



Montclair

TOWNSHIP OF MONTCLAIR
ESSEX COUNTY, NEW JERSEY
REPORT OF AUDIT
YEARS ENDED DECEMBER 31, 2017 AND 2016

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PART I
REPORT ON EXAMINATION
FINANCIAL STATEMENTS
AND SUPPLEMENTARY EXHIBITS
DECEMBER 31, 2017 AND 2016

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, Essex County, New Jersey (the "Township") which comprise the balance sheets as of and for the years ended December 31, 2017 and 2016, and the related statements of operations and changes in the fund balance for the years then ended and related notes to the financial statements, the statements of changes in fund balance, statements of revenue and statements of expenditures for the year ended December 31, 2017 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, 2017 and 2016, 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, 2017 and 2016, and the respective results of its operations and changes in fund balance for the years then ended and statements of change in fund balance, the statements of revenue and statements of expenditure of the various funds for the year ended December 31, 2017 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 2017 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.

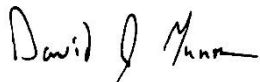
The schedule of expenditures of federal awards, financial data schedule - balance sheet and financial data schedule – schedule of changes to reserve are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial 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 22, 2018 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

Cranford, New Jersey
June 22, 2018



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

TOWNSHIP OF MONTCLAIR
CURRENT FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

A
Sheet # 1

<u>ASSETS</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Regular Fund</u>			
Current Assets:			
Cash - Checking	A-4	\$ 60,257,879.06	\$ 29,454,325.65
Cash - Cash Management Fund	A-6		3,489.77
Change Funds	A-7	855.00	525.00
		60,258,734.06	29,458,340.42
Due from State of New Jersey: (Ch. 129, P.L. 1976)	A-9	5,678.32	4,344.32
		60,264,412.38	29,462,684.74
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-10	2,184,852.44	2,171,936.02
Tax Title Liens	A-11	189,381.10	152,642.07
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	138,157.38	73,508.49
Revenue Accounts Receivable	A-15	147,263.61	169,296.30
Interfunds Receivable	A-17	113,373.37	77,243.17
		3,098,427.90	2,970,026.05
Deferred Charges:			
Special Emergency Authorizations (40A:4-53)	A-19	800,000.00	1,000,000.00
		800,000.00	1,000,000.00
		64,162,840.28	33,432,710.79
<u>Federal and State Grant Fund</u>			
Grants Receivable	A-16	661,624.31	631,153.77
Interfunds Receivable	A-18	1,008,329.86	997,585.52
		1,669,954.17	1,628,739.29
		\$ 65,832,794.45	\$ 35,061,450.08

TOWNSHIP OF MONTCLAIR
CURRENT FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

A
Sheet # 2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Regular Fund</u>			
Appropriated Reserves:			
Encumbered	A-3, A-20	\$ 1,677,816.13	\$ 878,685.79
Unencumbered	A-3, A-20	5,455,432.98	4,734,730.54
Due to State of New Jersey	A-21	20,545.00	18,622.00
Reserve for Revaluation	A-22	273,948.00	1,000,000.00
Accounts Payable	A-23	1,065,873.20	841,409.82
Interfunds Payable	A-26	2,053,169.14	1,211,699.76
Payment in Lieu of Taxes - Overpayments	A-24	11,156.92	12,615.67
Tax Overpayments	A-25	958,222.63	1,211,121.35
County Taxes Payable	A-27	157,643.42	239,422.42
Special Improvement District Taxes Payable	A-29		177,307.97
School Taxes Payable	A-28	7,563,425.00	6,205,950.00
Special Emergency Note Payable	A-30	800,000.00	1,000,000.00
Prepaid Taxes	A-31	28,216,068.00	1,139,907.44
Accumulated Revenue Unappropriated	A-34	751,769.14	853,569.38
		49,005,069.56	19,525,042.14
Reserve for Receivables	Reserve	3,098,427.90	2,970,026.05
Fund Balance	A-1	12,059,342.82	10,937,642.60
		64,162,840.28	33,432,710.79
<u>Federal and State Grant Fund</u>			
Due to Essex County	A-32	86,975.50	86,975.50
Appropriated Reserves for Federal and State Grants	A-33	1,516,686.29	1,500,079.46
Accumulated Revenue Unappropriated	A-34	66,292.38	41,684.33
		1,669,954.17	1,628,739.29
		\$ 65,832,794.45	\$ 35,061,450.08

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, 2017 AND 2016

A-1

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 3,935,000.00	\$ 3,235,000.00
Miscellaneous Revenue Anticipated	A-2	16,341,544.00	15,830,804.39
Receipts from Delinquent Taxes	A-2c	2,170,388.74	2,471,764.87
Receipts from Current Taxes	A-2c	213,143,079.44	207,379,565.02
Nonbudget Revenue	A-2d	435,597.65	526,050.19
Other Credits to Income:			
Other Accounts Receivable Liquidated	A-14	12,542.17	
Unexpended Balance of Appropriation Reserves	A-20	2,375,893.41	2,180,068.19
Cancellation of Grant Balances, Net	A-26	50,487.61	
Total Income		238,464,533.02	231,623,252.66
<u>Expenditures</u>			
Budget Appropriations	A-3	82,816,093.77	80,350,655.85
Refund of Prior Year Revenue	A-4	14,769.80	
State Tax Court Judgments	A-25	425,374.00	386,154.18
County Taxes	A-27	36,916,617.00	35,645,064.66
Local School District Tax	A-28	112,636,548.00	109,921,598.00
Special Improvement District Tax	A-29	562,300.03	547,928.00
Interfund Charges	A-17	36,130.20	62,240.17
Other			
Total Expenditures		233,407,832.80	226,913,640.86
Excess Revenue		5,056,700.22	4,709,611.80
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which Are by Statute Deferred Charges to Budget of Succeeding Year			1,000,000.00
Statutory Excess to Fund Balance		5,056,700.22	5,709,611.80
<u>Fund Balance</u>			
Balance, Beginning of Year	A	10,937,642.60	8,463,030.80
		15,994,342.82	14,172,642.60
Decreased by:			
Utilized as Anticipated Revenue	A-1, A-2	3,935,000.00	3,235,000.00
Balance, End of Year	A	\$ 12,059,342.82	\$ 10,937,642.60

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

STATEMENT OF REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

A-2

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	\$ 3,935,000.00	\$ 3,935,000.00	
Miscellaneous Revenue	A-1,2a	15,396,362.06	16,341,544.00	\$ 945,181.94
Receipts from Delinquent Taxes	A-1,2c	<u>2,200,000.00</u>	<u>2,170,388.74</u>	<u>(29,611.26)</u>
Sub-Total General Revenue		<u>21,531,362.06</u>	<u>22,446,932.74</u>	<u>915,570.68</u>
Amounts to be Raised by Taxation:				
Local Tax for Municipal Purposes	A-10	54,094,809.14		
Minimum Library Tax	A-10	2,360,017.00		
Addition to Local District School Tax	A-10	<u>8,130,920.05</u>		
	A-2c	<u>64,585,746.19</u>	<u>66,158,309.40</u>	<u>1,572,563.21</u>
Total General Revenue	A-3	86,117,108.25	88,605,242.14	2,488,133.89
Nonbudget Revenue	A-2d		<u>435,597.65</u>	<u>435,597.65</u>
		<u>\$ 86,117,108.25</u>	<u>\$ 89,040,839.79</u>	<u>\$ 2,923,731.54</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, 2017

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	\$ 50,000.00	\$ 50,750.00	\$ 750.00
Other Licenses	A-2b	135,000.00	149,248.00	14,248.00
Fees and Permits	A-2b	850,000.00	897,008.24	47,008.24
Registration/Summons Fees for Foreclosed Properties	A-2b	370,000.00	352,250.00	(17,750.00)
Fines and Costs:				
Municipal Court	A-15	1,550,000.00	1,985,238.49	435,238.49
Interest and Cost on Taxes	A-5	640,000.00	621,455.65	(18,544.35)
Interest on Investments and Deposits	A-15	50,000.00	250,919.73	200,919.73
Consolidated Municipal Property Tax Relief Aid	A-15	143,181.00	143,181.00	
Energy Receipts Tax	A-15	2,823,885.00	2,823,885.00	
Uniform Construction Code Fees	A-15	850,000.00	863,942.28	13,942.28
Additional Uniform Construction Code Fees	A-15	67,000.00	67,000.00	
Interlocal Government Services:				
Health Services	A-15	192,300.00	164,892.00	(27,408.00)
Fire Services - Glen Ridge	A-15	650,000.00	650,000.00	
Health Services - Nutley	A-15	39,512.00	50,574.00	11,062.00
Animal Control Services - Nutley	A-15	37,624.00	47,030.00	9,406.00
Animal Control Services - Verona	A-15	27,824.00	12,164.00	(15,660.00)
State and Federal Revenues Offset with				
Appropriations:				
Municipal Alliance and Alcoholism and Drug Abuse	A-16	48,941.20	48,941.20	
Shop Rite - Senior Shuttle Grant	A-16	423.00	423.00	
Microgrid Feasibility Study	A-16	142,480.00	142,480.00	
Local Food Promotion	A-16	5,773.88	5,773.88	
BVP Bullet Proof Vest	A-16	13,888.00	13,888.00	
Partners for Health - Seniors Transit Grant	A-16	9,900.00	9,900.00	
Eat Healthy Grant	A-16	10,000.00	10,000.00	
Cable Communication Grant - Comcast	A-16	5,000.00	5,000.00	
NJPHK-New Jersey Healthy Corner Store Initiative Grant	A-16	1,500.00	1,500.00	
Lifelong Montclair - Marketing Intern Grant	A-16	5,000.00	5,000.00	
Mayor's Wellness Campaign	A-16	5,000.00	5,000.00	
Recycling Tonnage Grant	A-16	30,903.52	30,903.52	
Partners In Health - Visiting Nurses	A-16	10,920.00	10,920.00	
PFH Lock Box Grant	A-16	10,000.00	10,000.00	
Maddie's Fund Grant - Dog	A-16	1,500.00	1,500.00	
Maddie's Fund Grant - Cat	A-16	1,000.00	1,000.00	
Drive Sober or Get Pulled Over	A-16	10,500.00	10,500.00	
Body Armor Replacement Fund	A-16	18,097.83	18,097.83	
Seniors in Taxi's	A-16	3,500.00	3,500.00	
Association of Health Officials	A-16	2,320.00	2,320.00	
Drunk Driving Enforcement	A-16	12,804.50	12,804.50	
Click it or Ticket Enforcement Grant	A-16	5,500.00	5,500.00	
Safe and Secure Communities Grant	A-16	60,000.00	60,000.00	
Bicycle Safety program	A-16	11,000.00	11,000.00	
Hazardous Discharge Grant	A-16	38,790.00	38,790.00	
Alcohol Education, Rehabilitation and Enforcement	A-16	3,731.71	3,731.71	
Radon Awareness	A-16	2,000.00	2,000.00	
Essex County Arts Grant	A-16	1,000.00	1,000.00	
Clean Communities	A-16	70,449.09	70,449.09	
Seniorama	A-16	1,000.00	1,000.00	

TOWNSHIP OF MONTCLAIR
CURRENT FUND

STATEMENT OF REVENUE
ANALYSIS OF MISCELLANEOUS REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

A-2a
Sheet # 2

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>(Deficit) or Excess</u>
<u>Miscellaneous Revenue</u>				
Other Special Items:				
Anticipated Utility Operating Surplus - Water	A-15	\$ 500,000.00	\$ 500,000.00	\$ -
Capital Fund Surplus	A-15	1,700,000.00	1,700,000.00	
Uniform Fire Safety Act	A-15	55,000.00		(55,000.00)
Cable Television Franchise Fees	A-15	584,837.28	584,837.28	
Section 8 - Administrative Costs	A-15	20,000.00	109,670.22	89,670.22
Towing - Administrative Costs	A-15	3,000.00	3,540.00	540.00
Payment in Lieu of Taxes:				
Montclair Senior Housing Corp. (Orange Road)	A-2a	93,856.00	96,756.00	2,900.00
First Montclair Housing Corp. (Walnut Street)	A-2a	117,947.50	143,347.99	25,400.49
RTD Management Corp. (Lackawanna Plaza)	A-2a	112,551.00	121,309.00	8,758.00
RTD Management Corp. (Union Gardens)	A-2a	100,000.00	100,000.00	
United Methodist Homes (Pineridge of Montclair)	A-2a	25,463.00	23,974.00	(1,489.00)
Centro Verde	A-2a	800,000.00	913,862.91	113,862.91
Siena	A-2a	1,086,311.02	1,051,544.38	(34,766.64)
11 Pine Street	A-2a	233,546.57	324,152.35	90,605.78
Herod Redevelopment	A-2a	98,207.83	93,437.44	(4,770.39)
55 Glenridge Avenue	A-2a	14,683.50	4,999.50	(9,684.00)
11 Elm Street	A-2a	2,684.00	16,055.00	13,371.00
Alarm Registration Fees	A-15	157,225.39	148,930.20	(8,295.19)
Penalty on Delinquent Taxes (\$10,000 and Over)	A-15	110,000.00	69,465.72	(40,534.28)
Administrative Fees - Police Off-Duty	A-15	130,000.00	225,496.65	95,496.65
Rear Yard Refuse Collection	A-15	30,000.00	35,904.00	5,904.00
Sale of Assets	A-34	101,800.24	101,800.24	
Anticipated Utility Operating Surplus - Parking	A-15	300,000.00	300,000.00	
Total Miscellaneous Revenue	A-1, A-2	\$ 15,396,362.06	\$ 16,341,544.00	\$ 945,181.94

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

STATEMENT OF REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

A-2b

	<u>Ref.</u>		
<u>Other Licenses</u>			
Township Clerk	A-15	\$ 68,817.00	
Health Department	A-15	<u>80,431.00</u>	
	A-2a		<u>\$ 149,248.00</u>
 <u>Other Fees and Permits</u>			
Health Officer	A-15	\$ 178,682.71	
Planning Board	A-15	7,950.00	
Community Services	A-15	96,379.14	
Housing and Zoning	A-15	22,480.00	
Recreation	A-15	720,461.25	
Police	A-15	20.00	
Fire	A-15	100,246.40	
Collector	A-15	99,565.00	
Board of Adjustment	A-15	<u>23,473.74</u>	
	A-2a		<u>\$ 1,249,258.24</u>
 <u>Payment in Lieu of Taxes</u>			
Collections	A-15	\$ 3,004,333.16	
Less: Amount Due County of Essex	A-23	<u>114,894.59</u>	
	A-2a		<u>\$ 2,889,438.57</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, 2017

A-2c

Ref.

Receipts from Delinquent Taxes

Collections of Delinquent Taxes

2017 Collections:

Taxes and Tax Title Liens

A-1, A-2, A-10, A-11

\$ 2,170,388.74

Allocation of Current Tax Collections

Collection of Current Taxes:

2017 Collections

A-1, A-2, A-10 \$ 211,910,922.00

2016 Collections

A-1, A-2, A-10 1,139,907.44

Due from State of New Jersey

A-9, A-10 92,250.00

A-1

\$ 213,143,079.44

Allocated to:

County Taxes

A-27 36,916,617.00

Local School District Taxes

A-28 112,636,548.00

Special Improvement District Taxes

A-29 562,300.03

150,115,465.03

63,027,614.41

Plus: Appropriation for "Reserve for
Uncollected Taxes"

A-3

3,130,694.99

Realized for Support of Municipal Budget

A-2

\$ 66,158,309.40

TOWNSHIP OF MONTCLAIR
CURRENT FUND

STATEMENT OF REVENUE
ANALYSIS OF NONBUDGET REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

A-2d

	<u>Ref.</u>	
Arena Commission		\$ 33,688.17
Sale of Assets		56,566.57
Copies		764.65
Fee for Dumpster		350.00
Vending Machine Commissions		1,313.80
Unclaimed Funds		20,840.64
Seniors in Taxies		12,660.00
Motor Vehicle - Inspection Penalties		7,672.33
Administrative Fee - Senior Citizen and Veteran Deductions		1,818.33
Special Refuse Collection		1,400.00
Sale of Bid Specifications		3,610.00
Insurance Claim		33,880.00
Mayor's Wellness Challenge		1,190.00
Food Handler/Health		2,900.00
Premium on Special Emergency Note		10,353.00
Other		<u>171,590.16</u>
	A-4	\$ 360,597.65
<u>Other Sources</u>		
Interfunds Payable	A-26	<u>75,000.00</u>
	A-1, A-2	<u>\$ 435,597.65</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
CURRENT FUND
 STATEMENT OF EXPENDITURES
 REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2017

A-3
Sheet # 1

Appropriation	Appropriations		Paid or Charged	Reserved		Balance Canceled
	Budget	Modified Budget		Encumbered	Unencumbered	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT</u>						
Mayor and Council:						
Salaries and Wages	\$ 61,285.00	\$ 61,285.00	\$ 57,509.74		\$ 3,775.26	\$
Other Expenses	25,800.00	25,800.00	22,273.50	\$ 3,014.05	512.45	
Township and Manager:						
Salaries and Wages	596,421.00	596,421.00	574,157.38		22,263.62	
Other Expenses	345,371.61	475,371.61	187,007.63	182,438.08	105,925.90	
Township Clerk:						
Salaries and Wages	265,186.00	265,186.00	237,955.00		27,231.00	
Other Expenses	40,350.00	40,350.00	23,117.22	4,263.36	12,969.42	
Election Expenses:						
Salaries and Wages	3,711.52	3,711.52	2,307.00		1,404.52	
Other Expenses	16,950.00	16,950.00	16,597.99	216.96	135.05	
Township Attorney:						
Salaries and Wages	289,674.00	289,674.00	260,393.90		29,280.10	
Other Expenses	226,500.00	226,500.00	183,011.47	15,987.55	27,500.98	
Municipal Court:						
Salaries and Wages	692,253.00	692,253.00	648,233.14		44,019.86	
Other Expenses	70,000.00	70,000.00	64,679.39	4,412.14	908.47	
Postage:						
Other Expenses	55,000.00	55,000.00	30,767.15		24,232.85	
	<u>2,688,502.13</u>	<u>2,818,502.13</u>	<u>2,308,010.51</u>	<u>210,332.14</u>	<u>300,159.48</u>	
<u>FINANCE DEPARTMENT</u>						
Administration:						
Salaries and Wages	71,752.00	71,752.00	45,074.47		26,677.53	
Other Expenses	169,838.20	169,838.20	11,360.61	7,905.24	150,572.35	
Accounting and Treasury:						
Salaries and Wages	236,637.00	236,637.00	189,882.58		46,754.42	
Other Expenses	20,000.00	20,000.00	18,102.12	674.77	1,223.11	
Tax Assessor:						
Salaries and Wages	359,501.00	359,501.00	329,960.78		29,540.22	
Other Expenses:						
Revaluation						
Miscellaneous	128,600.00	128,600.00	99,168.51	11,775.29	17,656.20	
Tax Collector:						
Salaries and Wages	324,712.00	324,712.00	291,491.27		33,220.73	
Other Expenses	28,350.00	28,350.00	18,854.14	2,674.37	6,821.49	
Auditing:						
Other Expenses	55,000.00	55,000.00	31,998.07	187.80	22,814.13	
	<u>1,394,390.20</u>	<u>1,394,390.20</u>	<u>1,035,892.55</u>	<u>23,217.47</u>	<u>335,280.18</u>	

TOWNSHIP OF MONTCLAIR
CURRENT FUND
 STATEMENT OF EXPENDITURES
 REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2017

A-3
Sheet # 2

Appropriation	Appropriations		Paid or Charged	Reserved		Balance Canceled
	Budget	Modified Budget		Encumbered	Unencumbered	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>PLANNING AND COMMUNITY DEVELOPMENT</u>						
Planning Administration:						
Salaries and Wages	\$ 312,379.00	\$ 312,379.00	\$ 267,372.60		\$ 45,006.40	\$
Other Expenses	90,100.00	90,100.00	36,252.99	\$ 3,889.75	49,957.26	
Planning Board:						
Other Expenses	44,400.00	44,400.00	27,298.83	1,381.20	15,719.97	
Board of Adjustment:						
Other Expenses	13,350.00	13,350.00	9,837.51		3,512.49	
	<u>460,229.00</u>	<u>460,229.00</u>	<u>340,761.93</u>	<u>5,270.95</u>	<u>114,196.12</u>	
<u>DEPARTMENT OF ADMINISTRATION AND CODE ENFORCEMENT</u>						
Salaries and Wages	408,340.00	408,340.00	272,522.82		135,817.18	
Other Expenses	140,950.00	165,950.00	115,618.70	24,323.02	26,008.28	
	<u>549,290.00</u>	<u>574,290.00</u>	<u>388,141.52</u>	<u>24,323.02</u>	<u>161,825.46</u>	
<u>POLICE DEPARTMENT</u>						
Salaries and Wages	14,405,167.00	14,405,167.00	13,774,891.58		630,275.42	
ATB Service Police PD&Fire Alarm	61,000.00	61,000.00	23,151.78	33,744.43	4,103.79	
Other Expenses	750,000.00	725,000.00	305,927.17	344,501.77	74,571.06	
	<u>15,216,167.00</u>	<u>15,191,167.00</u>	<u>14,103,970.53</u>	<u>378,246.20</u>	<u>708,950.27</u>	
<u>FIRE DEPARTMENT</u>						
Salaries and Wages	10,164,732.14	10,164,732.14	9,285,768.36		878,963.78	
Other Expenses	350,000.00	325,000.00	140,266.42	174,381.15	10,352.43	
	<u>10,514,732.14</u>	<u>10,489,732.14</u>	<u>9,426,034.78</u>	<u>174,381.15</u>	<u>889,316.21</u>	
<u>UNIFORM FIRE SAFETY ACT (Ch. 383, P.L. 1983)</u>						
Life Hazard Use Fee Payment:						
Salaries and Wages	60,639.00	60,639.00			60,639.00	
	<u>60,639.00</u>	<u>60,639.00</u>			<u>60,639.00</u>	
<u>PUBLIC WORKS DEPARTMENT</u>						
Community Services Administration:						
Salaries and Wages	731,213.00	611,213.00	549,594.42		61,618.58	
Other Expenses	29,150.00	29,150.00	11,389.80	1,426.97	16,333.23	
Engineering:						
Salaries and Wages	146,496.00	146,496.00	97,041.22		49,454.78	
Other Expenses	5,900.00	5,900.00	5,306.53	39.00	554.47	
Street Repairs and Maintenance:						
Salaries and Wages	368,534.00	368,534.00	340,057.14		28,476.86	
Other Expenses	43,150.00	43,150.00	32,449.54	1,829.30	8,871.16	
Storm Sewers Repairs and Maintenance:						
Salaries and Wages	244,763.27	244,763.27	181,818.25		62,945.02	
Other Expenses	14,950.00	14,950.00	11,168.82	134.52	3,646.66	

TOWNSHIP OF MONTCLAIR
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

A-3
Sheet # 3

<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>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>PUBLIC WORKS DEPARTMENT</u>						
Refuse Collection and Disposal:						
Salaries and Wages	\$ 1,189,510.03	\$ 1,199,510.03	\$ 1,199,436.41		\$ 73.62	\$
Other Expenses	22,000.00	22,000.00	12,858.75	\$ 1,368.81	7,772.44	
Storm Clearance:						
Salaries and Wages	115,000.00	130,000.00	99,017.36		30,982.64	
Other Expenses	300,000.00	355,000.00	267,488.14	79,234.48	8,277.38	
Traffic:						
Salaries and Wages	177,645.69	177,645.69	149,908.91		27,736.78	
Other Expenses	13,000.00	13,000.00	8,116.76	738.46	4,144.78	
Central Garage Operation:						
Salaries and Wages	312,226.76	312,226.76	283,442.46		28,784.30	
Other Expenses	304,600.00	304,600.00	230,394.70	38,145.90	36,059.40	
Building Maintenance:						
Salaries and Wages	120,526.52	120,526.52	101,703.61		18,822.91	
Other Expenses	100,500.00	100,500.00	77,116.11	9,026.79	14,357.10	
Parks Maintenance:						
Salaries and Wages	355,406.53	430,406.53	422,566.46		7,840.07	
Other Expenses	160,500.00	160,500.00	113,506.63	13,282.11	33,711.26	
Shade Trees:						
Salaries and Wages	212,159.31	212,159.31	206,472.85		5,686.46	
Other Expenses	157,300.00	157,300.00	56,903.66	6,154.59	94,241.75	
	<u>5,124,531.11</u>	<u>5,159,531.11</u>	<u>4,457,758.53</u>	<u>151,380.93</u>	<u>550,391.65</u>	
<u>PARKS, RECREATION AND CULTURAL AFFAIRS DEPARTMENT</u>						
Recreation Program:						
Salaries and Wages	584,799.78	584,799.78	552,405.07		32,394.71	
Other Expenses	76,400.00	76,400.00	59,352.50	2,428.66	14,618.84	
	<u>661,199.78</u>	<u>661,199.78</u>	<u>611,757.57</u>	<u>2,428.66</u>	<u>47,013.55</u>	
<u>HEALTH AND HUMAN SERVICES DEPARTMENT</u>						
Health Services:						
Salaries and Wages	756,400.92	731,400.92	568,367.18		163,033.74	
Other Expenses	52,500.00	52,500.00	23,209.69	4,908.25	24,382.06	
Senior Services						
Salaries and Wages	199,800.00	199,800.00	117,264.06	27,111.32	55,424.62	
Nursing Services:						
Salaries and Wages	199,259.06	199,259.06	137,241.00		62,018.06	
Animal Control:						
Salaries and Wages	223,428.63	223,428.63	220,714.84		2,713.79	
Other Expenses	137,565.00	137,565.00	75,462.48	28,987.26	33,115.26	
	<u>1,568,953.61</u>	<u>1,543,953.61</u>	<u>1,142,259.25</u>	<u>61,006.83</u>	<u>340,687.53</u>	

TOWNSHIP OF MONTCLAIR
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

A-3
Sheet # 4

Appropriation	Appropriations		Paid or Charged	Reserved		Balance Canceled
	Budget	Modified Budget		Encumbered	Unencumbered	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>MISCELLANEOUS AND OTHER</u>						
Unemployment Compensation Insurance:						
Other Expenses	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00			\$
Refuse Tipping Fees:						
Other Expenses	1,150,000.00	1,230,000.00	905,728.84	\$ 198,109.14	\$ 126,162.02	
Mandatory Recycling Act:						
Other Expenses	1,200,000.00	1,200,000.00	1,200,000.00			
Accumulated Absences	100,000.00	100,000.00	100,000.00			
Aging in Montclair:						
Other Expenses	17,500.00	17,500.00	4,912.00		12,588.00	
Homeless Shelter:						
Other Expenses	35,000.00	35,000.00	35,000.00			
Montclair Early Childhood Corporation:						
Other Expenses	278,000.00	278,000.00	278,000.00			
Operating Lease - Ladder Truck	101,800.24	101,800.24	101,800.24			
Interlocal Animal Control Services - Nutley						
Salaries and Wages	9,378.00	9,378.00	9,378.00			
	<u>3,041,678.24</u>	<u>3,121,678.24</u>	<u>2,784,819.08</u>	<u>198,109.14</u>	<u>138,750.02</u>	
Insurances:						
Liability Insurance	1,904,186.00	1,719,186.00	1,118,912.79	35,124.26	565,148.95	
Health Benefit Waiver	260,000.00	260,000.00	166,111.76		93,888.24	
Employee Group Insurance	6,603,766.68	6,603,766.68	6,058,206.85	82,017.06	463,542.77	
	<u>8,767,952.68</u>	<u>8,582,952.68</u>	<u>7,343,231.40</u>	<u>117,141.32</u>	<u>1,122,579.96</u>	
<u>SPECIAL PROGRAMS AND ACTIVITIES</u>						
Parks, Recreation and Cultural Affairs:						
Salaries and Wages	147,250.00	147,250.00	120,129.25	9,624.83	17,495.92	
	<u>147,250.00</u>	<u>147,250.00</u>	<u>120,129.25</u>	<u>9,624.83</u>	<u>17,495.92</u>	
<u>UNIFORM CONSTRUCTION CODE -</u>						
<u>APPROPRIATIONS OFFSET BY</u>						
<u>DEDICATED REVENUES (N.J.A.C.</u>						
<u>5:23-4.17)</u>						
Salaries and Wages	703,271.00	668,271.00	581,602.42		86,668.58	
Other Expenses	154,000.00	154,000.00	9,169.56	12,888.33	131,942.11	
	<u>857,271.00</u>	<u>822,271.00</u>	<u>590,771.98</u>	<u>12,888.33</u>	<u>218,610.69</u>	
<u>UNCLASSIFIED</u>						
Emergency Assistance Coalition:						
Gasoline	200,000.00	200,000.00	144,909.44	15,137.85	39,952.71	
Fuel - Diesel	125,000.00	125,000.00	98,603.31	13,631.14	12,765.55	
Electricity	425,000.00	450,000.00	241,132.72	51,857.78	157,009.50	
Telephone	300,000.00	300,000.00	207,754.66	49,630.36	42,614.98	
Natural Gas	130,000.00	130,000.00	82,653.83	8,208.03	39,138.14	

TOWNSHIP OF MONTCLAIR
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

A-3
Sheet # 5

<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>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>UNCLASSIFIED</u>						
Utilities:						
Street Lighting	\$ 450,000.00	\$ 450,000.00	\$ 277,679.91	\$ 171,000.00	\$ 1,320.09	\$
	<u>1,630,000.00</u>	<u>1,655,000.00</u>	<u>1,052,733.87</u>	<u>309,465.16</u>	<u>292,800.97</u>	
Total Operations Within CAPS	<u>52,682,785.89</u>	<u>52,682,785.89</u>	<u>45,706,272.75</u>	<u>1,677,816.13</u>	<u>5,298,697.01</u>	
<u>CONTINGENT</u>	<u>3,500.00</u>	<u>3,500.00</u>			<u>3,500.00</u>	
Total Operations Within CAPS	<u>52,686,285.89</u>	<u>52,686,285.89</u>	<u>45,706,272.75</u>	<u>1,677,816.13</u>	<u>5,302,197.01</u>	
<u>DEFERRED CHARGES</u>						
Overexpenditure of Trust Reserve	<u>35,218.37</u>	<u>35,218.37</u>	<u>35,218.37</u>			
	<u>35,218.37</u>	<u>35,218.37</u>	<u>35,218.37</u>			
<u>STATUTORY EXPENDITURES</u>						
Contributions to:						
Public Employees' Retirement System of N.J.	1,241,694.50	1,241,694.50	1,241,694.50			
Social Security System (OASI)	1,264,781.63	1,264,781.63	1,204,406.76		60,374.87	
Police and Firemen's Retirement System of N.J.	5,493,804.36	5,493,804.36	5,493,804.36			
Pension Increase Fund Consolidated Police and	17,710.68	17,710.68	17,710.68			
Defined Contribution Retirement Plan	25,000.00	25,000.00	4,665.40		20,334.60	
Total Statutory Expenditures	<u>8,042,991.17</u>	<u>8,042,991.17</u>	<u>7,962,281.70</u>		<u>80,709.47</u>	
Total Appropriations Within "CAPS"	<u>60,764,495.43</u>	<u>60,764,495.43</u>	<u>53,703,772.82</u>	<u>1,677,816.13</u>	<u>5,382,906.48</u>	
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
<u>OTHER OPERATIONS</u>						
Maintenance of Free Public Library	<u>3,418,093.00</u>	<u>3,418,093.00</u>	<u>3,418,093.00</u>			
	<u>3,418,093.00</u>	<u>3,418,093.00</u>	<u>3,418,093.00</u>			

