



Montclair

TOWNSHIP OF MONTCLAIR
ESSEX COUNTY, NEW JERSEY
REPORT OF AUDIT
YEARS ENDED DECEMBER 31, 2018 AND 2017

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PART I
REPORT ON EXAMINATION
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

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 the governmental fixed assets of the Township of Montclair, County of Essex, New Jersey (the "Township") which comprise the balance sheets as of and for the years ended December 31, 2018 and 2017, and the related statements of operations and changes in fund balance for the years then ended, the statements of changes in fund balance, the statements of revenues and statements of expenditures for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Township 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 reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), as described in Note 1. 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 error or fraud.

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 General of the United States and the audit 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 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 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 comprehensive 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 matters discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial positions of the Township of Montclair, County of Essex, New Jersey, as of December 31, 2018 and 2017, the changes in its financial position, and, where applicable, its cash flows 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 the governmental fixed assets of the Township of Montclair, County of Essex, New Jersey as of December 31, 2018 and 2017 and the respective results of operations and changes in fund balance for the years then ended, the statements of changes in fund balance, the statements of revenues and statements of expenditures for the year ended December 31, 2018 and the related notes to the financial statements in accordance with the financial reporting provisions of the Division, as described in Note 1 to the financial statements.

Report on Supplementary Information 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 information included in Part II – Fund Financial Statements and Supplementary Data (collectively, the "Supplementary Information"), as listed 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 regulatory-basis financial statements of the Township. Such information has been subjected to 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 taken as a whole.

Report on Supplementary Information as Required by the Uniform Guidance and NJOMB Circular 15-08

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 and state financial assistance as required by the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award (Uniform Guidance)*; and the schedule of expenditures of state financial assistance as required by New Jersey OMB's Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and related notes to the schedules of federal awards and state financial assistance are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, the schedule of expenditures of state financial assistance and related notes are the responsibility of management and were 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 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 schedule of expenditures of federal awards, the schedule of expenditures of state financial assistance and related notes are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated August 23, 2019 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 the 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
August 23, 2019

David J. Gannon

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

TOWNSHIP OF MONTCLAIR
CURRENT FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2018 AND 2017

A
Sheet # 1

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Regular Fund</u>			
Current Assets:			
Cash - Checking	A-4	\$ 32,508,481.09	\$ 60,257,879.06
Change Funds	A-6	855.00	855.00
		32,509,336.09	60,258,734.06
Due from State of New Jersey: (Ch. 129, P.L. 1976)	A-8	178.32	5,678.32
		32,509,514.41	60,264,412.38
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes			
Receivable	A-9	2,757,419.92	2,184,852.44
Tax Title Liens	A-10	217,475.05	189,381.10
Property Acquired for Taxes - Assessed Valuation			
Assessed Valuation	A-11	317,900.00	317,900.00
Other Liens Receivable	A-12	7,500.00	7,500.00
Other Accounts Receivable	A-13	116,656.31	138,157.38
Revenue Accounts Receivable	A-14	166,613.66	147,263.61
Interfunds Receivable	A-16	283,657.94	113,373.37
		3,867,222.88	3,098,427.90
Deferred Charges:			
Special Emergency Authorizations (40A:4-53)	A-18	600,000.00	800,000.00
		36,976,737.29	64,162,840.28
<u>Federal and State Grant Fund</u>			
Grants Receivable	A-15	585,897.10	661,624.31
Interfunds Receivable	A-17	403,468.56	1,008,329.86
		989,365.66	1,669,954.17
		\$ 37,966,102.95	\$ 65,832,794.45

TOWNSHIP OF MONTCLAIR
CURRENT FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2018 AND 2017

A
Sheet # 2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Regular Fund</u>			
Appropriated Reserves:			
Encumbered	A-3, A-19	\$ 1,031,213.44	\$ 1,677,816.13
Unencumbered	A-3, A-19	3,654,953.27	5,455,432.98
Due to State of New Jersey	A-20	19,909.00	20,545.00
Reserve for Revaluation	A-21	44,325.40	273,948.00
Accounts Payable	A-22	128,834.60	1,065,873.20
Interfunds Payable	A-25	403,468.56	2,053,169.14
Payment in Lieu of Taxes - Overpayments	A-23	43,333.23	11,156.92
Tax Overpayments	A-24	1,171,673.62	958,222.63
Special Improvement District Taxes Payable	A-28	2,601.06	
County Taxes Payable	A-26	102,044.58	157,643.42
School Taxes Payable	A-27	9,215,790.00	7,563,425.00
Special Emergency Note Payable	A-29	600,000.00	800,000.00
Prepaid Taxes	A-30	1,006,438.12	28,216,068.00
Prepaid PILOTS	A-30	21,886.09	
Accumulated Revenue Unappropriated	A-33	539,193.61	751,769.14
		<hr style="width: 100%; border: 0.5px solid black;"/>	<hr style="width: 100%; border: 0.5px solid black;"/>
		17,985,664.58	49,005,069.56
Reserve for Receivables	Reserve	3,867,222.88	3,098,427.90
Fund Balance	A-1	15,123,849.83	12,059,342.82
		<hr style="width: 100%; border: 0.5px solid black;"/>	<hr style="width: 100%; border: 0.5px solid black;"/>
		36,976,737.29	64,162,840.28
 <u>Federal and State Grant Fund</u>			
Due to Essex County	A-31	86,975.50	86,975.50
Appropriated Reserves for Federal and State Grants	A-32	607,713.86	1,516,686.29
Reserve for Encumbrances	A-32	283,009.30	
Accumulated Revenue Unappropriated	A-33	11,667.00	66,292.38
		<hr style="width: 100%; border: 0.5px solid black;"/>	<hr style="width: 100%; border: 0.5px solid black;"/>
		989,365.66	1,669,954.17
		<hr style="width: 100%; border: 0.5px solid black;"/>	<hr style="width: 100%; border: 0.5px solid black;"/>
		\$ 37,966,102.95	\$ 65,832,794.45

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, 2018 AND 2017

A-1

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 4,750,000.00	\$ 3,935,000.00
Miscellaneous Revenue Anticipated	A-2	17,335,065.08	16,341,544.00
Receipts from Delinquent Taxes	A-2c	2,151,501.00	2,170,388.74
Receipts from Current Taxes	A-2c	215,969,003.92	213,143,079.44
Nonbudget Revenue	A-2d	912,209.47	435,597.65
Other Credits to Income:			
Cancellation of Reserve for Revaluation	A-21	63,492.00	
Special Deposits Canceled	A-25	339,680.50	
Other Accounts Receivable Liquidated	A-13	21,743.58	12,542.17
Unexpended Balance of Appropriation			
Reserves	A-19	4,348,316.86	2,375,893.41
Accounts Payable Canceled	A-22	189,239.13	
Cancellation of Grant Balances, Net	A-25	170,836.23	50,487.61
Total Income		<u>246,251,087.77</u>	<u>238,464,533.02</u>
<u>Expenditures</u>			
Budget Appropriations	A-3	84,618,440.62	82,816,093.77
Refund of Prior Year Revenue			14,769.80
State Tax Court Judgments			425,374.00
County Taxes	A-26	37,057,875.51	36,916,617.00
Local School District Tax	A-27	115,941,279.00	112,636,548.00
Special Improvement District Tax	A-28	569,901.06	562,300.03
Tax Sale Premium Forfeiture Realized Twice	A-25	78,800.00	
Interfund Charges	A-16	170,284.57	36,130.20
Other			
Total Expenditures		<u>238,436,580.76</u>	<u>233,407,832.80</u>
Excess Revenue		7,814,507.01	5,056,700.22
<u>Fund Balance</u>			
Balance, Beginning of Year	A	<u>12,059,342.82</u>	<u>10,937,642.60</u>
		19,873,849.83	15,994,342.82
Decreased by:			
Utilized as Anticipated Revenue	A-1, A-2	<u>4,750,000.00</u>	<u>3,935,000.00</u>
Balance, End of Year	A	<u>\$ 15,123,849.83</u>	<u>\$ 12,059,342.82</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

STATEMENT OF REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

A-2

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	\$ 4,750,000.00	\$ 4,750,000.00	
Miscellaneous Revenue	A-1, 2a	16,411,935.23	17,335,065.08	\$ 923,129.85
Receipts from Delinquent Taxes	A-1, 2c	<u>1,800,000.00</u>	<u>2,151,501.00</u>	<u>351,501.00</u>
Sub-Total General Revenue		<u>22,961,935.23</u>	<u>24,236,566.08</u>	<u>1,274,630.85</u>
Amounts to be Raised by Taxation:				
Local Tax for Municipal Purposes	A-9	55,095,563.11		
Minimum Library Tax	A-9	2,436,052.50		
Addition to Local District School Tax	A-9	<u>7,352,893.50</u>		
	A-2c	<u>64,884,509.11</u>	<u>65,587,948.36</u>	<u>703,439.25</u>
Total General Revenue	A-3	87,846,444.34	89,824,514.44	1,978,070.10
Nonbudget Revenue	A-2d		<u>912,209.47</u>	<u>912,209.47</u>
		<u>\$ 87,846,444.34</u>	<u>\$ 90,736,723.91</u>	<u>\$ 2,890,279.57</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, 2018

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-14	\$ 49,000.00	\$ 57,750.00	\$ 8,750.00
Other Licenses	A-2b	145,000.00	146,195.00	1,195.00
Fees and Permits	A-2b	900,000.00	799,068.62	(100,931.38)
Registration/Summons Fees for Foreclosed Properties	A-2b	350,000.00	182,500.00	(167,500.00)
Fines and Costs:				
Municipal Court	A-14	1,850,895.00	2,248,612.70	397,717.70
Interest and Cost on Taxes	A-14	620,000.00	598,287.69	(21,712.31)
Interest on Investments and Deposits	A-14	230,000.00	654,870.64	424,870.64
Consolidated Municipal Property Tax Relief Aid	A-14	143,181.00	143,181.00	
Energy Receipts Tax	A-14	2,823,885.00	2,823,885.00	
Uniform Construction Code Fees	A-14	850,000.00	1,040,465.00	190,465.00
Additional Uniform Construction Code Fees	A-14	77,000.00	77,000.00	
Interlocal Government Services:				
Health Services	A-14	100,000.00	141,140.00	41,140.00
Fire Services - Glen Ridge	A-14	718,000.00	768,645.00	50,645.00
Health Services - Nutley	A-14	50,000.00	41,920.00	(8,080.00)
Animal Control Services - Nutley	A-14	40,000.00	18,812.00	(21,188.00)
Animal Control Services - Verona	A-14	12,000.00	12,000.00	(12,000.00)
School Resources Officer Board of Education	A-14	100,000.00	128,449.92	28,449.92
State and Federal Revenues Offset with				
Appropriations:				
Municipal Alliance and Alcoholism and Drug Abuse	A-25	48,510.00	48,510.00	
Childhood Lead Exposure Grant	A-25	184,353.00	184,353.00	
County of Essex Visiting Nurses Grant	A-25	17,261.00	17,261.00	
Cable Communication Grant - Comcast	A-25	5,000.00	5,000.00	
Montclair Institute of Lifelong Learning	A-25	1,320.00	1,320.00	
Distracted Driving Grant	A-25	13,200.00	13,200.00	
Recycling Tonnage Grant	A-25	34,086.18	34,086.18	
Click it or Ticket Enforcement Grant	A-25	5,500.00	5,500.00	
Drive Sober or Get Pulled Over	A-25	5,500.00	5,500.00	
Animal Shelter Grant	A-25	20,000.00	20,000.00	
Body Armor Replacement Fund	A-25	5,941.85	5,941.85	
FEMA Generator grant	A-25	16,110.00	16,110.00	
National Crime Exchange Statistics Grant	A-25	20,000.00	20,000.00	
Bicycle Safety program	A-25	24,000.00	24,000.00	
Hazardous Discharge Grant	A-25	9,159.00	9,159.00	
Alcohol Education, Rehabilitation and Enforcement	A-25	4,833.34	4,833.34	
NJEDA Orange Rd Grant	A-25	41,022.00	41,022.00	
Clean Communities	A-25	67,431.69	67,431.69	
Pedestrian Safety Grant	A-25	43,000.00	43,000.00	

TOWNSHIP OF MONTCLAIR
CURRENT FUND

STATEMENT OF REVENUE
ANALYSIS OF MISCELLANEOUS REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

A-2a
Sheet # 2

	Ref.	Budget	Realized	(Deficit) or Excess
<u>Miscellaneous Revenue</u>				
Other Special Items:				
Anticipated Utility Operating Surplus - Water	A-14	\$ 250,000.00	\$ 250,000.00	\$ -
Anticipated Utility Operating Surplus - Parking	A-14	100,000.00	100,000.00	
Anticipated Utility Operating Surplus - Sewer	A-14	200,000.00	200,000.00	
Capital Fund Surplus	A-14	700,000.00	700,000.00	
Cable Television Franchise Fees	A-14	584,837.28	586,935.94	2,098.66
Section 8 - Administrative Costs	A-14	100,000.00	100,000.00	
Towing - Administrative Costs	A-14	3,000.00	4,080.00	1,080.00
Payment in Lieu of Taxes:				
Montclair Senior Housing Corp. (Orange Road)	A-2b	96,756.00	97,020.00	264.00
First Montclair Housing Corp. (Walnut Street)	A-2b	143,347.99	188,222.00	44,874.01
RTD Management Corp. (Lackawanna Plaza)	A-2b	121,309.00	120,620.00	(689.00)
RTD Management Corp. (Union Gardens)	A-2b	100,000.00	100,000.00	
United Methodist Homes (Pineridge of Montclair)	A-2b	23,974.00	23,974.00	
Centro Verde	A-2b	751,434.64	1,125,524.67	374,090.03
Siena	A-2b	1,106,888.83	1,195,395.75	88,506.92
11 Pine Street	A-2b	341,213.00	209,886.00	(131,327.00)
Herod Redevelopment	A-2b	98,355.40	124,038.96	25,683.56
55 Glenridge Avenue	A-2b	4,999.50	3,376.00	(1,623.50)
11 Elm Street	A-2b	16,055.00	15,981.60	(73.40)
Orange Road Parking Plaza	A-2b	200,000.00	100,000.00	(100,000.00)
5% Due to County			(128,201.61)	(128,201.61)
Sale of Municipal Assets	A-14	212,575.53	212,575.53	
Alarm Registration Fees	A-14	145,000.00	120,576.71	(24,423.29)
Penalty on Delinquent Taxes (\$10,000 and Over)	A-14	65,000.00	84,834.90	19,834.90
Reserve for Payment of Debt service	A-14	1,192,000.00	1,192,000.00	
Administrative Fees - Police Off-Duty	A-14	200,000.00	135,114.00	(64,886.00)
Rear Yard Refuse Collection	A-14	30,000.00	36,100.00	6,100.00
Total Miscellaneous Revenue	A-1, A-2	<u>\$ 16,411,935.23</u>	<u>\$ 17,335,065.08</u>	<u>\$ 923,129.85</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

STATEMENT OF REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

A-2b

	<u>Ref.</u>		
<u>Other Licenses</u>			
Township Clerk	A-14	\$ 52,920.00	
Health Department	A-14	<u>93,275.00</u>	
	A-2a		<u>\$ 146,195.00</u>
 <u>Other Fees and Permits</u>			
Health Officer	A-14	\$ 63,676.81	
Planning Board	A-14	22,782.85	
Community Services	A-14	91,077.86	
Housing and Zoning	A-14	19,390.00	
Recreation	A-14	463,698.50	
Police	A-14	9,882.60	
Fire	A-14	32,770.00	
Collector	A-14	86,590.00	
Board of Adjustment	A-14	<u>9,200.00</u>	
	A-2a		<u>\$ 799,068.62</u>
 <u>Payment in Lieu of Taxes</u>			
Collections	A-14	\$ 3,304,038.98	
Less: Amount Due County of Essex	A-22	<u>128,201.61</u>	
	A-2a		<u>\$ 3,175,837.37</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, 2018

A-2c

	<u>Ref.</u>		
<u>Receipts from Delinquent Taxes</u>			
Collections of Delinquent Taxes			
2018 Collections:			
Taxes and Tax Title Liens	A-1, A-2, A-9		<u>\$ 2,151,501.00</u>
 <u>Allocation of Current Tax Collections</u>			
Collection of Current Taxes:			
2018 Collections	A-1, A-2, A-9	\$ 187,827,523.03	
2017 Collections	A-1, A-2, A-9	28,058,730.89	
Due from State of New Jersey	A-8, A-9	82,750.00	
	A-1		\$ 215,969,003.92
 Allocated to:			
County Taxes	A-26	37,057,875.51	
Local School District Taxes	A-27	115,941,279.00	
Special Improvement District Taxes	A-28	569,901.06	
			<u>153,569,055.57</u>
			62,399,948.35
 Plus: Appropriation for "Reserve for Uncollected Taxes"			
	A-3		<u>3,188,000.01</u>
 Realized for Support of Municipal Budget			
	A-2		<u>\$ 65,587,948.36</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

STATEMENT OF REVENUE
ANALYSIS OF NONBUDGET REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

A-2d

	<u>Ref.</u>	
Arena Commission	\$ 32,340.94	
Hotel and Motel Revenue	22,382.28	
Copies	365.18	
Insurance Reimbursements & Wireless Edge Receipts	121,816.32	
Vending Machine Commissions	1,457.20	
Vacant Property Liens	21,929.02	
FEMA Receipts from Prior Year Expenditures	551,157.88	
Liquidation of Premium	75,000.00	
Administrative Fee - Senior Citizen and Veteran Deductions	765.00	
Salvation Army Rent	8,000.00	
Sale of Bid Specifications	2,495.00	
Insurance Claim	17,340.00	
Food Handler/Health	2,715.00	
Cost of Sales	7,695.87	
Premium on Emergency Note Sale	7,386.00	
Other	<u>39,363.78</u>	
	A-1, 2, 4	<u>\$ 912,209.47</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

A-3
Sheet # 1

<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>GENERAL GOVERNMENT</u>						
Mayor and Council:						
Salaries and Wages	\$ 50,470.00	\$ 50,470.00	\$ 48,370.84	\$	\$ 2,099.16	\$
Other Expenses	17,000.00	17,000.00	8,818.55	523.52	7,657.93	
Township and Manager:						
Salaries and Wages	716,119.00	716,119.00	536,670.53		179,448.47	
Other Expenses	749,140.17	749,140.17	397,947.17	183,455.18	167,737.82	
Township Clerk:						
Salaries and Wages	237,253.00	237,253.00	221,113.62		16,139.38	
Other Expenses	42,750.00	42,750.00	33,041.82	820.09	8,888.09	
Election Expenses:						
Salaries and Wages	2,400.00	2,400.00	1,816.00		584.00	
Other Expenses	17,500.00	17,500.00	17,400.00	100.00	-	
Township Attorney:						
Salaries and Wages	248,979.00	248,979.00	225,205.82		23,773.18	
Other Expenses	229,500.00	229,500.00	129,649.60	39,696.31	60,154.09	
Municipal Court:						
Salaries and Wages	554,568.00	554,568.00	519,330.75		35,237.25	
Other Expenses	113,000.00	113,000.00	99,430.96	8,687.83	4,881.21	
Postage:						
Other Expenses	40,000.00	45,000.00	39,504.37		5,495.63	
	<u>3,018,679.17</u>	<u>3,023,679.17</u>	<u>2,278,300.03</u>	<u>233,282.93</u>	<u>512,096.21</u>	
<u>FINANCE DEPARTMENT</u>						
Administration:						
Salaries and Wages	90,253.00	90,253.00	82,202.57		8,050.43	
Other Expenses	117,500.00	117,500.00	12,065.75	6,620.50	98,813.75	
Accounting and Treasury:						
Salaries and Wages	214,869.00	214,869.00	177,461.09		37,407.91	
Other Expenses	29,600.00	29,600.00	17,656.70	190.00	11,753.30	
Tax Assessor:						
Salaries and Wages	393,105.00	378,105.00	339,998.72		38,106.28	
Other Expenses:	115,740.00	130,740.00	110,625.32	17,985.77	2,128.91	
Tax Collector:						
Salaries and Wages	230,554.00	230,554.00	211,367.86		19,186.14	
Other Expenses	29,000.00	29,000.00	21,688.18		7,311.82	
Auditing:						
Other Expenses	40,000.00	40,000.00	33,000.00		7,000.00	
	<u>1,260,621.00</u>	<u>1,260,621.00</u>	<u>1,006,066.19</u>	<u>24,796.27</u>	<u>229,758.54</u>	

