTERNAL CONTROL AND  
OTHER MATTERS  
SINGLE AUDIT ATTACHMENTS  
AND  
ROSTER OF OFFICIALS  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2016

**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards**

***Independent Auditor's Report***

**The Honorable Mayor and Members  
of the Township Council  
Township of Montclair  
Montclair, New Jersey**

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the regulatory basis financial statements of the various funds and account group of the Township of Montclair, Essex County, New Jersey (the "Township"), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 29, 2017, in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the financial reporting provisions of the Division.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the regulatory basis financial statements, we considered the Township's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the regulatory basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**The Honorable Mayor and Members  
of the Township Council  
Township of Montclair**  
Page 2

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township's regulatory basis financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

Livingston, New Jersey  
June 29, 2017

John Lauria, RMA  
Licensed Registered Municipal Accountant # 403

**Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance  
Required by The Uniform Guidance**

**Independent Auditors' Report**

**The Honorable Mayor and Members  
of the Township Council  
Township of Montclair  
County of Essex  
Montclair, New Jersey**

**Report on Compliance for Each Major Federal Program**

We have audited the Township of Montclair, Essex County, New Jersey's (the "Township") compliance with the types of compliance requirements described in the *OMB Uniform Guidance* that could have a direct and material effect on each of the Township's major federal programs for the year ended December 31, 2016. The Township's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Township's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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*"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Township's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Township complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

### Report on Internal Control over Compliance

Management of the Township is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township's internal control over compliance with the types of requirements that could have a direct and material effect on each major program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

Livingston, New Jersey  
June 29, 2017

John Lauria, RMA  
Licensed Registered Municipal Accountant # 403



TOWNSHIP OF MONTCLAIR

SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2016

SCHEDULE A  
Sheet # 1

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period		Revised Budget	Cash Receipts	Canceled	Current Year Expenditures	Cumulative Expenditures
		From	To					
U.S. Department of Housing and Urban Development:								
Passed -Through County of Essex Block Grant								
Program Year 2014	14.218	7-01-14	Completion	\$ 115,866.14	\$	\$ 45,298.86	\$	\$ 115,866.14
Program Year 2015	14.218	7-01-15	Completion	155,650.00				
Program Year 2016	14.218	7-01-16	Completion	143,825.00				
Direct Award - Section 8 Housing	14.871	1-01-16	12-31-16	3,202,880.74	3,401,569.09		3,249,708.41	3,249,708.41
U.S. Department of Justice:								
Pass Through New Jersey Department of Law and Public Safety:								
Pedestrian Safety Grant	16.710	7-01-12	6-30-13	15,000.00				9,709.00
Pedestrian Safety Grant	16.710	7-01-13	6-30-14	12,000.00	9.00			5,150.00
Pedestrian Safety Grant	16.710	7-01-14	6-30-15	16,000.00	15,010.00			12,998.50
Pedestrian Safety Grant	16.710	7-01-15	6-30-16	16,000.00	11,400.00			
Pedestrian Safety Grant	16.710	7-01-16	6-30-17	16,000.00	12,900.00		13,700.00	13,700.00
Cops in Shops	16.710	7-01-15	6-30-16	3,600.00				3,600.00
Bulletproof Vest Program	16.607	7-01-15	6-30-16	9,899.00				
		7-01-16	6-30-17	17,826.08	9,592.97			
Edward Byrne Juvenile Assistance Program	16.751	7-01-14	6-30-15	4,724.00			409.06	3,209.06
Edward Byrne Juvenile Assistance Program	16.751	7-01-15	6-30-16	14,330.00				
U.S. Department of Homeland Security:								
Assistance to Firefighters	97.044	7-01-04	6-30-05	50,688.00				31,387.90
		7-01-08	6-30-09	68,923.00				63,215.93
		7-01-10	6-30-11	97,663.00				83,005.13
		7-01-12	6-30-13	9,500.00				0.00
Generator	97.039	7-01-15	6-30-16	192,000.00				
U.S. Environmental Protection Agency:								
Passed Through Twp. Of Cherry Hill:								
Climate Showcase Communities Grant	66.041	7-01-10	Completion	57,417.22		17,582.78		57,417.22
U.S. Department of Agriculture:								
Mobile Food Stand	10.170	7-01-15	6-30-16	22,831.00			22,831.00	22,831.00
Eat Healthy Grant	10.170	7-01-15	6-30-16	10,000.00	10,000.00		6,693.17	6,693.17