TOWNSHIP OF MONTCLAIR
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

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	27,866.00	27,866.00	22,339.50		5,526.50	
	<u>885,222.00</u>	<u>885,222.00</u>	<u>879,695.50</u>		<u>5,526.50</u>	
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET</u>						
<u>BY REVENUES</u>						
Municipal Alliance and Alcoholism and Drug Abuse	48,941.20	48,941.20	48,941.20			
Shop Rite - Senior Shuttle Grant	423.00	423.00	423.00			
Local Food Promotion	5,773.88	5,773.88	5,773.88			
Safe and Secure Communities	60,000.00	60,000.00	60,000.00			
NJPHK - New Jersey Healthy Corner Store Initiative Grant	1,500.00	1,500.00	1,500.00			
Lifelong Montclair - Marketing Intern Grant	5,000.00	5,000.00	5,000.00			
Mayor's Wellness Campaign	5,000.00	5,000.00	5,000.00			
Seniorama Grant		1,000.00	1,000.00			
Microgrid Feasibility Study Initiative Grant		142,480.00	142,480.00			
Alcohol Education, Rehabilitation and Enforcement		3,731.71	3,731.71			
Seniors in Transit	9,900.00	9,900.00	9,900.00			
County of Essex Local Arts Grant		1,000.00	1,000.00			
Radon Awareness Grant		2,000.00	2,000.00			
NJAACHO Grant		2,320.00	2,320.00			
Eat Healthy Grant	10,000.00	10,000.00	10,000.00			
Partners in Health - Visiting Nurse		10,920.00	10,920.00			
PFH Lock Box Grant	10,000.00	10,000.00	10,000.00			
Cable Communication Grant - Comcast	5,000.00	5,000.00	5,000.00			
Maddies Fund Grant - Dog	1,500.00	1,500.00	1,500.00			
Maddies Fund Grant - Cat	1,000.00	1,000.00	1,000.00			
Drunk Driving Enforcement Fund		12,804.50	12,804.50			
Seniors in Taxis		3,500.00	3,500.00			
Click it or Ticket Enforcement Grant		5,500.00	5,500.00			
Drive Sober or Get Pulled Over	5,000.00	10,500.00	10,500.00			
Bicycle Safety Grant		11,000.00	11,000.00			
Body Armor Replacement Fund		9,016.58	9,016.58			
Hazardous Discharge Grant	15,000.00	53,790.00	53,790.00			
Clean Communities		70,449.09	70,449.09			
Bulletproof Vest Program	22,969.25	22,969.25	22,969.25			
Recycling Tonnage Grant	30,903.52	30,903.52	30,903.52			
Other Matching Funds	12,235.30	12,235.30	12,235.30			
	<u>261,066.15</u>	<u>570,158.03</u>	<u>570,158.03</u>			

TOWNSHIP OF MONTCLAIR
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

A-3
Sheet # 7

Appropriation	Appropriations		Paid or Charged	Reserved		Balance Canceled
	Budget	Modified Budget		Encumbered	Unencumbered	
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
Total Operations Excluded from "CAPS"	\$ 4,631,381.15	\$ 4,940,473.03	\$ 4,867,946.53	\$ -	\$ 72,526.50	\$
<u>CAPITAL IMPROVEMENTS</u>						
Capital Improvement Fund	300,000.00	300,000.00	300,000.00			
<u>DEBT SERVICE</u>						
Payment of Bond Principal	4,955,000.00	4,955,000.00	4,955,000.00			
Payment of Bond Anticipation Notes and Capital Notes	1,179,000.00	1,179,000.00	1,179,000.00			
Interest on Bonds	1,800,000.00	1,800,000.00	1,691,541.37			108,458.63
Interest on Notes	526,000.00	526,000.00	525,127.33			872.67
Loan Repayments-Downtown Business Improvement District	32,666.67	32,666.67	32,666.67			
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	45,000.00	45,000.00	42,397.40			2,602.60
Environmental Trust - Principal	49,000.00	49,000.00	48,390.21			609.79
Environmental Trust - Interest	12,000.00	12,000.00	8,511.89			3,488.11
	<u>8,598,666.67</u>	<u>8,598,666.67</u>	<u>8,482,634.87</u>			<u>116,031.80</u>
<u>DEFERRED CHARGES</u>						
Special Emergency Authorization	200,000.00	200,000.00	200,000.00			
Payment of Unfunded Deferred Charge	51,858.08	51,858.08	51,858.08			
	<u>251,858.08</u>	<u>251,858.08</u>	<u>251,858.08</u>			
<u>FOR LOCAL SCHOOL DISTRICT PURPOSES</u>						
Type I School District Debt Service:						
Payment of Bond Principal	4,550,000.00	4,550,000.00	4,550,000.00			
Payment of Bond Anticipation Notes	700,000.00	700,000.00	663,855.00			36,145.00
Interest on Bonds	2,755,920.05	2,755,920.05	2,741,739.52			14,180.53
Interest on Notes	125,000.00	125,000.00	121,037.84			3,962.16
	<u>8,130,920.05</u>	<u>8,130,920.05</u>	<u>8,076,632.36</u>			<u>54,287.69</u>
<u>JUDGEMENTS</u>						
Total Appropriations Excluded from "CAPS"	21,912,825.95	22,221,917.83	21,979,071.84		72,526.50	170,319.49
Sub-total Appropriations	82,677,321.38	82,986,413.26	75,682,844.66	1,677,816.13	5,455,432.98	170,319.49
Reserve for Uncollected Taxes	3,130,694.99	3,130,694.99	3,130,694.99			
Total Appropriations	<u>\$ 85,808,016.37</u>	<u>\$ 86,117,108.25</u>	<u>\$ 78,813,539.65</u>	<u>\$ 1,677,816.13</u>	<u>\$ 5,455,432.98</u>	<u>\$ 170,319.49</u>

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, 2017

A-3
Sheet # 8

	<u>Ref.</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>
Adopted Budget	A-2	\$ 85,808,016.37	
Added by N.J.S.A. 40A:4-87	A-2	309,091.88	
Emergency Authorization	A-19		\$ 200,000.00
Reserve for Uncollected Taxes	A-2c	(3,130,694.99)	3,130,694.99
Cash Disbursements	A-4		74,765,519.89
Petty Cash	A-8		3,350.00
Interfunds Payable	A-26		713,974.77
Canceled	A-3 Sh. 7	(170,319.49)	
	A-1	<u>\$ 82,816,093.77</u>	<u>\$ 78,813,539.65</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
TRUST FUNDS

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

B
Sheet # 1

<u>ASSETS</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Assessment Trust Fund</u>			
Cash - Checking	B-2	\$ 1,334.96	
Assessments Receivable:			
Unpledged	B-4	10.65	\$ 10.65
Interfunds Receivable	B-8	8,757.15	8,757.15
		<u>10,102.76</u>	<u>8,767.80</u>
 <u>Animal Control Trust Fund</u>			
Cash - Checking	B-2	<u>122,781.85</u>	<u>97,400.68</u>
 <u>General Trust Fund</u>			
Cash - General	B-2	7,163,892.09	6,689,181.03
Cash - Section 8 Housing	B-2	355,301.00	393,196.28
Due from Montclair Housing Agency	B-5	33,480.85	33,480.85
Deferred Charges	B-6		35,218.62
Due from County of Essex - Community			
Development Block Grant Programs	B-7	266,686.30	308,475.00
Interfunds Receivable	B-8	952,880.62	47,464.48
Accounts Receivable	B-10		5,255.89
		<u>8,772,240.86</u>	<u>7,512,272.15</u>
 <u>Payroll Account</u>			
Cash	B-2	<u>546,386.03</u>	<u>572,276.87</u>
		<u>\$ 9,451,511.50</u>	<u>\$ 8,190,717.50</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
TRUSTS FUNDS

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

B
Sheet # 2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Assessment Trust Fund</u>			
Reserve for:			
Assessments and Assessment Liens	B-13	\$ 10.65	\$ 10.65
Fund Balance	B-1	<u>10,092.11</u>	<u>8,757.15</u>
		<u>10,102.76</u>	<u>8,767.80</u>
 <u>Animal Control Trust Fund</u>			
Due to State of New Jersey	B-9		2.40
Reserve for:			
Animal Shelter Expenditures	B-17	95,544.12	51,818.68
Animal Control Trust Fund Expenditures	B-19	<u>27,237.73</u>	<u>45,579.60</u>
		<u>122,781.85</u>	<u>97,400.68</u>
 <u>General Trust Fund</u>			
Interfunds Payable	B-12	151,535.32	151,535.32
Special Deposits	B-11	7,895,135.86	6,419,605.55
Accounts Payable	B-15	4,053.05	12,510.00
Prepaid Revenue	B-16		239,460.00
Reserve for:			
Community Development Block Grant	B-14	266,686.30	308,475.00
Section 8 Voucher Program	B-15	351,247.95	380,686.28
State Unemployment Trust Fund Expenditures	B-21	<u>103,582.38</u>	
		<u>8,772,240.86</u>	<u>7,512,272.15</u>
 <u>Payroll Account</u>			
Payroll Deductions and Other Payables	B-18	509,683.94	532,007.15
Flexible Spending Account	B-20	<u>36,702.09</u>	<u>40,269.72</u>
		<u>546,386.03</u>	<u>572,276.87</u>
		<u>\$ 9,451,511.50</u>	<u>\$ 8,190,717.50</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
TRUST FUNDS

STATEMENT OF FUND BALANCE
ASSESSMENT TRUST
YEAR ENDED DECEMBER 31, 2017

B-1

	<u>Ref.</u>	
Balance, December 31, 2016	B	\$ 8,757.15
Increased by:		
Collection of Unpledged Receivables	B-2	<u>1,650.21</u>
		10,407.36
Decreased by:		
Assessments Paid	B-2	<u>315.25</u>
Balance, December 31, 2017	B	<u><u>\$ 10,092.11</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

C

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Cash - Checking	C-2	\$ 2,852,478.04	\$ 5,193,509.93
Grants Receivable	C-4	410,920.07	78,403.77
Interfunds Receivable	C-7	65,955.00	232,604.76
Due from Improvement District	C-6		15,000.00
Deferred Charges to Future Taxation:			
Funded	C-8	100,955,269.63	111,126,478.65
Unfunded	C-9	40,952,384.52	35,349,998.09
		<u>\$ 145,237,007.26</u>	<u>\$ 151,995,995.20</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-22	\$ 37,915,000.00	\$ 43,034,000.00
School Serial Bonds	C-21	61,840,000.00	66,760,000.00
Environmental Infrastructure Loan Payable	C-19	352,643.96	412,402.49
Green Acres Loans Payable	C-18	520,959.02	560,742.84
Bond Anticipation Notes	C-17	29,314,091.00	24,939,200.00
Business District Loan Payable	C-20	326,666.65	359,333.32
Interfunds Payable	C-12	36,147.20	
Improvement Authorizations:			
Funded	C-10	1,160,452.85	2,129,557.68
Unfunded	C-10	10,885,938.01	10,852,585.33
Capital Improvement Fund	C-11	179,937.83	447,321.83
Reserve for:			
Cost of Issuance	C-13	14,492.04	14,494.04
Repayment of Urban Development Action Grants	C-14	26,955.51	26,955.51
Grants Receivable	C-15	410,920.07	78,403.77
Debt Service	C-16	1,217,118.73	23,826.00
Fund Balance	C-1	1,035,684.39	2,357,172.39
		<u>\$ 145,237,007.26</u>	<u>\$ 151,995,995.20</u>
 Bonds and Notes Authorized but Not Issued:			
General		\$ 10,272,755.77	\$ 6,426,010.34
School		2,032,875.28	5,204,114.49
	C-5	<u>\$ 12,305,631.05</u>	<u>\$ 11,630,124.83</u>

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

C-1

	<u>Ref.</u>	
Balance, December 31, 2016	C	\$ 2,357,172.39
Increased by:		
Premium on Sale of Notes	C-2	<u>378,512.00</u>
		2,735,684.39
Decreased by:		
Anticipated Revenue - Current Fund	C-12	<u>1,700,000.00</u>
Balance, December 31, 2017	C	<u><u>\$ 1,035,684.39</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
WATER UTILITY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

D
Sheet # 1

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Operating Fund</u>			
Cash	D-5	\$ 4,695,133.28	\$ 5,029,004.34
Change Fund	D-7	200.00	200.00
		<u>4,695,333.28</u>	<u>5,029,204.34</u>
Interfunds Receivable	D-11	96,564.43	3,025.21
		<u>4,791,897.71</u>	<u>5,032,229.55</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-12	537,158.35	1,827,692.04
		<u>537,158.35</u>	<u>1,827,692.04</u>
		<u>5,329,056.06</u>	<u>6,859,921.59</u>
<u>Capital Fund</u>			
Cash - Checking	D-5, D-9	1,085,221.65	1,140,045.22
Loans Receivable	D-10	29,947.60	29,947.60
Fixed Capital	D-13	41,342,903.27	40,829,569.27
Interfund Receivable	D-22	2.00	
Fixed Capital - Authorized and Uncompleted	D-14	624,154.45	124,154.45
		<u>43,082,228.97</u>	<u>42,123,716.54</u>
		<u>\$ 48,411,285.03</u>	<u>\$ 48,983,638.13</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
WATER UTILITY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

D
Sheet # 2

<u>LIABILITIES, RESERVES AND FUND BALANCES</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Operating Fund</u>			
Appropriation Reserves:			
Encumbered	D-4, D-15	\$ 243,297.90	\$ 596,076.56
Unencumbered	D-4, D-15	1,240,999.98	1,083,510.86
Accrued Interest on Bonds	D-16	87,647.92	99,168.75
Accrued Interest on Notes	D-17	16,897.95	21,147.54
Accrued Interest on Loans	D-18	10,108.33	15,932.28
Water Overpayments	D-19	37,712.55	24,277.32
		1,636,664.63	1,840,113.31
Reserve for Receivables		537,158.35	1,827,692.04
Fund Balance	D-1	3,155,233.08	3,192,116.24
		5,329,056.06	6,859,921.59
 <u>Capital Fund</u>			
Serial Bonds	D-27	5,285,000.00	6,010,000.00
N.J. Environmental Infrastructure Trust			
Loan Payable	D-26	1,194,280.62	1,592,078.67
Bond Anticipation Notes	D-25	4,055,510.00	5,342,536.00
Improvement Authorizations:			
Funded	D-20	500,000.00	
Unfunded	D-20	80,609.47	124,154.47
Capital Improvement Fund	D-21	72,256.53	572,256.53
Interfunds Payable	D-22	4,605.77	3,025.21
Reserves for:			
Amortization	D-23	30,743,183.25	27,885,361.33
Deferred Amortization	D-24	571,371.74	71,371.74
Fund Balance	D-2	575,411.59	522,932.59
		43,082,228.97	42,123,716.54
		\$ 48,411,285.03	\$ 48,983,638.13
 Bonds and Notes Authorized but Not Issued			
	D-28	\$ 116,542.00	\$ 133,006.22

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, 2017 AND 2016

D-1

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	D-3	\$ 1,947,397.01	\$ 2,646,901.66
Rents	D-3	7,840,676.88	7,960,490.01
Miscellaneous Revenue	D-3	213,857.72	548,721.95
Other Credits to Income:			
Accrued Interest on Loans Canceled			9,829.44
Unexpended Balance of Appropriation Reserves	D-15	1,068,781.10	547,547.81
		<u>11,070,712.71</u>	<u>11,713,490.87</u>
 <u>Expenditures</u>			
Budgets Expenditures:			
Operating	D-4	5,535,425.00	5,266,535.00
Capital Improvements	D-4	240,751.52	1,275,000.00
Debt Service	D-4	2,554,658.47	2,246,843.80
Statutory Expenditures	D-4	312,674.00	284,721.00
Deferred Charges	D-4	16,689.87	
		<u>8,660,198.86</u>	<u>9,073,099.80</u>
Excess Revenue		2,410,513.85	2,640,391.07
 <u>Fund Balance</u>			
Balance, Beginning of Year	D	<u>3,192,116.24</u>	<u>3,698,626.83</u>
		<u>5,602,630.09</u>	<u>6,339,017.90</u>
 Decreased by:			
Utilized as Anticipated Revenue:			
Water Operating Fund Budget	D-3	1,947,397.01	2,646,901.66
Current Fund Budget	D-5	500,000.00	500,000.00
		<u>2,447,397.01</u>	<u>3,146,901.66</u>
Balance, End of Year	D	<u>\$ 3,155,233.08</u>	<u>\$ 3,192,116.24</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
WATER UTILITY

STATEMENT OF WATER CAPITAL FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

D-2

	<u>Ref.</u>	
Balance, December 31, 2016	D	\$ 522,932.59
Increased by:		
Premium on Sales of Notes	D-5	<u>52,479.00</u>
Balance, December 31, 2017	D	<u><u>\$ 575,411.59</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
WATER UTILITY

STATEMENT OF REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

D-3

<u>Source</u>	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Utilized	D-1	\$ 1,947,397.01	\$ 1,947,397.01	
Rents	D-1, D-12	6,950,000.00	7,840,676.88	\$ 890,676.88
Miscellaneous Revenue	D-1, Below	<u>150,000.00</u>	<u>213,857.72</u>	<u>63,857.72</u>
	D-4	<u>\$ 9,047,397.01</u>	<u>\$ 10,001,931.61</u>	<u>\$ 954,534.60</u>
 <u>Analysis of Realized Revenue</u>				
Miscellaneous Revenue:				
Interest on Delinquent Rents		\$ 81,984.68		
Glen Ridge Management Fee		54,618.88		
New Service Fees		29,548.01		
Interest on Investments - Operating		41,259.65		
Interest on Investments - Capital		1,580.56		
Return Check Fees		819.53		
Turn-On Fee		3,745.49		
Miscellaneous		<u>300.92</u>		
	Above		<u>\$ 213,857.72</u>	
 Collections:				
Treasurer	D-5		\$ 212,277.16	
Interfunds Receiveable	D-11		<u>1,580.56</u>	
	Above		<u>\$ 213,857.72</u>	

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
WATER UTILITY

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

D-4
Sheet # 1

<u>Appropriation</u>	<u>Budget</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>	<u>Expended</u>		<u>Balance Canceled</u>
				<u>Encumbered</u>	<u>Reserved Unencumbered</u>	
<u>Operating</u>						
Salaries and Wages	\$ 1,194,155.00	\$ 1,194,155.00	\$ 1,112,415.34		\$ 81,739.66	
Other Expenses	3,857,650.00	3,857,650.00	2,887,741.47	\$ 173,980.06	795,928.47	
<u>Commercial</u>						
Salaries and Wages	407,120.00	407,120.00	80,851.16		326,268.84	
Other Expenses	76,500.00	76,500.00	38,684.65	752.34	37,063.01	
	<u>5,535,425.00</u>	<u>5,535,425.00</u>	<u>4,119,692.62</u>	<u>174,732.40</u>	<u>1,240,999.98</u>	
<u>Capital Improvements</u>						
Capital Outlay	500,000.00	500,000.00	172,186.02	68,565.50		\$ 259,248.48
	<u>500,000.00</u>	<u>500,000.00</u>	<u>172,186.02</u>	<u>68,565.50</u>		<u>259,248.48</u>
<u>Debt Service</u>						
Payment on Bond Principal	725,000.00	725,000.00	725,000.00			
Payment on Bond Anticipation Notes and Capital Notes	1,205,000.00	1,205,000.00	1,205,000.00			
Interest on Bonds	251,339.76	251,339.76	213,701.38			37,638.38
Interest on Notes	135,000.00	135,000.00	129,313.81			5,686.19
Environmental Trust Fund - Principal	313,878.38	313,878.38	253,016.43			60,861.95
Environmental Trust Fund - Interest	52,390.00	52,390.00	28,626.85			23,763.15
	<u>2,682,608.14</u>	<u>2,682,608.14</u>	<u>2,554,658.47</u>			<u>127,949.67</u>
<u>Deferred Charges</u>						
Unfunded Improvement Authorization Ord. #02-33	10,179.87	10,179.87	10,179.87			
Unfunded Improvement Authorization Ord. #10-73	6,510.00	6,510.00	6,510.00			
	<u>16,689.87</u>	<u>16,689.87</u>	<u>16,689.87</u>			
Statutory Expenditures						
Contribution to:						
Public Employees' Retirement System	191,098.00	191,098.00	191,098.00			
Social Security System	102,576.00	102,576.00	102,576.00			
Unemployment Compensation Insurance	19,000.00	19,000.00	19,000.00			
	<u>312,674.00</u>	<u>312,674.00</u>	<u>312,674.00</u>			
	<u>\$ 9,047,397.01</u>	<u>\$ 9,047,397.01</u>	<u>\$ 7,175,900.98</u>	<u>\$ 243,297.90</u>	<u>\$ 1,240,999.98</u>	<u>\$ 387,198.15</u>

Ref.

D-3

D-4 Sheet 2

D

D

TOWNSHIP OF MONTCLAIR
WATER UTILITY

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

D-4
Sheet # 2

	<u>Ref.</u>	
Cash Disbursed	D-5	\$ 6,804,258.94
Accrued Interest on Bonds	D-16	213,701.38
Accrued Interest on Notes	D-17	129,313.81
Accrued Interest on Loans	D-18	<u>28,626.85</u>
	Sheet # 1	<u>\$ 7,175,900.98</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

E
Sheet # 1

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>			
<u>Operating Fund</u>			
Cash - Checking	E-5	\$ 1,756,048.23	\$ 2,046,609.54
Change Fund	E-7	200.00	200.00
		1,756,248.23	2,046,809.54
Interfund Receivable	E-9		27,232.57
		1,756,248.23	2,074,042.11
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-10	853,202.84	597,275.34
		853,202.84	597,275.34
		2,609,451.07	2,671,317.45
<u>Capital Fund</u>			
Cash	E-5, E-8	196,223.49	409,167.76
Fixed Capital	E-11	5,098,801.56	5,098,801.56
Fixed Capital Authorized and Uncompleted	E-12	3,039,877.01	439,877.01
		8,334,902.06	5,947,846.33
		\$ 10,944,353.13	\$ 8,619,163.78

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

E
Sheet # 2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Operating Fund</u>			
Appropriation Reserves:			
Encumbered	E-4, E-13	\$ 18,324.24	\$ 15,611.44
Unencumbered	E-4, E-13	171,607.56	460,399.18
Accrued Interest on Loans	E-16	3,265.10	3,473.44
Accrued Interest on Notes	E-17	5,001.84	8,120.38
Sewer Overpayments	E-14	21,829.21	34,288.70
Interfunds Payable	E-15		15.00
		220,027.95	521,908.14
Reserve for Receivables		853,202.84	597,275.34
Fund Balance	E-1	1,536,220.28	1,552,133.97
		2,609,451.07	2,671,317.45
 <u>Capital Fund</u>			
Bond Anticipation Notes	E-23	1,241,837.00	2,051,464.00
Environmental Infrastructure Loan Payable	E-19	732,449.00	781,552.50
Improvements Authorizations:			
Funded	E-18	53,827.99	48,126.35
Unfunded	E-18	2,819,195.47	391,750.66
Capital Improvement Fund	E-21	120,500.00	120,500.00
Interfunds Payable	E-15		27,232.57
Reserve for:			
Amortization	E-22	3,197,887.50	2,374,084.15
Deferred Amortization	E-20	53,426.35	53,426.35
Fund Balance	E-2	115,778.75	99,709.75
		8,334,902.06	5,947,846.33
		\$ 10,944,353.13	\$ 8,619,163.78
 Bonds and Notes Authorized But Not Issued	 E-24	 \$ 2,913,079.65	 \$ 337,779.50

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, 2017 AND 2016

E-1

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Revenues and Other Income Realized</u>			
Fund Balance Utilized	E-3	\$ 926,271.16	\$ 975,786.41
Sewer Charges	E-3	5,665,190.06	4,953,429.15
Sewer Flow Usage Fees - Reservoir Ridge	E-3	86,817.97	69,644.00
Sewer Connection Fee	E-3	11,440.00	485,754.00
Sewer Capital Fund Balance			75,000.00
Miscellaneous	E-3	64,255.73	166,927.10
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-13	450,199.95	286,959.34
		<u>7,204,174.87</u>	<u>7,013,500.00</u>
 <u>Expenditures</u>			
Budget Expenditures:			
Operating	E-4	5,238,977.05	5,117,550.15
Debt Service	E-4	855,382.50	474,640.47
Statutory Expenditures	E-4	174,758.00	153,300.00
Deferred Charges	E-4	24,699.85	
		<u>6,293,817.40</u>	<u>5,745,490.62</u>
Excess in Revenue		910,357.47	1,268,009.38
 <u>Fund Balance</u>			
Balance, Beginning of Year	E	1,552,133.97	1,259,911.00
		<u>2,462,491.44</u>	<u>2,527,920.38</u>
 Decreased by:			
Utilized as Anticipated Revenue:			
Sewer Operating Fund Budget	Above	926,271.16	975,786.41
		<u>926,271.16</u>	<u>975,786.41</u>
Balance, End of Year	E	<u>\$ 1,536,220.28</u>	<u>\$ 1,552,133.97</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
SEWER UTILITY CAPITAL FUND

STATEMENT OF FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

E-2

	<u>Ref.</u>	
Balance, December 31, 2016	E	\$ 99,709.75
Increased by:		
Premium on Sale of Notes:		
Cash Receipts	E-5	<u>16,069.00</u>
Balance, December 31, 2017	E	<u>\$ 115,778.75</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2017

E-3

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Utilized	E-1	\$ 926,271.16	\$ 926,271.16	
Sewer Charges	E-1, E-10	5,110,000.00	5,665,190.06	\$ 555,190.06
Sewer Flow Usage Fee	E-1, E-6	85,500.00	86,817.97	1,317.97
Sewer Connection Fees	E-1, E-6	120,000.00	11,440.00	(108,560.00)
Miscellaneous	E-1, Below	<u>57,000.00</u>	<u>64,255.73</u>	<u>7,255.73</u>
	E-4	<u>\$ 6,298,771.16</u>	<u>\$ 6,753,974.92</u>	<u>\$ 455,203.76</u>
	<u>Ref.</u>	<u>Ref.</u>		
<u>Miscellaneous Revenue</u>				
Interest Earned on Investments:				
Collections	E-5		<u>\$ 22,593.77</u>	
Interest on Delinquent Rents		\$ 41,060.35		
Other		601.61		
	E-6	<u>41,661.96</u>	<u>41,661.96</u>	
		Above	<u>\$ 64,255.73</u>	

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

E-4
Sheet # 1

<u>Appropriation</u>	<u>Budget</u>	<u>Modified Budget</u>	<u>Paid</u>	<u>Expended</u>		<u>Balance Canceled</u>
				<u>Encumbered</u>	<u>Unencumbered</u>	
<u>Operating</u>						
Salaries and Wages	\$ 665,224.00	\$ 665,224.00	\$ 543,075.35		\$ 122,148.65	
Other Expenses	479,914.00	479,914.00	419,858.30	\$ 18,324.24	41,731.46	
Passaic Valley Sewer Commission	4,044,165.05	4,044,165.05	4,044,165.05		-	
Third River Sewer	1,530.00	1,530.00	1,334.36		195.64	
Second River Sewer	48,144.00	48,144.00	40,612.19		7,531.81	
	<u>5,238,977.05</u>	<u>5,238,977.05</u>	<u>5,049,045.25</u>	<u>18,324.24</u>	<u>171,607.56</u>	
<u>Debt Service</u>						
Payment on Bond Anticipation Notes and Capital Notes	750,000.00	750,000.00	750,000.00			\$ 3,831.94
Interest on Notes	52,000.00	52,000.00	48,168.06			896.50
Payment on Loan	50,000.00	50,000.00	49,103.50			225.32
Payment of Interest on Loan	8,336.26	8,336.26	8,110.94			
	<u>860,336.26</u>	<u>860,336.26</u>	<u>855,382.50</u>			<u>4,953.76</u>
<u>Deferred Charges</u>						
<u>Deficit in Operations</u>						
Unfunded Improvement Authorization Ord. #09-70	11,265.40	11,265.40	11,265.40			
Unfunded Improvement Authorization Ord. #12-21	13,434.45	13,434.45	13,434.45			
	<u>24,699.85</u>	<u>24,699.85</u>	<u>24,699.85</u>			
<u>Statutory Expenditures</u>						
Contribution to:						
Public Employees' Retirement System	113,088.00	113,088.00	113,088.00			
Social Security System	56,670.00	56,670.00	56,670.00			
Unemployment Compensation Insurance	5,000.00	5,000.00	5,000.00			
	<u>174,758.00</u>	<u>174,758.00</u>	<u>174,758.00</u>			
	<u>\$ 6,298,771.16</u>	<u>\$ 6,298,771.16</u>	<u>\$ 6,103,885.60</u>	<u>\$ 18,324.24</u>	<u>\$ 171,607.56</u>	<u>\$ 4,953.76</u>

Ref.

E-3

E

E

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

STATEMENT OF EXPENDITURES
REGULATORY BASS
YEAR ENDED DECEMBER 31, 2017

E-4
Sheet # 2

	<u>Ref.</u>	<u>Paid or Charged</u>
Cash Disbursed	E-5	\$ 6,047,606.60
Accrued Interest on Loans	E-16	8,110.94
Accrued Interest on Notes	E-17	<u>48,168.06</u>
	Sheet # 1	<u>\$ 6,103,885.60</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

E

<u>ASSETS</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Operating Fund</u>			
Cash - Checking	F-4	\$ 2,509,600.28	\$ 2,247,460.47
Cash - Petty	F-4	150.00	
Interfunds Receivable	F-6	3,026.62	1,781.42
		<u>2,512,776.90</u>	<u>2,249,241.89</u>
<u>Capital Fund</u>			
Cash	F-4	893,026.62	891,781.42
Fixed Capital	F-7	16,445,000.00	16,445,000.00
Fixed Capital Authorized and Uncomplete	F-8	535,000.00	185,000.00
		<u>17,873,026.62</u>	<u>17,521,781.42</u>
		<u>\$ 20,385,803.52</u>	<u>\$ 19,771,023.31</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Operating Fund</u>			
Accrued Interest on Bonds	F-10	\$ 291,472.28	\$ 295,618.98
Appropriation Reserves - Committed	F-3	179,787.19	370,992.86
Appropriation Reserves - Reserved	F-3, F-9	425,574.61	89,964.02
Interfunds Payable	F-14	405.00	405.00
Fund Balance	F-1	1,615,537.82	1,492,261.03
		<u>2,512,776.90</u>	<u>2,249,241.89</u>
<u>Capital Fund</u>			
Serial Bonds	F-16	13,350,000.00	13,780,000.00
Interfunds Payable	F-14	3,026.62	1,781.42
Capital Improvement Fund	F-12	305,000.00	305,000.00
Improvement Authorization - Funded	F-15	535,000.00	185,000.00
Reserve for Amortization	F-11	3,095,000.00	2,665,000.00
Deferred Reserve for Amortization	F-13	535,000.00	185,000.00
Fund Balance	F-1a	50,000.00	400,000.00
		<u>17,873,026.62</u>	<u>17,521,781.42</u>
		<u>\$ 20,385,803.52</u>	<u>\$ 19,771,023.31</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, 2017 AND 2016

F-1

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Revenues and Other Income Realized</u>			
Fund Balance Utilized	F-2	\$ 504,683.26	\$ 163,318.56
Permit Fees	F-2	1,347,109.41	1,634,507.53
Meter Fees	F-2	2,419,881.02	1,564,833.17
Miscellaneous Revenue	F-2	292,598.16	320,215.23
Appropriation Reserves Canceled	F-9	24,224.76	253,504.24
		<u>4,588,496.61</u>	<u>3,936,378.73</u>
 <u>Expenditures</u>			
Budget Appropriations:			
Operating	F-3	2,433,834.00	1,926,517.00
Capital Improvements	F-3	100,000.00	
Debt Service	F-3	1,012,944.56	998,587.96
Statutory Expenditures	F-3	113,758.00	87,388.00
		<u>3,660,536.56</u>	<u>3,012,492.96</u>
Other Debits to Income:			
Prior Year Revenue Refund			59,914.30
		<u>927,960.05</u>	<u>863,971.47</u>
 <u>Fund Balance</u>			
Balance, Beginning of Year	F	1,492,261.03	1,291,608.12
		<u>2,420,221.08</u>	<u>2,155,579.59</u>
Decreased by:			
Utilized as Anticipated Revenue - Current Fund	F-4	300,000.00	500,000.00
Utilized as Anticipated Revenue	Above	504,683.26	163,318.56
		<u>804,683.26</u>	<u>663,318.56</u>
Balance, End of Year	F	<u>\$ 1,615,537.82</u>	<u>\$ 1,492,261.03</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

STATEMENT OF PARKING CAPITAL FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

F-1A

	<u>Ref.</u>	
Balance, December 31, 2016	F	\$ 400,000.00
Decreased by:		
Appropriated to Finance Improvement Authorizations	F-13	<u>350,000.00</u>
Balance, December 31, 2017	F	<u>\$ 50,000.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2017

F-2

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
<u>Source:</u>				
Fund Balance Anticipated	F-1	\$ 504,683.26	\$ 504,683.26	
Meter Fees	F-1, F-4	1,510,000.00	2,419,881.02	\$ 909,881.02
Permit Fees	F-1, F-4	1,500,000.00	1,347,109.41	(152,890.59)
Miscellaneous	F-1, Below	<u>150,000.00</u>	<u>292,598.16</u>	<u>142,598.16</u>
	F-3	<u>\$ 3,664,683.26</u>	<u>\$ 4,564,271.85</u>	<u>\$ 899,588.59</u>
 <u>Miscellaneous Revenue</u>				
Interest on Deposits:				
Operating Fund	F-4	\$ 2,863.61		
Capital Fund	F-6	<u>1,245.20</u>		
			\$ 4,108.81	
 Rental Income	F-4	39,850.00		
Other	F-4	10,040.00		
Herod Lot	F-4	<u>238,599.35</u>		
			<u>288,489.35</u>	
	Above		<u>\$ 292,598.16</u>	

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

F-3

<u>Appropriation</u>	<u>Budget</u>	<u>Modified Budget</u>	<u>Paid</u>	<u>Expended</u>		<u>Balance Canceled</u>
				<u>Encumbered</u>	<u>Reserved</u> <u>Unencumbered</u>	
<u>Operating</u>						
Salaries and Wages	\$ 962,994.00	\$ 912,994.00	\$ 780,434.86		\$ 132,559.14	
Other Expenses	1,470,840.00	1,520,840.00	1,147,690.78	\$ 116,414.19	256,735.03	
	<u>2,433,834.00</u>	<u>2,433,834.00</u>	<u>1,928,125.64</u>	<u>116,414.19</u>	<u>389,294.17</u>	
<u>Capital Improvements</u>						
	<u>100,000.00</u>	<u>100,000.00</u>	<u>346.56</u>	<u>63,373.00</u>	<u>36,280.44</u>	
<u>Debt Service</u>						
Payment on Bond Principal	430,000.00	430,000.00	430,000.00			
Interest on Bonds	587,091.26	587,091.26	582,944.56			\$ 4,146.70
	<u>1,017,091.26</u>	<u>1,017,091.26</u>	<u>1,012,944.56</u>			<u>4,146.70</u>
<u>Statutory Expenditures</u>						
Contribution to:						
Public Employees' Retirement System	43,214.00	43,214.00	43,214.00			
Social Security System	55,544.00	55,544.00	55,544.00			
Unemployment Compensation Insurance	15,000.00	15,000.00	15,000.00			
	<u>113,758.00</u>	<u>113,758.00</u>	<u>113,758.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,664,683.26</u>	<u>\$ 3,664,683.26</u>	<u>\$ 3,055,174.76</u>	<u>\$ 179,787.19</u>	<u>\$ 425,574.61</u>	<u>\$ 4,146.70</u>

Ref.