TOWNSHIP OF MONTCLAIR
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

A-3
Sheet # 2

<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>PLANNING AND COMMUNITY DEVELOPMENT</u>						
Planning Administration:						
Salaries and Wages	\$ 331,355.00	\$ 331,355.00	\$ 310,599.32	\$ -	\$ 20,755.68	\$
Other Expenses	59,750.00	59,750.00	19,432.36	12,764.85	27,552.79	
Planning Board:						
Other Expenses	44,400.00	44,400.00	20,034.09	13,933.84	10,432.07	
Board of Adjustment:						
Other Expenses	14,850.00	14,850.00	6,360.11	5,899.90	2,589.99	
	<u>450,355.00</u>	<u>450,355.00</u>	<u>356,425.88</u>	<u>32,598.59</u>	<u>61,330.53</u>	
<u>DEPARTMENT OF ADMINISTRATION AND CODE ENFORCEMENT</u>						
Salaries and Wages	409,921.00	409,921.00	373,641.55		36,279.45	
Other Expenses	195,000.00	195,000.00	142,552.49	11,724.98	40,722.53	
	<u>604,921.00</u>	<u>604,921.00</u>	<u>516,194.04</u>	<u>11,724.98</u>	<u>77,001.98</u>	
<u>POLICE DEPARTMENT</u>						
Salaries and Wages	15,050,355.00	15,050,355.00	14,595,295.94		455,059.06	
ATB Service Police PD&Fire Alarm	60,000.00	58,000.00	36,828.64	10,838.61	10,332.75	
Other Expenses	475,000.00	477,000.00	273,661.99	132,702.74	70,635.27	
	<u>15,585,355.00</u>	<u>15,585,355.00</u>	<u>14,905,786.57</u>	<u>143,541.35</u>	<u>536,027.08</u>	
<u>FIRE DEPARTMENT</u>						
Salaries and Wages	10,594,751.00	10,594,751.00	10,377,783.00		216,968.00	
Other Expenses	325,000.00	325,000.00	164,699.39	69,233.24	91,067.37	
	<u>10,919,751.00</u>	<u>10,919,751.00</u>	<u>10,542,482.39</u>	<u>69,233.24</u>	<u>308,035.37</u>	
<u>PUBLIC WORKS DEPARTMENT</u>						
Community Services Administration:						
Salaries and Wages	671,507.00	671,507.00	641,483.45		30,023.55	
Other Expenses	20,000.00	20,000.00	11,955.84	687.75	7,356.41	
Engineering:						
Salaries and Wages	153,121.00	118,121.00	110,892.62		7,228.38	
Other Expenses	5,000.00	40,000.00	31,260.35	7,970.50	769.15	
Street Repairs and Maintenance:						
Salaries and Wages	386,477.00	380,677.00	372,856.74		7,820.26	
Other Expenses	43,380.84	43,380.84	23,042.60	5,043.89	15,294.35	
Storm Sewers Repairs and Maintenance:						
Salaries and Wages	217,164.31	218,164.31	214,451.81		3,712.50	
Other Expenses	14,950.00	14,950.00	10,718.81	221.57	4,009.62	

TOWNSHIP OF MONTCLAIR
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

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	\$ 1,119,745.54	\$ 1,119,745.54	\$ 1,094,795.59	\$ -	\$ 24,949.95	\$
Other Expenses	172,000.00	60,000.00	6,815.43	6,313.80	46,870.77	
Storm Clearance:						
Salaries and Wages	95,000.00	295,000.00	252,895.71		42,104.29	
Other Expenses	300,000.00	300,000.00	111,162.86	23,001.31	165,835.83	
Traffic:						
Salaries and Wages	160,780.42	159,080.42	154,991.81		4,088.61	
Other Expenses	13,000.00	13,000.00	5,087.14	1,244.03	6,668.83	
Central Garage Operation:						
Salaries and Wages	291,193.34	291,193.34	285,331.09		5,862.25	
Other Expenses	300,000.00	300,000.00	272,451.75	10,550.55	16,997.70	
Building Maintenance:						
Salaries and Wages	115,681.00	112,481.00	110,298.47		2,182.53	
Other Expenses	100,500.00	100,500.00	79,822.42	12,819.51	7,858.07	
Parks Maintenance:						
Salaries and Wages	390,250.04	396,050.04	389,031.96		7,018.08	
Other Expenses	155,996.00	155,996.00	107,879.71	14,647.78	33,468.51	
Shade Trees:						
Salaries and Wages	180,060.00	183,960.00	180,202.26		3,757.74	
Other Expenses	100,000.00	100,000.00	27,410.62		72,589.38	
	<u>5,005,806.49</u>	<u>5,093,806.49</u>	<u>4,494,839.04</u>	<u>82,500.69</u>	<u>516,466.76</u>	
<u>PARKS, RECREATION AND CULTURAL AFFAIRS DEPARTMENT</u>						
Recreation Program:						
Salaries and Wages	606,399.05	606,399.05	579,889.07		26,509.98	
Other Expenses	75,400.00	75,400.00	56,267.93	4,998.64	14,133.43	
	<u>681,799.05</u>	<u>681,799.05</u>	<u>636,157.00</u>	<u>4,998.64</u>	<u>40,643.41</u>	
<u>HEALTH AND HUMAN SERVICES DEPARTMENT</u>						
Health Services:						
Salaries and Wages	813,317.00	813,317.00	670,030.36		143,286.64	
Other Expenses	49,650.00	49,650.00	34,469.61	3,619.42	11,560.97	
Senior Services						
Salaries and Wages	175,000.00	175,000.00	133,207.09	1,362.00	40,430.91	
Nursing Services:						
Salaries and Wages	218,045.12	218,045.12	182,302.36		35,742.76	
Animal Control:						
Salaries and Wages	275,217.68	275,217.68	252,017.09		23,200.59	
Other Expenses	130,000.00	130,000.00	95,527.77	7,923.83	26,548.40	
	<u>1,661,229.80</u>	<u>1,661,229.80</u>	<u>1,367,554.28</u>	<u>12,905.25</u>	<u>280,770.27</u>	

TOWNSHIP OF MONTCLAIR
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

A-3
Sheet # 4

<u>Appropriation</u>	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Reserved</u>		<u>Balance Canceled</u>
	<u>Budget</u>	<u>Modified Budget</u>		<u>Encumbered</u>	<u>Unencumbered</u>	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>MISCELLANEOUS AND OTHER</u>						
Unemployment Compensation Insurance:						
Other Expenses	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ -	\$ -	\$ -
Refuse Tipping Fees:						
Other Expenses	1,260,000.00	1,260,000.00	1,179,221.88	22,608.26	58,169.86	
Mandatory Recycling Act:						
Other Expenses	1,200,000.00	1,200,000.00	1,200,000.00			
Montclair Ambulance Unit						
Other Expenses	15,000.00	15,000.00	-		15,000.00	
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	212,575.53	212,575.53	212,575.53			
Interlocal Services						
Salaries and Wages	41,454.25	41,454.25	41,454.25			
	<u>3,142,029.78</u>	<u>3,142,029.78</u>	<u>3,046,251.66</u>	<u>22,608.26</u>	<u>73,169.86</u>	
Insurances:						
Liability Insurance	1,600,000.00	1,600,000.00	1,362,299.50	88,977.79	148,722.71	
Health Benefit Waiver	260,000.00	260,000.00	246,475.72		13,524.28	
Employee Group Insurance	6,500,000.00	6,500,000.00	6,345,031.27	6,025.70	148,943.03	
	<u>8,360,000.00</u>	<u>8,360,000.00</u>	<u>7,953,806.49</u>	<u>95,003.49</u>	<u>311,190.02</u>	
<u>SPECIAL PROGRAMS AND ACTIVITIES</u>						
Parks, Recreation and Cultural Affairs:						
Salaries and Wages	147,250.00	147,250.00	113,772.07	3,898.06	29,579.87	
	<u>147,250.00</u>	<u>147,250.00</u>	<u>113,772.07</u>	<u>3,898.06</u>	<u>29,579.87</u>	
<u>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)</u>						
Salaries and Wages	800,000.00	700,000.00	652,851.71		47,148.29	
Other Expenses	178,000.00	78,000.00	19,806.55	1,125.31	57,068.14	
	<u>978,000.00</u>	<u>778,000.00</u>	<u>672,658.26</u>	<u>1,125.31</u>	<u>104,216.43</u>	
<u>UNCLASSIFIED</u>						
Emergency Assistance Coalition:						
Gasoline	200,000.00	200,000.00	176,062.67		23,937.33	
Fuel - Diesel	125,000.00	145,000.00	105,857.39	13,783.39	25,359.22	
Electricity	325,000.00	450,000.00	195,330.89	121,151.64	133,517.47	
Telephone	275,000.00	275,000.00	241,620.30	11,959.17	21,420.53	
Natural Gas	130,000.00	131,000.00	90,517.27	26,387.79	14,094.94	

TOWNSHIP OF MONTCLAIR
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

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	\$ 470,000.00	\$ 431,000.00	\$ 71,719.29	\$ 119,714.39	\$ 239,566.32	\$
	<u>1,525,000.00</u>	<u>1,632,000.00</u>	<u>881,107.81</u>	<u>292,996.38</u>	<u>457,895.81</u>	
Total Operations Within CAPS	<u>53,340,797.29</u>	<u>53,340,797.29</u>	<u>48,771,401.71</u>	<u>1,031,213.44</u>	<u>3,538,182.14</u>	
<u>CONTINGENT</u>						
	<u>3,500.00</u>	<u>3,500.00</u>			<u>3,500.00</u>	
Total Operations Within CAPS	<u>53,344,297.29</u>	<u>53,344,297.29</u>	<u>48,771,401.71</u>	<u>1,031,213.44</u>	<u>3,541,682.14</u>	
<u>STATUTORY EXPENDITURES</u>						
Contributions to:						
Public Employees' Retirement System of N.J.	1,286,752.00	1,286,752.00	1,286,752.00			
Social Security System (OASI)	1,302,725.08	1,302,725.08	1,205,167.51		97,557.57	
Police and Firemen's Retirement System of N.J.	5,454,158.00	5,454,158.00	5,454,158.00			
Pension-Montclair Redevelopment Agency	13,302.00	13,302.00	13,302.00			
Defined Contribution Retirement Plan	10,000.00	10,000.00	9,997.94		2.06	
Total Statutory Expenditures	<u>8,066,937.08</u>	<u>8,066,937.08</u>	<u>7,969,377.45</u>		<u>97,559.63</u>	
Total Appropriations Within "CAPS"	<u>61,411,234.37</u>	<u>61,411,234.37</u>	<u>56,740,779.16</u>	<u>1,031,213.44</u>	<u>3,639,241.77</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, 2018

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	\$ 77,000.00	\$ 77,000.00	\$ 77,000.00	\$	\$ -	\$
<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	100,000.00	100,000.00	100,000.00			
Interlocal Animal Control Services - Nutley						
Other Expenses	27,866.00	27,866.00	12,154.50		15,711.50	
Interlocal Animal Control Services - Verona						
Salaries and Wages	29,616.00	29,616.00	29,616.00			
Interlocal Nursing Services - Nutley						
Salaries and Wages	10,000.00	10,000.00	10,000.00			
Interlocal Nursing Services - BOE						
Salaries and Wages	100,000.00	100,000.00	100,000.00			
	<u>892,482.00</u>	<u>892,482.00</u>	<u>876,770.50</u>		<u>15,711.50</u>	
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET</u>						
<u>BY REVENUES</u>						
Lifelong Montclair - Marketing Intern Grant	1,320.00	1,320.00	1,320.00			
Partner's For health - Let's grow Montclair	20,000.00	20,000.00	20,000.00			
Childhood Lead Exposure Grant	184,353.00	184,353.00	184,353.00			
Alcohol Education, Rehabilitation and Enforcement	4,833.34	4,833.34	4,833.34			
National Crime Statistics Exchange Grant	20,000.00	20,000.00	20,000.00			
Essex County - Visiting Nurse	17,261.00	17,261.00	17,261.00			
Cable Communication Grant - Comcast	5,000.00	5,000.00	5,000.00			
FEMA Generator Grant	16,110.00	16,110.00	16,110.00			
N.J. Pedestrian Safety Grant	43,000.00	43,000.00	43,000.00			
Distracted Driving Grant	13,200.00	13,200.00	13,200.00			
Drive Sober or Get Pulled Over	11,000.00	11,000.00	11,000.00			
Bicycle Safety Grant	24,000.00	24,000.00	24,000.00			
Animal Shelter Grant	6,063.75	6,063.75	6,063.75			
Body Armor Replacement Fund	5,941.85	5,941.85	5,941.85			
Hazardous Discharge Grant	50,181.00	50,181.00	50,181.00			
Clean Communities	67,431.69	67,431.69	67,431.69			
Recycling Tonnage Grant	34,086.18	34,086.18	34,086.18			
	<u>572,291.81</u>	<u>572,291.81</u>	<u>572,291.81</u>			

TOWNSHIP OF MONTCLAIR
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

A-3
Sheet # 7

<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 EXCLUDED FROM "CAPS"</u>						
Total Operations Excluded from "CAPS"	\$ 4,959,866.81	\$ 4,959,866.81	\$ 4,944,155.31	\$ -	\$ 15,711.50	\$
<u>CAPITAL IMPROVEMENTS</u>						
Capital Improvement Fund	400,000.00	400,000.00	400,000.00			
<u>DEBT SERVICE</u>						
Payment of Bond Principal	5,135,000.00	5,135,000.00	5,135,000.00			
Payment of Bond Anticipation Notes and Capital Notes	1,475,000.00	1,475,000.00	1,475,000.00			
Interest on Bonds	1,800,000.00	1,800,000.00	1,780,743.80			19,256.20
Interest on Notes	600,000.00	600,000.00	596,096.79			3,903.21
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	42,397.40	42,397.40	42,397.40			
Environmental Trust - Principal	47,579.32	47,579.32	46,608.44			970.88
Environmental Trust - Interest	9,806.26	9,806.26	8,123.12			1,683.14
	<u>9,142,449.65</u>	<u>9,142,449.65</u>	<u>9,116,636.22</u>			<u>25,813.43</u>
<u>DEFERRED CHARGES</u>						
Special Emergency Authorization	200,000.00	200,000.00	200,000.00			
	<u>200,000.00</u>	<u>200,000.00</u>	<u>200,000.00</u>			
<u>FOR LOCAL SCHOOL DISTRICT PURPOSES</u>						
Type I School District Debt Service:						
Payment of Bond Principal	4,450,000.00	4,450,000.00	4,450,000.00			
Payment of Bond Anticipation Notes	1,400,000.00	1,400,000.00	1,400,000.00			
Interest on Bonds	2,538,138.06	2,538,138.06	2,523,947.78			14,190.28
Interest on Notes	156,755.44	156,755.44	156,755.44			
	<u>8,544,893.50</u>	<u>8,544,893.50</u>	<u>8,530,703.22</u>			<u>14,190.28</u>
Total Appropriations Excluded from "CAPS"	<u>23,247,209.96</u>	<u>23,247,209.96</u>	<u>23,191,494.75</u>		15,711.50	<u>40,003.71</u>
Sub-total Appropriations	84,658,444.33	84,658,444.33	79,932,273.91	1,031,213.44	3,654,953.27	40,003.71
Reserve for Uncollected Taxes	3,188,000.01	3,188,000.01	3,188,000.01			
Total Appropriations	<u>\$ 87,846,444.34</u>	<u>\$ 87,846,444.34</u>	<u>\$ 83,120,273.92</u>	<u>\$ 1,031,213.44</u>	<u>\$ 3,654,953.27</u>	<u>\$ 40,003.71</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, 2018

A-3
Sheet # 8

	<u>Ref.</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>
Adopted Budget	A-2	\$ 87,846,444.34	
Emergency Authorization	A-18		\$ 200,000.00
Reserve for Uncollected Taxes	A-2c	(3,188,000.01)	3,188,000.01
Cash Disbursements	A-4		79,156,632.10
Petty Cash	A-7		3,350.00
Interfunds Payable	A-25		572,291.81
Canceled	A-3 Sh. 7	<u>(40,003.71)</u>	
	A-1	<u>\$ 84,618,440.62</u>	<u>\$ 83,120,273.92</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
TRUST FUNDS

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2018 AND 2017

B
Sheet # 1

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Assessment Trust Fund</u>			
Cash - Checking	B-2	\$ 31,835.69	\$ 1,334.96
Assessments Receivable:			
Unpledged	B-4		10.65
Interfunds Receivable	B-7		8,757.15
		<u>31,835.69</u>	<u>10,102.76</u>
 <u>Animal Control Trust Fund</u>			
Cash - Checking	B-2	<u>130,427.17</u>	<u>122,781.85</u>
 <u>General Trust Fund</u>			
Cash - General	B-2	3,733,766.23	7,163,892.09
Cash - Section 8 Housing	B-2	344,475.58	355,301.00
Cash - Forfeited Assets	B-2	50,662.80	
Due from Montclair Housing Agency	B-5	33,480.85	33,480.85
Due from County of Essex - Community Development Block Grant Programs	B-6	461,250.00	266,686.30
Interfunds Receivable	B-7	4,000,000.00	952,880.62
		<u>8,623,635.46</u>	<u>8,772,240.86</u>
 <u>Payroll Account</u>			
Cash	B-2	<u>393,554.44</u>	<u>546,386.03</u>
		<u>\$ 9,179,452.76</u>	<u>\$ 9,451,511.50</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
TRUSTS FUNDS

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2018 AND 2017

B
Sheet # 2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Assessment Trust Fund</u>			
Reserve for:			
Assessments and Assessment Liens	B-11		\$ 10.65
Interfund Payable	B-10	\$ 21,743.58	
Fund Balance	B-1	<u>10,092.11</u>	<u>10,092.11</u>
		<u>31,835.69</u>	<u>10,102.76</u>
 <u>Animal Control Trust Fund</u>			
Due to State of New Jersey	B-8	5.40	
Reserve for:			
Animal Shelter Expenditures	B-14	98,828.01	95,544.12
Animal Control Trust Fund Expenditures	B-16	<u>31,593.76</u>	<u>27,237.73</u>
		<u>130,427.17</u>	<u>122,781.85</u>
 <u>General Trust Fund</u>			
Interfunds Payable	B-10	261,330.23	151,535.32
Special Deposits	B-9	7,355,860.43	7,895,135.86
Special Deposits - Forfeited Assets	B-9	50,662.80	
Accounts Payable	B-13	4,135.00	4,053.05
Reserve for:			
Community Development Block Grant	B-12	461,837.99	266,686.30
Section 8 Voucher Program	B-13	340,340.58	351,247.95
State Unemployment Trust Fund Expenditures	B-18	<u>149,468.43</u>	<u>103,582.38</u>
		<u>8,623,635.46</u>	<u>8,772,240.86</u>
 <u>Payroll Account</u>			
Payroll Deductions and Other Payables	B-15	387,827.39	509,683.94
Flexible Spending Account	B-17	<u>5,727.05</u>	<u>36,702.09</u>
		<u>393,554.44</u>	<u>546,386.03</u>
		<u>\$ 9,179,452.76</u>	<u>\$ 9,451,511.50</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
TRUST FUNDS

STATEMENT OF FUND BALANCE
ASSESSMENT TRUST
YEAR ENDED DECEMBER 31, 2018

B-1

	<u>Ref.</u>	
Balance, December 31, 2017	B	<u>\$ 10,092.11</u>
Balance, December 31, 2018	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, 2018 AND 2017

C

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Cash - Checking	C-2	\$ 948,097.34	\$ 2,852,478.04
Grants Receivable	C-4	855,646.00	410,920.07
Interfunds Receivable	C-5		65,955.00
Deferred Charges to Future Taxation:			
Funded	C-6	103,250,950.77	100,955,269.63
Unfunded	C-7	<u>38,784,057.22</u>	<u>40,952,384.52</u>
		<u>\$ 143,838,751.33</u>	<u>\$ 145,237,007.26</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-20	\$ 41,780,000.00	\$ 37,915,000.00
School Serial Bonds	C-19	60,390,000.00	61,840,000.00
Environmental Infrastructure Loan Payable	C-17	306,035.52	352,643.96
Green Acres Loans Payable	C-16	480,915.27	520,959.02
Bond Anticipation Notes	C-15	18,508,673.00	29,314,091.00
Business District Loan Payable	C-18	293,999.98	326,666.65
Interfunds Payable	C-10	4,000,584.13	36,147.20
Improvement Authorizations:			
Funded	C-8	1,032,598.50	1,160,452.85
Unfunded	C-8	14,179,904.20	10,885,938.01
Capital Improvement Fund	C-9	63,937.83	179,937.83
Reserve for:			
Cost of Issuance	C-11		14,492.04
Repayment of Urban Development Action Grants	C-12		26,955.51
Grants Receivable	C-13	855,646.00	410,920.07
Debt Service	C-14	153,791.93	1,217,118.73
Fund Balance	C-1	<u>1,792,664.97</u>	<u>1,035,684.39</u>
		<u>\$ 143,838,751.33</u>	<u>\$ 145,237,007.26</u>
 Bonds and Notes Authorized but Not Issued:			
General		\$ 14,842,557.47	\$ 10,272,755.77
School		<u>5,432,875.28</u>	<u>2,032,875.28</u>
	C-21	<u>\$ 20,275,432.75</u>	<u>\$ 12,305,631.05</u>