TOWNSHIP OF MONTCLAIR

SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2016

SCHEDULE A  
Sheet # 2

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period		Revised Budget	Cash Receipts	Canceled	Current Year Expenditures	Cumulative Expenditures
		From	To					
U.S. Department of Transportation:								
Pass Through New Jersey Department of Transportation - Highway Safety:								
Click It or Ticket	20.602	7-01-12	6-30-15	\$ 12,000.00	\$	\$	\$	\$ 5,950.00
Click It or Ticket	20.602	7-01-15	6-30-16	5,000.00	5,000.00		3,750.00	3,750.00
Drive Sober or Get Pulled Over								
	20.601	7-01-12	6-30-13	9,400.00				
	20.601	7-01-13	6-30-14	8,800.00				
	20.601	7-01-14	6-30-15	13,400.00				
	20.601	7-01-15	6-30-16	17,500.00				12,500.00
	20.601	7-01-16	6-30-17	5,000.00	5,000.00		3,200.00	3,200.00
Bicycle Safety Grant	20.600	7-01-14	6-30-15	12,720.00			800.00	12,480.00
Bicycle Safety Grant	20.600	7-01-15	6-30-16	11,000.00			9,800.00	9,800.00
U.S. Department of Energy:								
Energy Efficiency and Conservation	81.128	7-01-10	Completion	155,000.00				150,729.37
U.S. Department of Health and Human Service:								
Older Americans Act - Title III:								
Passed through County of Essex:								
Senior Citizens' Public Health Nurse	13.991	7-01-15	6-30-16	7,280.00				
Senior Citizens' Public Health Nurse	13.991	7-01-15	6-30-16	7,281.00	7,281.00			
FDA Standards - Belleville, Nutley grant	93.103	7-01-15	6-30-16	15,096.97	15,096.97		15,096.97	15,096.97
<b>Total Federal Financial Assistance</b>					<b>\$ 3,492,859.03</b>	<b>\$ 62,881.64</b>	<b>\$ 3,325,988.61</b>	<b>\$ 3,891,997.80</b>

See accompanying Notes to Schedule of Expenditures of Federal and State Financial Assistance.

**Montclair Township  
Montclair, NJ  
Program Balance Sheet Summary**

**Submission Type: Unaudited/Single Audit**

**Fiscal Year Ended December 31, 2016**

	14.871 Housing Choice Vouchers	Total
111 Cash - Unrestricted	\$ 516,052	\$ 516,052
113 Cash - Other Restricted	\$ 114,728	\$ 114,728
100 Total Cash	\$ 630,780	\$ 630,780
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$0
150 Total Current Assets	\$ 630,780	\$ 630,780
164 Furniture, Equipment & Machinery - Administration	\$ 30,718	\$ 30,718
166 Accumulated Depreciation	\$ (30,718)	\$ (30,718)
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0
180 Total Non-Current Assets	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$ 630,780	\$ 630,780
312 Accounts Payable <= 90 Days	\$ 12,510	\$ 12,510
342 Unearned Revenue	\$ 239,460	\$ 239,460
310 Total Current Liabilities	\$ 251,970	\$ 251,970
350 Total Non-Current Liabilities	\$0	\$0
300 Total Liabilities	\$ 251,970	\$ 251,970
511.4 Restricted Net Position	\$ 114,728	\$ 114,728
512.4 Unrestricted Net Position	\$ 264,082	\$ 264,082
513 Total Equity - Net Assets / Position	\$ 378,810	\$ 378,810
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$ 630,780	\$ 630,780

Note: A difference exist in both the cash balance and the net position in the audit report which was the result of checks voided as of December 31, 2016 in the sum of \$1,876.