F-2

Below

F

F

Ref.

Cash Disbursements

F-4

\$ 2,472,230.20

Accrued Interest on Bonds

F-10

582,944.56

\$ 3,055,174.76

TOWNSHIP OF MONTCLAIR
CAPITAL FIXED ASSETS

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

G

	<u>2017</u>	<u>2016</u>
<u>CAPITAL FIXED ASSETS</u>		
Building and Contents	\$ 46,464,700.00	\$ 46,464,700.00
Land	50,338,800.00	50,338,800.00
Vehicles and Other Equipment	<u>16,995,630.00</u>	<u>16,811,733.00</u>
	<u>\$ 113,799,130.00</u>	<u>\$ 113,615,233.00</u>
 <u>RESERVE</u>		
Investment in Capital Fixed Assets	<u>\$ 113,799,130.00</u>	<u>\$ 113,615,233.00</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF MONTCLAIR

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017 AND 2016

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, 2017 AND 2016

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, 2017 AND 2016**

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. GAAP 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, 2017 AND 2016**

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, 2017 AND 2016

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, 2017 AND 2016**

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.

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank for periods ending December 31, 2017 and 2016. At December 31, 2017 and 2016, the book value of the Township's deposits were \$82,436,714 and \$54,651,070, respectively.

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 GUDPA. 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.

At December 31, 2017 and 2016 the Township had the following depository accounts. All deposits are carried at cost. \$674,949.54 and \$819,362.70 held in agency and payroll accounts for the years ended December 31, 2017 and 2016, respectively, are not covered by GUDPA.

<u>Depository Account</u>	Bank Balance	
	December 31, 2017	December 31, 2016
FDIC Insured	\$ 684,081.86	\$ 1,253,489.78
GUPDA Insured	70,286,546.75	52,407,864.35
	\$ 70,970,628.61	\$53,661,354.13

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.

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

3. TAXES AND TAX TITLE LIENS RECEIVABLE (continued)

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.

The following is a four 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

	Calendar Year <u>2017</u>	Calendar Year <u>2016</u>	Calendar Year <u>2015</u>
Tax Rate	<u>\$ 3.734</u>	<u>\$ 3.634</u>	<u>\$ 3.526</u>
Apportionment of Tax Rate:			
Municipal	\$ 0.985	\$ 0.964	\$ 0.952
County	0.623	0.601	0.591
County Open Space	0.019	0.018	0.018
School	2.107	2.051	1.965

Assessed Valuation

Calendar Year	Amount
2017	\$ 5,730,624,400
2016	5,718,760,800
2015	5,743,231,038

Tax Levies and Collections

Year	Tax Levy	Collections	Percentage of Collections
2017	\$ 215,463,376.00	\$ 213,143,079.44	98.92%
2016	209,768,645.29	207,379,565.02	98.86%
2015	203,446,828.87	200,644,911.17	98.62%

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

3. TAXES AND TAX TITLE LIENS RECEIVABLE (continued)

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 four years.

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	% of Tax Levy
2017	\$ 189,381.10	\$ 2,184,852.44	\$2,374,233.54	1.10%
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%

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, 2017 and 2016 was \$562,300.03 and \$547,928.00, 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.

Year	Amount
2017	\$ 317,900
2016	317,900
2015	317,900

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:

Year	Billings	Cash Collections
2017	\$ 6,550,143.19	\$ 7,840,676.88
2016	8,023,154.55	7,960,490.01
2015	7,575,055.22	6,773,942.29

Cash collections include realization of prior year uncollected balances.

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

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:

Year	Billings	Cash Collections
2017	\$ 5,921,117.56	\$ 5,665,190.06
2016	4,820,248.58	4,953,249.15
2015	4,412,642.66	4,420,697.18

Cash collections include realization of prior year uncollected balances.

8. FUND BALANCES APPROPRIATED

	Year	Balance Dec. 31	Utilized in Budgets of Succeeding Year
Current Fund:	2017	\$ 12,059,342.82	\$ 4,750,000.00
	2016	10,937,642.60	3,935,000.00
	2015	8,463,030.80	3,235,000.00
Water Utility Operating Fund:	2017	\$ 3,155,233.08	\$ 1,846,693.81
	2016	3,192,116.24	1,947,397.01
	2015	3,698,626.83	2,646,901.66
Sewer Utility Operating Fund:	2017	\$ 1,536,220.28	\$ 1,084,639.40
	2016	1,552,133.97	926,271.16
	2015	1,259,911.00	975,786.41
Parking Utility Operating Fund:	2017	\$ 1,615,537.82	\$ 1,100,886.58
	2016	1,492,261.03	504,683.26
	2015	1,291,608.12	163,318.56

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

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, 2017 and 2016:

	2017	2016
Inactive plan members or beneficiaries currently receiving benefits	170,124	170,685
Inactive plan members entitled to but not yet receiving benefits	650	650
Active plan members	254,685	254,685
Total	425,459	426,020

Contributing Employees - 1,703

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 2017, the State was required to make a minimum contribution representing 6/7th of the actuarially determined contribution amount based on the July 1, 2014 actuarial valuation.

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, 2017 and 2016, the Township’s total payroll for all employees was \$39,946,481.86 and \$32,967,177, respectively. Total PERS covered payroll was \$11,302,195 and \$10,484,883 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 43:15 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 until a 7.5% member contribution rate is reached in July 2018. The

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

9. PENSION PLANS (continued)

member contribution rate was 7.06% in State fiscal year 2016 and increased to 7.20% for State fiscal year 2017, commencing July 1, 2017. The phase-in of the additional incremental member contribution rate will take place in July of the 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 1st 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, 2017 and 2016 consisted of the following:

	2017	2016
Total Regular Billing	\$ 1,417,549	\$ 1,290,433

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:

Definition

Tier

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

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

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – The regulatory basis of accounting which is basis for the preparation of the 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, 2017, the PERS reported a net pension liability of \$23,278,401,588 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 \$35,620,161 or 0.1530180703%, which was a decrease of 0.0077621330% from its proportion measured as of June 30, 2016.

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

9. PENSION PLANS (continued)

The pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017.

At June 30, 2016, the PERS reported a net pension liability of \$29,617,131,759 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 \$43,020,642 or 0.1452559373%.

At December 31, 2017, 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	\$ 838,732	
Changes in assumptions	7,176,235	\$ 7,149,925
Net difference between projected and actual earnings on pension plan investments	242,549	
Changes in proportion and differences between Township contributions and proportionate share of contributions	2,057,595	947,417
Township contributions subsequent to the measurement date	<u>1,417,549</u>	
	<u>\$ 11,732,660</u>	<u>\$ 8,097,342</u>

\$1,417,549 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>December 31,</u>	
2018	\$ 1,213,060
2019	1,611,462
2020	653,005
2021	(720,525)
2022	(539,233)
Total	<u>\$ 2,217,769</u>

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

9. PENSION PLANS (continued)

Actuarial Assumptions- The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	June 30, 2017	June 30, 2016
Inflation	2.25%	3.08%
Salary Increases through 2026	1.65% - 4.15% based on age	1.65% - 4.15% based on age
Thereafter	2.65% - 5.15% based on age	2.65% - 5.15% based on age
Investment rate of return	7.00%	7.65%

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, 2016 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.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) 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, 2017 and 2016 are summarized in the following table:

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

9. PENSION PLANS (continued)

<u>Asset Class</u>	<u>June 30, 2017</u>		<u>June 30, 2016</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 equivalents	5.50%	1.00%	5.00%	0.87%
U.S. Treasuries	3.00%	1.87%	1.50%	1.74%
Global diversified credit	5.00%	7.10%		
Credit oriented hedge funds	1.00%	6.60%		
Debt related private equity	2.00%	10.63%		
Debt related real estate	1.00%	6.61%		
Private real asset	2.50%	11.83%	2.00%	6.91%
Equity related real estate	6.25%	9.23%		
U.S. equity	30.00%	8.19%	26.00%	8.53%
Non-U.S. developed markets equity	11.50%	9.00%		
Emerging markets equity	6.50%	11.64%	6.50%	9.95%
Buyouts/venture capital	8.25%	13.08%		13.08%
Absolute return/risk mitigation	5.00%	5.51%		
Investment grade credit	10.00%	3.78%	8.00%	1.79%
Public high yield	2.50%	6.82%		
Mortgages			2.00%	1.67%
High yield bonds			2.00%	4.56%
Inflation indexed bonds			1.50%	3.44%
Private equity			9.00%	12.40%
Hedge funds/absolute returns			12.50%	4.68%
Commodities			0.50%	5.45%
Developed foreign markets			13.25%	6.83%
REIT			5.25%	5.63%
Global debt ex US			5.00%	-0.25%
	<u>100.00%</u>		<u>100.00%</u>	

Discount Rate – The discount rate used to measure the total pension liability as of June 30, 2016 was 3.98% and as of June 30, 2017 was 5.00%. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 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 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plans fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 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, 2017 AND 2016**

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:

	At 1% Decrease (4.00%)	At current Discount rate (5.00%)	At 1% Increase (6.00%)
Township's proportionate share	\$ 44,189,227	\$ 35,620,161	\$ 28,481,067

Plan Fiduciary Net Position – The plan fiduciary net position for PERS, including the State of New Jersey, at June 30, 2017 and 2016 were \$28,464,239,518 and \$26,762,070,610 respectively. The portion of the Plan Fiduciary Net Position was allocable to the Local (Non-Sate) Groups at June 30, 2017 and 2016 was \$21,573,965,463 and \$19,857,566,387, respectively.

Additional Information

Collective balances at June 30, 2017 are as follows:

Collective deferred outflows of resources	6,424,455,842
Collective deferred inflows of resources	5,700,625,981
Collective net pension liability - Local group	23,278,401,588

Township's Proportion 0.1530180703%

Collective pension expense for the Local Group for the measurement period ended June 30, 2017 and 2016 was \$1,694,305,613 and \$2,830,763,540, respectively. The average of the expected remaining service lives of all plan members if 5.48, 5.57, 5.72 and 6.44 years for 2017, 2016, 2015 and 2014, respectively.

State Contribution Payable Dates

Prior to July 1, 2017 valuation, it is assumed the State will make pension contributions the June 30th following the valuation date. Effective with the July 1, 2017 valuation Chapter 83 P.L. 2016 requires the State to make pension contributions on a quarterly basis at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30.

Receivable Contributions

State contributions expected to be paid the June 30th following the valuation ate. Effective with the July 1, 2017 valuation, State contributions expected to be paid in equal quarterly amounts as of September 30th, December 31st, March 31st and June 30th following the valuation date are discounted by the interest rate used at the valuation.

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

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

9. PENSION PLANS (continued)

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, 2017 and 2016:

	2017	2016
Inactive plan members or beneficiaries currently receiving benefits	43,011	40,789
Inactive plan members entitled to but not yet receiving benefits	47	47
Active plan members	40,789	45,625
Total	83,847	86,461

Contributing Employees - 585

In addition to the State, who is the sole payer of regular employer contributions to the fund, PFRS contributing employers include boards of education who elected to participate in the Early Retirement Incentive Program (ERIP) and are legally responsible to continue to pay toward their incurred liability. The current number of ERIP contributing employers is 26.

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 6/7th 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, 2017 and 2016 the Township’s total payroll for all employees was \$39,946,481.86 and \$32,967,177, respectively. Total PFRS covered payroll was \$19,857,076 and \$18,898,745 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 1st in the second fiscal period subsequent to plan year for which the contributions requirements were calculated.

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

9. PENSION PLANS (continued)

Township payments to PFRS for the years ending December 31, 2017 and 2016 consisted of the following:

	2017	2016
Total Regular Billings	\$ 5,170,600	\$ 4,749,755

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.

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, 2017, the PFRS reported a net pension liability of \$17,167,260,198 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 \$90,194,805 or 0.5842364024% which was an increase in 0.0016878281% from its proportion measured as of June 30, 2016. Then pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017.

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%.

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

9. PENSION PLANS (continued)

At December 31, 2017, the Township's deferred outflows of resources and deferred inflows of resources related to PFRS 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	\$ 585,131	\$ 529,368
Changes in assumptions	11,122,024	14,771,272
Net difference between projected and actual earnings on pension plan investments	1,721,128	
Changes in proportion and differences between Township contributions and proportionate share of contributions	964,481	311,315
Township contributions subsequent to the measurement date	<u>5,170,600</u>	
	<u>\$ 19,563,364</u>	<u>\$ 15,611,955</u>

\$5,170,600 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:

Year ended	<u>Amount</u>
<u>December 31,</u>	
2018	1,202,991
2019	3,045,965
2020	242,659
2021	(3,916,706)
2022	<u>(1,794,100)</u>
Total	(1,219,191)

Actuarial Assumptions- The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Inflation	2.25%	3.08%
Salary Increases through 2026	2.10% - 8.98% based on age	2.10% - 8.98% based on age
Thereafter	3.10% - 9.98% based on age	3.10% - 9.98% based on age
Investment rate of return	7.00%	7.65%

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

TOWNSHIP OF MONTCLAIR

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017 AND 2016

9. PENSION PLANS (continued)

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, 2016 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 (7.00% at June 30, 2017) 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, 2017 and 2016 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2017</u>		<u>June 30, 2016</u>	
	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
Cash equivalents	5.50%	1.00%	5.00%	0.87%
U.S. Treasuries	3.00%	1.87%	1.50%	1.74%
Global diversified credit	5.00%	7.10%		
Credit oriented hedge funds	1.00%	6.60%		
Debt related private equity	2.00%	10.63%		
Debt related real estate	1.00%	6.61%		
Private real asset	2.50%	11.83%	2.00%	6.91%
Equity related real estate	6.25%	9.23%		
U.S. equity	30.00%	8.19%	26.00%	8.53%
Non-U.S. developed markets equ	11.50%	9.00%		
Emerging markets equity	6.50%	11.64%	6.50%	9.95%
Buyouts/venture capital	8.25%	13.08%		13.08%
Absolute return/risk mitigation	5.00%	5.51%		
Investment grade credit	10.00%	3.78%	8.00%	1.79%
Public high yield	2.50%	6.82%		
Mortgages			2.00%	1.67%
High yield bonds			2.00%	4.56%
Inflation indexed bonds			1.50%	3.44%
Private equity			9.00%	12.40%
Hedge funds/absolute returns			12.50%	4.68%
Commodities			0.50%	5.45%
Developed foreign markets			13.25%	6.83%
REIT			5.25%	5.63%
Global debt ex US			5.00%	-0.25%
	<u>100.00%</u>		<u>100.00%</u>	

Discount Rate – The discount rate used to measure the total pension liability as of June 30, 2016 was 5.55% and as of June 30, 2017 was 6.14%. This single blended discount rate was based on the long-

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

9. PENSION PLANS (continued)

term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 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 40% 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, 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:

	At 1% Decrease (5.14%)	At current Discount rate (6.14%)	At 1% Increase (7.14%)
Township's proportionate share	\$ 118,839,083	\$ 90,194,805	\$ 66,660,273

Plan Fiduciary Net Position – The plan fiduciary net position for PFRS at June 30, 2017 and 2016 was \$25,847,718,399 and \$23,984,726,664, respectively.

Additional Information

Collective balances at June 30, 2017 are as follows:

Collective deferred outflows of resources	\$ 2,941,952,753
Collective deferred inflows of resources	3,262,432,093
Collective net pension liability - Local group	17,167,260,198
 Township's Proportion	 0.5842364024%

Collective pension expense for the Local Group for the measurement period ended June 30, 2017 and 2016 was \$1,624,455,951 and \$2,255,296,958, respectively. The average of the expected remaining service lives of all plan members if 5.59, 5.58, 5.53 and 6.17 years for 2017, 2016, 2015 and 2014, respectively.

State Contribution Payable Dates

Prior to July 1, 2017 valuation, it is assumed the State will make pension contributions the June 30th following the valuation date. Effective with the July 1, 2017 valuation Chapter 83 P.L. 2016 requires the State to make pension contributions on a quarterly basis at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30.

Receivable Contributions

State contributions expected to be paid the June 30th following the valuation date. Effective with the July 1, 2017 valuation, State contributions expected to be paid in equal quarterly amounts as of

TOWNSHIP OF MONTCLAIR

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017 AND 2016

9. PENSION PLANS (continued)

September 30th, December 31st, March 31st and June 30th following the valuation date are discounted by the interest rate used at the valuation.

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

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, 2017 and 2016 for police and fire is 0.05482364024% and 0.582548743%, respectively. The non-employer contributing entities' contribution for the year ended June 30, 2017 and 2016 was \$505,172 and \$358,069, respectively. The state's proportionate share of net pension liability attributable to the Township as of June 30, 2017 and 2016 was \$10,102,578 and \$9,344,901, 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. The minimum salary will be increased to \$8,000 for the period ended June 30, 2018. At June 30, 2017 and 2016, the membership in the DCRP, based on the information within the Division's database, was 46,557 and 36,808, respectively.

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.

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

9. PENSION PLANS (continued)

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% for PFRS and 5.5% for DCRP of employees' base wages.

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.

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 (2016) 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 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 2017 dollars.

TOWNSHIP OF MONTCLAIR

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017 AND 2016

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

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).

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.

TOWNSHIP OF MONTCLAIR

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

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

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

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.

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

12. MUNICIPAL DEBT

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

<u>Issued</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General			
Bonds, Notes and Loans	\$ 62,159,142.63	\$ 64,450,678.65	\$ 64,481,297.71
Water:			
Bonds, Notes and Loans	10,534,790.62	12,944,614.67	15,075,190.70
Sewer:			
Bonds, Notes and Loans	1,974,286.00	2,833,016.50	3,183,532.00
Parking:			
Bonds, Notes and Loans	13,350,000.00	13,780,000.00	14,195,000.00
	<u>88,018,219.25</u>	<u>94,008,309.82</u>	<u>96,935,020.41</u>
<u>Authorized but Not Issued</u>			
General:			
Bonds, Notes and Loans	10,272,755.77	6,426,010.34	4,409,905.12
Water:			
Bonds, Notes and Loans	116,542.00	133,006.22	1,215,978.87
Sewer:			
Bonds, Notes and Loans	2,913,079.65	337,779.50	445,963.66
	<u>13,302,377.42</u>	<u>6,896,796.06</u>	<u>6,071,847.65</u>
<u>Less: Cash on Hand</u>			
General			
Reserve for Debt Service	<u>1,217,118.73</u>	<u>23,826.00</u>	<u>1,101,976.39</u>
Net Bonds and Notes Issued and Authorized but Not Issued	<u>\$100,103,477.94</u>	<u>\$100,881,279.88</u>	<u>\$101,904,891.67</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	\$ 70,143,093.28	\$ 70,143,093.28	\$
Utility Debt	28,888,698.27	28,888,698.27	
General Debt	<u>72,431,898.40</u>	<u>1,217,118.73</u>	<u>71,214,779.67</u>
	<u>\$ 171,463,689.95</u>	<u>\$ 100,248,910.28</u>	<u>\$ 71,214,779.67</u>

Net Debt, \$71,214,779.67 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$7,061,881,921 equals 1.008%. 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	\$ 247,165,867.25
Net Debt	<u>71,214,779.67</u>
Remaining Borrowing Capacity	<u>\$ 175,951,087.58</u>

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

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

	2017	2016
<u>Water Utility</u>		
Fund Balance and cash receipts from fees, rents or other charges	\$ 10,001,932	\$ 11,156,114
Deductions:		
Operating and maintenance cost	\$ 5,864,789	\$ 5,551,256
Debt Service	2,554,658	2,246,844
	8,419,447	7,798,100
Excess revenue	\$ 1,582,485	\$ 3,358,014

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	\$ 6,753,975	\$ 6,651,541
Deductions:		
Operating and maintenance cost	\$ 5,438,435	\$ 5,270,850
Debt Service	855,383	474,640
	6,293,818	5,745,490
Excess revenue	\$ 460,157	\$ 906,051

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	\$ 4,564,272	\$ 3,682,874
Deductions:		
Operating and maintenance cost	\$ 2,547,592	\$ 2,013,905
Debt Service	1,012,945	996,588
	3,560,537	3,010,493
Excess revenue	\$ 1,003,735	\$ 672,381

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

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, 2017 AND 2016**

12. MUNICIPAL DEBT (continued)

As of December 31, 2017 and 2016, the Township's long-term debt is as follows:

<u>General Capital</u>	<u>2017</u>	<u>2016</u>
\$8,252,000, 2008 Bonds has one final installment of \$750,000 on September 1, 2018, interest at a rate of 3.75%.	\$ 750,000	\$ 1,500,000
\$18,519,000, 2011 Bonds, due in annual installments of \$1,425,000 to \$1,665,000 through March 1, 2021, interest at rates from 3.00% to 3.375%	6,180,000	12,994,000
\$4,960,000, 2011 Refunding Bonds, final installment of \$1,075,000 made on February 1, 2017.		1,075,000
\$2,780,000, 2012 Pension Refunding Bonds, due in annual installments of \$345,000 to \$455,000 through April 1, 2021, interest at rates from 2.371% to 3.053%.	1,595,000	1,915,000
\$10,500,000, 2013 Bonds, due in annual installments of \$890,000 to \$1,270,000 through March 1, 2024, interest at rates from 4.00% to 5.00%.	7,570,000	8,400,000
\$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 4.00% to 5.00%.	14,325,000	14,960,000
\$2,200,000, 2016 Refunding Bonds due in annual installments of \$730,000 through October 2021 at an interest rate of 4.00%.	2,190,000	2,190,000
\$5,305,000, 2017 Refunding Bonds due in annual installments of \$1,695,000 to \$1,830,000 through March 1, 2024, interest at rates from 3.00% to 4.00%.	<u>5,305,000</u>	
	<u>\$ 37,915,000</u>	<u>\$ 43,034,000</u>

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

12. MUNICIPAL DEBT (continued)

<u>Water Utility Bonds</u>	<u>2017</u>	<u>2016</u>
\$3,349,000, 2008 Bonds, due one final installment of \$250,000 on September 1, 2018, interest at rate of 3.75%.	\$ 250,000	\$ 445,000
\$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%	465,000	565,000
\$1,550,000, 2011 Refunding Bonds, final installment was paid in 2016 of \$280,000 on February 1, 2017.		280,000
\$2,580,000, 2014 Refunding Bonds, due in annual installments of \$230,000 to \$260,000 through January 1, 2027, interest at rates of 4.00% to 5.00%.	2,430,000	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 a interest rate of 4.00%.	<u>2,140,000</u>	<u>2,140,000</u>
	<u>\$ 5,285,000</u>	<u>\$ 6,010,000</u>
 <u>Parking Utility Bonds</u>	 <u>2017</u>	 <u>2016</u>
\$1,820,000, 2014 Refunding Bonds, due in annual installments of \$65,000 to \$125,000 through January 1, 2037, interest rates from 2.190% to 4.556%.	\$ 1,720,000	\$ 1,780,000
\$12,030,000, 2014 Series A Refunding Bonds, due in annual installments of \$375,000 to \$855,000 through January 1, 2037, interest at rates from 3.00% to 5.00%.	<u>11,630,000</u>	<u>12,000,000</u>
	<u>\$ 13,350,000</u>	<u>\$ 13,780,000</u>

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

12. MUNICIPAL DEBT (continued)

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

		General Improvement Bonds					
		<u>General Capital</u>		<u>Water Utility</u>		<u>Parking Utility</u>	
<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 8,052,297.58	\$ 5,135,000.00	\$ 1,081,464.77	\$ 610,000.00	\$ 209,225.00	\$ 440,000.00	\$ 576,607.81
2019	7,944,832.81	5,180,000.00	978,421.00	580,000.00	189,750.00	455,000.00	561,661.81
2020	7,855,590.44	5,205,000.00	887,117.38	580,000.00	169,450.00	470,000.00	544,023.06
2021	7,185,890.89	4,540,000.00	777,664.33	705,000.00	149,868.75	490,000.00	523,357.81
2022	6,472,333.66	4,245,000.00	577,175.00	515,000.00	120,725.00	515,000.00	499,433.66
2023-2027	22,107,783.30	13,610,000.00	903,350.00	2,295,000.00	258,025.00	2,950,000.00	2,091,408.30
2028-2032	5,003,934.08					3,605,000.00	1,398,934.08
2033-2037	4,989,287.75					4,425,000.00	564,287.75
	<u>\$ 69,611,950.51</u>	<u>\$ 37,915,000.00</u>	<u>\$ 5,205,192.48</u>	<u>\$ 5,285,000.00</u>	<u>\$ 1,097,043.75</u>	<u>\$ 13,350,000.00</u>	<u>\$ 6,759,714.28</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.

	<u>2017</u>	<u>2016</u>
<u>Project Youth Sports:</u> \$250,000, loan due in semi-annual installments through May 2026, interest at 2.00%.	\$ 120,963.80	\$ 133,896.02
<u>Project Youth Sports II:</u> \$250,000, loan due in semi-annual installments of \$6,410.26 through December 2029, interest free.	147,435.84	160,256.36
<u>Project Youth Sports III</u> \$273,606, loan due in semi-annual installments of \$7,015.54 through December 2035, interest free.	<u>252,559.38</u>	<u>266,590.46</u>
	<u>\$ 520,959.02</u>	<u>\$ 560,742.84</u>

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

12. MUNICIPAL DEBT (continued)

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
	<u>\$ 520,959.02</u>	<u>\$ 11,175.50</u>	<u>\$ 532,134.52</u>

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%.

	<u>2017</u>	<u>2016</u>
Payments are made semi-annually through the year 2024	\$ 352,643.96	\$ 412,402.49

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>
2018	\$ 46,608.44	\$ 9,093.25
2019	45,788.19	7,896.14
2020	53,038.49	6,684.37
2021	52,054.25	5,245.27
2022	51,065.17	3,804.88
2023	48,607.06	2,364.36
2024	55,482.36	1,271.36
	<u>\$ 352,643.96</u>	<u>\$ 36,359.63</u>

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

12. MUNICIPAL DEBT (continued)

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, 2017 was \$326,666.65 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%.

	2017	2016
1999 Loan:		
Payments are semi-annual through the year 2019.	\$ 5,436.25	\$ 34,574.30
2001 Loan:		
Payments are semi-annual through the year 2021.	283,262.93	422,086.44
2002 Loan:		
Payments are semi-annual through the year 2022.	487,846.23	673,666.14
2010 Loan:		
Payments are semi-annual through the year 2029.	417,735.21	461,751.49
	\$ 1,194,280.62	\$ 1,592,078.37

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>
2018	\$ 205,640.88	\$ 25,701.80	\$ 231,342.68
2019	203,997.96	21,283.08	225,281.04
2020	207,511.67	16,524.38	224,036.05
2021	210,163.49	11,443.35	221,606.84
2022	138,314.41	6,200.17	144,514.58
2023	38,016.58	3,000.00	41,016.58
2024	38,016.58	2,600.00	40,616.58
2025	37,016.58	2,200.00	39,216.58
2026	37,016.58	1,840.00	38,856.58
2027	37,016.58	1,480.00	38,496.58
2028	27,569.31	1,120.00	28,689.31
2029	14,000.00	560.00	14,560.00
	\$ 1,194,280.62	\$ 93,952.78	\$ 1,288,233.40

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

12. MUNICIPAL DEBT (continued)

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, 2016 was \$781,552.50 and for December 31, 2017 is \$732,449.00.

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>
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
	\$ 732,449.00	\$ 58,140.12	\$ 790,589.12

Special Emergency Note

Outstanding Special Emergency Note is as follows:

	Interest <u>Rate</u>	2017 <u>Total</u>	Interest <u>Rate</u>	2016 <u>Total</u>
Current Fund	2.5%	\$ 800,000.00	2.5%	\$ 1,000,000.00

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

12. MUNICIPAL DEBT (continued)

Bond Anticipation Notes

Outstanding Bond Anticipation Notes are summarized as follows:

<u>Notes</u>	<u>2017</u>		<u>2016</u>	
	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>
General Capital Fund	2.50%	\$ 29,314,091.00	2.50%	\$ 24,939,200.00
Water Utility Capital Fund	2.50%	4,055,510.00	2.50%	5,342,536.00
Sewer Utility Capital Fund	2.50%	<u>1,241,837.00</u>	2.50%	<u>2,051,464.00</u>
		<u>\$ 34,611,438.00</u>		<u>\$ 32,333,200.00</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>Notes Issued</u>	<u>Installments Due</u>	<u>Funding Required as of May 1</u>
2011	2014 - 2021	2022
2012	2015 - 2022	2023
2013	2016 - 2023	2024
2014	2017 - 2024	2025
2015	2018-2025	2026

Bonds and Notes Authorized but Not Issued

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

	<u>Balance Dec. 31, 2017</u>	<u>Balance Dec. 31, 2016</u>
General Capital Fund		
General Improvements	<u>\$ 10,272,755.77</u>	<u>\$ 6,426,010.34</u>
Water Utility Capital Fund		
General Improvements	<u>\$ 116,542.00</u>	<u>\$ 133,006.22</u>
Sewer Utility Capital Fund		
General Improvements	<u>\$ 2,913,079.65</u>	<u>\$ 337,779.50</u>

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

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:

	2017	2016
\$14,600,000, 2008 Bonds, due in one final installment of \$900,000 on May 2018, interest at to 5.00%. Bonds were Refunded in 2016.	900,000.00	1,550,000.00
\$9,662,000, 2010 Bonds, due in annual installments of \$400,000 to \$460,000 through June 2020, interest at 3.00% to 4.00%. Bonds were Refunded in 2016.	1,290,000.00	1,650,000.00
\$21,660,000, 2011 Bonds, due in annual installments of \$940,000 to \$1,050,000 through March 2021, interest at 3.00% to 4.00%.	3,975,000.00	17,665,000.00
\$2,750,000, 2011 Refunding Bonds, with one final installment of \$485,000 paid in February 2017.		485,000.00
\$22,000,000, 2013 Bonds, due in annual installments of \$1,260,000 to \$1,960,000 through March 2028, interest at 2.50% to 5.00%.	17,665,000.00	18,855,000.00
\$11,855,000, 2014 Refunding Bonds, due in annual installments of \$940,000 to \$1,225,000 through January 2028, interest at 4.00% to 5.00%.	10,895,000.00	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	14,700,000.00	14,700,000.00
\$12,415,000, 2017 Refunding Bonds due in annual installments of \$1,070,000 to \$1,385,000 through September 2031, interest at 3.00% to	12,415,000.00	-
	\$ 61,840,000.00	\$ 66,760,000.00

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>
2018	\$ 4,450,000	\$ 1,910,798	\$ 6,360,798
2019	4,450,000	1,794,750	6,244,750
2020	4,580,000	1,668,975	6,248,975
2021	4,715,000	1,545,800	6,260,800
2022	4,845,000	1,414,725	6,259,725
2023-2027	27,145,000	4,702,025	31,847,025
2028-2032	11,655,000	15,286,954	26,941,954
	\$ 61,840,000	\$ 28,324,027	\$ 90,164,027

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

13. SCHOOL DEBT (continued)

Temporary Notes

Outstanding Temporary Notes for School purposes are as follows:

	2017	2016
<u>Notes</u>	<u>Interest Rate</u>	<u>Interest Rate</u>
General Capital Fund	2.50% <u>\$ 6,270,218</u>	2.50% <u>\$ 4,855,000</u>

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

	2017	2016
<u>Notes</u>		
General Capital Fund	<u>\$ 2,032,875.28</u>	<u>\$ 5,204,114.49</u>

14. DEFEASANCES OF DEBT

In August 2017, the Township issued \$17,720,000 of refunding bonds consisting of \$12,415,000 School Improvement Bonds and \$5,305,000 General Improvement Bonds with interest rates ranging from 3.0% to 4.0%. 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 \$12,785,000 School Improvements and \$5,469,000 General Improvements Bonds. The current advance refunding resulted in a decrease of \$370,000 of School Improvement Bonds and a decrease \$164,000 of General Improvement Bonds.