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

C-1

	<u>Ref.</u>	
Balance, December 31, 2017	C	\$ 1,035,684.39
Increased by:		
Premium on Sale of Notes	C-2	\$ 1,415,532.03
Adjustment to write-off Cost of Issuance	C-11	14,492.04
Adjustment to write-off Urban Development Action Grant	C-12	<u>26,955.51</u>
		<u>1,456,980.58</u>
		2,492,664.97
Decreased by:		
Anticipated Revenue - Current Fund	C-10	<u>700,000.00</u>
Balance, December 31, 2018	C	<u><u>\$ 1,792,664.97</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
WATER UTILITY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2018 AND 2017

D
Sheet # 1

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Operating Fund</u>			
Cash	D-5	\$ 5,208,695.89	\$ 4,695,133.28
Change Fund	D-7	200.00	200.00
		<u>5,208,895.89</u>	<u>4,695,333.28</u>
Interfunds Receivable	D-11	<u>5,208,895.89</u>	<u>96,564.43</u>
Receivables with Full Reserves:			4,791,897.71
Consumer Accounts Receivable	D-12	309,644.82	537,158.35
		<u>309,644.82</u>	<u>537,158.35</u>
		<u>5,518,540.71</u>	<u>5,329,056.06</u>
<u>Capital Fund</u>			
Cash - Checking	D-5, D-9	1,288,641.52	1,085,221.65
Loans Receivable	D-10	29,947.60	29,947.60
Fixed Capital	D-13	41,650,118.75	41,342,903.27
Interfund Receivable	D-8		2.00
Fixed Capital - Authorized and Uncompleted	D-14	620,282.73	624,154.45
		<u>43,588,990.60</u>	<u>43,082,228.97</u>
		<u>\$ 49,107,531.31</u>	<u>\$ 48,411,285.03</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
WATER UTILITY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2018 AND 2017

D
Sheet # 2

<u>LIABILITIES, RESERVES AND FUND BALANCES</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Operating Fund</u>			
Appropriation Reserves:			
Encumbered	D-4, D-15	\$ 665,771.41	\$ 243,297.90
Unencumbered	D-4, D-15	689,033.18	1,240,999.98
Accrued Interest on Bonds	D-16	103,547.92	87,647.92
Accrued Interest on Notes	D-17	5,853.76	16,897.95
Accrued Interest on Loans	D-18	10,447.92	10,108.33
Water Overpayments	D-19	40,014.71	37,712.55
		1,514,668.90	1,636,664.63
Reserve for Receivables		309,644.82	537,158.35
Fund Balance	D-1	3,694,226.99	3,155,233.08
		5,518,540.71	5,329,056.06
 <u>Capital Fund</u>			
Serial Bonds	D-26	7,060,000.00	5,285,000.00
N.J. Environmental Infrastructure Trust			
Loan Payable	D-25	990,479.69	1,194,280.62
Bond Anticipation Notes	D-24	1,020,510.00	4,055,510.00
Improvement Authorizations:			
Funded	D-20	465,850.95	500,000.00
Unfunded	D-20	70,445.77	80,609.47
Capital Improvement Fund	D-21	72,256.53	72,256.53
Interfunds Payable	D-8		4,605.77
Reserves for:			
Amortization	D-22	32,515,597.56	30,743,183.25
Deferred Amortization	D-23	567,500.00	571,371.74
Fund Balance	D-2	826,350.10	575,411.59
		43,588,990.60	43,082,228.97
		\$ 49,107,531.31	\$ 48,411,285.03
 Bonds and Notes Authorized but Not Issued	 D-27	 \$ 115,144.12	 \$ 116,542.00

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, 2018 AND 2017

D-1

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	D-3	\$ 1,846,693.81	\$ 1,947,397.01
Rents	D-3	7,928,127.98	7,840,676.88
Miscellaneous Revenue	D-3	285,855.53	213,857.72
Unexpended Balance of Appropriation Reserves	D-15	1,114,811.85	1,068,781.10
		<u>11,175,489.17</u>	<u>11,070,712.71</u>
<u>Expenditures</u>			
Budgets Expenditures:			
Operating	D-4	5,717,889.00	5,535,425.00
Capital Improvements	D-4	680,743.72	240,751.52
Debt Service	D-4	1,810,466.29	2,554,658.47
Statutory Expenditures	D-4	328,763.00	312,674.00
Deferred Charges	D-4		16,689.87
		<u>8,537,862.01</u>	<u>8,660,198.86</u>
<u>Other Debits to Income:</u>			
Miscellaneous adjustment	D-5	1,939.44	
		<u>8,539,801.45</u>	<u>8,660,198.86</u>
Excess in Revenue		<u>2,635,687.72</u>	<u>2,410,513.85</u>
<u>Fund Balance</u>			
Balance, Beginning of Year	D	3,155,233.08	3,192,116.24
		<u>5,790,920.80</u>	<u>5,602,630.09</u>
Decreased by:			
Utilized as Anticipated Revenue:			
Water Operating Fund Budget	D-3	1,846,693.81	1,947,397.01
Current Fund Budget	D-5	250,000.00	500,000.00
		<u>2,096,693.81</u>	<u>2,447,397.01</u>
Balance, End of Year	D	<u>\$ 3,694,226.99</u>	<u>\$ 3,155,233.08</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
WATER UTILITY

STATEMENT OF WATER CAPITAL FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

D-2

	<u>Ref.</u>		
Balance, December 31, 2017	D		\$ 575,411.59
Increased by:			
Premium on Sales of Notes	D-5	\$ 250,741.81	
Funded Improvements Authorizations Canceled	D-23	<u>196.70</u>	
			<u>250,938.51</u>
Balance, December 31, 2018	D		<u><u>\$ 826,350.10</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
WATER UTILITY

STATEMENT OF REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

D-3

<u>Source</u>	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Utilized	D-1	\$ 1,846,693.81	\$ 1,846,693.81	
Rents	D-1, D-12	7,200,000.00	7,928,127.98	\$ 728,127.98
Miscellaneous Revenue	D-1, Below	150,000.00	285,855.53	135,855.53
	D-4	<u>\$ 9,196,693.81</u>	<u>\$ 10,060,677.32</u>	<u>\$ 863,983.51</u>
 <u>Analysis of Realized Revenue</u>				
Miscellaneous Revenue:				
Interest on Delinquent Rents		\$ 75,933.04		
Glen Ridge Management Fee		55,711.26		
New Service Fees		55,194.98		
Interest on Investments - Operating		67,957.77		
Interest on Investments - Capital		18,969.98		
Return Check Fees		1,060.41		
Turn-On Fee		6,196.09		
Miscellaneous		4,832.00		
	Above		<u>\$ 285,855.53</u>	
 Collections:				
Treasurer	D-5		<u>\$ 285,855.53</u>	

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
WATER UTILITY

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

D-4
Sheet # 1

Appropriation	Budget	Modified Budget	Paid or Charged	Expended		Balance Canceled
				Encumbered	Unencumbered	
<u>Operating</u>						
Salaries and Wages	\$ 1,215,239.00	\$ 1,215,239.00	\$ 1,204,500.82		\$ 10,738.18	
Other Expenses	2,222,650.00	2,222,650.00	1,671,984.94	\$ 227,055.05	323,610.01	
Purchased Water	1,800,000.00	1,800,000.00	1,797,876.00		2,124.00	
<u>Commercial</u>						
Salaries and Wages	400,000.00	400,000.00	91,201.20		308,798.80	
Other Expenses	80,000.00	80,000.00	35,568.81	669.00	43,762.19	
	<u>5,717,889.00</u>	<u>5,717,889.00</u>	<u>4,801,131.77</u>	<u>227,724.05</u>	<u>689,033.18</u>	
<u>Capital Improvements</u>						
Capital Outlay	1,250,000.00	1,250,000.00	242,696.36	438,047.36		\$ 569,256.28
	<u>1,250,000.00</u>	<u>1,250,000.00</u>	<u>242,696.36</u>	<u>438,047.36</u>		<u>569,256.28</u>
<u>Debt Service</u>						
Payment on Bond Principal	610,000.00	610,000.00	610,000.00			
Payment on Bond Anticipation						
Notes and Capital Notes	650,000.00	650,000.00	650,000.00			
Interest on Bonds	220,000.00	236,000.00	235,318.76			681.24
Interest on Notes	105,000.00	105,000.00	90,343.55			14,656.45
Environmental Trust Fund - Principal	280,041.81	264,041.81	203,800.93			60,240.88
Environmental Trust Fund - Interest	35,000.00	35,000.00	21,003.05			13,996.95
	<u>1,900,041.81</u>	<u>1,900,041.81</u>	<u>1,810,466.29</u>			<u>89,575.52</u>
<u>Statutory Expenditures</u>						
Contribution to:						
Public Employees' Retirement System	200,763.00	200,763.00	200,763.00			
Social Security System	108,000.00	108,000.00	108,000.00			
Unemployment Compensation Insurance	20,000.00	20,000.00	20,000.00			
	<u>328,763.00</u>	<u>328,763.00</u>	<u>328,763.00</u>			
	<u>\$ 9,196,693.81</u>	<u>\$ 9,196,693.81</u>	<u>\$ 7,183,057.42</u>	<u>\$ 665,771.41</u>	<u>\$ 689,033.18</u>	<u>\$ 658,831.80</u>

Ref.

D-3

D-4 Sheet 2

D

D

TOWNSHIP OF MONTCLAIR
WATER UTILITY

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

D-4
Sheet # 2

	<u>Ref.</u>	
Cash Disbursed	D-5	\$ 6,836,392.06
Accrued Interest on Bonds	D-16	235,318.76
Accrued Interest on Notes	D-17	90,343.55
Accrued Interest on Loans	D-18	<u>21,003.05</u>
	Sheet # 1	<u>\$ 7,183,057.42</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2018 AND 2017

E
Sheet # 1

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Operating Fund</u>			
Cash - Checking	E-5	\$ 1,385,419.85	\$ 1,756,048.23
Change Fund	E-7	200.00	200.00
		<u>1,385,619.85</u>	<u>1,756,248.23</u>
 Interfund Receivable	 E-9	 600,000.00	
		<u>1,985,619.85</u>	<u>1,756,248.23</u>
 Receivables with Full Reserves:			
Consumer Accounts Receivable	E-10	779,165.02	853,202.84
		<u>779,165.02</u>	<u>853,202.84</u>
		<u>2,764,784.87</u>	<u>2,609,451.07</u>
 <u>Capital Fund</u>			
Cash	E-5, E-8	187,200.26	196,223.49
Environmental Infrastructure Loan Receivable	E-24	1,906,177.00	
Fixed Capital	E-11	5,130,801.56	5,098,801.56
Fixed Capital Authorized and Uncompleted	E-12	2,991,750.66	3,039,877.01
		<u>10,215,929.48</u>	<u>8,334,902.06</u>
		<u>\$ 12,980,714.35</u>	<u>\$ 10,944,353.13</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2018 AND 2017

E
Sheet # 2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Operating Fund</u>			
Appropriation Reserves:			
Encumbered	E-4, E-13	\$ 34,245.62	\$ 18,324.24
Unencumbered	E-4, E-13	127,894.95	171,607.56
Accrued Interest on Loans	E-16	3,056.77	3,265.10
Accrued Interest on Notes	E-17	2,821.23	5,001.84
Sewer Overpayments	E-14	20,965.03	21,829.21
		<u>188,983.60</u>	<u>220,027.95</u>
Reserve for Receivables		779,165.02	853,202.84
Fund Balance	E-1	1,796,636.25	1,536,220.28
		<u>2,764,784.87</u>	<u>2,609,451.07</u>
<u>Capital Fund</u>			
Bond Anticipation Notes	E-23	491,836.00	1,241,837.00
Environmental Infrastructure Loan Payable	E-19	683,345.50	732,449.00
New Jersey Environmental Infrastructure Interim Financing Payable	E-25	2,600,000.00	
Improvements Authorizations:			
Funded	E-18	11,001.64	53,827.99
Unfunded	E-18	1,504,994.24	2,819,195.47
Capital Improvement Fund	E-21	120,500.00	120,500.00
Interfunds Payable	E-15	600,000.00	
Reserve for:			
Amortization	E-22	4,028,992.00	3,197,887.50
Deferred Amortization	E-20	5,300.00	53,426.35
Fund Balance	E-2	169,960.10	115,778.75
		<u>10,215,929.48</u>	<u>8,334,902.06</u>
		<u>\$ 12,980,714.35</u>	<u>\$ 10,944,353.13</u>
Bonds and Notes Authorized But Not Issued	E-24	<u>\$ 2,913,079.65</u>	<u>\$ 2,913,079.65</u>

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, 2018 AND 2017

E-1

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Revenues and Other Income Realized</u>			
Fund Balance Utilized	E-3	\$ 1,084,639.40	\$ 926,271.16
Sewer Charges	E-3	6,664,916.16	5,665,190.06
Sewer Flow Usage Fees - Reservoir Ridge	E-3	87,161.45	86,817.97
Sewer Connection Fee			11,440.00
Miscellaneous	E-3	86,150.17	64,255.73
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-13	170,046.73	450,199.95
		8,092,913.91	7,204,174.87
 <u>Expenditures</u>			
Budget Expenditures:			
Operating	E-4	5,450,171.14	5,238,977.05
Debt Service	E-4	835,555.40	855,382.50
Statutory Expenditures	E-4	230,132.00	174,758.00
Capital Expenditures	E-4	32,000.00	
Deferred Charges			24,699.85
		6,547,858.54	6,293,817.40
Excess in Revenue		1,545,055.37	910,357.47
 <u>Fund Balance</u>			
Balance, Beginning of Year	E	1,536,220.28	1,552,133.97
		3,081,275.65	2,462,491.44
 Decreased by:			
Utilized as Anticipated Revenue:			
Sewer Operating Fund Budget	Above	1,084,639.40	926,271.16
Current Fund Budget	E-5	200,000.00	
		1,284,639.40	926,271.16
Balance, End of Year	E	\$ 1,796,636.25	\$ 1,536,220.28

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
SEWER UTILITY CAPITAL FUND

STATEMENT OF FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

E-2

	<u>Ref.</u>		
Balance, December 31, 2017	E		\$ 115,778.75
Increased by:			
Premium on Sale of Notes:			
Cash Receipts	E-5	\$ 6,055.00	
Funded Improvement Authorizations Canceled	E-20	<u>48,126.35</u>	
			<u>54,181.35</u>
Balance, December 31, 2018	E		<u>\$ 169,960.10</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2018

E-3

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Utilized	E-1	\$ 1,084,639.40	\$ 1,084,639.40	
Sewer Charges	E-1, E-10	5,500,000.00	6,664,916.16	\$ 1,164,916.16
Sewer Flow Usage Fee	E-1, E-6	86,000.00	87,161.45	1,161.45
Sewer Connection Fees	E-3	10,000.00		(10,000.00)
Miscellaneous	E-1, Below	<u>60,000.00</u>	<u>86,150.17</u>	<u>26,150.17</u>
	E-4	<u>\$ 6,740,639.40</u>	<u>\$ 7,922,867.18</u>	<u>\$ 1,182,227.78</u>
	<u>Ref.</u>	<u>Ref.</u>		
<u>Miscellaneous Revenue</u>				
Interest Earned on Investments:				
Collections	E-5		<u>\$ 22,672.48</u>	
Interest on Delinquent Rents		\$ 52,834.69		
Other		<u>10,643.00</u>		
	E-6		<u>63,477.69</u>	
		Above	<u>\$ 86,150.17</u>	

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

E-4
Sheet # 1

Appropriation	Budget	Modified Budget	Paid	Expended		Balance Canceled
				Encumbered	Unencumbered	
<u>Operating</u>						
Salaries and Wages	\$ 828,970.00	\$ 824,078.18	\$ 720,951.19		\$ 103,126.99	
Other Expenses	526,368.00	526,368.00	475,168.10	\$ 34,245.62	16,954.28	
Passaic Valley Sewer Commission	4,044,165.05	4,047,949.36	4,047,949.36			
Third River Sewer	1,561.21	2,668.72	2,668.72			
Second River Sewer	49,106.88	49,106.88	41,293.20		7,813.68	
	<u>5,450,171.14</u>	<u>5,450,171.14</u>	<u>5,288,030.57</u>	<u>34,245.62</u>	<u>127,894.95</u>	
<u>Capital Improvements</u>						
Capital Outlay	200,000.00	200,000.00	32,000.00			\$ 168,000.00
<u>Debt Service</u>						
Payment on Bond Anticipation						
Notes and Capital Notes	750,000.00	750,000.00	750,000.00			
Interest on Notes	52,000.00	52,000.00	28,865.28			23,134.72
Payment on Loan	50,000.00	50,000.00	49,103.50			896.50
Payment of Interest on Loan	8,336.26	8,336.26	7,586.62			749.64
	<u>860,336.26</u>	<u>860,336.26</u>	<u>835,555.40</u>			<u>24,780.86</u>
<u>Statutory Expenditures</u>						
Contribution to:						
Public Employees' Retirement System	145,582.00	145,582.00	145,582.00			
Social Security System	79,550.00	79,550.00	79,550.00			
Unemployment Compensation Insurance	5,000.00	5,000.00	5,000.00			
	<u>230,132.00</u>	<u>230,132.00</u>	<u>230,132.00</u>			
	<u>\$ 6,740,639.40</u>	<u>\$ 6,740,639.40</u>	<u>\$ 6,385,717.97</u>	<u>\$ 34,245.62</u>	<u>\$ 127,894.95</u>	<u>\$ 192,780.86</u>

<u>Ref.</u>	E-3	E-4	E-4 Sheet #2	E	E
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TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

STATEMENT OF EXPENDITURES
REGULATORY BASS
YEAR ENDED DECEMBER 31, 2018

E-4
Sheet # 2

	<u>Ref.</u>	<u>Paid or Charged</u>
Cash Disbursed	E-5	\$ 6,349,266.07
Accrued Interest on Loans	E-16	7,586.62
Accrued Interest on Notes	E-17	<u>28,865.28</u>
	Sheet # 1	<u>\$ 6,385,717.97</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2018 AND 2017

E

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Operating Fund</u>			
Cash - Checking	F-4	\$ 2,818,019.49	\$ 2,509,600.28
Cash - Petty			150.00
Interfunds Receivable	F-6		3,026.62
		<u>2,818,019.49</u>	<u>2,512,776.90</u>
 <u>Capital Fund</u>			
Cash	F-4	827,747.63	893,026.62
Fixed Capital	F-7	16,560,015.13	16,445,000.00
Fixed Capital Authorized and Uncomplete	F-8	535,000.00	535,000.00
		<u>17,922,762.76</u>	<u>17,873,026.62</u>
		 <u>\$ 20,740,782.25</u>	 <u>\$ 20,385,803.52</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Operating Fund</u>			
Accrued Interest on Bonds	F-10	\$ 285,135.53	\$ 291,472.28
Appropriation Reserves - Committed	F-3, F-9	532,842.17	179,787.19
Appropriation Reserves - Reserved	F-3, F-9	110,867.11	425,574.61
Interfunds Payable	F-14		405.00
Fund Balance	F-1	1,889,174.68	1,615,537.82
		<u>2,818,019.49</u>	<u>2,512,776.90</u>
 <u>Capital Fund</u>			
Serial Bonds	F-16	12,910,000.00	13,350,000.00
Interfunds Payable	F-14		3,026.62
Capital Improvement Fund	F-12	305,000.00	305,000.00
Improvement Authorization - Funded	F-15	266,497.63	535,000.00
Reserve for Amortization	F-11	3,650,015.13	3,095,000.00
Deferred Reserve for Amortization	F-13	535,000.00	535,000.00
Reserve for Midtown Parking Deck	F-17	200,000.00	
Reserve for Crescent Parking Deck	F-18	6,250.00	
Fund Balance	F-1a	50,000.00	50,000.00
		<u>17,922,762.76</u>	<u>17,873,026.62</u>
		 <u>\$ 20,740,782.25</u>	 <u>\$ 20,385,803.52</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, 2018 AND 2017