**Montclair Township**  
**Montclair, NJ**  
**Program Revenue and Expense Summary**  
**Submission Type: Unaudited / Single Audit**

**Fiscal Year End December 31, 2016**

	14,871 Housing Choice Vouchers	Total
70500 Total Tenant Revenue	\$0	\$0
70600 HUD PHA Operating Grants	\$ 3,129,526	\$ 3,129,526
71100 Investment Income - Unrestricted	\$ 430	\$ 430
71400 Fraud Recovery	\$ 1,155	\$ 1,155
71500 Other Revenue	\$ 270,888	\$ 270,888
72000 Investment Income - Restricted	\$ 703	\$ 703
70000 Total Revenue	\$ 3,402,702	\$ 3,402,702
91100 Administrative Salaries	\$ 114,876	\$ 114,876
91500 Employee Benefit contributions - Administrative	\$ 51,610	\$ 51,610
91600 Office Expenses	\$ 47,576	\$ 47,576
91900 Other	\$ 7,004	\$ 7,004
91000 Total Operating - Administrative	\$ 221,066	\$ 221,066
92500 Total Tenant Services	\$0	\$0
93000 Total Utilities	\$0	\$0
94000 Total Maintenance	\$0	\$0
95000 Total Protective Services	\$0	\$0
96100 Total Insurance Premiums	\$0	\$0
96000 Total Other General Expenses	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0
96900 Total Operating Expenses	\$ 221,066	\$ 221,066
97000 Excess of Operating Revenue over Operating Expenses	\$ 3,181,636	\$ 3,181,636
97100 Extraordinary Maintenance		
97200 Casualty Losses - Non-capitalized		
97300 Housing Assistance Payments	\$ 2,773,793	\$ 2,773,793
97350 HAP Portability-In	\$ 246,167	\$ 246,167
90000 Total Expenses	\$ 3,241,026	\$ 3,241,026
10100 Total Other financing Sources (Uses)	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$ 161,676	\$ 161,676
11020 Required Annual Debt Principal Payments	\$0	\$0
11030 Beginning Equity	\$ 217,134	\$ 217,134
11170 Administrative Fee Equity	\$ 264,082	\$ 264,082
11180 Housing Assistance Payments Equity	\$ 114,728	\$ 114,728
11190 Unit Months Available	3,852	3,852
11210 Number of Unit Months Leased	3,392	3,392

## TOWNSHIP OF MONTCLAIR

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED DECEMBER 31, 2016

1. **General**

The accompanying schedule of expenditures of federal awards present the activity of all federal awards programs of the Township of Montclair. The Township is defined in Note 1 to the Township's financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies is included on the schedule of expenditures of federal awards.

2. **Basis of Accounting**

The accompanying schedule of expenditures of federal awards is presented using the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is described in Note 1, Summary of Significant Accounting Policies, of the Township's financial statements. The information in the schedule of expenditures of federal awards is presented in accordance with OMB Uniform Guidance.

3. **Relationship to Basic Regulatory-Basis Financial Statements**

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal and state financial reports.

4. **Indirect Cost Rate**

The Township has elected not to use the ten percent de minimis indirect cost rate as allowed by the Uniform Guidance.

**TOWNSHIP OF MONTCLAIR**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2016**

*Section I – Summary of Auditor's Results*

**Financial Statements**

Type of auditors' report issued on financial statements Unmodified for Regulatory Basis

Internal control over financial reporting:

- 1) Material weakness(es) identified \_\_\_\_\_ Yes       X       No
- 2) Significant deficiency(ies) that are not considered to be material weakness(es)? \_\_\_\_\_ Yes       X       None

Noncompliance material to the financial statements noted? \_\_\_\_\_ Yes       X       No

**Federal Awards Section**

Internal Control over major programs:

- 1) Material weakness(es) identified \_\_\_\_\_ Yes       X       No
- 2) Significant deficiency(ies) that are not considered to be material weakness(es)? \_\_\_\_\_ Yes       X       No

Type of auditor's report used on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance \_\_\_\_\_ Yes       X       No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.871	Section 8 Housing Choice Vouchers
Dollar threshold used to distinguish between Type A and Type B Programs	<u>\$750,000</u>
Auditee qualified as low-risk auditee?	_____ Yes <u>      X      </u> No

**TOWNSHIP OF MONTCLAIR**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2016**

**Part II – Schedule of Financial Statement Findings**

No financial statement findings noted that are required to be reported under *Government Auditing Standards*.

**TOWNSHIP OF MONTCLAIR**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2016**

**Part III – Schedule of Federal Award Findings and Questioned Costs**

No instances of non-compliance was noted during our audit.

**TOWNSHIP OF MONTCLAIR**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**YEAR ENDED DECEMBER 31, 2016**

**Part IV – Prior Year Audit Findings**

No prior year findings were noted.