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.

15. INTERFUND RECEIVABLES AND PAYABLES

As of December 31, 2017 and 2016, interfund receivables and payable that resulted from various interfund transactions were as follows:

	2017		2016	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	113,373.37	2,053,169.14	77,243.17	1,211,699.76
Federal and State Grant Fund	1,008,329.86		997,585.52	
Assessment Trust Fund	8,757.15		8,757.15	
Animal Control Fund				
General Trust Fund	952,880.62	151,535.32	47,464.48	151,535.32
General Capital Fund	65,955.00	36,147.20	232,604.76	
Water Utility Operating Fund	96,564.43		3,025.21	3,025.21
Water Utility Capital Fund	2.00	4,605.77		15.00
Sewer Utility Operating Fund			27,232.57	27,232.57
Sewer Utility Capital Fund				
Parking Utility Operating Fund	3,026.62	405.00	1,781.42	405.00
Parking Utility Capital Fund		3,026.62		1,781.42
	<u>\$ 2,248,889.05</u>	<u>\$ 2,248,889.05</u>	<u>\$ 1,395,694.28</u>	<u>\$ 1,395,694.28</u>

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

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, 2017 and 2016, the following deferred charges are shown on the balance sheet of the Current Fund:

	<u>Balance</u> <u>Dec., 2016</u>	<u>2017 Budget</u> <u>Appropriation</u>	<u>Balance</u> <u>Dec., 2017</u>	<u>2018 Budget</u> <u>Appropriation</u>
Current Fund:				
Special Emergency Authorization	\$ 1,000,000	\$ 200,000	\$ 800,000	\$ 200,000
Trust Fund:				
Expenditure without and appropriation	\$ 35,218	\$ 35,218		

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;

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>2017</u> <u>Increase</u> <u>(Decrease)</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>2016</u> <u>Increase</u> <u>(Decrease)</u>
* Balance of School Tax	\$ 56,318,274	\$ 54,960,799	\$ 1,357,475	\$ 52,852,004	\$ 2,108,795
Amount Deferred	<u>48,754,849</u>	<u>48,754,849</u>	<u>-</u>	<u>48,754,849</u>	<u>-</u>
	<u>\$ 7,563,425.00</u>	<u>\$ 6,205,950.00</u>	<u>\$ 1,357,475.00</u>	<u>\$ 4,097,155.00</u>	<u>\$ 2,108,795</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, 2017 and 2016.

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 \$15,980,296, computed internally at the 2017 salary rates would be payable to officials and employees of the Township as of December 31, 2017 for accumulated

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

19. CONTINGENT LIABILITIES (continued)

sick and vacation days. This amount was not verified by audit. The Township has set up a reserve for accumulated absences of \$1,445,026.35 as of December 31, 2017.

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

b. Tax Appeals

As of December 31, 2017, 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, 2017 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
Lackawanna - 20 Glenridge Ave	\$ 121,309.00	\$ 199,399.33	\$ 78,090.33
56 Walnut Street	143,347.99	367,335.98	223,987.99
340 Orange Road	96,756.00	242,441.15	145,685.15
Union Gardens - 40 Greenwood Ave	100,000.00	269,942.06	169,942.06
Pineridge - 60 Glen Ridge	23,974.00	248,546.24	224,572.24
48 S Park	1,362,272.69	1,738,023.91	375,751.22
	<u>\$ 1,847,659.68</u>	<u>\$ 3,065,688.68</u>	<u>\$ 1,218,029.00</u>

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

21. SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after December 31, 2017 through June 22, 2018, 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 school capital improvements in the sum of \$3,400,000, which may be authorized in the full amount in the form of bonds or notes to finance the cost.
- A bond ordinance for various general capital improvements in the sum of \$10,308,250, from which \$9,792,250 may be authorized in the form of bonds or notes to finance the cost.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS - TREASURER
YEAR ENDED DECEMBER 31, 2017

A-4

	<u>Ref.</u>		<u>Regular Fund</u>
Balance, December 31, 2016	A		\$ 29,454,325.65
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2d	\$ 360,597.65	
Tax Collector	A-5	246,227,186.08	
Transfer from Cash Management Fund	A-6	3,489.77	
Due from State of New Jersey:			
Senior Citizens' and Veterans' Deductions	A-9	90,916.00	
Other Accounts Receivable	A-14	12,542.17	
Revenue Accounts Receivable	A-15	12,165,059.11	
Interfunds Receivable	A-17	2,000,015.00	
Due to State of New Jersey	A-21	85,647.00	
Interfunds Payable	A-26	4,910,797.70	
		<u>4,910,797.70</u>	
			<u>265,856,250.48</u>
			295,310,576.13
Decreased by Disbursements:			
Budget Appropriations	A-3	74,765,519.89	
Petty Cash	A-8	3,350.00	
Change Funds	A-7	330.00	
Interfunds Receivable	A-17	2,036,145.20	
Appropriation Reserves	A-20	1,358,837.13	
Accounts Payable	A-23	769,117.00	
Due to State of New Jersey	A-21	83,724.00	
Tax Overpayments Refunded	A-25	983,750.00	
Interfunds Payable	A-26	5,094,025.05	
County Taxes Payable	A-27	36,998,396.00	
Local School District Tax	A-28	111,279,073.00	
Special Improvement District Tax	A-29	739,608.00	
Emergency Note Payable	A-30	200,000.00	
Reserve for Revaluation	A-22	726,052.00	
Prior Year Revenue Refunded	A-1	14,769.80	
		<u>14,769.80</u>	
			<u>235,052,697.07</u>
Balance, December 31, 2017	A		<u>\$ 60,257,879.06</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENT - COLLECTOR
YEAR ENDED DECEMBER 31, 2017

A-5

	<u>Ref.</u>	
Increased by Receipts:		
Interest and Costs on Taxes	A-2a	\$ 621,455.65
Taxes Receivable	A-10	214,077,391.74
Tax Title Liens	A-11	3,919.00
Revenue Accounts Receivable	A-15	3,002,874.41
Tax Overpayments	A-25	305,477.28
Prepaid Taxes	A-31	28,216,068.00
		<hr/> 246,227,186.08
Decreased by Disbursements:		
Paid to Treasurer	A-4	<hr/> 246,227,186.08
		<hr/> <hr/> \$

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

CASH MANAGEMENT FUND
YEAR ENDED DECEMBER 31, 2017

A-6

	<u>Ref.</u>	
Balance, December 31, 2016	A	\$ 3,489.77
Decreased by:		
Transfer to Checking Account	A-4	<u>3,489.77</u>
Balance, December 31, 2017		<u><u>\$ -</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

CHANGE FUNDS
DECEMBER 31, 2017

A-7

	<u>Ref.</u>	
Balance, December 31, 2016	A	\$ 525.00
Increased by:		
Funds Established	A-4	<u>330.00</u>
Balance, December 31, 2017	A	<u><u>\$ 855.00</u></u>
 <u>Analysis of Balance</u>		
Tax Collector		\$ 500.00
Municipal Court Clerk		220.00
Municipal Clerk		30.00
Building Inspector		25.00
Health Vital Statistics		80.00
		<u><u>\$ 855.00</u></u>

TOWNSHIP OF MONTCLAIR
CURRENT FUND

PETTY CASH FUNDS A-8
DECEMBER 31, 2017

	<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	50.00	50.00
Police Department	<u>50.00</u>	<u>50.00</u>
	<u>\$ 3,350.00</u>	<u>\$ 3,350.00</u>
<u>Ref.</u>	A-4	A-3

TOWNSHIP OF MONTCLAIR
CURRENT FUND

DUE FROM STATE OF NEW JERSEY
PER CHAPTER 129, P.L. 1976
YEAR ENDED DECEMBER 31, 2017

A-9

	<u>Ref.</u>		
Balance, December 31, 2016	A		\$ 4,344.32
Increased by:			
Veterans' and Senior Citizens' Deductions per Tax Billings		\$ 90,250.00	
Veterans' and Senior Citizens' Deductions Allowed by Tax Collector		<u>2,250.00</u>	
		92,500.00	
Less: Veterans' and Senior Citizens' Deductions Disallowed by Tax Collector			
	A-2c, A-10	<u>250.00</u>	<u>92,250.00</u>
			96,594.32
Decreased by:			
Collections	A-4		<u>90,916.00</u>
Balance, December 31, 2017	A		<u><u>\$ 5,678.32</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, 2017

A-10

<u>Year</u>	<u>Balance</u>	<u>2017 Tax Levy</u>	<u>Collections - Cash</u>		<u>State of</u>	<u>Canceled</u>	<u>Transferred</u>	<u>Balance</u>
	<u>Dec. 31, 2016</u>		<u>2016</u>	<u>2017</u>				
							<u>Title Liens</u>	
2015	\$ 15,215.92			\$ 15,215.92				
2016	2,156,720.10			2,151,253.82				\$ 5,466.28
	<u>2,171,936.02</u>			<u>2,166,469.74</u>				
2017		\$ 215,463,376.00	\$ 1,139,907.44	\$ 211,910,922.00	\$ 92,250.00	\$ 100,252.37	\$ 40,658.03	\$ 2,179,386.16
	<u>\$ 2,171,936.02</u>	<u>\$ 215,463,376.00</u>	<u>\$ 1,139,907.44</u>	<u>\$ 214,077,391.74</u>	<u>\$ 92,250.00</u>	<u>\$ 100,252.37</u>	<u>\$ 40,658.03</u>	<u>\$ 2,184,852.44</u>
<u>Ref.</u>	A	Below	A-2c, A-31	A-2c, A-5	A-9	Reserve	A-11	A

ANALYSIS OF 2017 PROPERTY TAX LEVY

<u>Tax Yield</u>		<u>Tax Levy</u>	<u>Ref.</u>	
General Property Tax	\$ 214,545,009.14	Local School District Tax:		
Added and Omitted	<u>918,366.86</u>	Levy	A-28	\$ 112,636,548.00
		Addition to Local School District Tax (Budget)	A-2	<u>8,130,920.05</u>
				\$ 120,767,468.05
		County Taxes:		
		County Tax	A-27	36,916,617.00
		Special Improvement District Tax	A-29	562,300.03
		Local Tax for Municipal Purposes:		
		Budget	A-2	54,094,809.14
		Minimum Library Tax	A-2	2,360,017.00
		Additional Taxes Levied	Reserve	<u>762,164.78</u>
				57,216,990.92
	<u>\$ 215,463,376.00</u>			<u>\$ 215,463,376.00</u>

TOWNSHIP OF MONTCLAIR
CURRENT FUND

TAX TITLE LIENS
YEAR ENDED DECEMBER 31, 2017

A-11

	<u>Ref.</u>	
Balance, December 31, 2016	A	\$ 152,642.07
Increased by:		
Transferred from Taxes Receivable	A-10	40,658.03
		<u>193,300.10</u>
Decreased by:		
Collections	A-2c,A-5	3,919.00
		<u>3,919.00</u>
Balance, December 31, 2017	A	<u>\$ 189,381.10</u>

PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)
DECEMBER 31, 2017

A-12

	<u>Ref.</u>	
Balance, December 31, 2016	A	<u>\$ 317,900.00</u>
Balance, December 31, 2017	A	<u>\$ 317,900.00</u>

TOWNSHIP OF MONTCLAIR
CURRENT FUND

OTHER LIENS RECEIVABLE
DECEMBER 31, 2017

A-13

	<u>Ref.</u>	<u>Demolition</u>
Balance, December 31, 2016 and 2017	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, 2017

A-14

	<u>Ref.</u>	
Balance, December 31, 2016	A	<u>\$ 73,508.49</u>
Increased by:		
Interest Penalty on Delinquent Taxes - Net	Reserve	20,615.20
Street Improvements		<u>56,575.86</u>
		<u>77,191.06</u>
		<u>150,699.55</u>
Decreased by:		
Collections	A-1,A-4	<u>12,542.17</u>
Balance, December 31, 2017	A	<u>\$ 138,157.38</u>
<u>Analysis of Balance</u>		
6% Interest Penalty		\$ 94,123.69
Street Improvements		<u>44,033.69</u>
		<u>\$ 138,157.38</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

A-15
Sheet # 1

	Ref.	Balance	Accrued	Collections		Balance
		Dec. 31, 2016	in 2017	Treasurer	Collector	Dec. 31, 2017
Clerk:						
Licenses:						
Alcoholic Beverages	A-2a		\$ 50,750.00	\$ 50,750.00		
Other	A-2b		68,817.00	68,817.00		
Health Officer:						
Licenses	A-2b		80,431.00	80,431.00		
Fees and Permits	A-2b		178,682.71	178,682.71		
Planning Board:						
Fees and Permits	A-2b		7,950.00	7,950.00		
Community Services:						
Fees and Permits	A-2b		96,379.14	96,379.14		
Housing and Zoning:						
Fees and Permits	A-2b		22,480.00	22,480.00		
Recreation and Parks:						
Fees and Permits	A-2b		720,461.25	720,461.25		
Police Department:						
Fees and Permits	A-2b		20.00	20.00		
Fire:						
Fees and Permits	A-2b		87,936.40	87,936.40		
Registration Fees and Penalties on Vacant Properties	A-2a		12,310.00	12,310.00		
Collector:						
Tax Searches	A-2b		99,565.00	99,565.00		
Board of Adjustment:						
Fees and Permits	A-2b		23,473.74	23,473.74		
Construction Code Official:						
Building Permits	A-2a		930,942.28	930,942.28		
Municipal Court:						
Fines and Costs	A-2a	\$ 157,767.52	1,973,199.26	1,985,238.49		\$ 145,728.29
Interest on Investments and Deposits	A-2a		250,919.73	250,919.73		
Energy Receipts Tax	A-2a		2,823,885.00	2,823,885.00		
Consolidated Municipal Property Tax Relief	A-2a		143,181.00	143,181.00		

TOWNSHIP OF MONTCLAIR
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

A-15
Sheet # 2

Ref.	Balance Dec. 31, 2016	Accrued in 2017	Collections		Balance Dec. 31, 2017
			Treasurer	Collector	
Interlocal Government Services:					
Fire Services		\$ 650,000.00	\$ 650,000.00		
Health Contracts		164,892.00	164,892.00		
Health Contract - Nutley		50,574.00	50,574.00		
Animal Control Services:					
Nutley		47,030.00	47,030.00		
Verona		12,164.00	12,164.00		
Anticipated Utility Surplus - Parking		300,000.00	300,000.00		
Anticipated Utility Surplus - Water		500,000.00	500,000.00		
Cable Television Franchise Fee		584,837.28	584,837.28		
Section 8 - Administrative Costs		109,670.22	109,670.22		
Towing - Administrative Costs		3,540.00	3,540.00		
Payments in Lieu of Taxes:					
Montclair Senior Housing Corp. (Orange Road)		96,756.00		\$ 96,756.00	
First Montclair Housing Corp. (Walnut Street)		143,347.99		143,347.99	
RTD Management Corp. (Lackawanna Plaza)		121,309.00		121,309.00	
RTD Management Corp. (Union Gardens)		100,000.00		100,000.00	
RTD Management Corp. (United Methodist Homes - Pineridge of Montclair)		23,974.00		23,974.00	
Centro Verde		751,434.64		751,434.64	
11 Pine Street		341,213.00		341,213.00	
Siena	\$ 11,528.78	1,096,895.37		1,106,888.83	\$ 1,535.32
55 Glenridge		4,999.50		4,999.50	
Herod Redevelopment		98,355.20		98,355.20	
11 Elm Street		16,055.00		16,055.00	
Centro Verde - Garage		200,000.00		200,000.00	
Capital Fund Surplus		1,700,000.00	1,700,000.00		
Alarm Registration Fees		148,930.20	148,930.20		
Rear Yard Refuse Collection		35,904.00	35,904.00		
Penalty on Delinquent Taxes		69,465.72	69,465.72		
Sale of Municipal Assets		101,800.24	101,800.24		
Administrative Fees - Police Off-Duty		225,496.65	225,496.65		
	<u>\$ 169,296.30</u>	<u>\$ 15,270,027.52</u>	<u>\$ 12,287,727.05</u>	<u>\$ 3,004,333.16</u>	<u>\$ 147,263.61</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, 2017

A-15
Sheet # 3

	<u>Ref.</u>	Collections	
		<u>Treasurer</u>	<u>Tax Collector</u>
Cash Receipts	A-4, A-5	\$ 12,165,059.11	\$ 3,002,874.41
Sale from Municipal Assets	A-34	101,800.24	
Interfunds Payable	A-26	20,867.70	
Applied from Overpayments	A-24		1,458.75
	Sheet # 2	<u>\$ 12,287,727.05</u>	<u>\$ 3,004,333.16</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
FEDERAL AND STATE GRANT FUND

GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

A-16
Sheet #1

	Balance	Realized		Collections	Unappropriated	Canceled	Balance
	12/31/2016	Budgeted	Chapter 159				12/31/2017
Essex County - Hurricane Sandy	\$ 25,826.00						\$ 25,826.00
Division on Aging - Citizen Services	1.00					\$ 1.00	
Safe and Secure Communities:							
2011	8,975.00					8,975.00	
Nonpublic School Nursing:							
2015	160,486.00					137,036.32	23,449.68
DOT - Transit Village	15,646.12						15,646.12
Historic Trust - 2013	524.22					524.22	
Historic Preservation	2,800.00						2,800.00
Historic Trust - Watchung Plaza	4,870.00					4,870.00	
Clean Communities			\$ 70,449.09	\$ 70,449.09			
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	7,100.00			4,000.00		3,100.00	
Pedestrian Safety Education and Enforcement-2016	600.00			600.00			
Pedestrian Safety Education and Enforcement-2015	540.00					540.00	
Bicycle Safety Grant	16,450.00			10,600.00		5,850.00	
DOT- Safe Routes to Schools Program							
2007	91,441.70						91,441.70
Police	10.00						10.00
Engineer	352.00						352.00
Hazardous discharge	31,003.00						31,003.00
USDA - Mobile Farm Stand Grant	22,831.00						22,831.00

TOWNSHIP OF MONTCLAIR
FEDERAL AND STATE GRANT FUND

GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

A-16
Sheet #2

	Balance 12/31/2016	Realized		Collections	Unappropriated	Canceled	Balance 12/31/2017
		Budgeted	Chapter 159				
Bullet Proof Vest Program	\$ 8,233.11			\$ 8,233.11			
Generator Grant	192,000.00						\$ 192,000.00
Local Arts Grant	380.00			380.00			
ANJEC	500.00						500.00
Body Armor Grant 2015	10,319.62						10,319.62
Drive Sober Get Pulled Over 2015	5,000.00			5,000.00			
Microgrid Feasibility Study			\$ 142,480.00				142,480.00
Shoprite Senior Shuttle		\$ 423.00			\$ 423.00		
Eat Better Grant		10,000.00		10,000.00			
Local Food Promotion grant		5,773.88			5,773.88		
Seniors in Transit Grant		9,900.00		4,950.00			4,950.00
NJ Healthy Corner Store		1,500.00		1,500.00			
Mayors Wellness Program		5,000.00		5,000.00			
Partners in Health-Visiting Nurse		10,920.00			10,920.00		
PFH Lock Box Grant		10,000.00		10,000.00			
Maddie's Fund-Dog		1,500.00		1,500.00			
Maddie's Fund- Cat		1,000.00		1,000.00			
Seniors in Taxis			3,500.00	3,500.00			
Municipal Alliance		48,941.20		45,129.01			3,812.19
Body Armor Replacement Fund		9,081.25	9,016.58	9,016.58	9,081.25		
Comcast grant		5,000.00			5,000.00		
Association of Health Officials			2,320.00	2,320.00			
NJEDA - Hazardous Discharge - Match			38,790.00	38,790.00			
Lifelong Montclair - Marketing Intern		5,000.00			5,000.00		
Drive Sober or Get Pulled Over - Labor Day 2017		5,000.00	5,500.00	5,500.00	5,000.00		
DDEF			12,804.50	12,804.50			
Recycling Grant		30,903.52		30,903.52			
Safe and Secure		60,000.00					60,000.00
Bulletproof Vest Partnership Grant:		13,888.00		7,200.00			6,688.00
Click it or Ticket			5,500.00	5,500.00			
Bicycle Safety Grant			11,000.00	11,000.00			
Seniorama			1,000.00	1,000.00			
Alcohol, Education			3,731.71	3,731.71			
Radon Awareness			2,000.00				2,000.00
EC Local Arts Grant			1,000.00	750.00			250.00
	<u>\$ 631,153.77</u>	<u>\$ 233,830.85</u>	<u>\$ 309,091.88</u>	<u>\$ 310,357.52</u>	<u>\$ 41,198.13</u>	<u>\$ 160,896.54</u>	<u>\$ 661,624.31</u>
Ref.	A	A-18	A-18	A-18	A-34	A-18	A

TOWNSHIP OF MONTCLAIR
CURRENT FUND

INTERFUNDS RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

A-17

	Ref.	Current Fund				Trust Fund State Unemployment Insurance
		Total Current Fund	General Capital Fund	Sewer Operating Fund	Parking Utility Operating Fund	
Balance, December 31, 2016	A	\$ 77,243.17		\$ 15.00	\$ 405.00	\$ 76,823.17
Increased by: Advances	A-4	2,036,145.20	\$ 36,145.20	2,000,000.00		
Decreased by: Settlements	A-4	2,000,015.00		2,000,015.00		
Balance, December 31, 2017	A	\$ 113,373.37	\$ 36,145.20	\$ -	\$ 405.00	\$ 76,823.17
<u>Analysis of Net Debit to Fund Balance</u>						
Balance December 31, 2017		\$ 113,373.37				
Balance December 31, 2016		77,243.17				
Net Debit to Operations	A-1	\$ 36,130.20				

TOWNSHIP OF MONTCLAIR
CURRENT FUND

A-18

INTERFUNDS RECEIVABLE
FEDERAL AND STATE GRANT FUND
YEAR ENDED DECEMBER 31, 2017

	<u>Ref.</u>	<u>Current Fund</u>
Balance, December 31, 2016	A	\$ 997,585.52
Increased by:		
Budget Appropriation - Grants	A-33	570,158.03
Grants Received through Current Fund:		
Grants Receivable	A-16	310,357.52
Unappropriated Revenue	A-34	65,806.18
Cancelation of Grants Receivable	A-16	160,896.54
		<u>1,107,218.27</u>
		<u>2,104,803.79</u>
Decreased by:		
Anticipated Revenue	A-16	542,922.73
Grants Disbursed through Current Fund	A-33	342,167.05
Cancelation of Grant Reserves	A-33	211,384.15
		<u>1,096,473.93</u>
Balance, December 31, 2017	A	<u>\$ 1,008,329.86</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, 2017

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, 2016</u>	<u>Budget Appropriation</u>	<u>Balance Dec. 31, 2017</u>
2-28-16	Revaluation Program	<u>\$ 1,000,000.00</u>	<u>\$ 200,000.00</u>	<u>\$ 1,000,000.00</u>	<u>\$ 200,000.00</u>	<u>\$ 800,000.00</u>
	<u>Ref.</u>			A	A-3	A

TOWNSHIP OF MONTCLAIR
CURRENT FUND

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2017

	Balance Dec. 31, 2016		Balance After Transfers	Paid or Charged	Balance Lapsed
	Encumbered	Reserved			
<u>General Government</u>					
Township Council:					
Salaries and Wages		\$ 980.14	\$ 980.14		\$ 980.14
Other Expenses	\$ 2,508.49	3,010.52	5,519.01	\$ 3,779.69	1,739.32
Township Manager:					
Salaries and Wages		10,032.00	10,032.00		10,032.00
Other Expenses	26,607.23	36,618.19	63,225.42	34,561.29	28,664.13
Township Clerk:					
Salaries and Wages		14,279.30	14,279.30		14,279.30
Other Expenses	1,637.01	5,659.84	7,296.85	1,737.04	5,559.81
Election Expense:					
Salaries and Wages		230.50	230.50		230.50
Other Expenses	150.37	15,827.46	15,977.83	150.37	15,827.46
Township Attorney:					
Salaries and Wages		8,516.46	8,516.46		8,516.46
Other Expenses	19,320.64	14,673.79	33,994.43	33,187.89	806.54
Municipal Court:					
Salaries and Wages		668.54	668.54		668.54
Other Expenses	5,044.89	3,449.43	8,494.32	6,639.51	1,854.81
Postage:					
Other Expenses	10,000.00	4,164.56	14,164.56	10,000.00	4,164.56
<u>Finance Department</u>					
Administration:					
Salaries and Wages		17,480.06	17,480.06		17,480.06
Other Expenses	12,400.15	105,572.65	117,972.80	31,063.57	86,909.23
Accounting and Treasury:					
Salaries and Wages		27,879.39	27,879.39		27,879.39
Other Expenses	652.88	4,657.61	5,310.49	652.88	4,657.61
Assessor's Office:					
Salaries and Wages		47,146.01	47,146.01		47,146.01
Other Expenses	6,371.99	56,902.67	63,274.66	16,559.49	46,715.17
Tax Collector:					
Salaries and Wages		25,630.55	25,630.55		25,630.55
Other Expenses	277.94	8,301.06	8,579.00	277.94	8,301.06
Auditing:					
Other Expenses		100.00	100.00		100.00

TOWNSHIP OF MONTCLAIR
CURRENT FUND

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2017

	Balance Dec. 31, 2016		Balance After Transfers	Paid or Charged	Balance Lapsed
	Encumbered	Reserved			
<u>Planning and Community Development</u>					
Administration:					
Salaries and Wages		\$ 30,439.79	\$ 30,439.79		\$ 30,439.79
Other Expenses	\$ 904.48	13.90	918.38	\$ 898.51	19.87
Planning Board:					
Other Expenses	5,898.67	8,328.40	14,227.07	6,064.47	8,162.60
Board of Adjustment:					
Other Expenses	28.30	307.20	335.50	275.80	59.70
<u>Administration and Code Enforcement</u>					
<u>Department</u>					
Salaries and Wages		123,514.96	123,514.96		123,514.96
Other Expenses	24,329.97	19,042.81	43,372.78	21,558.80	21,813.98
<u>Police Department</u>					
Salaries and Wages		717,078.14	717,078.14	670,238.32	46,839.82
Other Expenses	183,917.23	206,954.05	390,871.28	283,904.08	106,967.20
Police & Fire Alarm System		31,881.60	31,881.60	7,352.80	24,528.80
<u>Fire Department</u>					
Salaries and Wages		753,681.20	753,681.20	743,390.00	10,291.20
Other Expenses	59,026.28	102,507.61	161,533.89	55,701.41	105,832.48
<u>Public Works Department</u>					
Community Services Administration:					
Salaries and Wages		6,651.32	6,651.32		6,651.32
Other Expenses	9,629.21	4,766.28	14,395.49	9,742.37	4,653.12
Engineering:					
Salaries and Wages		697.28	697.28	-	697.28
Other Expenses	80.00	2,240.47	2,320.47	30.00	2,290.47

TOWNSHIP OF MONTCLAIR
CURRENT FUND

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2017

	Balance Dec. 31, 2016		Balance After Transfers	Paid or Charged	Balance Lapsed
	Encumbered	Reserved			
<u>Public Works Department</u>					
Street Repairs and Maintenance:					
Salaries and Wages		\$ 4,615.33	\$ 4,615.33		\$ 4,615.33
Other Expenses	\$ 2,229.50	19,039.36	21,268.86	\$ 2,247.50	19,021.36
Sanitary and Storm Sewer Maintenance:					
Salaries and Wages		74,475.96	74,475.96		74,475.96
Other Expenses		3,592.96	3,592.96		3,592.96
Refuse Collection and Disposal:					
Salaries and Wages		13,197.29	13,197.29		13,197.29
Other Expenses	9,971.00	6,378.29	16,349.29	9,110.50	7,238.79
Storm Clearance:					
Salaries and Wages		12,384.31	12,384.31		12,384.31
Other Expenses	25,310.05	52,569.65	77,879.70	53,716.00	24,163.70
Traffic:					
Salaries and Wages		32,196.93	32,196.93		32,196.93
Other Expenses	317.02	3,357.10	3,674.12	287.82	3,386.30
Central Garage Operation:					
Salaries and Wages		22,497.98	22,497.98		22,497.98
Other Expenses	37,940.26	9,238.42	47,178.68	39,362.94	7,815.74
Building Maintenance:					
Salaries and Wages		21,258.09	21,258.09		21,258.09
Other Expenses	3,190.99	920.08	4,111.07	3,235.48	875.59
Parks Maintenance:					
Salaries and Wages		3,716.18	3,716.18		3,716.18
Other Expenses	14,644.41	5,544.66	20,189.07	16,744.95	3,444.12
Shade Trees:					
Salaries and Wages		20,840.47	20,840.47		20,840.47
Other Expenses	2,928.18	50,228.75	53,156.93	7,150.67	46,006.26

TOWNSHIP OF MONTCLAIR
CURRENT FUND

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2017

	Balance Dec. 31, 2016		Balance After Transfers	Paid or Charged	Balance Lapsed
	Encumbered	Reserved			
<u>Parks, Recreation and Cultural Affairs Department</u>					
Recreation Programs:					
Salaries and Wages		\$ 47,109.74	\$ 47,109.74		\$ 47,109.74
Other Expenses	\$ 5,091.92	425.94	5,517.86	\$ 4,585.51	932.35
<u>Health and Human Services Department</u>					
Health Services:					
Salaries and Wages		152,047.23	152,047.23		152,047.23
Other Expenses	3,998.25	109,286.51	113,284.76	8,209.16	105,075.60
Nursing Services:					
Salaries and Wages		40,034.08	40,034.08		40,034.08
Animal Control:					
Salaries and Wages		81,464.45	81,464.45		81,464.45
Other Expenses	10,650.17	48,571.23	59,221.40	9,711.70	49,509.70
<u>Miscellaneous and Other</u>					
Unemployment Insurance:					
Other Expenses		52,830.50	52,830.50	38,725.06	14,105.44
Refuse Tipping Fees:					
Other Expenses	173,353.46	7,728.64	181,082.10	97,270.33	83,811.77
Montclair Early Childhood Corporation:					
Other Expenses		8,000.00	8,000.00		8,000.00
Adult School		500.00	500.00		500.00
Insurances:					
Liability	4,537.50	208,414.76	212,952.26	189,284.57	23,667.69
Employee Group Insurance	35,387.86	452,435.94	487,823.80	438,636.34	49,187.46
Interlocal Animal Control Services - Nutley					
Salaries and Wages		6,594.00	6,594.00	6,594.00	

TOWNSHIP OF MONTCLAIR
CURRENT FUND

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2017

	Balance Dec. 31, 2016		Balance After Transfers	Paid or Charged	Balance Lapsed
	Encumbered	Reserved			
<u>Special Programs and Activities</u>					
Parks, Recreation and Cultural Affairs:					
Salaries and Wages	\$ 2,750.34	\$ 12,681.13	\$ 15,431.47	\$ 13,751.80	\$ 1,679.67
Uniform Construction Code - Appropriations Offset <u>by Dedicated Revenues</u>					
Salaries and Wages		27,132.72	27,132.72		27,132.72
Other Expenses	4,788.05	2,858.01	7,646.06	4,788.05	2,858.01
<u>Unclassified</u>					
Utilities:					
Gasoline	16,319.45	59,078.31	75,397.76	23,901.95	51,495.81
Fuel - Diesel	12,155.19	69,112.05	81,267.24	23,053.49	58,213.75
Electricity	34,603.69	67,209.87	101,813.56	97,916.94	3,896.62
Telephone	54,684.15	67,236.18	121,920.33	67,233.22	54,687.11
Natural Gas	12,088.39	42,905.49	54,993.88	31,177.31	23,816.57
Street Lighting	39,223.23	93,394.99	132,618.22	102,230.97	30,387.25
<u>Contingent</u>		3,500.00	3,500.00		3,500.00
<u>Statutory Expenditures</u>					
Social Security System (OASI)		181,294.27	181,294.27	5,000.43	176,293.84
Police and Firemen's Retirement System of N.J.		14,737.95	14,737.95		14,737.95
Total Appropriations Within "CAPS"	874,948.79	4,632,521.54	5,507,470.33	3,231,692.92	2,275,777.41