F-1

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Revenues and Other Income Realized</u>			
Fund Balance Utilized	F-2	\$ 1,100,886.58	\$ 504,683.26
Permit Fees	F-2	1,454,861.02	1,347,109.41
Meter Fees	F-2	2,799,973.36	2,419,881.02
Miscellaneous Revenue	F-2	358,180.27	292,598.16
Appropriation Reserves Canceled	F-9	270,181.79	24,224.76
		<u>5,984,083.02</u>	<u>4,588,496.61</u>
 <u>Expenditures</u>			
Budget Appropriations:			
Operating	F-3	2,856,118.00	2,433,834.00
Capital Improvements	F-3	500,000.00	100,000.00
Debt Service	F-3	1,010,271.06	1,012,944.56
Statutory Expenditures	F-3	143,160.77	113,758.00
		<u>4,509,549.83</u>	<u>3,660,536.56</u>
Other Debits to Income:			
Miscellaneous Adjustments	F-4	9.75	
		<u>9.75</u>	
Excess in Revenue		1,474,523.44	927,960.05
 <u>Fund Balance</u>			
Balance, Beginning of Year	F	1,615,537.82	1,492,261.03
		<u>3,090,061.26</u>	<u>2,420,221.08</u>
Decreased by:			
Utilized as Anticipated Revenue - Current Fund	F-4	100,000.00	300,000.00
Utilized as Anticipated Revenue	Above	1,100,886.58	504,683.26
		<u>1,100,886.58</u>	<u>504,683.26</u>
Balance, End of Year	F	<u>\$ 1,889,174.68</u>	<u>\$ 1,615,537.82</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

STATEMENT OF PARKING CAPITAL FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

F-1a

	<u>Ref.</u>	
Balance, December 31, 2017 and 2018	F	<u>\$ 50,000.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2018

F-2

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess</u>
<u>Source:</u>				
Fund Balance Anticipated	F-1	\$ 1,100,886.58	\$ 1,100,886.58	
Meter Fees	F-1, F-4	1,965,000.00	2,799,973.36	\$ 834,973.36
Permit Fees	F-1, F-4	1,300,000.00	1,454,861.02	154,861.02
Miscellaneous	F-1, Below	150,000.00	358,180.27	208,180.27
	F-3	<u>\$ 4,515,886.58</u>	<u>\$ 5,713,901.23</u>	<u>\$ 1,198,014.65</u>
 <u>Miscellaneous Revenue</u>				
Interest on Deposits:				
Operating Fund		\$ 32,482.49		
Capital Fund		10,145.83		
	F-4	<u>42,628.32</u>	\$ 42,628.32	
Miscellaneous	F-4	10,475.73		
Board of Education	F-4	54,700.00		
Herod's Share of Debt and Maintenance	F-4	250,376.22		
			<u>315,551.95</u>	
	Above		<u>\$ 358,180.27</u>	

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

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	\$ 1,085,278.00	\$ 910,278.00	\$ 894,626.20		\$ 15,651.80	
Other Expenses	1,650,840.00	1,935,840.00	1,497,127.34	\$ 370,570.50	68,142.16	
Midtown Park Deck Expenses	120,000.00	30,000.00	26,396.00		3,604.00	
	<u>2,856,118.00</u>	<u>2,876,118.00</u>	<u>2,418,149.54</u>	<u>370,570.50</u>	<u>87,397.96</u>	
<u>Capital Improvements</u>						
Capital Outlay	300,000.00	280,000.00	115,015.13	162,271.67	2,713.20	
Reserve for Midtown Deck Improvements	200,000.00	200,000.00	200,000.00			
	<u>500,000.00</u>	<u>480,000.00</u>	<u>315,015.13</u>	<u>162,271.67</u>	<u>2,713.20</u>	
<u>Debt Service</u>						
Payment on Bond Principal	440,000.00	440,000.00	440,000.00			
Interest on Bonds	576,607.81	576,607.81	570,271.06			\$ 6,336.75
	<u>1,016,607.81</u>	<u>1,016,607.81</u>	<u>1,010,271.06</u>			<u>6,336.75</u>
<u>Statutory Expenditures</u>						
Contribution to:						
Public Employees' Retirement System	45,137.00	45,137.00	45,137.00			
Social Security System	83,023.77	83,023.77	62,267.82		20,755.95	
Unemployment Compensation Insurance	15,000.00	15,000.00	15,000.00			
	<u>143,160.77</u>	<u>143,160.77</u>	<u>122,404.82</u>	<u>-</u>	<u>20,755.95</u>	<u>-</u>
	<u>\$ 4,515,886.58</u>	<u>\$ 4,515,886.58</u>	<u>\$ 3,865,840.55</u>	<u>\$ 532,842.17</u>	<u>\$ 110,867.11</u>	<u>\$ 6,336.75</u>

Ref.

F-2

Below

F

F

Ref.

Cash Disbursements

F-4

\$ 3,295,569.49

Accrued Interest on Bonds

F-10

570,271.06

\$ 3,865,840.55

TOWNSHIP OF MONTCLAIR
CAPITAL FIXED ASSETS

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2018 AND 2017

G

	<u>2018</u>	<u>2017</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>18,057,212.00</u>	<u>16,995,630.00</u>
	<u>\$ 114,860,712.00</u>	<u>\$ 113,799,130.00</u>
 <u>RESERVE</u>		
Investment in Capital Fixed Assets	<u>\$ 114,860,712.00</u>	<u>\$ 113,799,130.00</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF MONTCLAIR

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018 and 2017

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, 2018 and 2017

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, 2018 and 2017**

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, 2018 and 2017**

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, 2018 and 2017

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. The Township has implemented this standard in the current year.

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, 2018 and 2017**

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, 2018 and 2017**

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, 2018 and 2017. At December 31, 2018 and 2017, the book value of the Township's deposits were \$49,858,290 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, 2018 and 2017 the Township had the following depository accounts. All deposits are carried at cost. \$469,301.77 and \$819,362.70 held in agency and payroll accounts for the years ended December 31, 2018 and 2017, respectively, are not covered by GUDPA.

<u>Depository Account</u>	Bank Balance	
	December 31, 2018	December 31, 2017
FDIC Insured	\$ 750,000.00	\$ 684,081.86
GUPDA Insured	50,603,243.17	70,286,546.75
	\$ 51,353,243.17	\$ 70,970,628.61

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, 2018 and 2017**

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 three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years:

Comparative Schedule of Tax Rates

Tax Rate	Calendar Year <u>2018*</u>	Calendar Year <u>2017</u>	Calendar Year <u>2016</u>
	<u>\$ 3.094</u>	<u>\$ 3.734</u>	<u>\$ 3.634</u>
Apportionment of Tax Rate:			
Municipal	\$ 0.818	\$ 0.985	\$ 0.964
County	0.509	0.623	0.601
County Open Space	0.016	0.019	0.018
School	1.751	2.107	2.051

* Revaluation

Assessed Valuation

Calendar Year	Amount
2018*	\$ 7,039,825,400
2017	5,730,624,400
2016	5,718,760,800

* Revaluation performed.

Tax Levies and Collections

Year	Tax Levy	Collections	Percentage of Collections
2018	\$ 218,984,784.86	\$ 215,969,003.92	98.62%
2017	215,463,376.00	213,143,079.44	98.92%
2016	209,768,645.29	207,379,565.02	98.86%

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

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 three years.

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	% of Tax Levy
2018	\$ 217,475.05	\$ 2,757,419.92	\$ 2,974,894.97	1.36%
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%

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, 2018 and 2017 was \$569,901.06 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
2018	\$ 317,900
2017	317,900
2016	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 three years are as follows:

Year	Billings	Cash Collections
2018	\$ 7,703,851.78	\$ 7,928,127.98
2017	6,550,143.19	7,840,676.88
2016	8,023,154.55	7,960,490.01

Cash collections include realization of prior year uncollected balances.

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

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 three years are as follows:

Year	Billings	Cash Collections
2018	\$ 6,590,878.34	\$ 6,664,916.16
2017	5,921,117.56	5,665,190.06
2016	4,820,248.58	4,953,249.15

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:	2018	\$ 15,123,849.83	\$ 7,300,000.00
	2017	12,059,342.82	4,750,000.00
	2016	10,937,642.60	3,935,000.00
Water Utility Operating Fund:	2018	\$ 3,694,226.99	\$ 2,812,128.83
	2017	3,155,233.08	1,846,693.81
	2016	3,192,116.24	1,947,397.01
Sewer Utility Operating Fund:	2018	\$ 1,796,636.25	\$ 660,410.73
	2017	1,536,220.28	1,084,639.40
	2016	1,552,133.97	926,271.16
Parking Utility Operating Fund:	2018	\$ 1,889,174.68	\$ 1,300,000.00
	2017	1,615,537.82	1,100,886.58
	2016	1,492,261.03	504,683.26

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

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, 2018 and 2017:

	2018	2017
Inactive plan members or beneficiaries currently receiving benefits	174,904	170,124
Inactive plan members entitled to but not yet receiving benefits	589	650
Active plan members	254,780	254,685
Total	430,273	425,459

Contributing Employers - 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.

The local employers’ contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 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 employers were credited with full payment and any such amounts were not to be included in their unfunded liability. The actuaries determined the unfunded liability of the System, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability is being paid by the employer in level annual payments over a period of 15 years, which began with the payments due in the fiscal year ended June 30, 2012 and are adjusted by the rate of return on the actuarial value of assets.

Each member contributes a percentage of compensation. Effective October 1, 2011, Chapter 78, P.L. 2011, Chapter 78, P.L. 2011 set the member contribution rate at 6.5% and caused it to increase by 1/7th of 1% each July thereafter. On July 1, 2018, the full rate implemented by this law was achieved, and therefore the full 7.5% will be the required 2018 contribution.

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

For the years ended December 31, 2018 and 2017 the Township’s total payroll for all employees was \$42,878,509 and \$39,946,482, respectively. Total PERS covered payroll was \$12,189,340 and \$11,302,195 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. State legislation has

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

9. PENSION PLANS (continued)

modified the amount that is contributed by the State. The State’s pension contributions is based on an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year, 2018, the State’s pension contribution was less than the actuarial determined amount.

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 contribution requirements were calculated.

It is assumed that the Local employers will contribute 100% of their actuarially determined contribution and 100% of their Non-Contributory Group Insurance Premium Fund (NCGIPF) contribution while the State will contribute 50% of its actuarially determined contribution and 100% of its NCGIPF contribution. The 50% contribution rate is the actual total State contribution rate paid in fiscal year ending June 30, 2018 with respect to the actuarially determined contribution for the fiscal year ending June 30, 2018 for all State administered retirement systems.

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

Township payments to PERS for the years ending December 31, 2018 and 2017 consisted of the following:

	2018	2017
Total Regular Billing	\$ 1,549,426	\$ 1,417,549

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 2, 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

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

9. PENSION PLANS (continued)

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, 2018, the PERS reported a net pension liability of \$19,689,501,539 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 \$30,670,688 or 0.15577179%, which was an increase of 0.00275371497% from its proportion measured as of June 30, 2017.

The pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018.

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.

At December 31, 2018, 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 expended and actual experience	\$ 584,895	\$ 158,148
Changes in assumptions	5,054,021	9,806,855
Net difference between projected and actual earnings on pension plan investments		287,692
Changes in proportion and differences between Township contributions and proportionate share of contributions	2,011,718	640,612
Township contributions subsequent to the measurement date	1,549,426	
	<u>\$ 9,200,060</u>	<u>\$ 10,893,307</u>

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

9. PENSION PLANS (continued)

\$1,549,426 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 December 31,		
2019	\$	674,880
2020		(283,576)
2021		(1,657,107)
2022		(1,475,816)
2023		(501,054)
Total	\$	<u>(3,242,673)</u>

Actuarial Assumptions- The total pension liability in the June 30, 2018 and June 30, 2017 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases through 2026	1.65% - 4.15% based on age
Thereafter	2.65% - 5.15% based on age
Investment rate of return	7.00%

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 Conduent modified 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. 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, 2017 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, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

9. PENSION PLANS (continued)

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, 2018 and 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
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%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate – The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018 and 5.00% as of June 30, 2017. 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 3.87% as of June 30, 2018 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 50% 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 2046. Therefore, the long-term expected rate of return on plan investments was

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

9. PENSION PLANS (continued)

applied to projected benefit payments through June 30, 2046 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 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 (4.66%)	At current Discount rate (5.66%)	At 1% Increase (6.66%)
Township's proportionate share	\$ 38,564,856	\$ 30,670,688	\$ 24,047,986

Plan Fiduciary Net Position – The plan fiduciary net position for PERS including the State of New Jersey at June 30, 2018 and 2017 were \$29,472,374,536 and \$28,464,239,518, respectively. The portion of the Plan Fiduciary Net Position that was allocable to the Local (Non-State) Group at June 30, 2018 and 2017 was \$22,742,071,972 and \$21,573,965,463, respectively.

Additional Information

Collective balances at June 30, 2018 are as follows:

Collective deferred outflows of resources	4,684,852,302
Collective deferred inflows of resources	7,646,736,226
Collective net pension liability - Local group	19,689,501,539

Township's Proportion 0.1557717900%

Collective Local Group pension expense for the Local Group for the measurement period ended June 30, 2018 and 2017 was \$1,099,708,157 and \$1,694,305,613, respectively. The average of the expected remaining service lives of all plan members is 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2018, 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

The Fiduciary Net Position (FNP), includes Local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits. The receivable contributions for the years ended June 30, 2018 and June 30, 2017 are \$1,017,878,064 and \$1,073,054,740, respectively.

TOWNSHIP OF MONTCLAIR

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017

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, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Inactive plan members or beneficiaries currently receiving benefits	43,755	43,011
Inactive plan members entitled to but not yet receiving benefits	39	47
Active plan members	<u>41,517</u>	<u>40,789</u>
Total	<u>85,311</u>	<u>83,847</u>

Contributing Employers - 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 the year ended June 30, 2018, it is assumed that the Local employers will contribute 100% of their actuarially determined contribution and 100% of their Non-Contributory Group Insurance Premium Fund (NCGIPF) contribution while the State will contribute 50% of its actuarially determined contribution and 100% of its NCGIPF contribution. The 50% contribution rate is the actual total State contribution rate paid in fiscal year ending June 30, 2018 with respect to the actuarially determined contribution for the fiscal year ending June 30, 2018 for all State administered retirement systems.

In accordance with Chapter 98, P.L. 2017, PERS receives 1.2% of the proceeds of the Lottery Enterprise for a period of 30 years. Revenues received from lottery proceeds are assumed to be contributed to the System on a monthly basis.

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

For the years ended December 31, 2018 and 2017, the Township’s total payroll for all employees was \$42,878,509 and \$39,946,482, respectively. Total PFRS covered payroll was \$21,070,426 and \$19,857,076, respectively. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the Township to active employees covered by the Plan.

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

9. PENSION PLANS (continued)

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 payments to PFRS for the years ending December 31, 2018 and 2017 consisted of the following:

	2018	2017
Total Regular Billings	\$ 5,841,956	\$ 5,170,600

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, 2018, the PFRS reported a net pension liability of \$15,369,699,278 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 \$80,858,703 or 0.5975524919% which was an increase in 0.0133160895% from its proportion measured as of June 30, 2017. The pension liability for the June 30, 2018 measurement date was

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

9. PENSION PLANS (continued)

determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018.

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. 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 December 31, 2018, 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	\$ 822,632	\$ 334,612
Changes in assumptions	6,940,632	20,722,690
Net difference between projected and actual earnings on pension plan investments		442,370
Changes in proportion and differences between Township contributions and proportionate share of contributions	2,440,264	168,334
Township contributions subsequent to the measurement date	5,841,956	
	<u>\$ 16,045,484</u>	<u>\$ 21,668,006</u>

\$5,841,956 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>December 31,</u>	<u>Amount</u>
2019	\$ 1,053,409
2020	(1,749,897)
2021	(5,909,262)
2022	(3,786,654)
2023	(1,072,074)
Total	<u>(11,464,478)</u>

Actuarial Assumptions- The total pension liability in the June 30, 2018 and June 30, 2017 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	
Salary Increases through 2026	2.25%
Thereafter	2.10% - 8.98% based on age
Investment rate of return	3.10% - 9.98% based on age
	7.00%

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

9. PENSION PLANS (continued)

Pre-retirement mortality rates were based on the RP-2000 Combined Healthy Mortality tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. For preretirement accidental mortality, a custom table with representative rates was used and there is no mortality improvement assumed. Post-retirement mortality rates for male service retirements are based on the RP-2000 Combined Healthy Mortality tables projected on a generational basis using Projection Scale AA from the base year of 2012 to 2013 and the Conduent modified 2014 projection scale thereafter. Post-retirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. Disability mortality rates were based on a custom table with representative rates and no mortality improvement assumed.

The actuarial assumptions used in the July 1, 2017 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, 2018) 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, 2018 and 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
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%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%
	100.00%	

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

9. PENSION PLANS (continued)

Discount Rate – The discount rate used to measure the total pension liability was 6.51% as of June 30, 2018 and 6.14% as of June 30, 2017. 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 3.87% as of June 30, 2018 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% 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 June 30, 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

	<u>At 1% Decrease (5.51%)</u>	<u>At current Discount rate (6.51%)</u>	<u>At 1% Increase (7.51%)</u>
Township's proportionate share	\$ 108,219,340	\$ 80,858,703	\$ 58,291,161

Plan Fiduciary Net Position – The plan fiduciary net position for PFRS at June 30, 2018 and 2017 was \$27,098,556,100 and \$25,847,718,399, respectively.

Additional Information

Collective balances at June 30, 2018 are as follows:

Collective deferred outflows of resources	\$ 1,988,215,695
Collective deferred inflows of resources	4,286,994,294
Collective net pension liability - Local group	15,369,699,278
 Township's Proportion	 0.5975524919%

Collective pension expense for the Local Group for the measurement period ended June 30, 2018 and 2017 is \$1,270,762,352, and \$1,624,455,951, respectively. The average of the expected remaining service lives of all plan members is 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2018, 2017, 2016, 2015 and 2014, respectively.

TOWNSHIP OF MONTCLAIR

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018 and 2017

9. PENSION PLANS (continued)

State Contribution Payable Dates

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

The Fiduciary Net Position (FNP), includes Local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits. The receivable contributions for the years ended June 30, 2018 and June 30, 2017 are \$1,017,878,064 and \$1,073,054,740, respectively.

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, 2018 and 2017 for police and fire is 0.5975524919% and 0.05482364024%, respectively. The non-employer contributing entities' contribution for the year ended June 30, 2018 and 2017 was \$650,478 and \$505,172, respectively. The state's proportionate share of net pension liability attributable to the Township as of June 30, 2018 and 2017 was \$10,983,318 and \$10,102,578, 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

TOWNSHIP OF MONTCLAIR

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018 and 2017

9. PENSION PLANS (continued)

least \$5,000 annually. The maximum wage limit for 2018 is \$128,400 and is subject to annual adjustment. Members who earn in excess of the annual maximum wage will be enrolled in the DCRP in addition to the PERS. The minimum salary will be increased to \$8,000 for the period ended June 30, 2019. At June 30, 2018 and 2017, the membership in the DCRP, based on the information within the Division's database, was 57,893 and 56,044, 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.

Employer and Employee Pension Contributions

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

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.

TOWNSHIP OF MONTCLAIR

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018 and 2017

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

State of New Jersey's OPEB Plan

The Township of Montclair provides healthcare to its employees and retirees through its participation in the State Health Benefits Program (SHBP), 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 9 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 1964. All active full time employees are covered by the SHBP.

Participating employers are contractually required to provide for their contributions based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

At June 30, 2018 and 2017, Two hundred fifty-one (251) and Two hundred forty-seven members (active and retirees) were in the plan in which the Township was billed approximately \$6,351,000 and \$6,021,000, respectively.

Plan Description and Benefits Provided:

P.L. 1987, c.384 and P.L. 1990, c.6. required the Public Employees Retirement System (PERS) to fund post-retirement medical benefits for those members who retire after accumulating a minimum of 25 years of credited service or on a disability retirement. Pursuant to P.L. 2007, c.103, separate funds outside the pension plans were established for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees.

Coverage is provided at no cost to members of the PERS that had retired on a disability retirement or retired after accumulating 25 years of creditable service prior to June 28, 2011 and to those who had a minimum of 20 years of creditable service on June 28, 2011 and who subsequently retire after accumulating 25 years of credited service or on a disability retirement. Employees who had less than 20 years of creditable service on June 28, 2011 and subsequently retire after accumulating a minimum of 25 years of creditable service are required by Chapter 78, P.L. 2011 to contribute a percentage of the cost of their health care coverage in retirement. The percentage of the premium that will be the responsibility of the retiree is determined based upon the retiree's annual retirement benefit and level of coverage. Chapter 78 retirees opting for single will make contributions that escalate from 4.5% for annual retirement allowance under \$20,000 to 35.0% for annual retirement allowances exceeding \$110,000 per annum. Chapter 78 retirees opting for family coverage will range from 3.43% for annual retirement allowances under \$25,000 per annum to 35.0% for annual retirement allowances exceeding \$110,000 per annum.