TOWNSHIP OF MONTCLAIR

OFFICIALS IN OFFICE AND REPORT ON SURETY BONDS

The following officials were in office on December 31, 2016:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
<u>Township Council</u>		
Robert D. Jackson	Mayor	\$
William L. Hurlock, Esq.	Deputy Mayor	
Robert J. Russo	Councilor	
Rich McMahan	Councilor	
Robin Schlager	Councilor	
Sean M. Spiller	Councilor	
Renee E. Baskerville, M.D.	Councilor	
<u>Other Officials</u>		
Timothy Stafford	Acting Township Manager	
Padmaja Rao	Chief Financial Officer,	125,000.00 (1)
Theodore Georgiou	Comptroller	
Linda S. Wanat	Municipal Clerk	
Maureen A. Montesano	Collector of Taxes, Water Rents And Sewer Charges	503,000.00 (2)
Tracy A. Ottey	Supervisor of Water Administration	100,000.00 (1)
George F. Librizzi	Tax Assessor	
Richard H. Insley	Judge	*
Joyce Hayes	Court Administrator	*
Ira Karasick	Township Attorney	

Corporate surety of the bonds listed above:

- (1) Travelers Casualty and Surety Company of America
- (2) Fidelity and Deposit Company of Maryland

Court personnel were covered by an Employee Dishonesty Surety Bond issued by the Fidelity and Deposit Company of Maryland in the amount of \$90,000.00 per occurrence.

\* An Employee Dishonest Bond, issued by Garden State Municipal Joint Insurance Fund, covers each employee in the amount of \$1,000,000.00 per Loss.

### **Contracts and Agreements Required to be Advertised for (N.J.S.A. 40A:11-4)**

N.J.S.A. 40A:11-4, as amended, states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the Governing Body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or the amount calculated by the Governor pursuant to N.J.S.A. 40A: 11-3, except by contract or agreement."

It is pointed out that the Township Council have the responsibility of determining whether the expenditures in any category will exceed the threshold set for the fiscal year and, where question arises as to whether any contract or agreement might result in violation of the statute, the opinion of the Township Attorney should be sought before a commitment is made.

The bidding threshold for the period under review was \$40,000.00 in accordance with the provisions of N.J.S.A. 40A:11-3a, based on the appointment of a qualified purchasing agent.

The minutes indicate that bids were requested by public advertisement for all purchases.

Notwithstanding N.J.S.A. 40A:11-3a, P.L. 2005, Chapter 51 and N.J.S.A. 19:44A-20.5, known as the "Pay to Play Law", provides that a municipality is prohibited from executing any contract in excess of \$17,500.00, on or after January 1, 2006, to a business entity that made certain reportable contributions to any municipal committee of a political party if a member of that party is in office as a member of the governing body of the municipality when the contract is awarded, unless proposals or qualifications are solicited through a fair and open process.

It is further noted that contracts between \$17,500.00 and the municipal bidding threshold, known as "window contracts", can be issued by resolution of the governing body without competitive bidding if a non-fair and open process is implemented which prohibits reportable contributions by the business entity. The Township did not participate in this process.

Inasmuch as the system of records did not provide for an accumulation of payments for categories of materials and supplies or related work or labor, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

### **Purchases, Contracts or Agreements Not Required to be Advertised by N.J.S.A. 40A:11-6.1**

N.J.S.A. 40A:11-6.1 states, "Except contracts which require the performance of professional services, all contracts or agreements which do not require public advertising for bids and the estimated cost or price exceeds fifteen percent of the bid threshold or \$6,000.00 at least two quotations as to the cost or price, whenever practicable, shall be solicited by the contracting agent, and the contract or agreement shall be made with and awarded to the lowest responsible bidder."

Reference is made to the Local Public Contract Guidelines and Local Public Contract Regulations (1977) promulgated by the New Jersey Division of Local Government Services in the Department of Community Affairs.

### **Collection of Interest on Delinquent Taxes and Other Municipal Charges**

N.J.S.A. 54:4-67, as amended, provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body, on June 24, 1980, adopted the following resolution authorizing interest to be charged on delinquent taxes as follows:

BE IT RESOLVED by the Council of the Township of Montclair, in the County of Essex, that effective February 14, 1980, the rate of interest to be charged for delinquent real property taxes not in excess of \$1,500.00 shall be 8% per annum and until July 31, 1980, the rate of interest to be charged for delinquent real property taxes in excess of \$1,500.00 shall be 12% per annum. Commencing August 1, 1980, the rate of interest to be charged for delinquent real property taxes in excess of \$1,500.00 shall be 18% per annum. Interest shall not be charged on any delinquent real property taxes if payment of any installments due is made within the 10 calendar day following the date upon which the same became payable."