TOWNSHIP OF MONTCLAIR
CURRENT FUND

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2017

	Balance Dec. 31, 2016		Balance After Transfers	Paid or Charged	Balance Lapsed
	Encumbered	Reserved			
<u>Other Operations</u>					
Interlocal Nursing Services - Nutley:					
Salaries and Wages	\$ 3,737.00		\$ 3,737.00	\$ 3,737.00	
Maintenance of Free Public Library		\$ 2,093.00	2,093.00	2,093.00	
Employee Group Insurance		100,116.00	100,116.00		\$ 100,116.00
	3,737.00	102,209.00	105,946.00	5,830.00	100,116.00
 Total Appropriations Excluded from "CAPS"	 3,737.00	 102,209.00	 105,946.00	 5,830.00	 100,116.00
 Total	 <u>\$ 878,685.79</u>	 <u>\$ 4,734,730.54</u>	 <u>\$ 5,613,416.33</u>	 <u>\$ 3,237,522.92</u>	 <u>\$ 2,375,893.41</u>
<u>Ref.</u>	A	A		Below	A-1

	<u>Ref.</u>	
Cash Disbursements	A-4	\$ 1,358,837.13
Accounts Payable	A-23	878,685.79
Due to Trust Fund	A-26	1,000,000.00
	Above	<u>\$ 3,237,522.92</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2017

A-21

	<u>Ref.</u>	<u>Total</u>	<u>Construction Training Fees</u>	<u>Marriage Surcharge Fees</u>
Balance, December 31, 2016	A	\$ 18,622.00	\$ 17,582.00	\$ 1,040.00
Increased by:				
Collections	A-4	85,647.00	80,822.00	4,825.00
		<u>104,269.00</u>	<u>98,404.00</u>	<u>5,865.00</u>
Decreased by:				
Payments	A-4	83,724.00	79,124.00	4,600.00
Balance, December 31, 2017	A	<u>\$ 20,545.00</u>	<u>\$ 19,280.00</u>	<u>\$ 1,265.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

RESERVE FOR REVALUATION
YEAR ENDED DECEMBER 31, 2017

A-22

	<u>Ref.</u>	
Balance, December 31, 2016	A	\$ 1,000,000.00
Decreased by:		
Cash Disbursements	A-4	<u>726,052.00</u>
Balance, December 31, 2017	A	<u><u>\$ 273,948.00</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2017

	<u>Ref.</u>		<u>A-23</u>
Balance, December 31, 2016	A		\$ 841,409.82
Increased by:			
Due County of Essex	A-2b	\$ 114,894.59	
Transfer from Appropriations Reserves	A-20	<u>878,685.79</u>	
			<u>993,580.38</u>
			1,834,990.20
Decreased by:			
Cash Disbursements	A-4		<u>769,117.00</u>
Balance, December 31, 2017	A		<u><u>\$ 1,065,873.20</u></u>
<u>Analysis of Balance</u>			
PILOT - Due to County of Essex			\$ 114,894.59
Retroactive Salaries			878,685.79
Other			<u>72,292.82</u>
			<u><u>\$ 1,065,873.20</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

PAYMENTS IN LIEU OF TAXES - OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2017

A-24

	<u>Ref.</u>	
Balance, December 31, 2016	A	\$ 12,615.67
Decreased by:		
Applied to Revenue Accounts Receivable	A-15	<u>1,458.75</u>
Balance, December 31, 2017	A	<u>\$ 11,156.92</u>

TAX OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2017

A-25

Balance, December 31, 2016	A		\$ 1,211,121.35
Increased by:			
Cash Receipts	A-5	\$ 305,477.28	
State Tax Court Judgements	A-1	<u>425,374.00</u>	
			<u>730,851.28</u>
			1,941,972.63
Decreased by:			
Refunds	A-4		<u>983,750.00</u>
Balance, December 31, 2017	A		<u>\$ 958,222.63</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

INTERFUNDS PAYABLE
YEAR ENDED DECEMBER 31, 2017

A-26

	<u>Ref.</u>	<u>Total</u>	<u>Federal and State Grant Fund</u>	<u>General Trust Fund</u>	<u>General Capital Fund</u>	<u>Water Utility Operating Fund</u>
Balance, December 31, 2016	A	\$ 1,211,699.76	\$ 997,585.52	\$ 47,464.48	\$ 166,649.76	
Increased by:						
Budget Appropriation	A-3	713,974.77	570,158.03		51,858.08	\$ 91,958.66
Transfer from Appropriation Reserves	A-20	1,000,000.00		1,000,000.00		
Advances	A-4	4,910,797.70	376,163.70	122.00	4,534,512.00	
Cancelation of Grants Receivable	A-1	160,896.54	160,896.54			
		<u>6,785,669.01</u>	<u>1,107,218.27</u>	<u>1,000,122.00</u>	<u>4,586,370.08</u>	<u>91,958.66</u>
		<u>7,997,368.77</u>	<u>2,104,803.79</u>	<u>1,047,586.48</u>	<u>4,753,019.84</u>	<u>91,958.66</u>
Decreased by:						
Settlements	A-4	5,094,025.05	342,167.05		4,751,858.00	
Interest Earned	A-15	20,867.70		19,705.86	1,161.84	
Miscellaneous Revenue Unanticipated	A-2d	75,000.00		75,000.00		
Revenues Anticipated	A-2a	542,922.73	542,922.73			
Cancelation of Grant Reserves	A-1	211,384.15	211,384.15			
		<u>5,944,199.63</u>	<u>1,096,473.93</u>	<u>94,705.86</u>	<u>4,753,019.84</u>	<u>0.00</u>
Balance, December 31, 2017	A	<u>\$ 2,053,169.14</u>	<u>\$ 1,008,329.86</u>	<u>\$ 952,880.62</u>	<u>\$ -</u>	<u>\$ 91,958.66</u>

TOWNSHIP OF MONTCLAIR
CURRENT FUND

COUNTY TAXES
YEAR ENDED DECEMBER 31, 2017

A-27

	<u>Ref.</u>	
Balance, December 31, 2016	A	\$ 239,422.42
Increased by:		
Tax Levy		\$ 35,684,983.00
Open Space		1,073,991.00
Added and Omitted		<u>157,643.00</u>
	A-1, A-2c, A-10	<u>36,916,617.00</u>
		<u>37,156,039.42</u>
Decreased by:		
Payments	A-4	<u>36,998,396.00</u>
Balance, December 31, 2017	A	<u><u>\$ 157,643.42</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

LOCAL SCHOOL DISTRICT TAX
YEAR ENDED DECEMBER 31, 2017

A-28

	<u>Ref.</u>	
Balance, December 31, 2016	Below	\$ 54,960,799.00
Increased by:		
Levy - School Year July 1, 2017 to June 30, 2018	A-1, A-2c, A-10	<u>112,636,548.00</u> 167,597,347.00
Decreased by:		
Payments	A-4	<u>111,279,073.00</u>
Balance, December 31, 2017		
Deferred School Tax	Below	\$ 48,754,849.00
School Tax Payable	A	<u>7,563,425.00</u>
		<u>\$ 56,318,274.00</u>
<u>Analysis of Deferred School Tax</u>		
Deferred School Tax December 31, 2017	Above	\$ 48,754,849.00
Deferred School Tax December 31, 2016	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, 2017

A-29

	<u>Ref.</u>	
Balance, December 31, 2016	A	\$ 177,307.97
Increased by:		
2017 Tax Levy	A-1, A-2c, A-10	<u>562,300.03</u>
		739,608.00
Decreased by:		
Payments	A-4	<u>739,608.00</u>
Balance, December 31, 2017		<u><u>\$ -</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

A-30

NOTE PAYABLE
YEAR ENDED DECEMBER 31, 2017

	<u>Ref.</u>	
Balance, December 31, 2016	A	\$ 1,000,000.00
Decreased by:		
Cash Disbursement	A-4	<u>200,000.00</u>
Balance, December 31, 2017	A	<u>\$ 800,000.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

PREPAID TAXES
YEAR ENDED DECEMBER 31, 2017

A-31

	<u>Ref.</u>	
Balance, December 31, 2016	A	\$ 1,139,907.44
Increased by:		
Cash Receipts	A-5	<u>28,216,068.00</u>
		29,355,975.44
Decreased by:		
Applied to Taxes Receivable	A-10	<u>1,139,907.44</u>
Balance, December 31, 2017	A	<u><u>\$ 28,216,068.00</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, 2017

A-32

	<u>Ref.</u>	
Balance, December 31, 2016	A	<u>\$ 86,975.50</u>
Balance, December 31, 2017	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, 2017

A-33
Sheet #1

	Balance Dec. 31, 2016	Transferred from Budget Appropriation	Added by NJSA 40A-4-87	Expended Cash Disbursements	Canceled	Balance Dec. 31, 2017
<u>Grants</u>						
Clean Communities Program:						
2017			\$ 70,449.09			\$ 70,449.09
2016	\$ 82,923.93			\$ 82,923.93		
Historic Trust - Watchung Plaza	6,928.00				\$ 6,928.00	
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				521.35	470.65
2014	2,147.54			2,147.54		
2015	9,592.97			9,592.97		
2016	6,678.65			7,200.00	(521.35)	
Alcohol, Education and Rehab	15,844.94			1,150.00		14,694.94
Edward Byrne Juvenile Assistance Program						
2016	1,148.20					1,148.20
2015	1,709.06					1,709.06
2014	1,772.40					1,772.40
Prior Years	7,636.30					7,636.30
Drunk Driving Enforcement Fund	2,442.99			2,427.29		15.70
Essex County Division on Aging:						
Citizen Services 2015	7,280.00					7,280.00
N.J. Highway Traffic Safety:						
Bicycle Safety Grant	240.00				240.00	
Bicycle Safety Grant-2016	1,200.00			1,000.00	200.00	
Click It or Ticket	6,050.00					6,050.00
Click It or Ticket 2016(5-316 thru 6-5-16)	1,250.00					1,250.00
Over the Limit Under Arrest	2,725.00					2,725.00
Pedestrian Safety Education 2016-17	16,000.00			14,440.00		1,560.00
Pedestrian Safety Education 2015-16	2,300.00					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	1,800.00				1,800.00	
Cops in Shops	3,600.00					3,600.00
Pedestrian Safety Grant	3,001.50			1,600.00	1,401.50	
Pedestrian Safety Grant	5,291.00			1,000.00	4,291.00	
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	8,420.00					8,420.00
Engineer	22,752.00					22,752.00
State of N.J. Tobacco Control	5,940.00			260.00		5,680.00

TOWNSHIP OF MONTCLAIR
FEDERAL AND STATE GRANT FUND

APPROPRIATED RESERVES
YEAR ENDED DECEMBER 31, 2017

A-33
Sheet #2

	<u>Balance</u> <u>Dec. 31, 2016</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, 2017</u>
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
Homeland Security	9,500.00					9,500.00
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			\$ 7,834.14		1,758.83
Historic Preservation	2,560.00					2,560.00
Safe and Secure	60,000.00					60,000.00
NJEDA - Hazardous Discharge	127,318.88			80,940.06		46,378.82
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	2,615.29					2,615.29
2013	2,559.84					2,559.84
2011	3,103.48			3,103.48		
Fire Incentive Grant	1,000.00					1,000.00
Emergency Preparedness Grant - 2009	602.65					602.65
Mountainside Health Foundation:						
2010	4,946.25			829.52		4,116.73
Historic Preservation	524.22				524.22	
Cable Communication Grant	10,288.53			2,500.00		7,788.53
Police Donation	250.00					250.00
Partners for Health	4,018.91			2,499.48		1,519.43
Partners for Health	8,049.97			370.00		7,679.97
Partners for Health - 2014 & snow buddies	913.27			(462.00)		1,375.27
News and Views	774.76					774.76
Citizen Services Grant 2015	7,281.00					7,281.00
Citizen Services Grant 2016	14,560.00				7,280.00	7,280.00
USDA Mobile Farm Stand Grant-Match	265.00			265.00		
Shop Rite-Senior Shuttle Grant	7.00					7.00
Eat Healthy Grant	3,306.83			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, 2017

A-33
Sheet #3

	Balance Dec. 31, 2016	Transferred from Budget Appropriation	Added by NJSA 40A-4-87	Expended Cash Disbursements	Canceled	Balance Dec. 31, 2017
MCIA	\$ 26,230.26			\$ 11,594.89		\$ 14,635.37
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	13,103.91			360.00		12,743.91
Seniorama	3,333.54			3,188.56		144.98
Essex County Local arts grant	70.00			70.00		
ANJEC	294.36					294.36
Microgrid Feasibility Study			\$ 142,480.00			142,480.00
Shoprite Senior Shuttle		\$ 423.00		413.31		9.69
Eat Better Grant		10,000.00		1,680.08		8,319.92
Local Food Promotion grant		5,773.88				5,773.88
Seniors in Transit Grant		9,900.00		9,900.00		
NJ Healthy Corner Store		1,500.00		969.11		530.89
Mayors Wellness Program		5,000.00		1,181.99		3,818.01
Partners in Health-Visiting Nurse		10,920.00				10,920.00
PFH Lock Box Grant		10,000.00		6,203.00		3,797.00
Maddie's Fund-Dog		1,500.00				1,500.00
Maddie's Fund- Cat		1,000.00				1,000.00
Seniors in Taxis			3,500.00			3,500.00
Municipal Alliance		48,941.20		29,667.37		19,273.83
Municipal Alliance - Match		12,235.30		1,810.50		10,424.80
Body Armor Replacement Fund:		9,081.25	9,016.58			18,097.83
Comcast grant		5,000.00				5,000.00
Association of Health Officials			2,320.00			2,320.00
NJEDA - Hazardous Discharge - Match		15,000.00	38,790.00			53,790.00
Lifelong Montclair - Marketing Intern		5,000.00		5,000.00		
Drive Sober or Get Pulled Over - Labor Day 2017		5,000.00	5,500.00	5,500.00		5,000.00
DDEF			12,804.50			12,804.50
Recycling Grant		30,903.52				30,903.52
Safe and Secure		60,000.00				60,000.00
Bulletproof Vest Partnership Grant		13,888.00		7,200.00		6,688.00
Click it or Ticket			5,500.00	5,500.00		
Bicycle Safety Grant			11,000.00	10,000.00		1,000.00
Seniorama			1,000.00	1,000.00		
Alcohol, Education			3,731.71			3,731.71
Radon Awareness			2,000.00			2,000.00
EC Local Arts Grant			1,000.00	1,000.00		
	<u>\$ 1,500,079.46</u>	<u>\$ 261,066.15</u>	<u>\$ 309,091.88</u>	<u>\$ 342,167.05</u>	<u>\$ 211,384.15</u>	<u>\$ 1,516,686.29</u>
Ref.	A	A-18	A-18	A-18	A-18	A

TOWNSHIP OF MONTCLAIR
CURRENT FUND

ACCUMULATED REVENUE UNAPPROPRIATED
YEAR ENDED DECEMBER 31, 2017

A-34

	Balance Dec. 31, 2016	Increase	Decrease	Balance Dec. 31, 2017
Current Fund				
Proceeds from Sale of Municipal Assets	\$ 853,569.38	\$ -	\$ 101,800.24	\$ 751,769.14
<u>Ref.</u>	A		A-2a, A-15	A
Federal and State Grant Fund				
Local Food Promotion Grants	\$ 5,773.88		\$ 5,773.88	
MCIA	186.20			\$ 186.20
Drive Sober or Get Pulled over	5,000.00		5,000.00	
Shop Rite Senior Shuttle	423.00		423.00	
Donation - Albert Payson Terhune	300.00	\$ 300.00		600.00
Body Amor Grant	9,081.25		9,081.25	
Recycling Grant		34,086.18		34,086.18
Comcast Grant	5,000.00	5,000.00	5,000.00	5,000.00
Lifelong Montclair - Marketing Intern	5,000.00		5,000.00	
Partners in Health - Visiting Nurse	10,920.00	17,261.00	10,920.00	17,261.00
EDA Orange Road Cleanup		9,159.00		9,159.00
	<u>\$ 41,684.33</u>	<u>\$ 65,806.18</u>	<u>\$ 41,198.13</u>	<u>\$ 66,292.38</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, 2017

B-2

	Ref.	Animal Control Trust Fund	General Trust Fund	Section 8 Housing	Assessment Trust Fund	Payroll Account
Balance, December 31, 2016	B	\$ 97,400.68	\$ 6,689,181.03	\$ 393,196.28	\$ -	\$ 572,276.87
Increased by:						
Collection of Unpledged Receivables	B-1				\$ 1,650.21	
Budget Appropriation	B-6		\$ 35,218.62			
Community Development Block Grants	B-7		409,072.70			
Interfunds Receivable	B-8		19,697.97			
Accounts Receivable	B-10		5,255.89			
Various Reserves and Deposits	B-11		11,356,459.83			
Section 8 Voucher Program	B-15			\$ 3,027,241.25		
State Registration Fees	B-9	\$ 1,719.00				
Donations for Animal Shelter	B-17	12,521.08				
Collection of Animal Control Fees	B-19	16,466.96				
Payroll Accounts	B-18					\$ 41,379,803.34
Flexible Spending Transfers	B-20					3,661.79
State Unemployment Compensation Insurance	B-21		173,750.89			
		<u>30,707.04</u>	<u>173,750.89</u>	<u>3,027,241.25</u>	<u>1,650.21</u>	<u>41,383,465.13</u>
		<u>128,107.72</u>	<u>18,688,636.93</u>	<u>3,420,437.53</u>	<u>1,650.21</u>	<u>41,955,742.00</u>
Decreased by:						
Assessments Paid	B-1				315.25	
Payments to State	B-9	1,721.40				
Various Reserves and Deposits	B-11		10,785,929.52			
Community Development Block Grants	B-14		429,072.70			
Prior Year Section 8 Accounts Payable	B-2			12,510.00		
Section 8 Voucher Program	B-15			3,052,626.53		
Prepaid Revenue	B-16		239,460.00			
Animal Shelter Expenditures	B-17	1,680.18				
Payroll Deductions and Other Payments	B-18					41,402,126.55
Flexible Spending Payments	B-20					7,229.42
Expenditures Under R.S. 4:19-15.11	B-19	1,924.29				
Unemployment Claims Payable	B-21		70,168.51			
		<u>5,325.87</u>	<u>70,168.51</u>	<u>3,065,136.53</u>	<u>315.25</u>	<u>41,409,355.97</u>
Balance, December 31, 2017	B	<u>\$ 122,781.85</u>	<u>\$ 7,163,892.09</u>	<u>\$ 355,301.00</u>	<u>\$ 1,334.96</u>	<u>\$ 546,386.03</u>

TOWNSHIP OF MONTCLAIR
TRUST FUNDS

ANALYSIS OF ASSESSMENT CASH AND INVESTMENTS
YEAR ENDED DECEMBER 31, 2017 AND 2016

B-3

	<u>Balance</u> <u>December 31, 2016</u>	<u>Balance</u> <u>December 31, 2017</u>
<u>General Accounts</u>		
Fund Balance	\$ 8,757.15	\$ 10,092.11
General Trust Fund Interfund	<u>(8,757.15)</u>	<u>(8,757.15)</u>
	<u>\$ -</u>	<u>\$ 1,334.96</u>

TOWNSHIP OF MONTCLAIR
TRUST FUNDS

ASSESSMENTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2017 AND 2016

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, 2016</u>		<u>Collected</u>	<u>Balance December 31, 2017</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, 2017

B-5

	<u>Ref.</u>	
Balance, December 31, 2016 and December 31, 2017	B	<u>\$ 33,480.85</u>

DEFERRED CHARGES
GENERAL TRUST FUND
YEAR ENDED DECEMBER 31, 2017

B-6

	<u>Ref.</u>	
Balance, December 31, 2016	B	\$ 35,218.62
Decreased by:		
Budget Appropriation	B-2	<u>35,218.62</u>
Balance, December 31, 2017		<u>\$ -</u>

TOWNSHIP OF MONTCLAIR
TRUST FUNDS

COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

B-7

Program Year	Description	Balance Dec. 31, 2016	2017 Grants	Collections	Canceled	Balance Dec. 31, 2017
2017	Town - Lackawanna Plaza		\$ 137,200.00			\$ 137,200.00
2017	Contra - Subrecipient Awards		117,600.00			117,600.00
2016	Contra - Subrecipient Awards		116,000.00	\$ 116,000.00		
2016	Willowdale Avenue Reconstruction	\$ 143,825.00		140,938.70		2,886.30
2015	Orange Road West Streetscape	155,650.00		152,134.00	\$ 3,516.00	-
2015	Shelter Improvements - Edgemont Park	9,000.00				9,000.00
		<u>\$ 308,475.00</u>	<u>\$ 370,800.00</u>	<u>\$ 409,072.70</u>	<u>\$ 3,516.00</u>	<u>\$ 266,686.30</u>
	<u>Ref.</u>	B	B-14	B-2	B-14	B

TOWNSHIP OF MONTCLAIR
TRUST FUNDS

INTERFUNDS RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

B-8

		<u>Assessment Trust Fund</u>	<u>General Trust Fund</u>
	<u>Ref.</u>	<u>General Trust Fund</u>	<u>Current Fund</u>
Balance, December 31, 2016	B	\$ 8,757.15	\$ 47,464.48
Increased by:			
Advances	B-8		114.11
Special Deposits	B-11		\$ 925,000.00
		<u>8,757.15</u>	<u>972,578.59</u>
Decreased by:			
Settlements	B-2		19,697.97
Balance, December 31, 2017	B	<u>\$ 8,757.15</u>	<u>\$ 952,880.62</u>

TOWNSHIP OF MONTCLAIR
TRUSTS FUNDS

B-9

DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2017

	<u>Ref.</u>	
Balance, December 31, 2016		\$ 2.40
Increased by:		
Registration Fees		\$ 1,205.00
Pilot Clinic Fund Fees		241.00
Population Control Fees		<u>273.00</u>
	B-2	<u>1,719.00</u>
		<u>1,721.40</u>
Decreased by:		
Payments	B-2	<u>1,721.40</u>
Balance, December 31, 2017		<u><u>\$ -</u></u>

ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

B-10

	<u>Ref.</u>	
Balance, December 31, 2016	B	\$ 5,255.89
Decreased by:		
Cash Receipts	B-2	<u>5,255.89</u>
Balance, December 31, 2017		<u><u>\$ -</u></u>

TOWNSHIP OF MONTCLAIR
GENERAL TRUST FUND

SPECIAL DEPOSITS
YEAR ENDED DECEMBER 31, 2017

B-11

	Balance Dec. 31, 2016	Receipts	Disbursements	Adjustment	Balance Dec. 31, 2017
Recycling Program	\$ 251,841.64	\$ 1,338,602.58	\$ 1,260,641.65		\$ 329,802.57
Railroad Station Projects	269,048.85	55,900.00	17,054.07		307,894.78
Recreation	74,837.52	38,470.00	33,095.39		80,212.13
Parking Adjudication Fines	173,028.69	32,111.50			205,140.19
D.A.R.E. Donations	3,147.13				3,147.13
Uniform Fire Safety Act	84,538.99	42,344.00	59,815.94		67,067.05
Child Fire Safety	4,320.44		1,607.80		2,712.64
Police Off-Duty	104,584.26	1,726,143.06	1,693,543.24		137,184.08
Police Off-Duty - Administrative Fee	390.00	26,901.73	20,402.00		6,889.73
Firemen Off-Duty	12,243.57	2,992.00	3,388.00		11,847.57
Firemen Off-Duty - Adm Fee	24.00	68.00			92.00
Reserve for First Nite	10,309.94		350.00		9,959.94
Developers' Escrow	29,994.73	15.48	2,213.63		27,796.58
Performance Bonds	8,881.18		6,019.56		2,861.62
Planning Escrow Deposits	260,001.81	182,464.90	198,842.86		243,623.85
Inspection Escrow Deposits	77,680.84				77,680.84
Payment in Lieu of Bonds	10,479.20				10,479.20
CDBG - Subrecipients - Contra	20,000.00			\$ (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	40,873.03	159,835.68			200,708.71
Snow Removal	736,625.57		93,828.14	185,000.00	827,797.43
Collector's Redemption Account	417,149.00	5,355,413.31	5,597,485.88	3,800.00	178,876.43
Public Defender Application Fees	7,934.50	40,423.50	37,750.00		10,608.00
Reserve for 4th of July	32.00				32.00
Contribution - Public Memorials	600.00		270.00		330.00
Other	900.40	20.00			920.40
Open Space		101,991.98			101,991.98
Various Self-Insurances	26,690.69				26,690.69
Health Program	128,381.60	1,620.00	4,552.94		125,448.66
Forfeited Assets	39,434.22	14,546.83	6,623.34		47,357.71
Cultural Affairs	3,000.00				3,000.00
Voucher Program- COAH	345,752.40	378,195.28	22,137.08		701,810.60
Accumulated Absences	530,034.35	100,000.00	8.00	815,000.00	1,445,026.35
Premium on Tax Sales	2,731,000.00	1,758,400.00	1,726,300.00	(78,800.00)	2,684,300.00
Municipal Alliance Contribution	2,100.00				2,100.00
	<u>\$ 6,419,605.55</u>	<u>\$ 11,356,459.83</u>	<u>\$ 10,785,929.52</u>	<u>\$ 905,000.00</u>	<u>\$ 7,895,135.86</u>

<u>Ref.</u>	B	B-2	B-2	Below	B
				<u>Ref.</u>	
				Transferred to Reserve for Community	
				Development Block Grant	B-14 \$ (20,000.00)
				Interfunds Receivable	B-8 <u>925,000.00</u>
					Above <u>\$ 905,000.00</u>

TOWNSHIP OF MONTCLAIR
TRUSTS FUNDS

INTERFUNDS PAYABLE
YEAR ENDED DECEMBER 31, 2017

B-12

	<u>Ref.</u>	<u>Total General Trust Fund</u>	<u>General Trust Fund General Capital Fund</u>	<u>Current Fund</u>	<u>Assessment Trust Fund</u>
Balance, December 31, 2016 and 2017	B	<u>\$ 151,535.32</u>	<u>\$ 65,955.00</u>	<u>\$ 76,823.17</u>	<u>\$ 8,757.15</u>

TOWNSHIP OF MONTCLAIR
TRUST FUNDS

RESERVE FOR ASSESSMENTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

B-13

Ordinance Number	Improvement Description	Balance Dec. 31, 2016 Unpledged	Balance Dec. 31, 2017 Unpledged
02-41	Resurfacing and Curbing of Briar Hill Road	<u>\$ 10.65</u>	<u>\$ 10.65</u>
		<u>Ref.</u> B	B

TOWNSHIP OF MONTCLAIR
TRUST FUNDS

RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT EXPENDITURES
YEAR ENDED DECEMBER 31, 2017

B-14

Program Year	Analysis of Balance	Balance Dec. 31, 2016	2017 Grants	Expenditures	Transferred from Special Deposits	Canceled	Balance Dec. 31, 2017
2017	2017 Town - Lackawanna Plaza		\$ 137,200.00				137,200.00
2017	2017 Contra - Subrecipient Awards		117,600.00				117,600.00
2016	2016 Contra - Subrecipient Awards		116,000.00	\$ 136,000.00	\$ 20,000.00		
2016	2016 Willowdale Avenue Reconstruction	\$ 143,825.00		140,938.70			2,886.30
2015	2015 Orange Road West Streetscape	155,650.00		152,134.00		\$ 3,516.00	
2015	2015 Shelter Improvements - Edgemont Park	9,000.00					9,000.00
		<u>\$ 308,475.00</u>	<u>\$ 370,800.00</u>	<u>\$ 429,072.70</u>	<u>\$ 20,000.00</u>	<u>\$ 3,516.00</u>	<u>\$ 266,686.30</u>
	<u>Ref.</u>	B	B-7	B-2	B-11	B-7	B

TOWNSHIP OF MONTCLAIR
TRUST FUNDS

RESERVE FOR SECTION 8 VOUCHER PROGRAM
YEAR ENDED DECEMBER 31, 2017

B-15

	<u>Ref.</u>	
Balance, December 31, 2016	B	\$ 380,686.28
Increased by:		
Housing and Urban Development Assistance:		
Cash Received		\$ 3,016,746.25
Interest Earned		394.00
Recovery of Funds		<u>10,101.00</u>
	B-2	<u>3,027,241.25</u>
		<u>3,407,927.53</u>
Decreased by:		
Housing Assistance Payments - Includes		
HAP Portability-In		3,050,749.95
Other Disbursements		<u>1,876.58</u>
	B-2	<u>3,052,626.53</u>
Accounts Payable - Administrative	B	<u>4,053.05</u>
		<u>3,056,679.58</u>
Balance, December 31, 2017	B	<u><u>\$ 351,247.95</u></u>

PREPAID REVENUE
YEAR ENDED DECEMBER 31, 2017

B-16

	<u>Ref.</u>	
Balance, December 31, 2016	B	\$ 239,460.00
Decreased by:		
Cash Disbursements - Refund	B-2	<u>239,460.00</u>
Balance, December 31, 2017		<u><u>\$ -</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
TRUST FUNDS

RESERVE FOR ANIMAL SHELTER EXPENDITURES
YEAR ENDED DECEMBER 31, 2017

B-17

	<u>Ref.</u>		
Balance, December 31, 2016	B		\$ 51,818.68
Increased by:			
Excess Animal Control Receipts	B-19	\$ 32,884.54	
Donations	B-2	<u>12,521.08</u>	
			<u>45,405.62</u>
			97,224.30
Decreased by:			
Expenditures	B-2		<u>1,680.18</u>
Balance, December 31, 2017	B		<u><u>\$ 95,544.12</u></u>

ANALYSIS OF PAYROLL ACTIVITY
YEAR ENDED DECEMBER 31, 2017

B-18

	<u>Ref.</u>		
Balance, December 31, 2016	B		\$ 532,007.15
Increased by:			
Gross Payroll		\$ 39,946,481.86	
Employer FICA Contribution		1,429,114.56	
Interest Earned		<u>4,206.92</u>	
	B-2		<u>41,379,803.34</u>
			41,911,810.49
Decreased by:			
Cash Disbursements	B-2		<u>41,402,126.55</u>
Balance, December 31, 2017	B		<u><u>\$ 509,683.94</u></u>
<u>Analysis of Balance</u>			
Public Employees Retirement System			\$ 74,882.00
Police and Fire Retirement System			226,242.69
Deferred Contribution Retirement			4,743.58
Retro Pension			93,948.43
Other			<u>109,867.24</u>
			<u><u>\$ 509,683.94</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
TRUST FUNDS

RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2017

B-19

	<u>Ref.</u>		
Balance, December 31, 2016	B		\$ 45,579.60
Increased by:			
Dog License Fees Collected	B-2	\$ 13,014.00	
Late Fees and Replacement Fees	B-2	1,970.00	
Cat License Fees Collected	B-2	<u>1,482.96</u>	
			<u>16,466.96</u>
			62,046.56
Decreased by:			
Expenditures Under R.S. 4:19-15.11	B-2	1,924.29	
Transferred to Animal Shelter Reserve	B-17	<u>32,884.54</u>	
			<u>34,808.83</u>
Balance, December 31, 2017	B		<u>\$ 27,237.73</u>

FLEXIBLE SPENDING ACCOUNT
YEAR ENDED DECEMBER 31, 2017

B-20

	<u>Ref.</u>		
Balance, December 31, 2016	B		\$ 40,269.72
Increased by:			
Transferred from Payroll Agency Account	B-2		<u>3,661.79</u>
			43,931.51
Decreased by:			
Cash Disbursements	B-2		<u>7,229.42</u>
Balance, December 31, 2017	B		<u>\$ 36,702.09</u>

TOWNSHIP OF MONTCLAIR
TRUST FUNDS

RESERVE FOR STATE UNEMPLOYMENT TRUST FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2017

B-21

	<u>Ref.</u>	
Balance, December 31, 2016	B	\$ -
Increased by:		
Reimbursement	B-2	<u>173,750.89</u>
Decreased by:		
Unemployment Claims Payable	B-2	<u>70,168.51</u>
Balance, December 31, 2017	B	<u><u>\$ 103,582.38</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2017

C-2

	<u>Ref.</u>		
Balance, December 31, 2016	C		\$ 5,193,509.93
Increased by Receipts:			
Premium on Sale of Notes and Bonds	C-1	\$ 378,512.00	
Grants Receivable	C-4	463,176.69	
Due from Improvement District	C-6	15,000.00	
Deferred Charges to Future Taxation - Unfunded	C-9	51,858.08	
Capital Improvement Fund	C-11	300,000.00	
Interfunds Payable	C-12	3,001,163.85	
Reserve to Pay Debt Service	C-16	1,242,846.73	
Bond Anticipation Notes Issued	C-17	<u>29,314,091.00</u>	
			<u>34,766,648.35</u>
			39,960,158.28
Increased by Disbursements:			
Interfunds Payable	C-12	4,534,512.09	
Improvement Authorizations	C-10	9,512,966.15	
Bond Anticipation Notes Redeemed	C-17	<u>23,060,200.00</u>	
			<u>37,107,678.24</u>
Balance, December 31, 2017	C		<u><u>\$ 2,852,480.04</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2017