A copy of the Plan's financial reports can be obtained from the State of New Jersey, Department of Treasury's website.

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

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

The State of New Jersey's Total OPEB Liability at June 30, 2018 was \$15,666,618,141, which was comprised of a special funding situation of \$6,213,844,492 and a non-special funding situation of \$9,452,773,649. The State of New Jersey's Total OPEB Liability at June 30, 2017 was \$20,415,788,739, which was comprised of a special funding situation of \$8,695,413,135 and a non-special funding situation of \$11,720,375,604.

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

	June 30, 2017	June 30, 2018
Total OPEB Liability	\$ 20,629,044,656	\$ 15,981,103,227
Plan Fiduciary Net Position	213,255,917	314,485,086
 Net OPEB Liability	 \$ 20,415,788,739	 \$ 15,666,618,141
 Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	 1.03%	 1.97%

Actuarial Assumptions and Other Inputs - The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The total OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. These actuarial valuations used the following actuarial assumptions, applied to all periods (2017 and 2018) in the measurement:

Inflation	2.50%
Salary Increases*:	
Through 2026	1.65% - 8.98%
Thereafter	2.65% - 9.98%

* Salary increases are based on the defined benefit plan that the member is enrolled in and his or her age.

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the July 1, 2016 and July 1, 2017 valuations were based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan – the Police and Firemen Retirement System (PFRS) and the Public Employees' Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2010 to June 30, 2013 and July 1, 2011 to June 30, 2014, respectively.

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

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

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

Healthcare Trend 2018 Assumptions - For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.00% decreasing to a 5.0% long-term trend rate after seven years. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate - The discount rate for June 30, 2018 and 2017 was 3.87% and 3.58%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Non Special Funding Situation

Sensitivity of the Township's proportion of the State's Net OPEB Liability to Changes in the Discount Rate - The following presents the township's non-special funding situation proportion of the State's Net OPEB liability of the participating employers as of June 30, 2018 and 2017, calculated using the discount rate as disclosed above as well as what the OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage- point higher than the current rate:

	1% Decrease	At Discount Rate	1% Increase
Township's Share of State's Net OPEB Liability - 2017	\$ 56,692,769	\$ 48,063,871	\$ 41,216,986
Township's Share of State's Net OPEB Liability - 2018	\$ 44,549,133	\$ 37,970,242	\$ 32,715,197

Sensitivity of the Township's proportion of the State's Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the township's non-special funding situation proportion of the State's OPEB liability as of June 30, 2018 and 2017, respectively, calculated using the healthcare trend rate as disclosed above as well as what the OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Township's Share of State's Net OPEB Liability - 2017	\$ 39,942,481	\$ 48,063,871	\$ 58,638,862
Township's Share of State's Net OPEB Liability - 2018	\$ 31,673,270	\$ 37,970,242	\$ 46,119,460

The Township of Montclair's non-special funding situation proportion of the Total OPEB Liability reflected above in the amounts of \$37,970,242 and \$48,063,871 for the years ended June 30, 2018 and June 30, 2017, respectively represent 0.242364% and 0.235425% of the State's Total OPEB Liability for the years ended June 30, 2018 and June 30, 2017.

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

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

Special Funding Situation

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

The amounts of the State's Non-employer OPEB Liability that are attributable to employees and retirees of the Township of Montclair was \$66,914,281 (306 members) and \$96,528,912 (309 members) at June 30, 2018 and 2017, respectively. These allocated liabilities represent 1.0769% and 1.1101% of the State's Total Non-employer OPEB Liability for June 30, 2018 and 2017, respectively. The OPEB expense attributed to the Township was \$2,025,573 and \$6,908,197 at June 30, 2018 and 2017, respectively.

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

12. MUNICIPAL DEBT

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

Issued	2018	2017	2016
General			
Bonds, Notes and Loans	\$ 59,499,405.77	\$ 62,159,142.63	\$ 64,450,678.65
Water:			
Bonds, Notes and Loans	9,070,989.69	10,534,790.62	12,944,614.67
Sewer:			
Bonds, Notes and Loans	1,175,181.50	1,974,286.00	2,833,016.50
Parking:			
Bonds, Notes and Loans	12,910,000.00	13,350,000.00	13,780,000.00
	<u>82,655,576.96</u>	<u>88,018,219.25</u>	<u>94,008,309.82</u>
<u>Authorized but Not Issued</u>			
General:			
Bonds, Notes and Loans	14,842,557.47	10,272,755.77	6,426,010.34
Water:			
Bonds, Notes and Loans	115,144.12	116,542.00	133,006.22
Sewer:			
Bonds, Notes and Loans	2,913,079.65	2,913,079.65	337,779.50
	<u>17,870,781.24</u>	<u>13,302,377.42</u>	<u>6,896,796.06</u>
<u>Less: Cash on Hand</u>			
General:			
Reserve for Debt Service	27,880.46	1,217,118.73	23,826.00
Net Bonds and Notes Issued and Authorized but Not Issued	<u>\$ 100,498,477.74</u>	<u>\$ 100,103,477.94</u>	<u>\$ 100,881,279.88</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 1.006%.

	Gross Debt	Deductions	Net Debt
Local School District	\$ 67,693,093.28	\$ 67,693,093.28	
Utility Debt	26,184,394.96	26,184,394.96	
General Debt	74,341,963.24	27,880.46	74,314,082.78
	<u>\$ 168,219,451.48</u>	<u>\$ 93,905,368.70</u>	<u>\$ 74,314,082.78</u>

Net Debt, \$74,314,082.78 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$7,387,515,942 equals 1.006%. A revised annual debt statement will be submitted.

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

12. MUNICIPAL DEBT (continued)

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

3 1/2% of Equalized Valuation Basis	\$ 258,563,057.98
Net Debt	<u>74,314,082.78</u>
 Remaining Borrowing Capacity	 <u><u>\$ 184,248,975.20</u></u>

School Debt Deductions

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

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

	<u>2018</u>	<u>2017</u>
<u>Water Utility</u>		
Fund Balance and cash receipts from fees, rents or other charges	\$ 10,060,677	\$ 10,001,932
Deductions:		
Operating and maintenance cost	\$ 6,046,652	\$ 5,864,789
Debt Service	<u>1,810,466</u>	<u>2,554,658</u>
	7,857,118	8,419,447
Excess revenue	<u>\$ 2,203,559</u>	<u>\$ 1,582,485</u>
There being an excess in revenue, all such utility debt is deductible		
<u>Sewer Utility</u>		
Fund Balance and cash receipts from fees, rents or other charges	\$ 7,922,867	\$ 6,753,975
Deductions:		
Operating and maintenance cost	\$ 5,680,303	\$ 5,438,435
Debt Service	<u>835,555</u>	<u>855,383</u>
	6,515,858	6,293,818
Excess revenue	<u>\$ 1,407,009</u>	<u>\$ 460,157</u>
There being an excess in revenue, all such utility debt is deductible		
<u>Parking Utility</u>		
Fund Balance and cash receipts from fees, rents or other charges	\$ 5,713,901	\$ 4,564,272
Deductions:		
Operating and maintenance cost	\$ 2,999,279	\$ 2,547,592
Debt Service	<u>1,010,271</u>	<u>1,012,945</u>
	4,009,550	3,560,537
Excess revenue	<u>\$ 1,704,351</u>	<u>\$ 1,003,735</u>
There being an excess in revenue, all such utility debt is deductible.		

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

12. MUNICIPAL DEBT (continued)

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

As of December 31, 2018 and 2017, the Township's long-term debt is as follows:

<u>General Capital</u>	<u>2018</u>	<u>2017</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
\$18,519,000, 2011 Bonds, due in annual installments of \$1,505,000 to \$1,665,000 through March 1, 2021, interest at rates from 3.00% to 3.375%	4,755,000	6,180,000
\$2,780,000, 2012 Pension Refunding Bonds, due in annual installments of \$380,000 to \$455,000 through April 1, 2021, interest at rates from 2.371% to 3.053%.	1,250,000	1,595,000
\$10,500,000, 2013 Bonds, due in annual installments of \$955,000 to \$1,270,000 through March 1, 2024, interest at rates from 4.00% to 5.00%.	6,680,000	7,570,000
\$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%.	12,600,000	14,325,000
\$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%.	5,305,000	5,305,000
\$9,000,000, 2018 Bonds, due in annual installments of \$600,000 to \$1,200,000 through April 2028, interest at rates from 4.00% to 5.00%.	<u>9,000,000</u>	
	<u>\$ 41,780,000</u>	<u>\$ 37,915,000</u>

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

12. MUNICIPAL DEBT (continued)

<u>Water Utility Bonds</u>	<u>2018</u>	<u>2017</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
\$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%	365,000	465,000
\$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%.	2,170,000	2,430,000
\$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%.	2,140,000	2,140,000
\$2,385,000, 2018 General Bonds due in annual installments of \$160,000 to \$305,000 from April 1, 2019 through April 1, 2028 at a interest rate of 4.00% to 5.00%.	<u>2,385,000</u>	<u> </u>
	<u>\$ 7,060,000</u>	<u>\$ 5,285,000</u>
<u>Parking Utility Bonds</u>	<u>2018</u>	<u>2017</u>
\$1,820,000, 2014 Refunding Bonds, due in annual installments of \$65,000 to \$125,000 through January 1, 2037, interest rates from 2.490% to 4.556%.	\$ 1,655,000	\$ 1,720,000
\$12,030,000, 2014 Series A Refunding Bonds, due in annual installments of \$390,000 to \$855,000 through January 1, 2037, interest at rates from 3.375% to 5.00%.	<u>11,255,000</u>	<u>11,630,000</u>
	<u>\$ 12,910,000</u>	<u>\$ 13,350,000</u>

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

12. MUNICIPAL DEBT (continued)

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

General Improvement Bonds							
Year	Total	General Capital		Water Utility		Parking Utility	
		Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 9,517,759.06	\$ 5,780,000.00	\$ 1,688,976.00	\$ 740,000.00	\$ 292,121.25	\$ 455,000.00	\$ 561,661.81
2020	9,346,874.81	5,845,000.00	1,473,295.50	750,000.00	264,556.25	470,000.00	544,023.06
2021	8,597,384.64	5,220,000.00	1,247,842.45	885,000.00	231,184.38	490,000.00	523,357.81
2022	7,955,033.66	4,985,000.00	1,023,775.00	735,000.00	196,825.00	515,000.00	499,433.66
2023	8,463,249.96	5,740,000.00	789,400.00	765,000.00	164,475.00	530,000.00	474,374.96
2024-2028	23,855,229.02	14,210,000.00	1,103,350.00	3,185,000.00	318,400.00	3,090,000.00	1,948,479.02
2029-2033	4,997,119.15					3,735,000.00	1,262,119.15
2034-2038	3,994,657.00					3,625,000.00	369,657.00
	<u>\$ 76,727,307.30</u>	<u>\$ 41,780,000.00</u>	<u>\$ 7,326,638.95</u>	<u>\$ 7,060,000.00</u>	<u>\$ 1,467,561.88</u>	<u>\$ 12,910,000.00</u>	<u>\$ 6,183,106.47</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>2018</u>	<u>2017</u>
<u>Project Youth Sports:</u> \$250,000, loan due in semi-annual installments through May 2026, interest at 2.00%.	\$ 107,771.65	\$ 120,963.80
<u>Project Youth Sports II:</u> \$250,000, loan due in semi-annual installments of \$6,410.26 through December 2029, interest free.	134,615.32	147,435.84
<u>Project Youth Sports III</u> \$273,606, loan due in semi-annual installments of \$7,015.54 through December 2035, interest free.	<u>238,528.30</u>	<u>252,559.38</u>
	<u>\$ 480,915.27</u>	<u>\$ 520,959.02</u>

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

Year	Principal	Interest	Total
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>\$ 480,915.27</u>	<u>\$ 8,821.85</u>	<u>\$ 489,737.12</u>

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

12. MUNICIPAL DEBT (continued)

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%.

Payments are made semi-annually through the year 2024 \$ 306,035.52 \$ 352,643.96

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 45,788.19	\$ 7,896.14	\$ 53,684.33
2020	53,038.49	6,684.37	59,722.86
2021	52,054.25	5,245.27	57,299.52
2022	51,065.17	3,804.88	54,870.05
2023	48,607.06	2,364.36	50,971.42
2024	<u>55,482.36</u>	<u>1,271.36</u>	<u>56,753.72</u>
	<u>\$ 306,035.52</u>	<u>\$ 27,266.38</u>	<u>\$ 333,301.90</u>

Business District Loan Payable

The Township has taken over the repayment of a business district loan issued by the State Department of Community Affairs in the sum of \$490,000.00. The loan is interest free and payable over fifteen years. Payments are \$32,666.67 a year. The balance remaining at December 31, 2018 was \$293,999.98 and at December 31, 2017 is \$326,666.65.

Environmental Infrastructure Loans Payable – Water Utility Fund

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

	<u>2018</u>	<u>2017</u>
1999 Loan:		
Payments are semi-annual through the year 2019	\$ 1,839.95	\$ 5,436.25
2001 Loan:		
Payments are semi-annual through the year 2021	215,696.38	283,262.93
2002 Loan:		
Payments are semi-annual through the year 2022	393,224.73	487,846.23
2010 Loan:		
Payments are semi-annual through the year 2029	<u>379,718.63</u>	<u>417,735.21</u>
	<u>\$ 990,479.69</u>	<u>\$ 1,194,280.62</u>

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

12. MUNICIPAL DEBT (continued)

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

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, 2017 was \$732,449.00 and for December 31, 2018 is \$683,345.50.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 49,103.50	\$ 7,336.26	\$ 56,439.76
2020	49,103.50	6,836.26	55,939.76
2021	49,103.50	6,336.26	55,439.76
2022	49,103.50	5,836.26	54,939.76
2023	54,103.50	5,336.26	59,439.76
2024	54,103.50	4,586.26	58,689.76
2025	54,103.50	3,836.26	57,939.76
2026	54,103.50	3,086.26	57,189.76
2027	54,103.50	2,336.26	56,439.76
2028	54,103.50	1,886.26	55,989.76
2029	54,103.50	1,436.26	55,539.76
2030	54,103.50	967.50	55,071.00
2031	54,103.50	487.50	54,591.00
	<u>\$ 683,345.50</u>	<u>\$ 50,303.86</u>	<u>\$ 733,649.36</u>

Special Emergency Note

Outstanding Special Emergency Note is as follows:

	<u>Interest</u>	<u>2018</u>	<u>Interest</u>	<u>2018</u>
	<u>Rate</u>	<u>Total</u>	<u>Rate</u>	<u>Total</u>
Current Fund	3.5%	<u>\$ 600,000.00</u>	2.5%	<u>\$ 800,000.00</u>

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

12. MUNICIPAL DEBT (continued)

Bond Anticipation Notes

Outstanding Bond Anticipation Notes are summarized as follows:

<u>Notes</u>	<u>2018</u>		<u>2017</u>	
	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>
General Capital Fund	3.50%	\$ 16,638,455.00	2.50%	\$ 23,043,873.00
Water Utility Capital Fund	3.50%	1,020,510.00	2.50%	4,055,510.00
Sewer Utility Capital Fund	3.50%	<u>491,836.00</u>	2.50%	<u>1,241,837.00</u>
		<u>\$ 18,150,801.00</u>		<u>\$ 28,341,220.00</u>

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

<u>Original Notes Issued</u>	<u>Legal Installments Due</u>	<u>Permanent Funding Required as of May 1</u>
2014	2017 - 2024	2025
2015	2018 - 2025	2026
2016	2019 - 2026	2027
2017	2020 - 2027	2028

Bonds and Notes Authorized but Not Issued

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

	<u>Balance Dec. 31, 2018</u>	<u>Balance Dec. 31, 2017</u>
General Capital Fund		
General Improvements	<u>\$ 14,842,557.47</u>	<u>\$ 10,272,755.77</u>
Water Utility Capital Fund		
General Improvements	<u>\$ 115,144.12</u>	<u>\$ 116,542.00</u>
Sewer Utility Capital Fund		
General Improvements	<u>\$ 2,913,079.65</u>	<u>\$ 2,913,079.65</u>

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

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:

	2018	2017
\$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
\$9,662,000, 2010 Bonds, due in annual installments of \$430,000 to \$460,000 through June 2020, interest at 3.00% to 4.00%. Bonds were Refunded in 2016.	890,000.00	1,290,000.00
\$21,660,000, 2011 Bonds, due in annual installments of \$975,000 to \$1,050,000 through March 2021, interest at 4.00%.	3,035,000.00	3,975,000.00
\$22,000,000, 2013 Bonds, due in annual installments of \$1,325,000 to \$1,960,000 through March 2028, interest at 2.50% to 5.00%.	16,405,000.00	17,665,000.00
\$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%.	9,945,000.00	10,895,000.00
\$14,840,000, 2016 Refunding Bonds due in annual installments of \$680,000 to \$1,690,000 through October 2030, interest at 3.75% to 5.00%.	14,700,000.00	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 4.00%.	12,415,000.00	12,415,000.00
\$3,000,000, 2018 Bonds due in annual installments of \$200,000 to \$375,000 through April 2028, interest at 4.00% to 5.00%.	3,000,000.00	
	\$ 60,390,000.00	\$ 61,840,000.00

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>
2019	\$ 4,650,000	\$ 2,459,363	\$ 7,109,363
2020	4,830,000	2,256,250	7,086,250
2021	4,990,000	2,047,575	7,037,575
2022	5,145,000	1,826,500	6,971,500
2023	5,280,000	1,598,700	6,878,700
2024-2028	30,030,000	4,367,681	34,397,681
2029-2033	5,465,000	329,400	5,794,400
	\$ 60,390,000	\$ 14,885,469	\$ 75,275,469

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

13. SCHOOL DEBT (continued)

Temporary Notes

Outstanding Temporary Notes for School purposes are as follows:

<u>Notes</u>	<u>2018</u>		<u>2017</u>	
	Interest Rate		Interest Rate	
General Capital Fund	3.50%	\$ 1,870,218	2.50%	\$ 6,270,218

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

<u>Notes</u>	<u>2018</u>	<u>2017</u>
General Capital Fund	\$ 5,432,875	\$ 2,032,875

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.

15. INTERFUND RECEIVABLES AND PAYABLES

As of December 31, 2018 and 2017, interfund receivables and payable that resulted from various interfund transactions were as follows:

	<u>2018</u>		<u>2017</u>	
	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>
Current Fund	\$ 283,657.94	\$ 403,468.56	\$ 113,373.37	\$ 2,053,169.14
Federal and State Grant Fund	403,468.56	-	1,008,329.86	
Assessment Trust Fund	-	21,743.58	8,757.15	
General Trust Fund	4,000,000.00	261,330.23	952,880.62	151,535.32
General Capital Fund	-	4,000,584.13	65,955.00	36,147.20
Water Utility Operating Fund	-	-	96,564.43	
Water Utility Capital Fund	-	-	2.00	4,605.77
Sewer Utility Operating Fund	600,000.00	-		
Sewer Utility Capital Fund		600,000.00		
Parking Utility Operating Fund	-	-	3,026.62	405.00
Parking Utility Capital Fund		-		3,026.62
	<u>\$ 5,287,126.50</u>	<u>\$ 5,287,126.50</u>	<u>\$ 2,248,889.05</u>	<u>\$ 2,248,889.05</u>

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

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, 2018 and 2017, the following deferred charges are shown on the balance sheet of the Current Fund:

	Balance Dec., 2017	2018 Budget Appropriation	Balance Dec., 2018	2019 Budget Appropriation
Current Fund:				
Special Emergency Authorization	\$ <u>800,000</u>	\$ <u>200,000</u>	\$ <u>600,000</u>	\$ <u>200,000</u>

17. DEFERRED SCHOOL TAX

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

	Balance Dec. 31, 2018	Balance Dec. 31, 2017	2018 Increase (Decrease)	Balance Dec. 31, 2016	2017 Increase (Decrease)
* Balance of School Tax	\$ 57,970,639	\$ 56,318,274	\$ 1,652,365	\$ 54,960,799	\$ 1,357,475
Amount Deferred	<u>48,754,849</u>	<u>48,754,849</u>	<u>-</u>	<u>48,754,849</u>	<u>-</u>
	<u>\$ 9,215,790</u>	<u>\$ 7,563,425</u>	<u>\$ 1,652,365</u>	<u>\$ 6,205,950</u>	<u>\$ 1,357,475</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, 2018 and 2017.