The Governing Body, on June 24, 1997, adopted the following resolution authorizing a penalty on delinquent taxes as follows:

"BE IT RESOLVED by the Council of the Township of Montclair, in the County of Essex, that the Tax Collector be and she hereby is authorized to fix and charge a penalty to every taxpayer with a delinquency in excess of \$10,000.00 at the rate of 6% of such delinquent amount in accordance with the above statute. This resolution shall take effect for such excesses occurring and commencing in the 1997 tax year."

The Governing Body, on October 4, 1988, adopted the following resolution authorizing interest to be charged on delinquent utility bills as follows:

"BE IT RESOLVED by the Council of the Township of Montclair, in the County of Essex, effective November 1, 1988, in accordance with N.J.SA 40:14B-41, there shall be a penalty of 1½% per month on the unpaid amounts imposed on all bills for water rent which remain unpaid for over 30 days from the date the bill was presented by the Water Bureau."

The Governing Body, on May 23, 2006, adopted Ordinance 6-34 authorizing interest to be charged on delinquent sewer utility bills as follows:

"All charges payable to the Township for connection to or use of the Township sewage system and all charges for connection with and use of the Township sewers and drains shall accrue interest from the time they become due at the same rate as taxes upon real estate in the Township and shall be a lien upon the premises connected until paid, and the Township shall have the same remedies for collection thereof, with interest, costs and penalties as it has by law for the collection of taxes upon real estate."

It appears from an examination of the Collector's records that interest was generally collected in accordance with the provisions of the foregoing resolutions and ordinance.

### **Delinquent Taxes and Tax Title Liens**

Delinquent taxes, exclusive of 2016, in the sum of \$15,215.92 are summarized as follows:

<u>Year</u>	<u>Amount</u>
2015	\$ 15,215.92

A tax sale was held in October 2016 and was complete, except for one property which is in bankruptcy for years 2015 and 2016.

The following comparison is made of the number or tax title liens receivable on December 31 of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2016	6
2015	7
2014	6

Recourse to all means provided by the statutes should be taken to realize or eliminate tax title liens through collection or foreclosure in order to return such property to a tax paying basis.

**Purchase Orders/Vouchers**

Findings 2016-1

It was noted that a number of purchase orders were dated after the invoice date. This practice circumvents the encumbrance system and could lead to payments made that exceed the budget line account.

It is recommended that -

Purchase orders are created and approved prior to the purchase of goods or services.

**Tax Collector**

Findings 2016-2

Adjustments were required to bring the subsidiary ledgers into agreement with the control records and the finance office general ledger. Adjustments of original postings to cash and other entries performed by the tax collector should be forwarded to the finance office so they can be posted to the Township's general ledger.

It is recommended -

That the tax collector reconcile their records to the finance office general ledger.

**Cash Deficits in Capital Funds**

In accordance with regulations of the Local Finance Board, capital ordinances over five years old cannot finance expenditures from cash not provided from its own resources. As of the date of this report, there are number of ordinances, over five years old, having cash deficits.

	<u>Year</u>	<u>Ordinance Number</u>	<u>Cash Deficit</u>
General Capital Fund:	2004	04-49	\$ 14,298.72
	2005	05-15	1,637.09
	2005	05-37	469.49
	2006	06-78	1,019.36
	2007	07-19	257,671.71
	2009	0-52b	100,611.00
	2010	10-70	48,667.26
Water Capital Fund:	2002	02-33	9,954.22
	2010	10-73	6,510.00

Efforts should be continued to finance these ordinances.

## **Parking Utility Operations**

### Findings 2016-3

Deposits are not being made within 48 Hours (Deposits are held on many instances for more than one week and then 10 bags will all be deposited on the same day making it very difficult to reconcile money received to the bank statement. Money collected from meter collections is also only collected once per week.

### Findings 2016-4

Department does not get stamped copies of deposit slips from the bank. Deposits made by the Crescent Deck are not available for audit as they are maintained at the parking deck.