	Receipts			Disbursements			Transfers		Balance December 31, 2017
	Balance December 31, 2016	Bond Anticipation Notes	Other	Improvement Authorizations	Bond Anticipation Notes	Other	From	To	
<u>Improvement Authorizations</u>									
General Improvements:									
#02-11							\$ 95,775.00	\$ 95,775.00	
#03-08							102,144.00	102,144.00	
#04-46									
#04-49	\$ (14,298.72)	\$ 67,893.00	\$ 14,296.72		\$ 67,893.00		50,064.00	50,066.00	
#05-15	(1,637.09)		1,637.09						
#05-37	(469.49)		469.49						
#06-37	8,229.13								\$ 8,229.13
#06-78	(1,019.36)		842.57				0.20		(176.99)
#07-06	0.21	138,352.00			138,352.00		0.21		
#07-19	(287,885.89)							30,214.18	(257,671.71)
#08-43	(16,999.12)	23,934.00			23,934.00			16,999.12	
#08-44	0.53	152,695.00			152,695.00		0.53		
#09-11	(4,324.62)	20,221.00			20,221.00			4,324.62	
#09-52b1	(100,611.00)								(100,611.00)
#10-12	(11,088.00)	37,947.00			37,947.00		2,317.00	2,317.00	(11,088.00)
#10-13	11,549.68	472,549.00			472,549.00		26,737.00		(15,187.32)
#10-70	(48,667.26)	168,397.00		\$ 277.00	168,397.00		10,616.00	10,616.00	(48,944.26)
#11-18	(5,867.60)	52,614.00			52,614.00		1,725.00	1,725.00	(5,867.60)
#11-20	307,692.74	23,773.00			235,101.00		96,365.00		(0.26)
#11-67	329.20								329.20
#11-72		723,100.00			723,100.00		723,100.00	723,100.00	
#12-26	52,754.98	500,582.00			500,582.00		6,418.00		46,336.98
#12-27	8,192.59	42,104.00			42,104.00		2,632.00		5,560.59
#12-31	1,048.38	310,923.00		1,343.69	310,923.00		12,118.00	12,118.00	(295.31)
#12-35	954.99			450.60					504.39
#12-36	(19,789.42)	491,453.00		76,320.95	491,453.00		11,547.00	11,547.00	(96,110.37)
#12-40	62.35	511,200.00		11,112.35	511,200.00		62,000.00	62,000.00	(11,050.00)
#12-41	8,384.77	605,811.00		38,377.02	605,811.00		34,189.00	34,189.00	(29,992.25)
#12-42	(93.36)	127,111.00			127,111.00		15,889.00	15,889.00	(93.36)
#13-18	(3,038.44)	96,477.00		1,155.00	96,477.00		1,223.00	1,223.00	(4,193.44)
#13-20	6,613.10	927,136.00			927,136.00		3,264.00		3,349.10
#13-31	134.73								134.73
#13-43	9,065.09								9,065.09
#13-49	979.33								979.33
#13-74	37,552.63								37,552.63
#14-03/14-34	200,416.75	346,000.00	55,386.00	1,881.39	346,000.00		375,386.00		(121,464.64)
#14-04	32,877.11	325,000.00		16,950.00	325,000.00				15,927.11
#14-05/14-27	(66,802.53)	3,377,700.00		3,494.79	3,377,700.00		74,824.18		(145,121.50)
#14-06	698.83								698.83
#14-09	59.42	429,200.00		759.42	429,200.00				(700.00)
#14-22	5,632.88								5,632.88
#14-23	71,781.49			11,008.40					60,773.09
#14-25	23,948.94	1,090,000.00		54,753.66	1,090,000.00				(30,804.72)
#14-26	3,212.79	417,700.00		8,293.63	417,700.00				(5,080.84)
#14-35	102,908.70	250,000.00			250,000.00				102,908.70
#14-36	(11,752.23)	6,300.00		62,300.00	6,300.00				(74,052.23)
#15-09	156,351.11	3,206,250.00	266,851.99	17,007.88	2,861,200.00				751,245.22
#15-35	890,151.44			635,495.81					254,655.63

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2017

	Balance December 31, 2016	Receipts		Disbursements			Transfers		Balance December 31, 2017
		Bond Anticipation Notes	Other	Improvement Authorizations	Bond Anticipation Notes	Other	From	To	
<u>Improvement Authorizations</u>									
<u>General Improvements (Continued):</u>									
#16-10	\$ 338,733.75	\$ 5,101,450.00	\$ 140,938.70	\$ 1,160,560.06	\$ 4,096,500.00				\$ 324,062.39
#16-11	282,207.04			(76,873.45)					359,080.49
#16-32	86,656.75			1,365,607.80					(1,278,951.05)
#17-13		3,000,000.00		3,217,036.66			\$ 247,859.00		30,822.34
#17-23				500,415.71				175,000.00	(325,415.71)
#17-24				7,412.00				10,000.00	2,588.00
#17-34								320,000.00	320,000.00
#17-31								23,780.00	23,780.00
#16-29				14,185.00				64,000.00	49,815.00
#16-30				9,663.00				14,780.00	5,117.00
#16-31				27,880.00				31,965.00	4,085.00
<u>School Improvements:</u>									
#06-30	339,557.04				388,000.00			102,721.52	54,278.56
#07-26	529,530.00				538,000.00			185,246.00	176,776.00
#08-14	65,340.00	77,984.00	34,612.21		41,839.00	\$ 146,491.21		86,019.69	75,625.69
#09-20	82,000.00				82,000.00				
#10-28	504,828.42			397,751.72					107,076.70
#11-41	(250,194.25)	142,656.00		49,194.89	142,656.00		13,475.00	13,475.00	(299,389.14)
#12-32	(3,199.38)	688,936.00		113,837.00	688,936.00		634,661.00	634,661.00	(117,036.38)
#13-17/13-67	(449.66)	960,642.00		315.71	960,642.00		12,703.00	12,703.00	(765.37)
#15-24	(186,129.46)	2,400,001.00		652,414.13	1,312,927.00				248,530.41
#16-12	(564,775.09)	2,000,000.00		1,132,584.33					302,640.58
<u>Other Accounts</u>									
Fund Balance	2,357,172.39		378,512.00				1,700,000.00		1,035,684.39
Capital Improvement Fund	447,321.83		300,000.00				567,384.00		179,937.83
Due from Improvement District	(15,000.00)		15,000.00						
Cost of Issuance	14,494.04						2.00		14,492.04
General Trust Fund	(65,955.00)								(65,955.00)
Current Fund Interfund	(166,649.76)		3,001,161.85			\$ 4,534,512.09		1,736,147.20	36,147.20
Reserve for Repayment of UDAG	26,955.51								26,955.51
Reserve for Debt Service	23,826.00		1,242,846.73				49,554.00		1,217,118.73
	<u>\$ 5,193,509.93</u>	<u>\$ 29,314,091.00</u>	<u>\$ 5,452,555.35</u>	<u>\$ 9,512,966.15</u>	<u>\$ 23,060,200.00</u>	<u>\$ 4,534,512.09</u>	<u>\$ 4,832,604.33</u>	<u>\$ 4,832,604.33</u>	<u>\$ 2,852,478.04</u>

Ref. C

C

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

C-4

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Balance December 31, 2016</u>	<u>Grants</u>	<u>Decrease</u>	<u>Balance December 31, 2017</u>
<u>Federal Grants</u>					
County of Essex:					
Community Development Block Grants:					
16-10	Glenridge Avenue Streetscape - Phase II & III		\$ 143,825.00	\$ 140,938.70	\$ 2,886.30
15-09	Orange Road West		155,650.00	155,650.00	
<u>State Grants</u>					
New Jersey Dept. of Environmental Protection:					
Green Acres Program:					
11-20	Edgemont Pond	\$ 23,017.77			23,017.77
New Jersey Dept. of Transportation:					
Various Streets					
14-03	Union Street Section 2	55,386.00		55,386.00	
15-09	Gates Avenue Section 3		226,094.00	114,717.00	111,377.00
17-13	Hillside Avenue		273,639.00		273,639.00
		<u>\$ 78,403.77</u>	<u>\$ 799,208.00</u>	<u>\$ 466,691.70</u>	<u>\$ 410,920.07</u>
<u>Ref.</u>	C		C-15	Below	C
			Ref.		
	Cash Receipts		C-2	\$ 463,176.69	
	Canceled		C-15	3,515.01	
				<u>\$ 466,691.70</u>	

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2017

C-5
Sheet # 1

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	Authorizations/ Adjustments	Grants/ Budget	Notes Issued	Canceled	Balance Dec. 31, 2017
	<u>General Improvements</u>						
04-49	Various Library Capital Improvements	\$ 14,296.72		\$ 14,296.72			
05-15	Refunding Bond Issue	2,106.58		2,106.58			
06-78	Preliminary Design and Planning of Day Care Facility	1,019.36		842.57			\$ 176.79
07-19	Acquisition of Property	257,671.71					257,671.71
09-52b1	Improvements to Clary Anderson Arena	100,611.00					100,611.00
10-12	Multi-Purpose	30,687.00					30,687.00
10-13	Traffic Calming Improvements	13,700.32					13,700.32
10-70	Multi-Purpose	48,944.26					48,944.26
11-18	Shade Tree Improvements	5,867.60					5,867.60
12-26	Paving South Mountain Arena	158,649.00					158,649.00
12-31	Various Capital Improvements	46,236.00					46,236.00
12-36	Various Capital Improvements	309,962.00					309,962.00
12-40	Acquisition of Vehicles	11,050.00					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	15,730.00					15,730.00
14-03	Improvements to Union and Park Streets	129,555.59					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	137,600.00					137,600.00

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

C-5
Sheet # 2

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2017

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	Authorizations/ Adjustments	Grants/ Budget	Notes Issued	Canceled	Balance Dec. 31, 2017
	<u>General Improvements</u>						
14-09	Acquisition of Vehicles	\$ 14,650.00					\$ 14,650.00
14-25	Acquisition of Trucks	88,000.00					88,000.00
14-26	Various Capital Improvements	17,600.00					17,600.00
14-27	Various Road Improvements	157,092.23					157,092.23
14-35	Park Improvements at Washington Field	108,250.00					108,250.00
14-36	Library Improvements	233,594.00					233,594.00
16-10	Various Capital Improvements	1,482,736.00		\$ 140,938.70	\$ 1,004,900.00		336,897.30
16-32	Various Capital Improvements	2,854,134.40					2,854,134.40
17-13	Various Capital Improvements		\$ 4,709,330.00		3,000,000.00		1,709,330.00
17-23	Various Capital Improvements		3,300,500.00				3,300,500.00
		<u>6,426,010.34</u>	<u>8,009,830.00</u>	<u>158,184.57</u>	<u>4,004,900.00</u>	<u>-</u>	<u>10,272,755.77</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	430,229.00					430,229.00
12-32	Various School Improvements	461,759.00					461,759.00
13-17/13-67	Various School Improvements	115,167.28					115,167.28
15-24	Various School Improvements	1,324,513.00			1,087,073.00		237,440.00
16-12	Various School Improvements	2,701,920.00			2,000,000.00		701,920.00
		<u>5,204,114.49</u>		<u>84,166.21</u>	<u>3,087,073.00</u>		<u>2,032,875.28</u>
		<u>\$ 11,630,124.83</u>	<u>\$ 8,009,830.00</u>	<u>\$ 242,350.78</u>	<u>\$ 7,091,973.00</u>	<u>\$ -</u>	<u>\$ 12,305,631.05</u>

Ref.

C

C

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

DUE FROM IMPROVEMENT DISTRICT
YEAR ENDED DECEMBER 31, 2017

C-6

	<u>Ref.</u>	
Balance, December 31, 2016	C	\$ 15,000.00
Decreased by:		
Collections	C-2	<u>15,000.00</u>
Balance, December 31, 2017		<u><u>\$ -</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

INTERFUNDS RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

C-7

	<u>Ref.</u>	<u>Total</u>	<u>Current Fund</u>	<u>General Trust Fund</u>
Balance, December 31, 2016	C	\$ 232,604.76	\$ 166,649.76	\$ 65,955.00
Decreased by:				
Transferred to Interfunds Payable	C-12	<u>166,649.76</u>	<u>166,649.76</u>	<u> </u>
Balance, December 31, 2017	C	<u>\$ 65,955.00</u>	<u>\$ -</u>	<u>\$ 65,955.00</u>

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2017

C-8

	<u>Ref.</u>		
Balance, December 31, 2016	C		\$ 111,126,478.65
Increased by:			
Refunded Bonds:			
School Issue	C-21	\$ 12,415,000.00	
General Issue	C-22	<u>5,305,000.00</u>	
			<u>17,720,000.00</u>
			128,846,478.7
Decreased by:			
Downtown Business District Loan	C-20	32,666.67	
Green Acres Loan	C-18	39,783.82	
Infrastructure Loan	C-19	59,758.53	
School Bonds	C-21	17,335,000.00	
Municipal Bonds	C-22	<u>10,424,000.00</u>	
			<u>27,891,209.02</u>
Balance, December 31, 2017	C		<u><u>\$ 100,955,269.63</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2017

Ordinance Number	Improvements	Balance Dec. 31, 2016	2017 Authorizations	Collections	Funded by Budget Appropriation	Balance Dec. 31, 2017	December 31, 2017		
							Bond Anticipation Notes	Expended	Unexpended Improvement Authorization
02-11	Reconstruction of Various Streets	\$ 95,775.00			\$ 95,775.00				
03-08	Various Street Improvements (DOT)	102,144.00			102,144.00				
04-49	Various Library Capital Improvements	132,253.72			64,360.72	\$ 67,893.00	\$ 67,893.00		
05-15	Refunding Bond	1,637.09			1,637.09				
05-37	Acquisition of Land	469.49			469.49				
06-78	Preliminary Design and Planning of Day Care Facility	1,019.36			842.37	176.99		\$ 176.99	
07-06	Various Capital Improvements	138,352.00				138,352.00	138,352.00		
07-19	Acquisition of Property	257,671.71				257,671.71		257,671.71	
8-43	Removal and Replacement of Trees	23,934.00				23,934.00	23,934.00		
8-44	Various Capital Improvements	152,695.00				152,695.00	152,695.00		
9-11	Orange Road Redevelopment	20,221.00				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	70,952.00			2,317.00	68,635.00	37,947.00	11,088.00	\$ 19,600.00
10-13	Traffic Calming Improvements	512,986.32			26,737.00	486,249.32	472,549.00		13,700.32
10-70	Multi-purpose	227,957.26			10,616.00	217,341.26	168,397.00	48,944.26	
11-18	Shade Tree Improvements	60,206.60			1,725.00	58,481.60	52,614.00	5,867.60	
11-20	Improvements to Edgemont Pond	41,015.26			17,242.00	23,773.26	23,773.00	0.26	
p	Tax Appeal Refunding	1,446,200.00			723,100.00	723,100.00	723,100.00		
12-26	Paving South Mountain Avenue	665,649.00			6,418.00	659,231.00	500,582.00		158,649.00
12-27	Pavement and Restoration - South Park Place	44,736.00			2,632.00	42,104.00	42,104.00		
12-31	Various Capital Improvements	369,277.00			12,118.00	357,159.00	310,923.00	295.31	45,940.69
12-36	Various Capital Improvements	812,962.00			11,547.00	801,415.00	491,453.00	96,110.37	213,851.63
12-40	Acquisition of Vehicles	584,250.00			62,000.00	522,250.00	511,200.00	11,050.00	
12-41	Various Capital Improvements	733,806.80			34,189.00	699,617.80	605,811.00	29,992.25	63,814.55
12-42	Acquisition of Ambulance	144,875.00			15,889.00	128,986.00	127,111.00	93.36	1,781.64
13-18	HVAC Upgrades - Firehouse Server	113,430.00			1,223.00	112,207.00	96,477.00	4,193.44	11,536.56
13-20	Police Radio System	171,000.00			3,264.00	167,736.00	167,136.00		
14-03	Improvements to Union and Park Streets	475,555.59	\$ (320,000.00)			155,555.59	26,000.00	121,464.64	8,090.95
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	700.00	13,950.00

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2017

Ordinance Number	Improvements	Balance Dec. 31, 2016	2017 Authorization	Collections	Funded by Budget Appropriation	Balance Dec. 31, 2017	Analysis of Balance December 31, 2017		
							Bond Anticipation Notes	Expended	Unexpended Improvement Authorization
14-25	Acquisition of Trucks	\$ 1,178,000.00	\$	\$	\$	\$ 1,178,000.00	\$ 1,090,000.00	\$ 30,804.72	\$ 57,195.28
14-26	Various Capital Improvements	435,300.00				435,300.00	417,700.00	5,080.84	12,519.16
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	74,052.23	159,541.77
15-09	Various Capital Improvements	2,861,200.00		322,237.99		2,538,962.01	2,538,962.01		
16-10	Various Capital Improvements	5,579,236.00		140,938.70		5,438,297.30	5,101,450.00		336,847.30
16-32	Various Road Improvements	2,854,134.40				2,854,134.40		1,278,951.05	1,575,183.35
17-13	Various Capital Improvements		4,709,330.00			4,709,330.00	3,000,000.00		1,709,330.00
17-23	Various Capital Improvements		3,300,500.00			3,300,500.00		325,415.71	2,975,084.29
17-34	Edgemont Park Improvements		320,000.00			320,000.00	320,000.00		
	<u>School</u>								
8-14	Various School Improvements	165,166.21		49,554.00	37,628.21	77,984.00	77,984.00		86,360.00
10-28	Multi-purpose	86,360.00				86,360.00			
11-41	Various School Improvements	586,360.00			13,475.00	572,885.00	142,656.00	299,389.14	130,839.86
12-32	Various School Improvements	1,785,356.00			634,661.00	1,150,695.00	688,936.00	117,036.38	344,722.62
13-17/13-67	Various School Improvements	1,088,512.28			12,703.00	1,075,809.28	960,642.00	765.37	114,401.91
15-24	Various School Improvements	2,637,440.00				2,637,440.00	2,400,001.00		237,439.00
16-12	Various School Improvements	2,701,920.00				2,701,920.00	2,000,000.00		701,920.00
		<u>\$ 35,349,998.09</u>	<u>\$ 8,009,830.00</u>	<u>\$ 512,730.69</u>	<u>\$ 1,894,712.88</u>	<u>\$ 40,952,384.52</u>	<u>\$ 28,646,803.01</u>	<u>\$ 2,964,876.13</u>	<u>\$ 9,340,105.38</u>
	<u>Ref.</u>	<u>C</u>	<u>C-10</u>	<u>Below</u>	<u>Below</u>	<u>C</u>	<u>Below</u>		
							<u>Ref.</u>		
	Bond Anticipation Notes Paid Down		C-17		\$ 1,842,854.80		Bond Anticipation Notes Issued	C-17	\$ 29,314,091.00
	Cash Receipts		C-2		51,858.08		Less; Excess Notes Issued:		
	Applied from Reserve for Debt Service		C-16	\$ 49,554.00			General- Ord#15-09		(667,287.99)
	Applied from Reserve for State Grants		C-15	463,176.69				Above	<u>\$ 28,646,803.01</u>
				<u>\$ 512,730.69</u>	<u>\$ 1,894,712.88</u>				

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2017

C-10
Sheet 1

Description	Ordinance Number	Date	Amount	Balance Dec. 31, 2016		2017 Authorizations	Paid or Charged	Balance Dec. 31, 2017	
				Funded	Unfunded			Funded	Unfunded
<u>General Improvements</u>									
Various Capital Improvements	06-37	06/27/06	\$ 6,260,650.00	\$ 8,229.13				\$ 8,229.13	
Various Capital Improvements	10-12	03/09/10	584,000.00		\$ 19,600.00				\$ 19,600.00
Traffic Calming Improvements	10-13	12/28/10	1,186,000.00		25,250.00				25,250.00
Various Capital Improvements	10-70	12/07/10	325,000.00		277.00		\$ 277.00		
Pavement and Restoration of S.Park Plaza	11-67	11/01/11	250,000.00	329.20				329.20	
Paving of South Mountain Avenue	12-26	04/03/12	726,500.00		211,403.98				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		47,284.38		1,343.69		45,940.69
Various Capital Improvements	12-35	05/22/12	222,068.00	954.99			450.60	504.39	
Various Capital Improvements	12-36	05/22/12	855,750.00		290,172.58		76,320.95		213,851.63
Acquisition of Vehicles	12-40	06/12/12	615,000.00		11,112.35		11,112.35		
Various Capital Improvements	12-41	06/12/12	1,144,080.00		102,191.57		38,377.02		63,814.55
Acquisition of Ambulance	12-42	06/12/12	152,500.00		1,781.64				1,781.64
HVAC Upgrades - Firehouse Server	13-18	05/14/13	119,400.00		12,691.56		1,155.00		11,536.56
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	134.73				134.73	
Various Street Improvements	13-43	09/03/13	350,000.00	9,065.09				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	37,552.63				37,552.63	
Improvements to Union and Park Streets	14-03	03/04/14	1,114,197.00		329,972.34	\$ (320,000.00)	1,881.39		8,090.95
Various Park Improvements	14-04	03/04/14	425,000.00		111,627.11		16,950.00		94,677.11
Various Road Improvements	14-05	03/04/14	2,363,292.00		78,318.97		3,494.79		74,824.18
Police Radio System	14-06	03/04/14	950,000.00		137,698.83				137,698.83
Acquisition of Vehicles	14-09	04/29/14	467,250.00		14,709.42		759.42		13,950.00
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	71,781.49			11,008.40	60,773.09	
Acquisition of Trucks	14-25	08/12/14	1,240,000.00		111,948.94		54,753.66		57,195.28
Various Capital Improvements	14-26	08/12/14	458,300.00		20,812.79		8,293.63		12,519.16
Various Road Improvements	14-27	08/12/14	1,370,000.00		23,805.50				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		221,841.77		62,300.00		159,541.77

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2017

C-10
Sheet 2

Description	Ordinance			Balance Dec. 31, 2016		2017 Authorizations	Paid or Charged	Balance Dec. 31, 2017	
	Number	Date	Amount	Funded	Unfunded			Funded	Unfunded
Various Capital Improvements	15-09	03/10/15	\$ 3,375,000.00		\$ 126,136.93		\$ 17,007.88		\$ 109,129.05
Various Capital Improvements	15-35	11/10/15	1,788,105.47	\$ 890,151.44			635,495.81	\$ 254,655.63	
Various Capital Improvements	16-10	04/04/16	5,872,880.00		1,821,469.75		1,160,560.06		660,909.69
Redevelopment Projects	16-11	05/31/16	450,000.00	282,207.04			(76,873.45)	359,080.49	
Various Capital Improvements	16-32	07/26/16	3,004,352.00	86,656.75	2,854,134.40		1,365,607.80		1,575,183.35
Various Capital Improvements	17-13	03/28/17	4,957,189.00			\$ 4,957,189.00	3,217,036.66		1,740,152.34
Various Capital Improvements	17-23	06/20/17	3,475,500.00			3,475,500.00	500,415.71		2,975,084.29
Edgemont Park Improvements	17-34	10/24/17	320,000.00			320,000.00			320,000.00
Highmont Terrace	17-24	06/14/17	10,000.00			10,000.00	7,412.00	2,588.00	
Valley Place	17-31	07/25/17	23,780.00			23,780.00		23,780.00	
Briar Hill Improvements	16-29	07/26/16	64,000.00			64,000.00	14,185.00	49,815.00	
Mountain Place Improvements	16-30	07/26/16	14,780.00			14,780.00	9,663.00	5,117.00	
Park Terrace Improvements	16-31	07/26/16	31,965.00			31,965.00	27,880.00	4,085.00	
<u>School Improvements</u>									
Various School Improvements	06-30	05/09/06	4,649,840.00	54,278.56				54,278.56	
Various School Improvements	07-26	05/08/07	4,381,520.00	176,776.00				176,776.00	
Various School Improvements	08-14	04/15/08	5,346,848.00		39,160.00				39,160.00
Various School Improvements	10-28	06/22/10	2,986,360.00	504,828.42	86,360.00		397,751.72	107,076.70	86,360.00
Various School Improvements	11-41	07/12/11	1,686,360.00		180,034.75		49,194.89		130,839.86
Various School Improvements	12-32	05/01/12	3,053,440.00		458,559.62		113,837.00		344,722.62
Various School Improvements	13-17/13-67	05/01/12	2,900,000.00		114,717.62		315.71		114,401.91
Various School Improvements	15-24	08/04/15	2,637,440.00		1,138,383.54		652,414.13		485,969.41
Various School Improvements	16-12	06/21/16	2,701,920.00		2,137,144.91		1,132,584.33		1,004,560.58
				<u>\$ 2,129,557.68</u>	<u>\$ 10,852,585.33</u>	<u>\$ 8,577,214.00</u>	<u>\$ 9,512,966.15</u>	<u>\$ 1,160,452.85</u>	<u>\$ 10,885,938.01</u>
		Reference		C	C	Below	C-2	C	C
		Deferred Charge to Future Taxation - Unfunded				\$ 8,009,830.00			
		Capital Improvement Fund				<u>567,384.00</u>			
						<u>\$ 8,577,214.00</u>			

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2017

C-11

	<u>Ref.</u>	
Balance, December 31, 2016	C	\$ 447,321.83
Increased by:		
Budget Appropriations	C-2	<u>300,000.00</u>
		747,321.83
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-10	<u>567,384.00</u>
Balance, December 31, 2017	C	<u><u>\$ 179,937.83</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

INTERFUNDS PAYABLE
YEAR ENDED DECEMBER 31, 2017

C-12

	<u>Ref.</u>	<u>Total</u>	<u>Current Fund</u>	<u>Water Utility Capital Fund</u>
Balance, December 31, 2016	C	\$ -	\$ -	\$ -
Increased by:				
Advances	C-2	3,001,163.85	3,001,161.85	2.00
Excess Current Fund Budget To Pay Down School Notes	C-17	36,145.20	36,145.20	
General Capital Fund Balance Anticipated	C-1	1,700,000.00	1,700,000.00	
		<u>4,737,309.05</u>	<u>4,737,307.05</u>	<u>2.00</u>
		4,737,309.05	4,737,307.05	2.00
Decreased by:				
Settlements	C-2	4,534,512.09	4,534,512.09	
Transferred from Interfunds Receivable	C-7	166,649.76	166,649.76	
		<u>4,701,161.85</u>	<u>4,701,161.85</u>	
Balance, December 31, 2017	C	<u>\$ 36,147.20</u>	<u>\$ 36,145.20</u>	<u>\$ 2.00</u>

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

RESERVE FOR COST OF ISSUANCE
YEAR ENDED DECEMBER 31, 2017

C-13

	<u>Ref.</u>	
Balance, December 31, 2016	C	\$ 14,494.04
Decreased by:		
Adjustment	C-12	<u>2.00</u>
Balance, December 31, 2017	C	<u>\$ 14,492.04</u>

RESERVE FOR REPAYMENT
OF URBAN DEVELOPMENT ACTION GRANT
DECEMBER 31, 2017

C-14

	<u>Ref.</u>	
Balance, December 31, 2016	C	<u>\$ 26,955.51</u>
Balance, December 31, 2017	C	<u>\$ 26,955.51</u>

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

RESERVE FOR GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2017 AND 2016

C-15

Ordinance Number	Purpose	Balance December 31, 2016	Grants	Decreased	Balance December 31, 2017
<u>Federal Grants</u>					
County of Essex:					
Community Development Block Grants:					
16-10	Glenridge Avenue Streetscape Phase II & III		\$ 143,825.00	\$ 140,938.70	\$ 2,886.30
15-09	Orange Road West		155,650.00	155,650.00	
<u>State Grants</u>					
New Jersey Department of Transportation:					
15-09	Union Street Section 2	\$ 55,386.00		55,386.00	
15-09	Gates Avenue		226,094.00	114,717.00	111,377.00
17-13	Hillside Avenue		273,639.00		273,639.00
Department of Environmental Protection:					
Green Acres Program:					
11-20	Edgemont Pond	23,017.77			23,017.77
		<u>\$ 78,403.77</u>	<u>\$ 799,208.00</u>	<u>\$ 466,691.70</u>	<u>\$ 410,920.07</u>
	<u>Ref.</u>	C	C-4	Below	C
			Ref.		
	Applied to Deferred Charges to Future Taxation Unfunded		C-9	\$ 463,176.69	
	Canceled against Grants Receivable		C-4	3,515.01	
				<u>\$ 466,691.70</u>	

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

RESERVE FOR PAYMENT OF DEBT SERVICE
YEAR ENDED DECEMBER 31, 2017

C-16

	<u>Ref.</u>	
Balance, December 31, 2016	C	\$ 23,826.00
Increased by:		
Cash Received on Funded Authorizations	C-2	1,242,846.73
		<u>1,266,672.73</u>
Decreased by:		
Applied to Deferred Charges to Future Unfunded	C-9	49,554.00
		<u>49,554.00</u>
Balance, December 31, 2017	C	<u>\$ 1,217,118.73</u>
 <u>Analysis of Balance</u>		
General Improvements		\$ 1,976.39
School Improvements		<u>1,215,142.34</u>
		<u>\$ 1,217,118.73</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2017

C-17
Sheet # 1

Ordinance Number	Description	Date of Original Issue	Date of Maturity	Interest Rate	Balance December 31, 2016	Increase	Decrease	Balance December 31, 2017
	<u>General</u>							
02-11	Various Capital Improvements	12-15-11	11-02-18	2.50 %	\$ 95,775.00		\$ 95,775.00	
03-08	Various Capital Improvements	12-15-11	11-02-18	2.50	102,144.00		102,144.00	
04-49	Various Capital Improvements	12-15-11	11-02-18	2.50	117,957.00	\$ 67,893.00	117,957.00	\$ 67,893.00
10-12	Various Capital Improvements	11-07-14	11-02-18	2.50	40,264.00	37,948.00	40,264.00	37,948.00
10-13	Various Capital Improvements	11-07-14	11-02-18	2.50	499,286.00	472,549.00	499,286.00	472,549.00
10-70	Various Capital Improvements	12-15-11	11-02-18	2.50	179,013.00	168,397.00	179,013.00	168,397.00
11-18	Shade Tree Improvements	12-15-11	11-02-18	2.50	54,339.00	52,614.00	54,339.00	52,614.00
11-20	Various Capital Improvements	12-15-11	11-02-18	2.50	252,343.00	23,773.00	252,343.00	23,773.00
11-72	Tax Appeal Refunding	12-15-11	11-02-18	2.50	1,446,200.00	723,100.00	1,446,200.00	723,100.00
12-27	Pavement Restoration at South Park Plaza	12-14-12	11-02-18	2.50	44,736.00	42,104.00	44,736.00	42,104.00
12-26	Paving of South Mountain Avenue	11-07-14	11-02-18	2.50	507,000.00	500,582.00	507,000.00	500,582.00
12-31	Various Capital Improvements	12-14-12	11-02-18	2.50	193,041.00	180,923.00	193,041.00	180,923.00
		11-07-14	11-02-18	2.50	130,000.00	130,000.00	130,000.00	130,000.00
12-36	Various Capital Improvements	11-07-14	11-02-18	2.50	315,000.00	303,453.00	315,000.00	303,453.00
		11-05-15	11-02-18	2.50	105,000.00	105,000.00	105,000.00	105,000.00
		11-04-16	11-02-18	2.50	83,000.00	83,000.00	83,000.00	83,000.00
12-40	Acquisition of Vehicles	11-07-14	11-02-18	2.50	558,000.00	496,000.00	558,000.00	496,000.00
		11-04-16	11-02-18	2.50	15,200.00	15,200.00	15,200.00	15,200.00
12-41	Various Capital Improvements	11-05-15	11-02-18	2.50	640,000.00	605,811.00	640,000.00	605,811.00
12-42	Acquisition of Ambulance	11-07-14	11-02-18	2.50	143,000.00	127,111.00	143,000.00	127,111.00