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 \$12,643,497, computed internally at the 2018 salary rates would be payable to officials and employees of the Township as of December 31, 2018 for accumulated sick and vacation days. This amount was not verified by audit. The Township has set up a reserve for accumulated absences of \$2,245,026.35 as of December 31, 2018.

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

19. CONTINGENT LIABILITIES (continued)

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

b. Tax Appeals

As of December 31, 2018, 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, 2018 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.

TOWNSHIP OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

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	\$ 230,747.43	\$ 109,438.43
56 Walnut Street	143,347.99	298,716.42	155,368.43
340 Orange Road	96,756.00	267,098.83	170,342.83
Union Gardens - 40 Greenwood Ave	100,000.00	263,834.66	163,834.66
Pineridge - 60 Glen Ridge	23,974.00	195,884.23	171,910.23
DCH MAP- Orange Garage	100,000.00	326,744.96	226,744.96
11 Elm Street	16,055.00	27,808.87	11,753.87
11/15 Pine Street	209,886.00	566,641.35	356,755.35
Herod Development - 48 S Park	98,355.20	239,104.32	140,749.12
55 Glenridge Ave	3,376.00	24,321.93	20,945.93
Centro Verde	1,125,524.67	1,171,567.85	46,043.18
48 S Park	1,106,888.83	1,327,740.60	220,851.77
	<u>\$ 3,145,472.69</u>	<u>\$ 4,940,211.45</u>	<u>\$ 1,794,738.76</u>

21. SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after December 31, 2018 through August 23, 2019, which is the date the financial statements were available to be issued. Based on this evaluation, management has determined that no subsequent events have occurred which require disclosure in the financial statements.

PART II
SUPPLEMENTARY INFORMATION
YEARS ENDED DECEMBER 31, 2018 AND 2017

TOWNSHIP OF MONTCLAIR
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS - TREASURER
YEAR ENDED DECEMBER 31, 2018

A-4

	<u>Ref.</u>		<u>Regular Fund</u>
Balance, December 31, 2017	A		\$ 60,257,879.06
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2d	\$ 912,209.47	
Tax Collector	A-5	195,478,084.97	
Due from State of New Jersey:			
Senior Citizens' and Veterans' Deductions	A-8	88,250.00	
Revenue Accounts Receivable	A-14	12,697,301.53	
Interfunds Receivable	A-16	12,011,145.77	
Due to State of New Jersey	A-20	94,512.00	
Interfunds Payable	A-25	385,293.21	
		221,666,796.95	
		281,924,676.01	
Decreased by Disbursements:			
Budget Appropriations	A-3	79,156,632.10	
Petty Cash	A-7	3,350.00	
Interfunds Receivable	A-16	11,898,356.53	
Appropriation Reserves	A-19	2,784,299.26	
Accounts Payable	A-22	876,634.07	
Due to State of New Jersey	A-20	95,148.00	
Tax Overpayments Refunded	A-24	395,284.97	
Interfunds Payable	A-25	1,870,671.04	
County Taxes Payable	A-26	37,113,474.35	
Local School District Tax	A-27	114,288,914.00	
Special Improvement District Tax	A-28	567,300.00	
Emergency Note Payable	A-29	200,000.00	
Reserve for Revaluation	A-21	166,130.60	
		249,416,194.92	
Balance, December 31, 2018	A		\$ 32,508,481.09

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENT - COLLECTOR
YEAR ENDED DECEMBER 31, 2018

A-5

	<u>Ref.</u>	
Increased by Receipts:		
Taxes Receivable	A-9	\$ 189,956,770.38
Revenue Accounts Receivable	A-14	3,790,606.04
Tax Overpayments - PILOT	A-23	43,333.23
Tax Overpayments	A-24	659,051.11
Prepaid Taxes	A-30	1,006,438.12
Prepaid PILOTS	A-30	21,886.09
		<u>195,478,084.97</u>
Decreased by Disbursements:		
Paid to Treasurer	A-4	<u>195,478,084.97</u>
		<u>\$</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

CHANGE FUNDS
DECEMBER 31, 2018

A-6

	<u>Ref.</u>	
Balance, December 31, 2017	A	<u>\$ 855.00</u>
Balance, December 31, 2018	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
DECEMBER 31, 2018

A-7

	<u>Funds Established</u>	<u>Funds Returned</u>
Treasurer	\$ 2,750.00	\$ 2,750.00
Recreation Department	100.00	100.00
Municipal Clerk	200.00	200.00
Police Department	<u>300.00</u>	<u>300.00</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, 2018

A-8

	<u>Ref.</u>	
Balance, December 31, 2017	A	\$ 5,678.32
Increased by:		
Veterans' and Senior Citizens' Deductions per Tax Billings:		
Senior Citizens		\$ 9,750.00
Veterans		72,500.00
Veterans' and Senior Citizens' Deductions Allowed by Tax Collector		
		<u>2,250.00</u>
		84,500.00
Less: Veterans' and Senior Citizens' Deductions Disallowed by Tax Collector		
		<u>1,750.00</u>
	A-2c, A-9	<u>82,750.00</u>
		88,428.32
Decreased by:		
Collections	A-4	<u>88,250.00</u>
Balance, December 31, 2018	A	<u><u>\$ 178.32</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, 2018

A-9

Year	Balance	2018 Tax Levy	Collections - Cash		State of	Canceled	Transferred	Balance
	Dec. 31, 2017		2017	2018	New Jersey		to Tax Title Liens	
2016	\$ 5,466.28			\$ 5,466.28				
2017	2,179,386.16			2,146,034.72		\$ 33,338.08		\$ 13.36
	2,184,852.44			2,151,501.00				13.36
2018		\$ 218,984,784.86	\$ 28,058,730.89	187,827,523.03	\$ 82,750.00	230,280.43	\$ 28,093.95	2,757,406.56
	<u>\$ 2,184,852.44</u>	<u>\$ 218,984,784.86</u>	<u>\$ 28,058,730.89</u>	<u>\$ 189,979,024.03</u>	<u>\$ 82,750.00</u>	<u>\$ 263,618.51</u>	<u>\$ 28,093.95</u>	<u>\$ 2,757,419.92</u>
Ref.	A	Below	A-2c, A-30	Below	A-8	Reserve	A-10	A
		Applied from Tax Overpayments	A-24	\$ 22,253.65				
		Cash Receipts	A-5	189,956,770.38				
			A-2c	<u>\$ 189,979,024.03</u>				

ANALYSIS OF 2018 PROPERTY TAX LEVY

			Ref.	
<u>Tax Yield</u>				
General Property Tax	\$ 218,381,064.00			
Added and Omitted	<u>603,720.86</u>			
<u>Tax Levy</u>				
Local School District Tax:				
Levy			A-27	\$ 115,941,279.00
Addition to Local School District Tax (Budget)			A-2	<u>7,352,893.50</u>
				\$ 123,294,172.50
County Taxes:				
County Tax			A-26	37,057,875.51
Special Improvement District Tax			A-28	569,901.06
Local Tax for Municipal Purposes:				
Budget			A-2	55,095,563.11
Minimum Library Tax			A-2	2,436,052.50
Additional Taxes Levied			Reserve	<u>531,220.18</u>
				58,062,835.79
	<u>\$ 218,984,784.86</u>			<u>\$ 218,984,784.86</u>

TOWNSHIP OF MONTCLAIR
CURRENT FUND

TAX TITLE LIENS
YEAR ENDED DECEMBER 31, 2018

A-10

	<u>Ref.</u>	
Balance, December 31, 2017	A	\$ 189,381.10
Increased by:		
Transferred from Taxes Receivable	A-9	<u>28,093.95</u>
Balance, December 31, 2018	A	<u><u>\$ 217,475.05</u></u>

PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)
DECEMBER 31, 2018

A-11

	<u>Ref.</u>	
Balance, December 31, 2017	A	<u>\$ 317,900.00</u>
Balance, December 31, 2018	A	<u><u>\$ 317,900.00</u></u>

TOWNSHIP OF MONTCLAIR
CURRENT FUND

OTHER LIENS RECEIVABLE
DECEMBER 31, 2018

A-12

	<u>Ref.</u>	<u>Demolition</u>
Balance, December 31, 2017 and 2018	A	\$ 7,500.00

Analysis of Balance

	<u>Block</u>	<u>Lot</u>	
	4203	13	\$ 7,500.00

OTHER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2018

A-13

	<u>Ref.</u>	
Balance, December 31, 2017	A	\$ 138,157.38
Increased by:		
Adjustment	Reserve	242.51
		<u>138,399.89</u>
Decreased by:		
Due from Trust Assessment	A-1, A-16	21,743.58
Balance, December 31, 2018	A	\$ 116,656.31

Analysis of Balance

6% Interest Penalty		\$ 94,366.20
Street Improvements		<u>22,290.11</u>
		<u>\$ 116,656.31</u>

TOWNSHIP OF MONTCLAIR
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2018

A-14
Sheet # 1

	Ref.	Balance	Accrued	Collections		Balance
		Dec. 31, 2017	in 2018	Treasurer	Collector	Dec. 31, 2018
Clerk:						
Licenses:						
Alcoholic Beverages	A-2a		\$ 57,750.00	\$ 57,750.00		
Other	A-2b		52,920.00	52,920.00		
Fees and Permits	A-2b					
Health Officer:						
Licenses	A-2b		93,275.00	93,275.00		
Fees and Permits	A-2b		63,676.81	63,676.81		
Planning Board:						
Fees and Permits	A-2b		22,782.85	22,782.85		
Community Services:						
Fees and Permits	A-2b		91,077.86	91,077.86		
Housing and Zoning:						
Fees and Permits	A-2b		19,390.00	19,390.00		
Recreation and Parks:						
Fees and Permits	A-2b		463,698.50	463,698.50		
Police Department:						
Fees and Permits	A-2b		9,882.60	9,882.60		
Fire:						
Fees and Permits	A-2b		32,770.00	32,770.00		
Registration Fees and Penalties on Vacant Properties	A-2a		182,500.00	182,500.00		
Collector/Clerk:						
Tax Searches	A-2b		86,590.00	86,590.00		
Interest and Costs on Taxes	A-2a		598,287.69		\$ 598,287.69	
Board of Adjustment:						
Fees and Permits	A-2b		9,200.00	9,200.00		
Construction Code Official:						
Building Permits	A-2a		1,117,465.00	1,117,465.00		
Municipal Court:						
Fines and Costs	A-2a	\$ 145,728.29	2,266,680.02	2,248,612.70		\$ 163,795.61
Parking Meters	A-2a					
Interest on Investments and Deposits	A-2a		654,870.64	654,870.64		
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, 2018

A-14
Sheet # 2

	Ref.	Balance Dec. 31, 2017	Accrued in 2018	Collections		Balance Dec. 31, 2018
				Treasurer	Collector	
Interlocal Government Services:						
Fire Services	A-2a		\$ 768,645.00	\$ 768,645.00		
Health Contracts	A-2a		141,140.00	141,140.00		
Health Contract - Nutley	A-2a		18,812.00	18,812.00		
Animal Control Services:						
Nutley	A-2a		41,920.00	41,920.00		
School Resources Officer Board of Education	A-2a		128,449.92	128,449.92		
Anticipated Utility Surplus - Parking	A-2a		100,000.00	100,000.00		
Anticipated Utility Surplus - Water	A-2a		250,000.00	250,000.00		
Anticipated Utility Surplus - Sewer	A-2a		200,000.00	200,000.00		
Cable Television Franchise Fee	A-2a		586,935.94	586,935.94		
Section 8 - Administrative Costs	A-2a		100,000.00	100,000.00		
Towing - Administrative Costs	A-2a		4,080.00	4,080.00		
Payments in Lieu of Taxes:						
Montclair Senior Housing Corp. (Orange Road)	A-2b		97,020.00		\$ 97,020.00	
First Montclair Housing Corp. (Walnut Street)	A-2b		188,222.00		188,222.00	
RTD Management Corp. (Lackawanna Plaza)	A-2b		120,620.00		120,620.00	
RTD Management Corp. (Union Gardens)	A-2b		100,000.00		100,000.00	
RTD Management Corp. (United Methodist Homes - Pineridge of Montclair)	A-2b		23,974.00		23,974.00	
Centro Verde	A-2b		1,125,524.67		1,125,524.67	
11 Pine Street	A-2b		209,886.00		209,886.00	
Siena	A-2b	\$ 1,535.32	1,196,678.48		1,195,395.75	\$ 2,818.05
55 Glenridge	A-2b		3,376.00		3,376.00	
Herod Redevelopment	A-2b		124,038.96		124,038.96	
11 Elm Street	A-2b		15,981.60		15,981.60	
Centro Verde - Garage	A-2b		100,000.00		100,000.00	
Capital Fund Surplus	A-2a		700,000.00	700,000.00		
Alarm Registration Fees	A-2a		120,576.71	120,576.71		
Rear Yard Refuse Collection	A-2a		36,100.00	36,100.00		
Reserve to Pay Debt Service	A-2a		1,192,000.00	1,192,000.00		
Penalty on Delinquent Taxes	A-2a		84,834.90		84,834.90	
Sale of Municipal Assets	A-2a		212,575.53	212,575.53		
Administrative Fees - Police Off-Duty	A-2a		135,114.00	135,114.00		
		<u>\$ 147,263.61</u>	<u>\$ 16,916,388.68</u>	<u>\$ 12,909,877.06</u>	<u>\$ 3,987,161.57</u>	<u>\$ 166,613.66</u>
Ref.		A	Reserve	A-14 Sheet 3	A-14 Sheet 3	A

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2018

A-14
Sheet # 3

	<u>Ref.</u>	Collections	
		<u>Treasurer</u>	<u>Tax Collector</u>
Cash Receipts	A-4, A-5	\$ 12,697,301.53	\$ 3,790,606.04
Prepaid PILOTS	A-30		157,337.11
Sale from Municipal Assets	A-33	212,575.53	
Applied from PILOT Overpayments	A-23		11,156.92
Applied from Overpayments - PILOT	A-24		28,061.50
		<hr/>	<hr/>
	Sheet # 2	<u>\$ 12,909,877.06</u>	<u>\$ 3,987,161.57</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
FEDERAL AND STATE GRANT FUND

GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2018

A-15

	Balance 12/31/2017	Realized		Collections	Unappropriated	Canceled	Balance 12/31/2018
		Budgeted	Chapter 159				
HEALTH							
USDA - Mobile Farm Stand Grant	\$ 22,831.00			\$ 11,861.00	\$ 600.00	\$ 10,370.00	
ANJEC	500.00						\$ 500.00
Microgrid Feasibility Study	142,480.00						142,480.00
Seniors in Transit Grant	4,950.00					3,500.00	1,450.00
Let's Grow Montclair Grant				10,000.00			10,000.00
Childhood Lead Exposure Grant		\$ 54,853.00	\$ 129,500.00	96,605.00			87,748.00
Partners in Health-Visiting Nurse	-	17,261.00			17,261.00		
Partners in Health-Visiting Nurse							
Municipal Alliance	3,812.19	24,255.00	24,255.00	47,393.49	186.20		4,742.50
Lifelong Montclair - Marketing Intern	-		1,320.00	1,320.00			
Radon Awareness	2,000.00			527.50		1,472.50	
POLICE							
Pedestrian Safety Education and Enforcement-2018		18,000.00		17,995.00		5.00	
Pedestrian Safety Education and Enforcement-2018-19			25,000.00				25,000.00
Click It or Ticket	-		5,500.00	5,500.00			
Distracted Driving Grant		6,600.00		6,600.00			6,600.00
G-01-18-300-NCS National Crime Statistics Exchange Implantation Assistance Program			20,000.00				20,000.00
Body Armor Grant 2015	10,319.62					9,592.97	726.65
Bulletproof Vest Partnership Grant:	6,688.00		5,941.85	6,688.00			5,941.85
Safe and Secure	60,000.00			60,000.00			
Bicycle Safety Grant	-	12,000.00	12,000.00	12,000.00			12,000.00
G-01-18-747-DSC 2018-Drive Sober YearEnd Crackdown grant			5,500.00				5,500.00
FIRE							
Essex County - Hurricane Sandy	25,826.00					25,826.00	
2015	23,449.68					23,449.68	
Generator Grant	192,000.00		16,110.00				208,110.00
U.S. Dept of Home Security:Assistance to Firefighters: 2010	25,265.00					25,265.00	
DCS							
DOT- Safe Routes to Schools Program 2007	91,441.70					91,441.70	
Police	10.00					10.00	
Engineer	352.00					352.00	
Recycling Tonnage	-	34,086.18			34,086.18		
Clean Communities	-		67,431.69	67,431.69			
DOT - Transit Village	15,646.12					15,646.12	
PLANNING							
Hazardous discharge	31,003.00		41,022.00	16,926.90			55,098.10
2018-EDA Orange Road		9,159.00			9,159.00		
G01-13-214-095 Historic Preservation	2,800.00			2,800.00			
IT							
Comcast grant	-	5,000.00			5,000.00		
Municipal Court							
Alcohol, Education and Rehab			4,833.34	4,833.34			
EC Local Arts Grant	250.00			250.00			
	<u>\$ 661,624.31</u>	<u>\$ 181,214.18</u>	<u>\$ 365,013.88</u>	<u>\$ 368,731.92</u>	<u>\$ 66,292.38</u>	<u>\$ 206,930.97</u>	<u>\$ 585,897.10</u>
Ref.	A	A-17	A--17	A-17	A-33	A-17	A

TOWNSHIP OF MONTCLAIR
CURRENT FUND

INTERFUNDS RECEIVABLE
YEAR ENDED DECEMBER 31, 2018

A-16

	<u>Ref.</u>	<u>Total Current Fund</u>	<u>General Capital Fund</u>	<u>Assessment Trust Fund</u>	<u>General Trust Fund</u>	<u>Parking Utility Operating Fund</u>	<u>Trust Fund State Unemployment Insurance</u>
Balance, December 31, 2017	A	\$ 113,373.37	\$ 36,145.20			\$ 405.00	\$ 76,823.17
Increased by:							
Transferred from Interfunds Payable	A-25	261,330.23			\$ 261,330.23		
Other Accounts Receivable	A--13	21,743.58		\$ 21,743.58			
Advances	A-4	11,898,356.53	11,898,356.53				
		<u>12,181,430.34</u>	<u>11,898,356.53</u>	<u>21,743.58</u>	<u>261,330.23</u>		
		12,294,803.71	11,934,501.73	21,743.58	261,330.23	405.00	76,823.17
Decreased by:							
Settlements	A-4	12,011,145.77	11,933,917.60			405.00	76,823.17
Balance, December 31, 2018	A	<u>\$ 283,657.94</u>	<u>\$ 584.13</u>	<u>\$ 21,743.58</u>	<u>\$ 261,330.23</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Analysis of Net Debit to Fund Balance</u>							
Balance December 31, 2018		\$ 283,657.94					
Balance December 31, 2017		<u>113,373.37</u>					
Net Debit to Operations	A-1	<u>\$ 170,284.57</u>					

TOWNSHIP OF MONTCLAIR
CURRENT FUND

INTERFUNDS RECEIVABLE
FEDERAL AND STATE GRANT FUND
YEAR ENDED DECEMBER 31, 2018

A-17

	<u>Ref.</u>	<u>Total Federal and State Grant Fund</u>	<u>Current Fund</u>
Balance, December 31, 2017	A	<u>\$ 1,008,329.86</u>	<u>\$ 1,008,329.86</u>
Increased by:			
Budget Appropriation - Grants	A-32	572,291.81	572,291.81
Grants Received through Current Fund:			
Grants Receivable	A-15	368,731.92	368,731.92
Unappropriated Revenue	A-33	11,667.00	11,667.00
Cancelation of Grants Receivable	A-15	206,930.97	206,930.97
		<u>1,159,621.70</u>	<u>1,159,621.70</u>
		<u>2,167,951.56</u>	<u>2,167,951.56</u>
Decreased by:			
Anticipated Revenue	A-25	566,228.06	566,228.06
Grants Disbursed through Current Fund	A-32	820,487.74	820,487.74
Cancelation of Grant Reserves	A-32	377,767.20	377,767.20
		<u>1,764,483.00</u>	<u>1,764,483.00</u>
Balance, December 31, 2018	A	<u>\$ 403,468.56</u>	<u>\$ 403,468.56</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, 2018

A-18

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2017</u>	<u>Budget Appropriation</u>	<u>Balance Dec. 31, 2018</u>
2-28-16	Revaluation Program	<u>\$ 1,000,000.00</u>	<u>\$ 200,000.00</u>	<u>\$ 800,000.00</u>	<u>\$ 200,000.00</u>	<u>\$ 600,000.00</u>
	<u>Ref.</u>			A	A-3	A