### Findings 2016-5

Meter collections are being performed by only one employee. The coins are emptied from the meters into a pail. A sealed canister is not used and this could lead to funds being stolen since all of the coins are exposed. Coins are being counted in an unsecure area where there are no cameras to monitor the collections.

It is recommended that –

All money is deposited within 48 hours and a separate bag be used for each day.

A stamped copy of the deposit slip be picked up at the bank for each deposit made to ensure all deposits are made within 48 hours and to help trace to the bank statements.

The employees in charge of collecting money always rotate who collects the money. Also, there should always be two employees present when the meter money is being counted. A camera should be in the office where meter money is collected to help ensure the safeguarding of assets.

## **Revenue Departments**

### Findings 2016-6

Revenue collections from a number of departments did not agree with the revenue reported in the finance office records. A major difference was noted with the parking utility revenue report to actual collections recorded by the finance office and confirmed through bank reports.

It is recommended that –

Revenue collection reports submitted by the Township's departments be reconciled to the finance office records.

## **Construction Code Office**

### Findings 2016-7

It was noted that not all revenue collections are posted through the department's computer software program. Elevator inspections, penalties and pod permits are entered manually at the bottom of the daily revenue total.

It is recommended that –

All revenue received by the construction code department be inputted into their software program.

## **Service Organization Controls (SOC Reports)**

### Findings 2016-8

The Township is required to obtain from vendors who receive or disburse funds on behalf of the Township a Service Organization Controls Report (SOC). A SOC II report which is a report on policies and procedures placed in operation and tests of operating effectiveness for a period of time. The Township utilized Propack Company to collect parking fees from the Crescent Parking Deck. We were unable to obtain a SOC II report from the company.

It is recommended that –

The Township obtain a SOC II report from the vendor.

### **Corrective Action Plan**

In accordance with the requirements of the Single Audit Act and regulations of the Division of Local Government Services, a Corrective Action Plan must be prepared by the Chief Financial Officer and filed with the Division within 60 days from the state the audit is received by the governing Body.

A Corrective Action Plan was prepared and filed by the Chief Financial Officer.

### **Status of Prior Years' Audit Recommendations**

A review was performed on all prior years' recommendations and corrective action was taken on all, except for those marked with an asterisk in this year's recommendations.

### **Miscellaneous**

A report summarizing collections of Dog License Fees and remittances of State Registration Fees has been prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

Examination of the Free Public Library is the subject of a separate report.

Revenue and receipts were established and verified as to sources and amounts only insofar as the local records permitted.

In verifying expenditures, computations were made on a statistical sample of claims approved and paid. No attempt was made in this connection to establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

Individual payments of the Local School District Tax by Municipality were confirmed as received by the Secretary of the Board of Education for the year 2016.

The propriety of deductions for pensions, withholding tax, social security and other purposes from employees' individual salaries were tested.

A synopsis of this report was prepared for publication and filed with the Township Clerk.

One copy of this report was filed with the New Jersey Division of Local Government Services in the Department of Community Affairs.

## RECOMMENDATIONS

- \* Purchase orders are created and approved prior to the purchase of goods or services.
- \* That the tax collector reconcile their records to the finance office general ledger.
- \* That all parking revenue be deposited within 48 hours and parking meter collections be recorded by location and a separate bag be used each day.
- \* That a stamped copy of each deposit slip be retained to help trace to the deposit including those from the Crescent Parking Deck.
- \* That employees in charge of collecting parking fees always rotate who collects the money.
- \* That cameras be placed in the location where parking fees are counted and that two employees always be present.

All revenue received by the Construction Code Official be inputted into their software program.

That departmental revenue reports be reconciled to the finance office.

- \* The Clerk's office secure the clerk's signature stamp so as to prevent misuse.
- \* That a Service Organization Report be obtained for the vendor running the Crescent Parking Deck.
  
- \* Indicates prior year recommendations

The foregoing comments and recommendations are no of significant nature whereby they would affect our ability to express an opinion on the financial statements taken as a whole.



We shall be pleased to confer with the Mayor and Township Council on questions that might arise with respect to any matters in this report.

We would like to express to express our appreciation for the assistance and effort rendered by the Township officials and employees during the course of the examination.

Respectfully submitted,

*PKF O'Connor Davies, LLP*

Livingston, New Jersey  
June 29, 2017

John Lauria, RMA  
Licensed Registered Municipal Accountant # 403