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2017

C-17
Sheet # 2

Ordinance Number	Description	Date of Original Issue	Date of Maturity	Interest Rate	Balance December 31, 2016	Increase	Decrease	Balance December 31, 2017
<u>General</u>								
13-18	HVAC - Firehouse Server Room	11-07-14	11-02-18	2.50 %	\$ 33,000.00	\$ 31,777.00	\$ 33,000.00	\$ 31,777.00
		11-05-15	11-02-18	2.50	47,000.00	47,000.00	47,000.00	47,000.00
		11-04-16	11-02-18	2.50	17,700.00	17,700.00	17,700.00	17,700.00
13-20	Acquisition of Police Radio System	11-07-14	11-02-18	2.50	163,000.00	159,736.00	163,000.00	159,736.00
		11-05-15	11-02-18	2.50	760,000.00	760,000.00	760,000.00	760,000.00
		11-04-16	11-02-18	2.50	7,400.00	7,400.00	7,400.00	7,400.00
14-03 17-34	Improvements to Union and Park Streets/ Edgemont Park Improvements	11-05-15	11-02-18	2.50	346,000.00	26,000.00 320,000.00	346,000.00	26,000.00 320,000.00
14-04	Various Park Improvements	11-05-15	11-02-18	2.50	325,000.00	325,000.00	325,000.00	325,000.00
14-05/14-27	Various Road Improvements	11-05-15	11-02-18	2.50	3,325,000.00	3,325,000.00	3,325,000.00	3,325,000.00
		11-04-16	11-02-18	2.50	52,700.00	52,700.00	52,700.00	52,700.00
14-09	Acquisition of Vehicles	11-05-15	11-02-18	2.50	422,000.00	422,000.00	422,000.00	422,000.00
		11-04-16	11-02-18	2.50	7,200.00	7,200.00	7,200.00	7,200.00
14-25	Acquisition of Trucks	11-05-15	11-02-18	2.50	1,050,000.00	1,050,000.00	1,050,000.00	1,050,000.00
		11-04-16	11-02-18	2.50	40,000.00	40,000.00	40,000.00	40,000.00
14-26	Various Capital Improvements	11-05-15	11-02-18	2.50	360,000.00	360,000.00	360,000.00	360,000.00
		11-04-16	11-02-18	2.50	57,700.00	57,700.00	57,700.00	57,700.00
14-35	Multi-Use Field Improvements	11-04-16	11-02-18	2.50	250,000.00	250,000.00	250,000.00	250,000.00
15-09	Various Capital Improvements	11-05-15	11-02-18	2.50	1,800,000.00	1,800,000.00	1,800,000.00	1,800,000.00
		11-04-16	11-02-18	2.50	1,061,200.00	1,061,200.00	1,061,200.00	1,061,200.00
		11-03-17	11-02-18	2.50		345,050.00		345,050.00
07-06	Various Capital Improvements	11-04-16	11-02-18	2.50	138,352.00	138,352.00	138,352.00	138,352.00
08-43	Various Capital Improvements	11-04-16	11-02-18	2.50	23,934.00	23,934.00	23,934.00	23,934.00
08-44	Various Capital Improvements	11-04-16	11-02-18	2.50	152,695.00	152,695.00	152,695.00	152,695.00
09-11	Various Capital Improvements	11-04-16	11-02-18	2.50	20,221.00	20,221.00	20,221.00	20,221.00
14-36	Various Library Improvements	11-04-16	11-02-18	2.50	6,300.00	6,300.00	6,300.00	6,300.00
16-10	Various Capital Improvements	11-04-16	11-02-18	2.50	4,096,500.00	4,096,500.00	4,096,500.00	4,096,500.00
		11-03-17	11-02-18	2.50		1,004,950.00		1,004,950.00
17-13	Various Capital Improvements	11-03-17	11-02-18	2.50		3,000,000.00		3,000,000.00
					<u>20,084,200.00</u>	<u>23,043,873.00</u>	<u>20,084,200.00</u>	<u>23,043,873.00</u>

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2017

C-17
Sheet # 3

Ordinance Number	Description	Date of Original Issue	Date of Maturity	Interest Rate	Balance December 31, 2016	Increase	Decrease	Balance December 31, 2017
	<u>School</u>							
12-32	Various School Improvements	12-14-12	11-02-18	2.50 %	\$ 181,916.00		\$ 181,916.00	
		11-07-14	11-02-18	2.50	897,000.00	\$ 444,255.00	897,000.00	\$ 444,255.00
		11-04-16	11-02-18	2.50	244,681.00	244,681.00	244,681.00	244,681.00
6-30	Various School Improvements	11-07-14	11-02-18	2.50	388,000.00		388,000.00	
7-26	Various School Improvements	11-07-14	11-02-18	2.50	538,000.00		538,000.00	
08-14	Various School Improvements	11-07-14	11-02-18	2.50	81,000.00	77,984.00	81,000.00	77,984.00
09-20	Various School Improvements	11-07-14	11-02-18	2.50	82,000.00		82,000.00	
11-41	Various School Improvements	11-07-14	11-02-18	2.50	156,131.00	142,656.00	156,131.00	142,656.00
13-17	Various School Improvements	11-07-14	11-02-18	2.50	313,000.00	300,297.00	313,000.00	300,297.00
		11-04-16	11-02-18	2.50	660,345.00	660,345.00	660,345.00	660,345.00
15-24	Various School Improvements	11-04-16	11-02-18	2.50	1,312,927.00	1,312,927.00	1,312,927.00	1,312,927.00
		11-03-17	11-02-18	2.50		1,087,073.00		1,087,073.00
16-12	Various School Improvements	11-03-17	11-02-18	2.50		2,000,000.00		2,000,000.00
					4,855,000.00	6,270,218.00	4,855,000.00	6,270,218.00
					\$ 24,939,200.00	\$ 29,314,091.00	\$ 24,939,200.00	\$ 29,314,091.00
				<u>Ref.</u>	C	C-2	Below	C
					<u>Ref.</u>			
					C-2		\$ 23,060,200.00	
					C-9		1,842,854.80	
					C-12		36,145.20	
							\$ 24,939,200.00	

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

GREEN ACRES TRUST LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2017

C-18

Description	Amount of Original Issue	Maturities of Loan Outstanding December 31, 2017		Interest Rate	Balance December 31, 2016	Decrease	Balance December 31, 2017
		Date	Amount				
Project Youth Sports	\$ 250,000.00	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 %	\$ 133,896.02	\$ 12,932.22	\$ 120,963.80
Project Youth Sports II	250,000.00	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	*	160,256.36	12,820.52	147,435.84		
Project Youth Sports III	273,606.00	2018-2035	14,031.08	*			
				*	266,590.46	14,031.08	252,559.38
					\$ 560,742.84	\$ 39,783.82	\$ 520,959.02
					C	C-8	C

* Interest Free

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2017

C-19

Description	Original Issue		Loan Maturities Outstanding December 31, 2017		Interest Rate	Balance Dec. 31, 2016	Loan Payments	Loan Principal Savings Credits	Balance Dec. 31, 2017
	Date	Amount	Date	Amount					
Trust Share	10-14-04	\$ 435,000.00	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				
Fund Share	10-14-04	443,438.00	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	*				
					<u>\$ 412,402.49</u>	<u>\$ 48,390.21</u>	<u>\$ 11,368.32</u>	<u>\$ 352,643.96</u>	
					<u>Ref.</u>	C	C-8	C-8	C

* Interest Free

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

N.J. BUSINESS DISTRICT
LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2017

C-20

Description	Original Issue		Loan Maturities Outstanding December 31, 2017		Interest Rate	Balance Dec. 31, 2016	Decrease	Balance Dec. 31, 2017
	Date	Amount	Date	Amount				
Loan	12-31-12	\$ 490,000.00	12-31-14/27	\$ 32,666.67	* %	\$ 359,333.32	\$ 32,666.67	\$ 326,666.65
					<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, 2017

Purpose	Date of Issue	Issue Amount	Maturities of Bonds Outstanding Dec. 31, 2017		Interest Rate	Balance Dec. 31, 2016	Bonds Issued	Decrease	Balance Dec. 31, 2017
			Date	Amount					
School Improvements (Refunded)	5-15-08	\$ 14,600,000.00	5-15-18	\$ 900,000.00	5.00 %	\$ 1,550,000.00		\$ 650,000.00	\$ 900,000.00
School Improvements (Refunded)	6-08-10	9,662,000.00	6-01-18	400,000.00	3.00	1,650,000.00		360,000.00	1,290,000.00
			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			3.00	485,000.00		485,000.00	
School Improvements	3-01-11	21,660,000.00	3-01-18	940,000.00	3.00	17,665,000.00		13,690,000.00	3,975,000.00
			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				
School Improvements	3-01-13	22,000,000.00	3-01-18	1,260,000.00	5.00	18,855,000.00		1,190,000.00	17,665,000.00
			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

C-21
Sheet # 2

SERIAL BONDS - SCHOOL
YEAR ENDED DECEMBER 31, 2017

Purpose	Date of Issue	Issue Amount	Maturities of Bonds Outstanding Dec. 31, 2017		Interest Rate	Balance Dec. 31, 2016	Bonds Issued	Decrease	Balance Dec. 31, 2017			
			Date	Amount								
Refunding School	3-01-14	\$ 11,855,000.00	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							
										\$ 11,855,000.00	\$ 960,000.00	\$ 10,895,000.00
			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										
						14,700,000.00		14,700,000.00				
Refunding School	8-20-17	12,415,000.00				9-01-22	1,070,000.00	3.00				
			9-01-23	1,110,000.00	4.00							
			9-01-24	1,150,000.00	4.00							
			9-01-25	1,195,000.00	4.00							
			9-01-26	1,235,000.00	4.00							
			9-01-27	1,275,000.00	4.00							
			9-01-28	1,315,000.00	4.00							
			9-01-29	1,325,000.00	4.00							
			9-01-30	1,355,000.00	4.00							
			9-01-31	1,385,000.00	4.00							
							\$ 12,415,000.00					
				<u>\$ 66,760,000.00</u>		<u>\$ 12,415,000.00</u>	<u>\$ 17,335,000.00</u>	<u>\$ 61,840,000.00</u>				
				Ref.	C	C-8	C-8	C				

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND
 GENERAL SERIAL BONDS
YEAR ENDED DECEMBER 31, 2017

C-22
Sheet # 1

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2017		Interest Rate	Balance Dec. 31, 2016	Bonds Issued	Decrease	Balance Dec. 31, 2017
			Date	Amount					
General Improvements (Refunded)	9-01-08	\$ 8,252,000.00	9-01-18	\$ 750,000.00	3.75 %	\$ 1,500,000.00		\$ 750,000.00	\$ 750,000.00
General Improvements	3-01-11	18,519,000.00	3-01-18	1,425,000.00	3.00	12,994,000.00		6,814,000.00	6,180,000.00
			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				
Refunding Bonds	8-01-11	4,960,000.00				1,075,000.00		1,075,000.00	
Pension Refunding Bonds	10-01-12	2,780,000.00	4-01-18	345,000.00	2.371	1,915,000.00		320,000.00	1,595,000.00
			4-01-19	380,000.00	2.521				
			4-01-20	415,000.00	2.853				
			4-01-21	455,000.00	3.053				

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

GENERAL SERIAL BONDS
YEAR ENDED DECEMBER 31, 2017

C-22
Sheet # 2

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2017		Interest Rate	Balance Dec. 31, 2016	Bonds Issued	Decrease	Balance Dec. 31, 2017
			Date	Amount					
General Improvement	3-01-13	\$ 10,500,000.00	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	\$ 8,400,000.00	\$ 830,000.00	\$ 7,570,000.00	
General Improvement Refunding Bonds	3-01-14	14,960,000.00	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	635,000.00	14,325,000.00	
General Improvement Refunding Bonds	9-01-16	2,200,000.00	10-01-19/21	730,000.00	4.00	2,190,000.00			2,190,000.00
General Improvement Refunding Bonds	8-21-17	5,305,000.00	3-01-22	1,695,000.00	3.00				
			3-01-23	1,780,000.00	4.00				
			3-01-24	1,830,000.00	4.00		\$ 5,305,000.00	5,305,000.00	
						\$ 43,034,000.00	\$ 5,305,000.00	\$ 10,424,000.00	\$ 37,915,000.00
<u>Ref.</u>						C	C-8	C-8	C

TOWNSHIP OF MONTCLAIR
WATER UTILITY

CASH RECEIPTS AND DISBURSEMENTS - TREASURER
YEAR ENDED DECEMBER 31, 2017

D-5

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance, December 31, 2016	D	\$ 5,029,004.34	\$ 1,140,045.22
Increased by Receipts:			
Premium on Sales of Notes	D-2		\$ 52,479.00
Miscellaneous Revenue	D-3	\$ 212,277.16	
Collector	D-6	7,854,355.17	
Petty Cash Funds	D-8	150.00	
Interfunds Payable	D-22		1,580.56
Reserve For Amortization	D-23		16,689.87
Bond Anticipation Notes	D-25		4,055,508.00
		<u>8,066,782.33</u>	<u>4,126,257.43</u>
		13,095,786.67	5,266,302.65
Decreased by Disbursements:			
Anticipated Revenue - Current Fund	D-1	500,000.00	
Budget Appropriations	D-4	6,804,258.94	
Petty Cash Funds	D-8	150.00	
Interfunds Receivable	D-11	91,958.66	
Appropriation Reserves	D-15	610,806.32	
Accrued Interest on Bonds	D-16	225,222.21	
Accrued Interest on Notes	D-17	133,563.40	
Accrued Interest on Loans	D-18	34,450.80	
Water Overpayments	D-19	243.06	
Improvement Authorizations	D-20		43,545.00
Bond Anticipation Notes	D-25		4,137,536.00
		<u>8,400,653.39</u>	<u>4,181,081.00</u>
Balance, December 31, 2017	D	<u>\$ 4,695,133.28</u>	<u>\$ 1,085,221.65</u>

TOWNSHIP OF MONTCLAIR
WATER UTILITY

CASH RECEIPTS AND DISBURSEMENTS - COLLECTOR
YEAR ENDED DECEMBER 31, 2017

D-6

	<u>Ref.</u>	
Increased by:		
Consumer Accounts Receivable	D-12	\$ 7,816,642.62
Water Overpayments	D-19	<u>37,712.55</u>
		<u>7,854,355.17</u>
Decreased by:		
Turnovers to Treasurer	D-5	<u>7,854,355.17</u>
		<u><u>\$ -</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
WATER UTILITY

CHANGE FUNDS
YEAR ENDED DECEMBER 31, 2017

D-7

	<u>Ref.</u>	
Balance, December 31, 2016	D	\$ 200.00
Balance, December 31, 2017	D	\$ 200.00

PETTY CASH FUNDS
YEAR ENDED DECEMBER 31, 2017

D-8

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

TOWNSHIP OF MONTCLAIR
WATER UTILITY

ANALYSIS OF CAPITAL CASH
YEAR ENDED DECEMBER 31, 2017

D-9

	Balance Dec. 31, 2016	Receipts		Disbursements		Transfers		Balance Dec. 31, 2017
		Bond Anticipation Notes	Other	Improvement Authorizations	Other	From	To	
<u>Improvement Authorizations</u>								
General Improvements:								
#02-33	\$ (9,954.22)		\$ 10,179.87			\$ 225.65		
#10-73	(6,510.00)		6,510.00					
#11-74	1,402.86			\$ 1,206.16				\$ 196.70
#12-73	726.88			1,071.00				(344.12)
#14-20	5,482.73			41,267.84				(35,785.11)
#17-32						500,000.00		500,000.00
<u>Other Accounts</u>								
Fund Balance	522,932.59		52,479.00					575,411.59
Cash on Hand	80,630.24				\$ 82,028.00		\$ 227.65	(1,170.11)
Capital Improvement Fund	572,256.53						500,000.00	72,256.53
Loan Receivable	(29,947.60)							(29,947.60)
Water Operating Fund Interfund	3,025.21		1,580.56					4,605.77
General Capital Fund Interfund						2.00		(2.00)
	<u>\$ 1,140,045.22</u>	<u>\$ -</u>	<u>\$ 70,749.43</u>	<u>\$ 43,545.00</u>	<u>\$ 82,028.00</u>	<u>\$ 500,227.65</u>	<u>\$ 500,227.65</u>	<u>\$ 1,085,221.65</u>
<u>Ref.</u>	D							D

TOWNSHIP OF MONTCLAIR
WATER UTILITY

LOANS RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

D-10

	<u>Ref.</u>	
Balance, December 31, 2016	D	<u>\$ 29,947.60</u>
Balance, December 31, 2017	D	<u><u>\$ 29,947.60</u></u>
 <u>Analysis of Balance</u>		
N.J. Environmental Infrastructure		
Trust Loan:		
Ordinance #09-35		<u><u>\$ 29,947.60</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
WATER UTILITY

INTERFUNDS RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

D-11

	Ref.	Total Water Operating Fund	Water Operating Fund	
			Current Fund	Water Capital Fund
Balance, December 31, 2016	D	\$ 3,025.21		\$ 3,025.21
Increased by:				
Interest on Deposit	D-3	1,580.56		1,580.56
Advances	D-5	91,958.66	\$ 91,958.66	
		<u>93,539.22</u>	<u>91,958.66</u>	<u>1,580.56</u>
Balance, December 31, 2017	D	<u>\$ 96,564.43</u>	<u>\$ 91,958.66</u>	<u>\$ 4,605.77</u>

TOWNSHIP OF MONTCLAIR
WATER UTILITY

CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

D-12

	<u>Ref.</u>		
Balance, December 31, 2016	D		\$ 1,827,692.04
Increased by:			
Water Rents Levied - Net	Reserve		<u>6,550,143.19</u>
			8,377,835.23
Decreased by;			
Collections	D-6	\$ 7,816,642.62	
Overpayments Applied	D-19	<u>24,034.26</u>	
	D-3		<u>7,840,676.88</u>
Balance, December 31, 2017	D		<u><u>\$ 537,158.35</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
WATER UTILITY

FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2017

	<u>Ref.</u>	<u>D-13</u>
Balance, December 31, 2016	D	\$ 40,829,569.27
Increased by:		
Capital Outlay Expenditures	D-4, D-15	<u>513,334.00</u>
Balance, December 31, 2017	D	<u>\$ 41,342,903.27</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
WATER UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2017

D-14

Ordinance Number	Description	Balance Dec. 31, 2016	New Authorization	Balance Dec. 31, 2017
11-74	Various Water Utility Improvements	\$ 1,402.86		\$ 1,402.86
12-73	Various Water Utility Improvements	2,468.86		2,468.86
14-20	Various Water Utility Improvements	120,282.73		120,282.73
17-32	Various Water Utility Improvements		\$ 500,000.00	500,000.00
		<u>\$ 124,154.45</u>	<u>\$ 500,000.00</u>	<u>\$ 624,154.45</u>
	<u>Ref.</u>	D	D-21	D

TOWNSHIP OF MONTCLAIR
WATER UTILITY

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2017

D-15

	Balance Dec. 31, 2016		Balance After Transfers	Paid or Charged	Balance Lapsed
	Encumbered	Unencumbered			
<u>Operating</u>					
Salaries and Wages		\$ 57,986.14	\$ 57,986.14	\$ 30,874.82	\$ 27,111.32
Other Expenses	\$ 208,101.10	535,646.07	743,747.17	238,783.50	504,963.67
<u>Commercial</u>					
Salaries and Wages		399,123.29	399,123.29		399,123.29
Other Expenses		47,689.21	47,689.21		47,689.21
<u>Capital Improvements</u>					
Capital Outlay	387,975.46	43,066.15	431,041.61	341,148.00	89,893.61
	<u>\$ 596,076.56</u>	<u>\$ 1,083,510.86</u>	<u>\$ 1,679,587.42</u>	<u>\$ 610,806.32</u>	<u>\$ 1,068,781.10</u>
<u>Ref.</u>	D	D		D-5	D-1

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
WATER UTILITY

ACCRUED INTEREST ON BONDS
YEAR ENDED DECEMBER 31, 2017 D-16

	<u>Ref.</u>	
Balance, December 31, 2016	D	\$ 99,168.75
Increased by:		
Budget Appropriation	D-4	213,701.38
		312,870.13
Decreased by:		
Payments	D-5	225,222.21
		225,222.21
Balance, December 31, 2017	D	\$ 87,647.92

Analysis of Balance

<u>Principal Outstanding Dec. 31, 2017</u>	<u>Interest Rate</u>	<u>Accrued</u>		<u>Period</u>	<u>Amount</u>
		<u>From</u>	<u>To</u>		
\$ 250,000.00	3.75 %	9-01-17	12-31-17	4 Months	\$ 3,125.00
200,000.00	3.00	9-01-17	12-31-17	4 Months	2,000.00
100,000.00	3.125	9-01-17	12-31-17	4 Months	1,041.67
165,000.00	3.375	9-01-17	12-31-17	4 Months	1,856.25
505,000.00	4.00	7-01-17	12-31-17	6 Months	10,100.00
1,925,000.00	5.00	7-01-17	12-31-17	6 Months	48,125.00
2,140,000.00	4.00	10-01-17	12-31-17	3 Months	21,400.00
\$ 5,285,000.00					\$ 87,647.92

TOWNSHIP OF MONTCLAIR
WATER UTILITY

ACCRUED INTEREST ON NOTES
YEAR ENDED DECEMBER 31, 2017

D-17

	<u>Ref.</u>	
Balance, December 31, 2016	D	\$ 21,147.54
Increased by:		
Budget Appropriation	D-4	129,313.81
		<u>150,461.35</u>
Decreased by:		
Payments	D-5	133,563.40
		<u>133,563.40</u>
Balance, December 31, 2017	D	<u>\$ 16,897.95</u>

Analysis of Balance

Notes Outstanding Dec. 31, 2017	Interest Rate	<u>Accrued</u>		<u>Period</u>	<u>Amount</u>
		<u>From</u>	<u>To</u>		
<u>\$ 4,055,510.00</u>	2.50%	11-02-17	12-31-17	58 Days	\$ 16,110.93
				Amount to be Utilized in Succeeding Year's Budget	<u>787.02</u>
				Above \$	<u>16,897.95</u>

TOWNSHIP OF MONTCLAIR
WATER UTILITY

ACCRUED INTEREST ON LOANS
YEAR ENDED DECEMBER 31, 2017

D-18

	<u>Ref.</u>	
Balance, December 31, 2016	D	\$ 15,932.28
Increased by:		
Budget Appropriation	D-4	28,626.85
		44,559.13
Decreased by:		
Payments	D-5	34,450.80
		34,450.80
Balance, December 31, 2017	D	\$ 10,108.33

Analysis of Balance

Principal Outstanding Dec. 31, 2017	Interest Rate	Accrued		Period	Amount
		From	To		
\$ 95,000.00	5.00	8-01-17	12-31-17	5 Months	\$ 1,583.33
100,000.00	4.75	8-01-17	12-31-17	5 Months	1,583.33
255,000.00	5.00	8-01-17	12-31-17	5 Months	4,250.00
70,000.00	4.75	8-01-17	12-31-17	5 Months	1,108.33
10,000.00	5.00	8-01-17	12-31-17	5 Months	166.67
10,000.00	4.00	8-01-17	12-31-17	5 Months	133.33
10,000.00	3.00	8-01-17	12-31-17	5 Months	100.00
40,000.00	4.00	8-01-17	12-31-17	5 Months	533.33
10,000.00	3.50	8-01-17	12-31-17	5 Months	116.67
40,000.00	4.00	8-01-17	12-31-17	5 Months	533.33
\$ 650,000.00					\$ 10,108.33

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
WATER UTILITY

WATER OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2017

D-19

	<u>Ref.</u>		
Balance, December 31, 2016	D		\$ 24,277.32
Increased by:			
Collections	D-6		<u>37,712.55</u>
			61,989.87
Decreased by:			
Refunds	D-5	\$ 243.06	
Applied to Rents	D-12	<u>24,034.26</u>	
			<u>24,277.32</u>
Balance, December 31, 2017	D		<u><u>\$ 37,712.55</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
WATER UTILITY

WATER IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2017

D-20

<u>Improvement Description</u>	<u>Ordinance</u>			<u>Balance</u> <u>Dec. 31, 2016</u>		<u>2017</u> <u>Authorizations</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Dec. 31, 2017</u>		
	<u>Number</u>	<u>Date</u>	<u>Amount</u>	<u>Funded</u>	<u>Unfunded</u>			<u>Funded</u>	<u>Unfunded</u>	
Various Water System Improvements	11-74	11/01/11	\$ 715,000.00		\$ 1,402.86		\$ 1,206.16		\$ 196.70	
Various Water System Improvements	12-73	12/28/12	577,500.00		2,468.88		1,071.00		1,397.88	
Various Water System Improvements	14-20	6/17/14	1,350,000.00		120,282.73		41,267.84		79,014.89	
Various Water System Improvements	17-32	9/19/17	500,000.00			\$ 500,000.00		\$ 500,000.00		
					\$ -	\$ 500,000.00	\$ 43,545.00	\$ 500,000.00	\$ 80,609.47	
				<u>Reference</u>	D	D	D-14	D-5	D	D

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
WATER UTILITY

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2017

D-21

	<u>Ref.</u>	
Balance, December 31, 2016	D	\$ 572,256.53
Decreased by:		
Appropriated to Finance Improvement Authorizations	D-24	<u>500,000.00</u>
Balance, December 31, 2017	D	<u>\$ 72,256.53</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
WATER UTILITY

INTERFUNDS PAYABLE
YEAR ENDED DECEMBER 31, 2017

D-22

	Ref.	Total	Water Capital Fund	
			Water Operating Fund	General Capital Fund
Balance, December 31, 2016	D	\$ 3,025.21	\$ 3,025.21	
Increased by:				
Interest Earned	D-5	1,580.56	1,580.56	
		<u>1,580.56</u>	<u>1,580.56</u>	
		4,605.77	4,605.77	
Decreased by:				
Bond Anticipation Note Proceeds Due From Sewer Operating	D-25			\$ 2.00
		<u>2.00</u>		<u>2.00</u>
Balance, December 31, 2017	D	<u>\$ 4,603.77</u>	<u>\$ 4,605.77</u>	<u>\$ (2.00)</u>

TOWNSHIP OF MONTCLAIR
WATER UTILITY

RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2017

D-23

	<u>Ref.</u>		
Balance, December 31, 2016	D		\$ 27,885,361.33
Increased by:			
Budget Appropriation			
Deferred Charges	D-5	\$ 16,689.87	
Capital Outlay	D-13	513,334.00	
Paydown of Bond Anticipation Notes	D-25	1,205,000.00	
N.J. Environmental Infrastructure Trust			
Loan Paid by Operating Budget	D-26	253,016.43	
N.J. Environmental Infrastructure Trust			
Loan Principal Savings Credits	D-26	144,781.62	
Serial Bonds Paid	D-27	<u>725,000.00</u>	
			<u>2,857,821.92</u>
Balance, December 31, 2017	D		<u>\$ 30,743,183.25</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
WATER UTILITY

D-24

DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2017

<u>Ordinance Number</u>	<u>Description</u>	<u>Balance Dec. 31, 2016</u>	<u>Increase 2017 Authorizations</u>	<u>Balance Dec. 31, 2017</u>
11-74	Various Water Utility Improvements	\$ 1,402.86		\$ 1,402.86
12-73	Various Water Utility Improvements	2,468.88		2,468.88
14-20	Various Water Utility Improvements	67,500.00		67,500.00
17-32	Various Water Utility Improvements		\$ 500,000.00	500,000.00
		<u>\$ 71,371.74</u>	<u>\$ 500,000.00</u>	<u>\$ 571,371.74</u>
		<u>Ref.</u> D	D-21	D

TOWNSHIP OF MONTCLAIR
WATER UTILITY

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2017

D-25

Ordinance Number	Description	Date of Original Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2016	Increase	Decrease	Balance Dec. 31, 2017	
07-50	Various Water System Improvements	12-18-08	11-02-18	2.50%	\$ 364,208.00		\$ 364,208.00		
		03-13-09	11-02-18	2.50	376,644.00	\$ 36,205.00	376,644.00	\$ 36,205.00	
08-35	Various Water System Improvements	12-18-09	11-02-18	2.50	461,624.00		461,624.00		
		12-16-10	11-02-18	2.50	375,021.00	361,146.00	375,021.00	361,146.00	
09-69	Various Water System Improvements	03-11-10	11-02-18	2.50	235,202.00	192,810.00	235,202.00	192,810.00	
		03-10-11	11-02-18	2.50	238,905.00	238,905.00	238,905.00	238,905.00	
		11-07-14	11-02-18	2.50	208,000.00	208,000.00	208,000.00	208,000.00	
02-34	Various Water System Improvements	12-15-11	11-02-18	2.50	26,465.00		26,465.00		
		11-04-16	11-02-18	2.50	160,600.00	160,600.00	160,600.00	160,600.00	
10-73	Various Water System Improvements	12-15-11	11-02-18	2.50	475,640.00	466,886.00	475,640.00	466,886.00	
		11-07-14	11-02-18	2.50	39,000.00	39,000.00	39,000.00	39,000.00	
		11-05-15	11-02-18	2.50	39,000.00	39,000.00	39,000.00	39,000.00	
11-74	Various Water System Improvements	12-14-12	11-02-18	2.50	301,644.00	285,891.00	301,644.00	285,891.00	
		11-07-14	11-02-18	2.50	180,000.00	180,000.00	180,000.00	180,000.00	
		11-05-15	11-02-18	2.50	146,000.00	146,000.00	146,000.00	146,000.00	
12-73	Various Water System Improvements	11-07-14	11-02-18	2.50	403,000.00	395,140.00	403,000.00	395,140.00	
		11-05-15	11-02-18	2.50	121,000.00	121,000.00	121,000.00	121,000.00	
		11-04-16	11-02-18	2.50	22,883.00	22,883.00	22,883.00	22,883.00	
14-20	Various Water System Improvements	11-07-14	11-02-18	2.50	164,000.00	158,344.00	164,000.00	158,344.00	
		11-05-15	11-02-18	2.50	990,000.00	990,000.00	990,000.00	990,000.00	
		11-04-16	11-02-18	2.50	13,700.00	13,700.00	13,700.00	13,700.00	
					<u>\$ 5,342,536.00</u>	<u>\$ 4,055,510.00</u>	<u>\$ 5,342,536.00</u>	<u>\$ 4,055,510.00</u>	
					<u>Ref.</u>	D	D-5	Below	D
					<u>Ref.</u>				
Cash Receipts					D-5	\$ 4,055,508.00			
Interfund - General Capital Fund					D-22	2.00			
								<u>\$ 4,055,510.00</u>	
					<u>Ref.</u>				
Cash Disbursements					D-5	\$ 4,137,536.00			
Paid by Budget Appropriation					D-4,D-23	1,205,000.00			
								<u>\$ 5,342,536.00</u>	

TOWNSHIP OF MONTCLAIR
WATER UTILITY

N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2017

D-26

	<u>Original Issue</u>		<u>Balance</u>	<u>Loan</u>	<u>Loan Principal</u>	<u>Balance</u>
	<u>Date</u>	<u>Amount</u>	<u>December 31, 2016</u>	<u>Payments</u>	<u>Savings Credits</u>	<u>December 31, 2017</u>
Fund Share	11-04-99	\$ 1,245,000.00	\$ 34,574.30	\$ 29,138.05		\$ 5,436.25
Trust Share	11-08-01	660,000.00	240,000.00	45,000.00	\$ 56,332.74	138,667.26
Fund Share	11-08-01	706,820.00	182,086.44	37,490.77		144,595.67
Trust Share	11-07-02	915,000.00	380,000.00	55,000.00	82,448.88	242,551.12
Fund Share	11-07-02	962,135.00	293,666.14	48,371.03		245,295.11
Trust Share	3-10-10	180,000.00	140,000.00	10,000.00	6,000.00	124,000.00
Fund Share	3-10-10	550,993.00	321,751.79	28,016.58		293,735.21
			<u>\$ 1,592,078.67</u>	<u>\$ 253,016.43</u>	<u>\$ 144,781.62</u>	<u>\$ 1,194,280.62</u>
	Reference		D	D-23	D-23	D

TOWNSHIP OF MONTCLAIR
WATER UTILITY
 SERIAL BONDS
YEAR ENDED DECEMBER 31, 2017

D-27

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Bonds Outstanding Dec. 31, 2017</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2017</u>	
			<u>Date</u>	<u>Amount</u>					
Water Improvements	9-01-08	\$ 3,349,000.00	9-01-18	\$ 250,000.00	3.75 %	\$ 445,000.00	\$ 195,000.00	\$ 250,000.00	
Water Improvements	3-01-11	1,065,000.00	3-01-18/19	100,000.00	3.00				
			3-01-20	100,000.00	3.125				
			3-01-21	165,000.00	3.375	565,000.00	100,000.00	465,000.00	
Water Refunding	8-15-11	1,550,000.00				280,000.00	280,000.00		
	3-01-14	2,580,000.00	1-01-18	260,000.00	4.00				
			1-01-19	245,000.00	4.00				
			1-01-20	245,000.00	5.00				
			1-01-21	260,000.00	5.00				
			1-01-22/23	235,000.00	5.00				
			1-01-24/26	240,000.00	5.00				
			1-01-27	230,000.00	5.00	2,580,000.00	150,000.00	2,430,000.00	
Water Refunding	8-15-16	2,155,000.00	10-01-19/20	235,000.00	4.00				
			10-01-21/25	280,000.00	4.00				
			10-01-26	270,000.00	4.00	2,140,000.00		2,140,000.00	
						<u>\$ 6,010,000.00</u>	<u>\$ 725,000.00</u>	<u>\$ 5,285,000.00</u>	
						<u>Ref.</u>	D	D-23	D