TOWNSHIP OF MONTCLAIR
CURRENT FUND

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2018

	Balance Dec. 31, 2017		Balance After Transfers	Paid or Charged	Balance Lapsed
	Encumbered	Reserved			
<u>General Government</u>					
Township Council:					
Salaries and Wages		\$ 3,775.26	\$ 3,775.26		\$ 3,775.26
Other Expenses	\$ 3,014.05	512.45	3,526.50	\$ 2,144.05	1,382.45
Township Manager:					
Salaries and Wages		22,263.62	22,263.62	22,263.62	
Other Expenses	182,438.08	105,925.90	288,363.98	185,862.33	102,501.65
Township Clerk:					
Salaries and Wages		27,231.00	27,231.00	12,319.36	14,911.64
Other Expenses	4,263.36	12,969.42	17,232.78	5,528.30	11,704.48
Election Expense:					
Salaries and Wages		1,404.53	1,404.53		1,404.53
Other Expenses	216.96	135.05	352.01	216.96	135.05
Township Attorney:					
Salaries and Wages		29,280.10	29,280.10		29,280.10
Other Expenses	15,987.55	27,500.98	43,488.53	26,960.59	16,527.94
Municipal Court:					
Salaries and Wages		44,019.86	44,019.86	915.48	43,104.38
Other Expenses	4,412.14	908.47	5,320.61	4,263.57	1,057.04
Postage:					
Other Expenses	-	24,232.85	24,232.85		24,232.85
<u>Finance Department</u>					
Administration:					
Salaries and Wages		26,677.53	26,677.53	7,468.00	19,209.53
Other Expenses	7,905.24	150,572.35	158,477.59	8,969.74	149,507.85
Accounting and Treasury:					
Salaries and Wages		46,754.42	46,754.42	12,963.54	33,790.88
Other Expenses	674.77	1,223.11	1,897.88	674.77	1,223.11
Assessor's Office:					
Salaries and Wages		29,540.22	29,540.22	12,337.29	17,202.93
Other Expenses	11,775.29	17,656.20	29,431.49	12,591.79	16,839.70
Tax Collector:					
Salaries and Wages		33,220.73	33,220.73	1,772.99	31,447.74
Other Expenses	2,674.37	6,821.49	9,495.86	2,509.37	6,986.49
Auditing:					
Other Expenses	187.80	22,814.13	23,001.93	224.54	22,777.39

TOWNSHIP OF MONTCLAIR
CURRENT FUND

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2018

	Balance Dec. 31, 2017		Balance After Transfers	Paid or Charged	Balance Lapsed
	Encumbered	Reserved			
<u>Planning and Community Development</u>					
Administration:					
Salaries and Wages		\$ 45,006.40	\$ 45,006.40	\$ 20,121.19	\$ 24,885.21
Other Expenses	\$ 3,889.75	49,957.26	51,706.51	12,867.10	38,839.41
Planning Board:					
Other Expenses	1,381.20	15,719.97	17,101.17	2,471.71	14,629.46
Board of Adjustment:					
Other Expenses		3,512.49	5,652.99	3,519.55	2,133.44
<u>Administration and Code Enforcement</u>					
<u>Department</u>					
Salaries and Wages		135,817.18	135,817.18	5,486.17	130,331.01
Other Expenses	24,323.02	26,008.28	50,331.30	32,388.25	17,943.05
<u>Police Department</u>					
Salaries and Wages		630,275.42	630,275.42	99,221.50	531,053.92
Other Expenses	344,501.77	4,103.79	348,605.56	301,170.12	47,435.44
Police & Fire Alarm System	33,744.43	74,571.06	108,315.49	104,471.19	3,844.30
<u>Fire Department</u>					
Salaries and Wages		878,963.78	878,963.78	574,231.53	304,732.25
Other Expenses	174,381.15	10,352.43	184,733.58	113,325.45	71,408.13
<u>Uniform Fire Safety Act (Ch. 383 P.L. 1983)</u>					
Life Hazard Use Fee Payment:					
Salary and Wages		60,639.00	60,639.00		60,639.00
<u>Public Works Department</u>					
Community Services Administration:					
Salaries and Wages		61,618.58	61,618.58	49,638.34	11,980.24
Other Expenses	1,426.97	16,333.23	17,760.20	1,599.02	16,161.18
Engineering:					
Salaries and Wages		49,454.78	49,454.78	13,340.24	36,114.54
Other Expenses	39.00	554.47	593.47	21.60	571.87

TOWNSHIP OF MONTCLAIR
CURRENT FUND

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2018

	Balance Dec. 31, 2017		Balance After Transfers	Paid or Charged	Balance Lapsed
	Encumbered	Reserved			
<u>Public Works Department</u>					
Street Repairs and Maintenance:					
Salaries and Wages		\$ 28,476.86	\$ 28,476.86	\$ 7,476.95	\$ 20,999.91
Other Expenses	\$ 1,829.30	8,871.16	10,700.46	1,901.68	8,798.78
Sanitary and Storm Sewer Maintenance:					
Salaries and Wages		62,945.02	62,945.02	3,804.37	59,140.65
Other Expenses	134.52	3,646.66	3,781.18	454.08	3,327.10
Refuse Collection and Disposal:					
Salaries and Wages		73.62	73.62	(3,026.69)	3,100.31
Other Expenses	1,368.81	7,772.44	9,141.25	1,434.86	7,706.39
Storm Clearance:					
Salaries and Wages		30,982.64	30,982.64	8,955.32	22,027.32
Other Expenses	79,234.48	8,277.38	87,511.86	86,751.86	760.00
Traffic:					
Salaries and Wages		27,736.78	27,736.78	4,562.83	23,173.95
Other Expenses	738.46	4,144.78	4,883.24	1,905.92	2,977.32
Central Garage Operation:					
Salaries and Wages		28,784.30	28,784.30	27,612.99	1,171.31
Other Expenses	38,145.90	36,059.40	74,205.30	41,153.42	33,051.88
Building Maintenance:					
Salaries and Wages		18,822.91	18,822.91	5,889.10	12,933.81
Other Expenses	9,026.79	14,357.10	23,383.89	12,696.90	10,686.99
Parks Maintenance:					
Salaries and Wages		7,840.07	7,840.07	7,218.31	621.76
Other Expenses	13,282.11	33,711.26	46,993.37	14,092.76	32,900.61
Shade Trees:					
Salaries and Wages		5,686.46	5,686.46	3,521.73	2,164.73
Other Expenses	6,154.59	94,241.75	100,396.34	10,509.59	89,886.75

TOWNSHIP OF MONTCLAIR
CURRENT FUND

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2018

	Balance Dec. 31, 2017		Balance After Transfers	Paid or Charged	Balance Lapsed
	Encumbered	Reserved			
<u>Parks, Recreation and Cultural Affairs Department</u>					
Recreation Programs:					
Salaries and Wages		\$ 32,394.71	\$ 32,394.71	\$ 11,557.47	\$ 20,837.24
Other Expenses	\$ 2,428.66	14,618.84	17,047.50	2,190.37	14,857.13
<u>Health and Human Services Department</u>					
Health Services:					
Salaries and Wages		163,033.74	131,833.74	22,889.16	108,944.58
Other Expenses	4,908.25	24,382.06	29,290.31	5,163.78	24,126.53
Senior Services:					
Salaries and Wages	27,111.32	55,424.62	113,735.94	37,516.99	76,218.95
Nursing Services:					
Salaries and Wages		62,018.06	62,018.06	25,083.00	36,935.06
Animal Control:					
Salaries and Wages		2,713.79	2,713.79	1,158.43	1,555.36
Other Expenses	28,987.26	33,115.26	62,102.52	31,064.72	31,037.80
<u>Miscellaneous and Other</u>					
Refuse Tipping Fees:					
Other Expenses	198,109.14	126,162.02	324,271.16	180,262.79	144,008.37
Aging in Montclair					
Other Expenses		12,588.00	12,588.00	2,152.00	10,438.00
Insurances:					
Liability	35,124.26	565,148.95	600,273.21	63,713.63	536,559.58
Health Benefit Wavier		93,888.24	93,888.24	83,437.66	10,450.58
Employee Group Insurance	82,017.06	463,542.77	545,559.83		545,559.83

TOWNSHIP OF MONTCLAIR
CURRENT FUND

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2018

	Balance Dec. 31, 2017		Balance After Transfers	Paid or Charged	Balance Lapsed
	Encumbered	Reserved			
<u>Special Programs and Activities</u>					
<u>Parks, Recreation and Cultural Affairs:</u>					
Salaries and Wages	\$ 9,624.83	\$ 17,495.92	\$ 27,120.75	\$ 8,628.78	\$ 18,491.97
<u>Uniform Construction Code - Appropriations Offset by Dedicated Revenues</u>					
Salaries and Wages		86,668.58	86,668.58	28,674.56	57,994.02
Other Expenses	12,888.33	131,942.11	144,830.44	12,888.33	131,942.11
<u>Unclassified</u>					
<u>Utilities:</u>					
Gasoline	15,137.85	39,952.71	49,090.56	15,137.85	33,952.71
Fuel - Diesel	13,631.14	12,765.55	32,396.69	32,061.13	335.56
Electricity	51,857.78	157,009.50	208,867.28	104,776.19	104,091.09
Telephone	49,630.36	42,614.98	92,245.34	59,671.55	32,573.79
Natural Gas	8,208.03	39,138.14	47,346.17	34,817.50	12,528.67
Street Lighting	171,000.00	1,320.09	172,320.09	118,548.89	53,771.20
<u>Contingent</u>					
		3,500.00	3,500.00		3,500.00
<u>Statutory Expenditures</u>					
Social Security System (OASI)		60,374.86	60,374.86	9,267.74	51,107.12
Police and Firemen's Retirement System of N.J.		20,334.60	20,334.60		20,334.60
Total Appropriations Within "CAPS"	1,677,816.13	5,382,906.48	7,060,722.61	2,781,437.75	4,279,286.86

TOWNSHIP OF MONTCLAIR
CURRENT FUND

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2018

	Balance Dec. 31, 2017		Balance After Transfers	Paid or Charged	Balance Lapsed
	Encumbered	Reserved			
<u>Other Operations</u>					
Interlocal Nursing Services - Nutley:					
Salaries and Wages		\$ 5,526.50	\$ 5,526.50	\$ 3,496.50	\$ 2,030.00
Maintenance of Free Public Library					
Employee Group Insurance					
Other Expenses		67,000.00	67,000.00		67,000.00
	-	72,526.50	72,526.50	3,496.50	69,030.00
Total Appropriations Excluded from "CAPS"	-	72,526.50	72,526.50	3,496.50	69,030.00
Total	\$ 1,677,816.13	\$ 5,455,432.98	\$ 7,133,249.11	\$ 2,784,934.25	\$ 4,348,316.86
<u>Ref.</u>	A	A		Below	A-1
			<u>Ref.</u>		
		Cash Disbursements	A-4	\$ 2,784,301.26	
		Accounts Payable	A-22	632.99	
			Above	\$ 2,784,934.25	

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2018

A-20

	<u>Ref.</u>	<u>Total</u>	<u>Construction Training Fees</u>	<u>Marriage Surcharge Fees</u>
Balance, December 31, 2017	A	\$ 20,545.00	\$ 19,280.00	\$ 1,265.00
Increased by:				
Collections	A-4	94,512.00	90,361.00	4,151.00
		<u>115,057.00</u>	<u>109,641.00</u>	<u>5,416.00</u>
Decreased by:				
Payments	A-4	95,148.00	91,273.00	3,875.00
Balance, December 31, 2018	A	<u>\$ 19,909.00</u>	<u>\$ 18,368.00</u>	<u>\$ 1,541.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

RESERVE FOR REVALUATION
YEAR ENDED DECEMBER 31, 2018

A-21

	<u>Ref.</u>		
Balance, December 31, 2017	A		\$ 273,948.00
Decreased by:			
Cash Disbursements	A-4	\$ 166,130.60	
Canceled	A-1	<u>63,492.00</u>	
			<u>229,622.60</u>
Balance, December 31, 2018	A		<u>\$ 44,325.40</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2018

A-22

	<u>Ref.</u>		
Balance, December 31, 2017	A		\$ 1,065,873.20
Increased by:			
Due County of Essex	A-2b	\$ 128,201.61	
Transfer from Appropriations Reserves	A-19	<u>632.99</u>	
			<u>128,834.60</u>
			1,194,707.80
Decreased by:			
Cash Disbursements	A-4	876,634.07	
Canceled	A-1	<u>189,239.13</u>	
			<u>1,065,873.20</u>
Balance, December 31, 2018	A		<u><u>\$ 128,834.60</u></u>
<u>Analysis of Balance</u>			
PILOT - Due to County of Essex			\$ 128,201.61
Other			<u>632.99</u>
			<u><u>\$ 128,834.60</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

PAYMENTS IN LIEU OF TAXES - OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2018

A-23

	<u>Ref.</u>		
Balance, December 31, 2017	A		\$ 11,156.92
Increased by:			
Cash Receipts	A-5		43,333.23
			<u>54,490.15</u>
Decreased by:			
Applied to Revenue Accounts Receivable	A-14		11,156.92
			<u>11,156.92</u>
Balance, December 31, 2018	A		<u>\$ 43,333.23</u>

TAX OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2018

A-24

Balance, December 31, 2017	A		\$ 958,222.63
Increased by:			
Cash Receipts	A-5	\$ 659,051.11	
			<u>659,051.11</u>
			1,617,273.74
Decreased by:			
Refunds	A-4	395,284.97	
Applied to PILOT Accounts Receivable	A-14	28,061.50	
Applied to Taxes Receivable	A-9	22,253.65	
			<u>445,600.12</u>
Balance, December 31, 2018	A		<u>\$ 1,171,673.62</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

INTERFUNDS PAYABLE
YEAR ENDED DECEMBER 31, 2018

A-25

	<u>Ref.</u>	<u>Total</u>	<u>Federal and State Grant Fund</u>	<u>General Trust Fund</u>	<u>Water Utility Operating Fund</u>
Balance, December 31, 2017	A	\$ 2,053,169.14	\$ 1,008,329.86	\$ 952,880.62	\$ 91,958.66
Increased by:					
Budget Appropriation	A-3	572,291.81	572,291.81		
Tax Sale Redemption Paid Twice	A-1	78,800.00		78,800.00	
Transferred from/to Interfunds Receivable	A-16	261,330.23		261,330.23	
Advances	A-4	385,293.21	380,398.92	4,894.29	
Cancelation of Grants Receivable	A-1	206,930.97	206,930.97		
		<u>1,504,646.22</u>	<u>1,159,621.70</u>	<u>345,024.52</u>	<u>0.00</u>
		<u>3,557,815.36</u>	<u>2,167,951.56</u>	<u>1,297,905.14</u>	<u>91,958.66</u>
Decreased by:					
Settlements	A-4	1,870,671.04	820,487.74	958,224.64	91,958.66
Special Deposits Canceled	A-1	339,680.50		339,680.50	
Revenues Anticipated	A-2a	566,228.06	566,228.06		
Cancelation of Grant Reserves	A-1	377,767.20	377,767.20		
		<u>3,154,346.80</u>	<u>1,764,483.00</u>	<u>1,297,905.14</u>	<u>91,958.66</u>
Balance, December 31, 2018	A	<u>\$ 403,468.56</u>	<u>\$ 403,468.56</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF MONTCLAIR
CURRENT FUND

COUNTY TAXES
YEAR ENDED DECEMBER 31, 2018

A-26

	<u>Ref.</u>	
Balance, December 31, 2017	A	\$ 157,643.42
Increased by:		
Tax Levy		\$ 35,836,156.40
Open Space		1,119,674.60
Added and Omitted		<u>102,044.51</u>
	A-1, A-2c, A-9	<u>37,057,875.51</u>
		37,215,518.93
Decreased by:		
Payments	A-4	<u>37,113,474.35</u>
Balance, December 31, 2018	A	<u><u>\$ 102,044.58</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

LOCAL SCHOOL DISTRICT TAX
YEAR ENDED DECEMBER 31, 2018

A-27

	<u>Ref.</u>	
Balance, December 31, 2017	Below	\$ 56,318,274.00
Increased by:		
Levy - School Year July 1, 2018 to June 30, 2019	A-1, A-2c, A-9	<u>115,941,279.00</u> 172,259,553.00
Decreased by:		
Payments	A-4	<u>114,288,914.00</u>
Balance, December 31, 2018		
Deferred School Tax	Below	\$ 48,754,849.00
School Tax Payable	A	<u>9,215,790.00</u>
		<u>\$ 57,970,639.00</u>
<u>Analysis of Deferred School Tax</u>		
Deferred School Tax December 31, 2018	Above	\$ 48,754,849.00
Deferred School Tax December 31, 2017	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, 2018

A-28

	<u>Ref.</u>	
Increased by:		
2018 Tax Levy	A-1, A-2c, A-9	\$ 569,901.06
Decreased by:		
Payments	A-4	<u>567,300.00</u>
Balance, December 31, 2018	A	<u><u>\$ 2,601.06</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

NOTE PAYABLE
YEAR ENDED DECEMBER 31, 2018

A-29

	<u>Ref.</u>	
Balance, December 31, 2017	A	\$ 800,000.00
Decreased by:		
Cash Disbursement	A-4	<u>200,000.00</u>
Balance, December 31, 2018	A	<u>\$ 600,000.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

PREPAID TAXES
YEAR ENDED DECEMBER 31, 2018

A-30

	<u>Ref.</u>		
Balance, December 31, 2017	A		\$ 28,216,068.00
Increased by:			
Cash Receipts	A-5		1,028,324.21
			29,244,392.21
Decreased by:			
Applied to Taxes Receivable	A-19	\$ 28,058,730.89	
Applied to PILOT	A-14	157,337.11	
		28,216,068.00	28,216,068.00
Balance, December 31, 2018	A		\$ 1,028,324.21
 <u>Analysis of Balance</u>			
Prepaid Taxes			\$ 1,006,438.12
Prepaid PILOTS			21,886.09
			\$ 1,028,324.21
			\$ 1,028,324.21

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

DUE TO ESSEX COUNTY
FEDERAL AND STATE GRANT FUND
YEAR ENDED DECEMBER 31, 2018

A-31

	<u>Ref.</u>	
Balance, December 31, 2017	A	<u>\$ 86,975.50</u>
Balance, December 31, 2018	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, 2018

A-32
Sheet #1

	Balance Dec. 31, 2017	Transferred from Budget Appropriation	Added by NJSA 40A-4-87	Expended Cash Disbursements	Canceled	Encumbered	Balance Dec. 31, 2018
Emergency Preparedness Grant - 2009	\$ 602.65			\$ 579.80			\$ 22.85
State of N.J. Tobacco Control	5,680.00			359.47			5,320.53
2010 - MOUNTAINSIDE HEALTH FOUN-H1N1 PREV News and Views	4,116.73			409.06		\$ 460.00	3,247.67
2010 Energy Efficiency and Conservation Block Grant	774.76			774.76			
2013 National Association of County Health Officers	4,270.63				\$ 4,270.63		
Partners for Health - Edgemont grant	2,559.84						2,559.84
2014 National Association of County Health Officers	7,679.97			224.82			7,455.15
Partners in Health -lifelong Montclair	2,615.29			1,357.24			1,258.05
Partners for Health - 2014 & snow buddies	1,519.43			1,284.22	235.21		
Essex County Division on Aging: Citizen Services 201!	1,375.27			300.00	1,075.27		
Citizen Services Grant 2015	7,280.00				7,280.00		
MCIA	7,280.00				7,280.00		
Div of Aging - Health Officer Grant	14,635.37			14,318.47	316.90		
Citizen Services Grant 2016	3,500.00						3,500.00
Shop Rite-Senior Shuttle Grant	7,281.00				7,281.00		
Local Food Promotion grant	7.00			7.00			
ANJEC - open space	12,743.91				12,743.91		
Seniorama	294.36						294.36
Albert Terhune	144.98			144.98			0.00
Microgrid Feasibility Study	2,250.00			2,202.84			47.16
Shoprite Senior Shuttle	142,480.00						142,480.00
Eat Better Grant	9.69			9.69			
Local Food Promotion grant	8,319.92			6,300.00			2,019.92
NJ Healthy Corner Store	5,773.88						5,773.88
Mayors Wellness Program	530.89						530.89
Partners in Health-Visiting Nurse	3,818.01			872.79			2,945.22
PFH Lock Box Grant	10,920.00				10,920.00		
Maddie's Fund-Dog	3,797.00						3,797.00
Maddie's Fund- Cat	1,500.00						1,500.00
Seniors in Taxis	1,000.00					930.09	69.91
Association of Health Officials	3,500.00			1,332.60			2,167.40
Radon Awareness	2,320.00						2,320.00
2018-19 Partners for Health	2,000.00			527.50	1,472.50		
Essex County Visiting Nurses Grant		\$ 20,000.00		8,191.98		1,809.95	9,998.07
2018-19 1st Half MCIA Grant		17,261.00					17,261.00
2018-19 1st Half MCIA Grant			\$ 24,255.00	5,922.06		7,362.49	10,970.45
Childhood Lead Exposure Grant 2018	-	54,853.00	129,500.00	123,369.73		8,390.77	52,592.50
2018 Montclair Institute Lifelong Learning			1,320.00	396.00			924.00
Municipal Alliance	19,273.83			18,464.35	809.48		(0.00)
Municipal Alliance - Match	10,424.80			2,298.73	8,126.07		
MCIA		24,255.00		20,877.59	3,377.41		
Matching Funds - MCIA		6,063.75			6,063.75		