TOWNSHIP OF MONTCLAIR
WATER UTILITY

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2017

D-28

Ordinance Number	Improvement Description	Balance December 31, 2016	Canceled	Balance December 31, 2017
02-33	Reconstruction of Pumping Station - Grove Street	\$ 9,954.22	\$ 9,954.22	
10-73	Various Water Improvements	6,510.00	6,510.00	
12-73	Various Water Improvements	1,742.00		\$ 1,742.00
14-20	Various Water Improvements	114,800.00		114,800.00
		<u>\$ 133,006.22</u>	<u>\$ 16,464.22</u>	<u>\$ 116,542.00</u>
<u>Ref.</u>	D		D-28	D

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

CASH RECEIPTS, DISBURSEMENTS
TREASURER
YEAR ENDED DECEMBER 31, 2017

E-5

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance, December 31, 2016	E	\$ 2,046,609.54	\$ 409,167.76
Increased by Receipts:			
Premium on Sales of Notes	E-2		\$ 16,069.00
Interest on Deposits	E-3	\$ 22,593.77	
Collector	E-6	5,792,650.50	
Interfunds Receivable	E-9	27,232.57	
Bond Anticipation Notes	E-23		<u>1,241,837.00</u>
		<u>5,842,476.84</u>	<u>1,257,906.00</u>
		7,889,086.38	1,667,073.76
Decreased by Disbursements:			
Budget Appropriations	E-4	6,047,606.60	
Appropriation Reserves	E-13	25,810.67	
Accrued Interest on Notes	E-17	51,286.60	
Accrued Interest on Loans	E-16	8,319.28	
Improvements Authorizations	E-18		166,853.55
Interfund Payable	E-15	15.00	27,232.57
Bond Anticipation Notes	E-23		<u>1,276,764.15</u>
		<u>6,133,038.15</u>	<u>1,470,850.27</u>
Balance, December 31, 2017	E	<u><u>\$ 1,756,048.23</u></u>	<u><u>\$ 196,223.49</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

CASH RECEIPTS AND DISBURSEMENTS - COLLECTOR
YEAR ENDED DECEMBER 31, 2017

E-6

	<u>Ref.</u>	
Increased by:		
Miscellaneous Revenue Not Anticipated	E-3	\$ 41,661.96
Sanitary Sewer Connection Reservoir Ridge	E-3	86,817.97
Consumer Accounts Receivable	E-10	5,630,622.52
Sewer Connection Fees	E-3	11,440.00
Sewer Overpayments	E-14	<u>22,108.05</u>
		5,792,650.50
Decreased by:		
Turnovers to Treasurer	E-5	<u>5,792,650.50</u>
		<u><u>\$ -</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

CHANGE FUNDS
YEAR ENDED DECEMBER 31, 2017

E-7

	<u>Ref.</u>	
Balance, December 31, 2016	E	<u>\$ 200.00</u>
Balance, December 31, 2017	E	<u><u>\$ 200.00</u></u>

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

ANALYSIS OF CAPITAL CASH
YEAR ENDED DECEMBER 31, 2017

E-8

	Balance Dec. 31, 2016	Receipts Other	Disbursements		Transfers		Balance Dec. 31, 2017
			Improvement Authorizations	Other	From	To	
<u>Improvement Authorizations</u>							
General Improvements:							
#09-17	\$ 5,300.00						\$ 5,300.00
#09-70	(10,322.50)					\$ 10,322.50	
#12-21	(8,675.71)					14,377.35	5,701.64
#14-19	67,669.37		\$ 166,853.55				(99,184.18)
#15-32	48,126.35						48,126.35
<u>Other Accounts</u>							
Fund Balance	99,709.75	\$ 16,069.00					115,778.75
Excess Bond Anticipation Notes	59,627.93	1,241,837.00		\$ 1,276,764.15	\$ 24,699.85		0.93
Capital Improvement Fund	120,500.00						120,500.00
Sewer Operating Fund Interfund	27,232.57			27,232.57			
	<u>\$ 409,167.76</u>	<u>\$ 1,257,906.00</u>	<u>\$ 166,853.55</u>	<u>\$ 1,303,996.72</u>	<u>\$ 24,699.85</u>	<u>\$ 24,699.85</u>	<u>\$ 196,223.49</u>
<u>Ref.</u>	E						E

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

INTERFUNDS RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

		<u>E-9</u>
	Ref.	<u>Sewer Operating Fund</u>
		<u>Sewer Capital</u>
Balance, December 31, 2016	E	\$ 27,232.57
Decreased by:		
Settlements	E-5	<u>27,232.57</u>
Balance, December 31, 2017		<u>\$ -</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

E-10

	<u>Ref.</u>		
Balance, December 31, 2016	E		\$ 597,275.34
Increased by:			
Sewer Charges Levied - Net	Reserve		5,921,117.56
			<u>6,518,392.90</u>
Decreased by:			
Collections	E-6	\$ 5,630,622.52	
Overpayments Applied	E-14	34,567.54	
	E-3	<u>5,665,190.06</u>	
Balance, December 31, 2017	E		<u><u>\$ 853,202.84</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2017

E-11

Balance, December 31, 2016	<u>Ref.</u> E	<u>\$ 5,098,801.56</u>
Balance, December 31, 2017	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, 2017

E-12

Ordinance Number	Description	Balance Dec. 31, 2016	2017 Authorizations	Balance Dec. 31, 2017
09-17	Various Sewer System Improvements	\$ 5,300.00		\$ 5,300.00
12-21	Various Sewer System Improvements	118,081.29		118,081.29
14-19	Various Sewer System Improvements	268,369.37		268,369.37
15-32	Various Sewer System Improvements	48,126.35		48,126.35
17-35	Various Sewer System Improvements	<u> </u>	<u>\$ 2,600,000.00</u>	<u>2,600,000.00</u>
		<u>\$ 439,877.01</u>	<u>\$ 2,600,000.00</u>	<u>\$ 3,039,877.01</u>

Ref. E E-18 E

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2017

E-13

	<u>Balance Dec. 31, 2016</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		\$ 135,169.31	\$ 135,169.31	\$ 11,101.91	\$ 124,067.40
Other Expenses	\$ 15,611	318,691.39	334,302.83	14,708.76	319,594.07
Passaic Valley Sewer Commission		6,363.28	6,363.28		6,363.28
Third River Sewer		165.64	165.64		165.64
Second River Sewer		9.56	9.56		9.56
	<u>\$ 15,611.44</u>	<u>\$ 460,399.18</u>	<u>\$ 476,010.62</u>	<u>\$ 25,810.67</u>	<u>\$ 450,199.95</u>
<u>Ref.</u>	E	E		E-5	E-1

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

E-14

SEWER OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2017

	<u>Ref.</u>	
Balance, December 31, 2016	E	\$ 34,288.70
Increased by:		
Collections	E-6	<u>22,108.05</u>
		56,396.75
Decreased by:		
Applied to Water Rents	E-10	<u>34,567.54</u>
Balance, December 31, 2017	E	<u><u>\$ 21,829.21</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

INTERFUNDS PAYABLE
YEAR ENDED DECEMBER 31, 2017

E-15

		<u>Sewer Operating Fund</u>	<u>Sewer Capital Fund</u>
	<u>Ref.</u>	<u>Current Fund</u>	<u>Sewer Operating Fund</u>
Balance, December 31, 2016	E	\$ 15.00	\$ 27,232.57
Decreased by:			
Settlements	E-5	<u>15.00</u>	<u>27,232.57</u>
Balance, December 31, 2017		<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

ACCRUED INTEREST ON LOANS
YEAR ENDED DECEMBER 31, 2017

E-16

	<u>Ref.</u>	
Balance, December 31, 2016	E	\$ 3,473.44
Increased by:		
Budget Appropriation	E-4	8,110.94
		11,584.38
Decreased by:		
Payments	E-5	8,319.28
		8,319.28
Balance, December 31, 2017	E	\$ 3,265.10

Analysis of Balance

	<u>Interest on Loans</u>	<u>Interest</u>	<u>Accrued</u>		<u>Period</u>	<u>Amount</u>
	<u>Due Feb. 1,</u>	<u>Rate</u>	<u>From</u>	<u>To</u>		
\$	110,000.00	5.00	8/1/2017	12/31/2017	5 months	\$ 2,291.67
	30,000.00	3.00	8/1/2017	12/31/2017	5 months	375.00
	15,000.00	3.125	8/1/2017	12/31/2017	5 months	195.31
	15,000.00	3.20	8/1/2017	12/31/2017	5 months	200.00
	15,000.00	3.25	8/1/2017	12/31/2017	5 months	203.13
						\$ 3,265.10

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

ACCRUED INTEREST ON NOTES
YEAR ENDED DECEMBER 31, 2017

E-17

	<u>Ref.</u>	
Balance, December 31, 2016	E	\$ 8,120.38
Increased by:		
Budget Appropriation	E-4	48,168.06
		56,288.44
Decreased by:		
Payments	E-5	51,286.60
		51,286.60
Balance, December 31, 2017	E	\$ 5,001.84

Analysis of Balance

<u>Notes Outstanding</u> <u>Dec. 31, 2017</u>	<u>Interest</u> <u>Rate</u>	<u>Accrued</u>		<u>Period</u>	<u>Amount</u>
		<u>From</u>	<u>To</u>		
\$ 1,241,837.00	2.50 %	11/2/2017	12/31/2017	58 Days	\$ 5,001.84

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
SEWER UTILITY

E-18

SEWER IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2017

<u>Improvement Description</u>	<u>Number</u>	<u>Ordinance</u>		<u>Balance</u> <u>Dec. 31, 2016</u>		<u>2017</u> <u>Authorizations</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Dec. 31, 2017</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		\$ 5,300.00				\$ 5,300.00
Various Sewer System Improvements	12-21	03-06-12	1,100,000.00		118,081.29			\$ 5,701.64	112,379.65
Various Sewer System Improvements	14-19	06-17-14	445,000.00		268,369.37		\$ 166,853.55		101,515.82
Various Sewer System Improvements	15-32	11-10-15	1,600,000.00	\$ 48,126.35				48,126.35	
Various Sewer System Improvements	17-35	10-24-17	2,600,000.00			\$ 2,600,000.00			2,600,000.00
				<u>\$ 48,126.35</u>	<u>\$ 391,750.66</u>	<u>\$ 2,600,000.00</u>	<u>\$ 166,853.55</u>	<u>\$ 53,827.99</u>	<u>\$ 2,819,195.47</u>
		<u>Reference</u>		E	E	E-13, E-24	E-5	E	E

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2017

E-19

	<u>Ref.</u>	
Balance, December 31, 2016	E	\$ 781,552.50
Decreased by:		
Loan Payments	E-22	<u>49,103.50</u>
Balance, December 31, 2017	E	<u>\$ 732,449.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2017

E-20

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	Balance Dec. 31, 2017
09-17	Various Sewer System Improvements	\$ 5,300.00	\$ 5,300.00
15-32	Various Sewer System Improvements	<u>48,126.35</u>	<u>48,126.35</u>
		<u>\$ 53,426.35</u>	<u>\$ 53,426.35</u>
	Ref.	E	E

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2017

E-21

	<u>Ref.</u>	
Balance, December 31, 2016	E	<u>\$ 120,500.00</u>
Balance, December 31, 2017	E	<u><u>\$ 120,500.00</u></u>

RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2017

E-22

	<u>Ref.</u>	
Balance, December 31, 2016	E	\$ 2,374,084.15
Increased by:		
Paydown of Bond Anticipation Notes	E-23	\$ 774,699.85
Payment of Loans	E-19	<u>49,103.50</u>
		<u>823,803.35</u>
Balance, December 31, 2017	E	<u><u>\$ 3,197,887.50</u></u>

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2017

E-23

Ordinance Number	Purpose	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2016	Increase	Decrease	Balance Dec. 31, 2017	
06-38, 07-44	Various Sewer System Improvements	12-21-06	11-03-17	11-02-18	2.50 %					
		12-18-08	11-03-17	11-02-18	2.50	\$ 272,875.00		\$ 272,875.00		
		12-18-09	11-03-17	11-02-18	2.50	45,842.00		45,842.00		
		12-16-10	11-03-17	11-02-18	2.50	538.00		538.00		
08-11	Various Sewer Improvements	3-13-09	11-03-17	11-02-18	2.50	463,662.00	\$ 76,816.00	463,662.00	\$ 76,816.00	
		11-07-14	11-03-17	11-02-18	2.50	78,000.00		78,000.00		
08-36	Repairs to Sewer Utility System	3-13-09	11-03-17	11-02-18	2.50	170,511.07	243,191.00	170,511.07	243,191.00	
		3-11-10	11-03-17	11-02-18	2.50	87,107.93		87,107.93		
09-17	Various Sewer Improvements	3-11-10	11-03-17	11-02-18	2.50	350,296.00	344,128.00	350,296.00	344,128.00	
09-70	Various Sewer Improvements	12-16-10	11-03-17	11-02-18	2.50	283,332.00	300,000.00	283,332.00	300,000.00	
		11-07-14	11-03-17	11-02-18	2.50	55,000.00	33,402.00	55,000.00	33,402.00	
14-19	Various Sewer Improvements	11-05-15	11-03-17	11-02-18	2.50	150,000.00	150,000.00	150,000.00	150,000.00	
		11-04-16	11-03-17	11-02-18	2.50	94,300.00	94,300.00	94,300.00	94,300.00	
						<u>\$ 2,051,464.00</u>	<u>\$ 1,241,837.00</u>	<u>\$ 2,051,464.00</u>	<u>\$ 1,241,837.00</u>	
						<u>Ref.</u>	E	E-5	Below	E
						<u>Ref.</u>				
						Budget Appropriations	E-22	\$ 750,000.00		
						Budget Appropriations	E-22	24,699.85		
						Cash	E-5	1,276,764.15		
						Above			<u>\$ 2,051,464.00</u>	

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2017

E-24

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	Increased	Decreased	Balance Dec. 31, 2017
09-70	Various Sewer System Improvements	\$ 10,322.50		\$ 10,322.50	
12-21	Various Sewer System Improvements	126,757.00		14,377.35	\$ 112,379.65
14-19	Various Sewer System Improvements	200,700.00			200,700.00
17-35	Various Sewer System Improvements		\$ 2,600,000.00		2,600,000.00
		<u>\$ 337,779.50</u>	<u>\$ 2,600,000.00</u>	<u>\$ 24,699.85</u>	<u>\$ 2,913,079.65</u>
<u>Ref.</u>		E	E-18	E-4	E

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

CASH RECEIPTS, DISBURSEMENTS AND RECONCILIATION -
TREASURER
YEAR ENDED DECEMBER 31, 2017

F-4

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance, December 31, 2016	F	\$ 2,247,460.47	\$ 891,781.42
Increased by Receipts:			
Interest on Deposits	F-2, F-14	\$ 2,863.61	\$ 1,245.20
Meter Fees	F-2	2,419,881.02	
Miscellaneous Revenue	F-2	288,489.35	
Permit Fees	F-2	<u>1,347,109.41</u>	
		4,058,343.39	1,245.20
		<u>6,305,803.86</u>	<u>893,026.62</u>
Increased by Disbursements:			
Anticipated Revenue - Current Fund	F-1	300,000.00	
Set Up Petty Cash Fund	F	150.00	
Budget Appropriations	F-3	2,472,230.20	
Appropriation Reserves	F-9	436,732.12	
Accrued Interest on Bonds	F-10	<u>587,091.26</u>	
		<u>3,796,203.58</u>	
Balance, December 31, 2017	F	<u><u>\$ 2,509,600.28</u></u>	<u><u>\$ 893,026.62</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

ANALYSIS OF CAPITAL CASH
DECEMBER 31, 2017 AND 2016

F-5

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
<u>Other Accounts</u>		
Capital Improvement Fund	\$ 305,000.00	\$ 305,000.00
Fund Balance	50,000.00	400,000.00
Improvement Authorization	535,000.00	185,000.00
Parking Utility Operating Fund Interfund	<u>3,026.62</u>	<u>1,781.42</u>
	<u>\$ 893,026.62</u>	<u>\$ 891,781.42</u>
<u>Ref.</u>	F-4	F-4

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

INTERFUNDS RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

F-6

	<u>Ref.</u>	<u>Parking Utility Operating Fund</u> <u>Parking Utility Capital Fund</u>
Balance, December 31, 2016	F	\$ 1,781.42
Increased by:		
Interest Earned	F-2	<u>1,245.20</u>
		.
Balance, December 31, 2017	F	<u><u>\$ 3,026.62</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

FIXED CAPITAL
DECEMBER 31, 2017

F-7

	Balance Dec. 31, 2016	Balance Dec. 31, 2017
Construction of Various Parking Decks	\$ 16,445,000.00	\$ 16,445,000.00
<u>Ref.</u>	F	F

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
DECEMBER 31, 2017

F-8

	<u>Ref.</u>	
Balance, December 31, 2016	F	\$ 185,000.00
Increased by:		
Improvement Authorization	F-15	350,000.00
Balance, December 31, 2017	F	\$ 535,000.00
<u>Improvement Description</u>	<u>Ordinance Number</u>	
Various Parking Improvements	12-16	\$ 185,000.00
Various Parking Improvements	17-33	350,000.00
		\$ 535,000.00

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2017

F-9

	Balance Dec. 31, 2016		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Committed</u>	<u>Reserved</u>			
<u>Operating</u>					
Salaries and Wages		\$ 1,293.88	\$ 1,293.88		\$ 1,293.88
Other Expenses	\$ 370,992.86	88,670.14	459,663.00	\$ 436,732.12	22,930.88
	<u>\$ 370,992.86</u>	<u>\$ 89,964.02</u>	<u>\$ 460,956.88</u>	<u>\$ 436,732.12</u>	<u>\$ 24,224.76</u>
<u>Ref.</u>	F	F		F-4	F-1

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

ACCRUED INTEREST ON BONDS
YEAR ENDED DECEMBER 31, 2017

F-10
Sheet # 1

	<u>Ref.</u>	
Balance, December 31, 2016	F	\$ 295,618.98
Increased by:		
Budget Appropriation	F-3	582,944.56
		878,563.54
Decreased by:		
Payments	F-4	587,091.26
		587,091.26
Balance, December 31, 2017	F	\$ 291,472.28

Analysis of Balance

Bonds Outstanding	Interest Rate	<u>Accrued</u>		Period	Amount
		<u>From</u>	<u>To</u>		
\$ 375,000.00	3.000%	7/1/2017	12/31/2017	6 Months	\$ 5,625.00
795,000.00	4.000%	7/1/2017	12/31/2017		15,900.00
3,445,000.00	5.000%	7/1/2017	12/31/2017		86,125.00
585,000.00	3.375%	7/1/2017	12/31/2017		9,871.88
610,000.00	3.500%	7/1/2017	12/31/2017		10,675.00
1,280,000.00	3.625%	7/1/2017	12/31/2017		23,200.00
1,375,000.00	3.750%	7/1/2017	12/31/2017		25,781.25
3,165,000.00	5.000%	7/1/2017	12/31/2017		79,125.00
11,630,000.00					256,303.13

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

ACCRUED INTEREST ON BONDS
YEAR ENDED DECEMBER 31, 2017

F-10
Sheet # 2

Bonds Outstanding Dec. 31, 2017	Interest Rate	Accrued		Period	Amount
		From	To		
\$ 65,000.00	2.190%	7/1/2017	12/31/2017	6 Months	\$ 711.75
65,000.00	2.490%	7/1/2017	12/31/2017		809.25
65,000.00	2.860%	7/1/2017	12/31/2017		929.50
65,000.00	3.110%	7/1/2017	12/31/2017		1,010.75
70,000.00	3.324%	7/1/2017	12/31/2017		1,163.40
65,000.00	3.524%	7/1/2017	12/31/2017		1,145.30
70,000.00	3.674%	7/1/2017	12/31/2017		1,285.90
410,000.00	4.324%	7/1/2017	12/31/2017		8,864.20
845,000.00	4.556%	7/1/2017	12/31/2017		19,249.10
<u>1,720,000.00</u>					<u>35,169.15</u>
<u>\$ 13,350,000.00</u>					<u>\$ 291,472.28</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2017

F-11

	<u>Ref.</u>	
Balance, December 31, 2016	F	\$ 2,665,000.00
Increased by:		
Serial Bonds Paid by Operating Budget:		
Current Year	F-16	<u>430,000.00</u>
Balance, December 31, 2017	F	<u>\$ 3,095,000.00</u>

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2017

F-12

	<u>Ref.</u>	
Balance, December 31, 2016 and 2017	F	<u>\$ 305,000.00</u>

DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2017

F-13

	<u>Ref.</u>	
Balance, December 31, 2016	F	\$ 185,000.00
Increased by:		
Improvement Authorization No. 17-33	F-1A	<u>350,000.00</u>
Balance, December 31, 2017	F	<u>\$ 535,000.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

INTERFUNDS PAYABLE
DECEMBER 31, 2017

F-14

		<u>Parking Utility Operating Fund</u>	<u>Parking Utility Capital Fund</u>
<u>Ref.</u>		<u>Current Fund</u>	<u>Parking Utility Operating Fund</u>
Balance, December 31, 2016	F	\$ 405.00	\$ 1,781.42
Increased by:			
Interest Earned	F-4	<u> </u>	<u>1,245.20</u>
Balance, December 31, 2017	F	<u>\$ 405.00</u>	<u>\$ 3,026.62</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2017

F-15

<u>Improvement Description</u>	<u>Ordinance</u>			<u>Balance</u> <u>Dec. 31, 2016</u>	<u>2017</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
	<u>Number</u>	<u>Date</u>	<u>Amount</u>	<u>Funded</u>	<u>Authorizations</u>	<u>Funded</u>
Various Parking Improvements	16-12	6-15-16	\$ 185,000.00	\$ 185,000.00		\$ 185,000.00
Various Parking Improvements	17-33	9-19-17	350,000.00		\$ 350,000.00	350,000.00
				<u>\$ 185,000.00</u>	<u>\$ 350,000.00</u>	<u>\$ 535,000.00</u>
		<u>Reference</u>		E	F-8, F-13	F

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

SERIAL BONDS
YEAR ENDED DECEMBER 31, 2017

F-16
Sheet # 1

Purpose	Date of Issue	Amount of Original Issue	Bonds Outstanding Dec. 31, 2017		Interest Rate	Balance	Decrease	Balance
			Date	Amount		Dec. 31, 2016		Dec. 31, 2017
Refunding	7-1-14	\$ 12,030,000.00	1-01-18	\$ 375,000.00	3.000 %			
			1-01-19	390,000.00	4.000			
			1-01-20	405,000.00	4.000			
			1-01-21	425,000.00	5.000			
			1-01-22	445,000.00	5.000			
			1-01-23	465,000.00	5.000			
			1-01-24	495,000.00	5.000			
			1-01-25	515,000.00	5.000			
			1-01-26	535,000.00	5.000			
			1-01-27	565,000.00	5.000			
			1-01-28	585,000.00	3.375			
			1-01-29	610,000.00	3.500			
			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	5.000			
			1-01-35	770,000.00	5.000			
			1-01-36	805,000.00	5.000			
			1-01-37	855,000.00	5.000			
						\$ 12,000,000.00	\$ 370,000.00	\$ 11,630,000.00

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

SERIAL BONDS
YEAR ENDED DECEMBER 31, 2017

F-16
Sheet # 2

Purpose	Date of Issue	Amount of Original Issue	Bonds Outstanding Dec. 31, 2017		Interest Rate	Balance Dec. 31, 2016	Decrease	Balance Dec. 31, 2017
			Date	Amount				
Refunding	7-1-14	\$ 1,820,000.00	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			
						\$ 1,780,000.00	\$ 60,000.00	\$ 1,720,000.00
						\$ 13,780,000.00	\$ 430,000.00	\$ 13,350,000.00
					<u>Ref.</u>	F	F-11	F

PART II
REPORT ON INTERNAL CONTROL AND
OTHER MATTERS
SINGLE AUDIT ATTACHMENTS
AND
ROSTER OF OFFICIALS
COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2017

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, 2017, 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 22, 2018, 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

Cranford, New Jersey
June 22, 2018

David J. Gannon

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



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, 2017. 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, 2017.

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

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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.

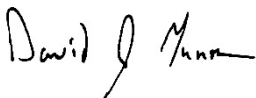
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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

Cranford, New Jersey
June 22, 2018



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

TOWNSHIP OF MONTCLAIR

SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2017

SCHEDULE A

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State Program Code	Pass Through Entity Identifying Number	Pass Through to Sub-recipients	Grant Period		Total Award	Cash Receipts	Current Year Expenditures	Cumulative Expenditures
					From	To				
U.S. Department of Housing and Urban Development:										
Passed -Through County of Essex										
Housing and Urban Development:										
Community Development Block Grant:										
Program Year 2017	14.218	Not available			7-01-17	Completion	\$ 254,800.00			
Program Year 2016 and 2015	14.218	Not available			7-01-15	Completion	435,475.00		\$ 429,072.70	\$ 429,072.70
Direct Program										
Housing Choice Voucher Program	14.871				1-01-17	12-31-17	3,640,632.91	\$ 3,604,652.18	3,054,803.00	6,284,286.37
U.S. Department of Justice:										
Pass Through New Jersey Department of										
Law and Public Safety:										
Bulletproof Vest Program	16.607	Not available			1-01-17	12-31-17	9,592.97	7,200.00	7,834.14	7,834.14
Bulletproof Vest Program	16.607	Not available			1-01-17	12-31-17	13,888.00		7,200.00	7,200.00
Mobile Food Stand	10.170	Not available			1-01-17	12-31-17	22,831.00		265.00	23,096.00
Eat Healthy Grant	10.170	Not available			1-01-17	12-31-17	10,000.00	10,000.00	1,680.08	1,680.08
Eat Healthy Grant	10.170	Not available			1-01-17	12-31-17	3,306.83		3,306.83	3,306.83
U.S. Department of Transportation:										
Pass Through New Jersey Department of										
Transportation - Highway Safety:										
Click It or Ticket	20.602	31000			1-01-17	12-31-17	5,500.00	5,500.00	5,500.00	5,500.00
Pedestrian Safety Grant	20.600	30590			1-01-17	12-31-17	3,001.50	1,600.00	1,600.00	1,600.00
Pedestrian Safety Grant	20.600	30590			1-01-16	12-31-17	5,291.00	1,000.00	1,000.00	1,000.00
Drive Sober or Get Pulled Over	20.616	31020			1-01-17	12-31-17	10,500.00	5,500.00	5,500.00	5,500.00
Total Federal Financial Assistance							<u>\$ 3,672,635.29</u>	<u>\$ 3,517,761.75</u>	<u>\$ 6,842,590.31</u>	

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

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

Submission Type: Single Audit

Fiscal Year Ended December 31, 2017

	14.871 Housing Choice Vouchers	Total
111 Cash - Unrestricted	\$ 355,301	\$ 355,301
113 Cash - Other Restricted	\$ -	\$ -
100 Total Cash	\$ 355,301	\$ 355,301
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$ 0	\$ 0
150 Total Current Assets	\$ 355,301	\$ 355,301
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	\$ 355,301	\$ 355,301
312 Accounts Payable <= 90 Days	\$ 4,053	\$ 4,053
342 Unearned Revenue		\$ -
310 Total Current Liabilities	\$ 4,053	\$ 4,053
350 Total Non-Current Liabilities	\$ 0	\$ 0
300 Total Liabilities	\$ 4,053	\$ 4,053
511.4 Restricted Net Position	\$ 110,302	\$ 110,302
512.4 Unrestricted Net Position	\$ 240,946	\$ 240,946
513 Total Equity - Net Assets / Position	\$ 351,248	\$ 351,248
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$ 355,301	\$ 355,301

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

Fiscal Year End December 31, 2017

	14.871 Housing Choice Vouchers	Total
70500 Total Tenant Revenue	\$ 0	\$ 0
70600 HUD PHA Operating Grants	\$ 2,760,673.00	\$ 2,760,673.00
71100 Investment Income - Unrestricted	\$ 394.00	\$ 430.00
71400 Fraud Recovery	\$ 10,101.00	\$ 10,101.00
71500 Other Revenue	\$ 252,561.00	\$ 270,888.00
72000 Investment Income - Restricted	\$ 3,512.00	\$ 703.00
70000 Total Revenue	\$ 3,027,241.00	\$ 3,042,795.00
91100 Administrative Salaries	\$ 177,941.00	\$ 177,941.00
91200 Auditing Fees	\$ 4,750.00	
91300 Management Fee	\$ -	
91310 Book-keeping Fee	\$ -	
91400 Advertising and Marketing	\$ -	
91500 Employee Benefit contributions - Administrative	\$ 103,574.00	\$ 103,574.00
91600 Office Expenses	\$ -	\$ -
91700 Legal Expense		
91800 Travel	\$ 1,077.00	
91810 Allocated Overhead		
91900 Other	\$ 49,902.00	\$ 49,902.00
91000 Total Operating - Administrative	\$ 337,244.00	\$ 331,417.00
92000 Asset Management Fee		
92100 Tenant Services - Salaries		
92200 Relocation Costs		
92300 Employee Benefit Contributions - Tenant Services		
92400 Tenant Services - Other		
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	\$ 337,244.00	\$ 331,417.00
97000 Excess of Operating Revenue over Operating Expenses	\$ 2,689,997.00	\$ 2,711,378.00
97100 Extraordinary Maintenance		
97200 Casualty Losses - Non-capitalized		
97300 Housing Assistance Payments	\$ 2,498,585.00	\$ 2,498,585.00
97350 HAP Portability-In	\$ 218,974.00	\$ 218,974.00
90000 Total Expenses	\$ 3,054,803.00	\$ 3,048,976.00
10100 Total Other financing Sources (Uses)	\$ 0	\$ 0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$ (27,562.00)	\$ (6,181.00)
11020 Required Annual Debt Principal Payments	\$ 0	\$ 0
11030 Beginning Equity	\$ 378,810.00	\$ 378,810.00
11170 Administrative Fee Equity	\$ 240,946.00	\$ 240,946.00
11180 Housing Assistance Payments Equity	\$ 110,304.00	\$ 110,304.00
11190 Unit Months Available	\$ 3,852.00	\$ 3,852.00
11210 Number of Unit Months Leased	\$ 3,209.00	\$ 3,209.00

TOWNSHIP OF MONTCLAIR
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2017

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, 2017

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, 2017

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, 2017

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, 2017

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, 2017:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
<u>Township Council</u>		
Robert D. Jackson	Mayor	\$
Robin Schlager	Deputy Mayor	
Robert J. Russo	Councilor	
Rich McMahon	Councilor	
William L. Hurlock, Esq	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,	*1,000,000
Christopher Macaluso	Comptroller	*1,000,000
Linda S. Wanat	Municipal Clerk	
Lidia Leszcynski	Collector of Taxes, Water Rents And Sewer Charges	*1,000,000
Tracy A. Ottey	Supervisor of Water Administration	*1,000,000
George F. Librizzi	Tax Assessor	*1,000,000
Anthony J. Frasca	Acting Chief Judge	*1,000,000
Donna Bennion	Court Administrator	*1,000,000
Ira Karasick	Township Attorney	

* 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 \$5,466.28 are summarized as follows:

<u>Year</u>	<u>Amount</u>
2016	\$ 5,466.28

A tax sale was held on October 25, 2017 and was complete, except for one property which is in bankruptcy for the 2016 year.

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>
2017	7
2016	6
2015	7

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 2017-1

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.

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:	2006	06-78	176.99
	2007	07-19	257,671.71
	2009	09-52b	100,611.00
	2010	10-12	11,088.00
	2010	10-70	48,944.26
	2011	11-18	5,867.60
	2012	12-31	295.31
	2012	12-36	96,110.37
	2012	12-40	11,050.00
	2012	12-41	29,992.25
	2012	12-42	93.36
	2013	13-18	4,193.44
	Water Capital Fund:	2012	12-73

Efforts should be continued to finance these ordinances.

Parking Utility Operations

Findings 2017-2

Although new procedures and internal controls have been put in place by the Township over the meter and permit revenue collection process, controls over the safeguarding and accounting for meter and permit collection revenue can continued to be improved.

It is recommended that –

The Township should continue to review its process and the internal controls in place over the meter and permit revenue collection process to ensure that adequate controls over safe guarding of assets and segregation of duties is adequate.

Service Organization Controls (SOC Reports)

The Township is required to obtain from vendors who receive or disburse funds on behalf of the Township a SOC report. 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 Propark America to collect parking fees from the Crescent Parking Deck. The Propark America would not provide the Township with a SOC II report. In 2018, the Township hired a new company to provide these services and this company will provide a SOC II report when required.

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

A statutory report on the operations of the Municipal Court was prepared as part of our examination and copies were filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the Township Clerk.

A separate report on the operations of the Uniform Construction Code office was also prepared and filed with the New Jersey 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.

Miscellaneous Continued

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 2017.

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.

The Township should continue to review its process and the internal controls in place over the meter and permit revenue collection process to ensure that adequate controls over safe guarding of assets and segregation of duties is adequate

- * 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

Cranford, New Jersey
June 22, 2018

David J. Gannon

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