TOWNSHIP OF MONTCLAIR
FEDERAL AND STATE GRANT FUND

APPROPRIATED RESERVES
YEAR ENDED DECEMBER 31, 2018

A-32
Sheet #2

	Balance Dec. 31, 2017	Transferred from Budget Appropriation	Added by NJSA 40A-4-87	Expended Cash Disbursements	Cancelled	Encumbered	Balance Dec. 31, 2018
Over the Limit Under Arrest	\$ 2,725.00				\$ 2,725.00		
Safe and Secure Communities	68,975.00			\$ 68,975.00			
Essex Cty. PARIS - Police Records	2,500.00				2,500.00		
Body Armor Replacement Fund: 2013	470.65			470.65			
Cops in Schools grant	3,600.00			3,600.00			
Police Donation	250.00				250.00		
2015 A	-						
Click It or Ticket 2016(5-316 thru 6-5-16)	1,250.00			1,250.00			
2014	1,772.40			1,772.40			
Bulletproof Vest Partnership Grant: 2015	9,899.00			9,899.00			
Safe and Secure	60,000.00			60,000.00			
Bulletproof Vest Partnership Grant: 2016	1,758.83			1,758.83			
Pedestrian Safety Education 2015-16	2,300.00			2,300.00			
Pedestrian Safety Education 2016-17	1,560.00			460.00	1,100.00		
Body Armor Replacement Fund: 2016				1,050.77	(1,050.77)		
2017 Body Armor Replacement Fund			\$ 5,941.85	2,328.58	436.07		\$ 3,177.20
Drive Sober or Get Pulled Over - Labor Day 2017	5,000.00			5,500.00	(500.00)		-
DDEF	12,804.50			711.30			12,093.20
Drunk Driving Enforcement Fund	15.70				15.70		
Safe and Secure	60,000.00			60,000.00			
Bulletproof Vest Partnership Grant	6,688.00			6,688.00			
Bicycle Safety Grant	1,000.00				1,000.00		
Pedestrian Safety Education 2017-18		\$ 18,000.00		13,005.00	4,995.00		
Click It or Ticket 2018			5,500.00	5,500.00			
Bicycle Safety Grant		12,000.00		11,800.00	200.00		
Distracted Driving		6,600.00	6,600.00	6,600.00	6,600.00		
National Crime Statistics Exchange Implantation Assistance Program			20,000.00				20,000.00
Body Armor Replacement Fund:	18,097.83				18,097.83		
Edward Byrne Juvenile Assistance Program:2016	1,148.20				1,148.20		
2015	1,709.06				1,709.06		
Prior Years	7,636.30				7,636.30		
Click it or Ticket	6,050.00				6,050.00		
2018-19 Pedestrian Safety Grant			25,000.00	2,475.00			22,525.00
2018-19 Bicycle Safety Grant			12,000.00	660.00			11,340.00
			5,500.00	2,475.00			3,025.00
SAFE ROUTES TO SCHOOL PROGRAM - NJDOT	313,890.00			222,448.30	91,441.70		
Police	8,420.00				8,420.00		
Engineer	22,752.00				22,752.00		
DOT - Transit Village	15,646.12				15,646.12		
2017 Clean Communities Grant	70,449.09			41,000.00			29,449.09
2014 Recycling grant rec'd in 2017	30,903.52						30,903.52
2014 Recycling grant rec'd in 2017		34,086.18					34,086.18
2018 CLEAN COMMUNITIES GRANT			67,431.69				67,431.69
2005	571.84				571.84		
2008	13,365.07				13,365.07		
FEMA - Assistance to Firefighter: 2004	\$ 19,300.10			6,696.62			12,603.48
2010	25,508.87				25,508.87		

TOWNSHIP OF MONTCLAIR
FEDERAL AND STATE GRANT FUND

APPROPRIATED RESERVES
YEAR ENDED DECEMBER 31, 2018

A-32
Sheet #3

	Balance Dec. 31, 2017	Transferred from Budget Appropriation	Added by NJSA 40A-4-87	Expended Cash Disbursements	Cancelled	Encumbered	Balance Dec. 31, 2018
Homeland Security	\$ 9,500.00				\$ 9,500.00		
Fire Incentive Grant	1,000.00				1,000.00		
Essex County - Hurricane Sandy Generator Grant	31,946.00 192,000.00			\$ 19,000.00		\$ 31,946.00 173,000.00	
Matching Funds - Generator grant	43,000.00					43,000.00	
FEMA generator additional grant			\$ 16,110.00			16,110.00	
NJEDA - Hazardous Discharge	656.03			627.00			\$ 29.03
NJEDA - Hazardous Discharge	11,011.82						11,011.82
NJEDA - Hazardous Discharge	4,090.96						4,090.96
NJEDA - Hazardous Discharge	30,620.01			27,118.90	3,501.11		0.00
EDA-Orange Road		\$ 9,159.00					9,159.00
2018-EDA Orange Road			41,022.00				41,022.00
NJEDA - Hazardous Discharge	38,790.00				38,790.00		
NJEDA - Hazardous Discharge - Match	15,000.00				15,000.00		
Historic Preservation	-						
Historic Trust - Watchung Plaza	-						
Historic Preservation	2,560.00			2,560.00			
Cable Communication Grant	7,788.53			2,500.00			5,288.53
Comcast grant	5,000.00			5,000.00			
Comcast grant	5,000.00			5,000.00			
Comcast grant		5,000.00		5,000.00			
Alcohol,Education	3,731.71			3,731.71			
Alcohol,Education and Rehab	14,694.94		4,833.34		8,105.97		11,422.31
	<u>\$ 1,516,686.29</u>	<u>\$ 207,277.93</u>	<u>\$ 365,013.88</u>	<u>\$ 820,487.74</u>	<u>\$ 377,767.20</u>	<u>\$ 283,009.30</u>	<u>\$ 607,713.86</u>
Reference	A	A-17	A-17	A-17	A-17	A	A

TOWNSHIP OF MONTCLAIR
CURRENT FUND

ACCUMULATED REVENUE UNAPPROPRIATED
YEAR ENDED DECEMBER 31, 2018

A-33

	Balance Dec. 31, 2017	Increase	Decrease	Balance Dec. 31, 2018
Current Fund				
Proceeds from Sale of Municipal Assets	\$ 751,769.14	\$ -	\$ 212,575.53	\$ 539,193.61
<u>Ref.</u>	A		A-2a, A-14	A
Federal and State Grant Fund				
Comcast Grant		\$ 5,000.00		\$ 5,000.00
MCIA	\$ 186.20		\$ 186.20	-
Community Impact Award Lifelong Montclair		3,334.00		3,334.00
Community Impact Award - SCAC		3,333.00		3,333.00
Donation - Albert Payson Terhune	600.00		600.00	-
Recycling Grant	34,086.18		34,086.18	-
Comcast Grant	5,000.00		5,000.00	-
Partners in Health - Visiting Nurse	17,261.00		17,261.00	-
EDA Orange Road Cleanup	9,159.00		9,159.00	-
	<u>\$ 66,292.38</u>	<u>\$ 11,667.00</u>	<u>\$ 66,292.38</u>	<u>\$ 11,667.00</u>
<u>Ref.</u>	A	A-17	A-15	A

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
TRUST FUNDS

CASH RECEIPTS AND DISBURSEMENTS - TREASURER
YEAR ENDED DECEMBER 31, 2018

B-2

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>	<u>Trust Fund</u>	<u>Section 8 Housing</u>	<u>Assessment Trust Fund</u>	<u>Payroll Account</u>
Balance, December 31, 2017	B	\$ 122,781.85	\$ 7,163,892.09	\$ 355,301.00	\$ 1,334.96	\$ 546,386.03
Increased by:						
Community Development Block Grants	B-6		\$ 98,000.00			
Interfunds Receivable	B-7		1,297,925.74		\$ 8,757.15	
Various Reserves and Deposits	B-9		10,013,023.95			
Section 8 Voucher Program	B-13			\$ 2,621,106.67		
State Registration Fees	B-8	\$ 1,608.00				
Interfunds Payable	B-10		449.73		21,743.58	
Donations for Animal Shelter	B-14	5,933.40				
Collection of Animal Control Fees	B-16	14,618.00				
Payroll Accounts	B-15					\$ 44,385,273.84
Flexible Spending Transfers	B-17					54,995.26
State Unemployment Compensation Insurance	B-18		199,002.86			
		<u>22,159.40</u>	<u>11,608,402.28</u>	<u>2,621,106.67</u>	<u>30,500.73</u>	<u>44,440,269.10</u>
		144,941.25	18,772,294.37	2,976,407.67	31,835.69	44,986,655.13
Decreased by:						
Interfunds Receivable	B-7		4,345,045.12			
Payments to State	B-8	1,602.60				
Various Reserves and Deposits	B-9		10,240,756.08			
Interfunds Payable	B-10		151,535.32			
Community Development Block Grants	B-12		97,412.01			
Prior Year Section 8 Accounts Payable	B-2			4,053.05		
Section 8 Voucher Program	B-13			2,627,879.04		
Animal Shelter Expenditures	B-14	5,976.22				
Payroll Deductions and Other Payments	B-15					44,507,130.39
Flexible Spending Payments	B-17					85,970.30
Expenditures Under R.S. 4:19-15.11	B-16	6,935.26				
Unemployment Claims Payable	B-18		153,116.81			
		<u>14,514.08</u>	<u>14,987,865.34</u>	<u>2,631,932.09</u>		<u>44,593,100.69</u>
Balance, December 31, 2018	B	<u>\$ 130,427.17</u>	<u>\$ 3,784,429.03</u>	<u>\$ 344,475.58</u>	<u>\$ 31,835.69</u>	<u>\$ 393,554.44</u>
			General Trust B \$ 3,733,766.23			
			Forfeited Assets B 50,662.80			
			<u>\$ 3,784,429.03</u>			

TOWNSHIP OF MONTCLAIR
TRUST FUNDS

ANALYSIS OF ASSESSMENT CASH AND INVESTMENTS
YEAR ENDED DECEMBER 31, 2018 AND 2017

B-3

	<u>Balance</u> <u>December 31, 2017</u>	<u>Receipts</u> <u>Assessments</u> <u>Receivable</u>	<u>Balance</u> <u>December 31, 2018</u>
<u>General Accounts</u>			
Fund Balance	\$ 10,092.11		\$ 10,092.11
Current Fund Interfund		\$ 21,743.58	21,743.58
General Trust Fund Interfund	<u>(8,757.15)</u>	<u>8,757.15</u>	<u> </u>
	<u>\$ 1,334.96</u>	<u>\$ 30,500.73</u>	<u>\$ 31,835.69</u>
Ref.	B-2	B-10, B-7	B

TOWNSHIP OF MONTCLAIR
TRUST FUNDS

ASSESSMENTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2018 AND 2017

B-4

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Date of Confirmation</u>	<u>Annual Installments</u>	<u>Balance</u> <u>December 31, 2018</u>		<u>Assessments Cancelled</u>
				<u>Pledged</u>	<u>Unpledged</u>	
02-41	Resurfacing and Curbing of Briar Hill Road	7-01-04	10		\$ 10.65	\$ 10.65
				<u>\$ -</u>	<u>\$ 10.65</u>	<u>\$ 10.65</u>
				<u>Ref.</u> B	B	B-11

TOWNSHIP OF MONTCLAIR
TRUST FUNDS

DUE FROM MONTCLAIR HOUSING AGENCY
YEAR ENDED DECEMBER 31, 2018

B-5

	<u>Ref.</u>	
Balance, December 31, 2017 and December 31, 2018	B	<u>\$ 33,480.85</u>

TOWNSHIP OF MONTCLAIR
TRUST FUNDS

COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS RECEIVABLE
YEAR ENDED DECEMBER 31, 2018

B-6

Program Year	Description	Balance Dec. 31, 2017	2018 Grants	Collections	Canceled	Balance Dec. 31, 2018
2018	Woodland Avenue & Wheeler Street		\$ 112,340.00			\$ 112,340.00
2018	Fulton & Miller Streets		89,320.00			89,320.00
2018	Contra - Subrecipient Awards		98,340.00			98,340.00
2017	Town - Lackawanna Plaza	\$ 137,200.00				137,200.00
2017	Contra - Subrecipient Awards	98,000.00		\$ 98,000.00		
2017	Pedestrian Mobility Improvements	19,600.00			(4,550.00)	15,050.00
2016	Willowdale Avenue Reconstruction	2,886.30			(2,886.30)	
2015	Shelter Improvements - Edgemont Park	9,000.00				9,000.00
		<u>\$ 266,686.30</u>	<u>\$ 300,000.00</u>	<u>\$ 98,000.00</u>	<u>\$ (7,436.30)</u>	<u>\$ 461,250.00</u>
	<u>Ref.</u>	B	B-12	B-2	B-12	B

TOWNSHIP OF MONTCLAIR
TRUST FUNDS

INTERFUNDS RECEIVABLE
YEAR ENDED DECEMBER 31, 2018

B-7

	Ref.	Assessment Trust Fund		General Trust Fund		
		Total Assessment Trust Fund	General Trust Fund	Total General Trust Fund	Current Fund	General Capital Fund
Balance, December 31, 2017	B	\$ 8,757.15	\$ 8,757.15	\$ 952,880.62	\$ 952,880.62	
Increased by:						
Advances	B-2			4,345,045.12	345,045.12	\$ 4,000,000.00
		<u>8,757.15</u>	<u>8,757.15</u>	<u>5,297,925.74</u>	<u>1,297,925.74</u>	<u>4,000,000.00</u>
Decreased by:						
Settlements	B-2	<u>8,757.15</u>	<u>8,757.15</u>	<u>1,297,925.74</u>	<u>1,297,925.74</u>	
Balance, December 31, 2018	B	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,000,000.00</u>	<u>\$ -</u>	<u>\$ 4,000,000.00</u>

TOWNSHIP OF MONTCLAIR
TRUSTS FUNDS

B-8

DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2018

	<u>Ref.</u>	
Balance, December 31, 2017		\$ -
Increased by:		
Registration Fees		\$ 1,120.00
Pilot Clinic Fund Fees		224.00
Population Control Fees		<u>264.00</u>
	B-2	<u>1,608.00</u>
		1,608.00
Decreased by:		
Payments	B-2	<u>1,602.60</u>
Balance, December 31, 2018	B	<u><u>\$ 5.40</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
GENERAL TRUST FUND

B9

SPECIAL DEPOSITS
YEAR ENDED DECEMBER 31, 2018

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Due To</u> <u>Current Fund</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Recycling Program	\$ 329,802.57	\$ 1,297,312.08	\$ 1,267,795.94		\$ 359,318.71
Railroad Station Projects	307,894.78	32,400.00	40,962.97		299,331.81
Recreation	80,212.13	27,015.00	39,076.41	\$ 27,990.50	40,160.22
Parking Adjudication Fines	205,140.19	81,864.50	3,242.00	37,943.50	245,819.19
D.A.R.E Donations	3,147.13				3,147.13
Uniform Fire Safety Act	67,067.05	37,807.37	86,564.64		18,309.78
Child Fire Safety	2,712.64			2,712.64	
Police Off-Duty	137,184.08	1,615,350.33	1,615,350.33	137,184.08	
Police Off-Duty- Admin Fee	6,889.73		1,599.04	5,290.69	
Firemen Off-Duty	11,847.57	5,272.60	17,120.17		
Firemen+-Duty- Admin Fee	92.00	146.00	54.00	184.00	
Reserve for First Nite	9,959.94				9,959.94
DCS - Inspection Escrow	27,796.58	10,500.12	6,588.61	26,708.09	5,000.00
Performance Bonds	2,861.62		232.47	2,629.15	
Planning Escrow Deposits	243,623.85	303,743.82	223,918.85	2,198.15	321,250.67
Inspection Escrow Deposits	77,680.84			77,680.84	
Payment in Lieu of Bonds	10,479.20			10,479.20	
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	200,708.71	214,778.69	83,872.64		331,614.76
Snow Removal	827,797.43	500,000.00	477,436.45		850,360.98
Collector's Redemption Account	178,876.43	3,845,202.95	3,970,857.23	7,103.87	46,118.28
Public Defender Application Fees	10,608.00	28,310.00	29,500.00		9,418.00
Reserve for 4th of July	32.00				32.00
Contributions - Archival Project		3,825.00			3,825.00
Contributions-Edgemont Memorial			630.00	(630.00)	
Contribution - Public Memorials	330.00			330.00	
Open Space	101,991.98	1,239.60			103,231.58
Various Self-insurances	26,690.69			26,690.69	
Health Program	125,448.66	6,441.77	5,106.36		126,784.07
Forfeited Assets	47,357.71	12,210.57	56,263.13	(47,357.65)	50,662.80
Cultural Affairs	3,000.00		3,000.00		
Voucher Program - COAH	701,810.60	136,603.55	40,332.59		798,081.56
Accumulated Absences	1,445,026.35	800,000.00			2,245,026.35
Premium on Tax Sales	2,684,300.00	1,131,800.00	2,269,152.25	21,947.75	1,525,000.00
Municipal Alliance Contribution	2,100.00		2,100.00		
Other	920.40				920.40
	<u>\$ 7,895,135.86</u>	<u>\$ 10,091,823.95</u>	<u>\$ 10,240,756.08</u>	<u>\$ 339,680.50</u>	<u>\$ 7,406,523.23</u>

	B	Below	B-2	B-10	B
Ref.					
Cash Received	B-2	\$ 10,013,023.95			
Due From Current Fund	B-10	78,800.00			
		<u>\$ 10,091,823.95</u>			

TOWNSHIP OF MONTCLAIR
TRUSTS FUNDS

INTERFUNDS PAYABLE
YEAR ENDED DECEMBER 31, 2018

B-10

	Ref.	General Trust Fund				Assessment Trust Fund	
		Total General Trust Fund	General Capital Fund	Current Fund	Assessment Trust Fund	Total Assessment Trust Fund	Current Fund
Balance, December 31, 2017	B	\$ 151,535.32	\$ 65,955.00	\$ 76,823.17	\$ 8,757.15	\$ -	\$ -
Increased by:							
Special Deposits Canceled	B-9	339,680.50		339,680.50			
Cash Receipts	B-2	449.73		449.73		21,743.58	21,743.58
		<u>491,665.55</u>	<u>65,955.00</u>	<u>416,953.40</u>	<u>8,757.15</u>	<u>21,743.58</u>	<u>21,743.58</u>
Decreased by:							
Special Deposits Returned Twice	B-9	78,800.00		78,800.00			
Settlements	B-2	151,535.32	65,955.00	76,823.17	8,757.15		
		<u>230,335.32</u>	<u>65,955.00</u>	<u>155,623.17</u>	<u>8,757.15</u>		
Balance, December 31, 2018	B	<u>\$ 261,330.23</u>	<u>\$ -</u>	<u>\$ 261,330.23</u>	<u>\$ -</u>	<u>\$ 21,743.58</u>	<u>\$ 21,743.58</u>

TOWNSHIP OF MONTCLAIR
TRUST FUNDS

RESERVE FOR ASSESSMENTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2018

B-11

Ordinance Number	Improvement Description	Dec. 31, 2018 Unpledged	Assessments Cancelled
02-41	Resurfacing and Curbing of Briar Hill Road	\$ 10.65	\$ 10.65
		\$ 10.65	\$ 10.65
	<u>Ref.</u>	B	B-4

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
TRUST FUNDS

RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT EXPENDITURES
YEAR ENDED DECEMBER 31, 2018

B-12

Program Year	Analysis of Balance	Balance Dec. 31, 2017	2018 Grants	Expenditures	Canceled	Balance Dec. 31, 2018
2018	2018 Woodland Avenue & Wheeler Street		\$ 112,340.00			\$ 112,340.00
2018	2018 Fulton & Miller Streets		89,320.00			89,320.00
2018	2018 Contra - Subrecipient Awards		98,340.00			98,340.00
2017	2017 Town - Lackawanna Plaza	\$ 137,200.00				137,200.00
2017	2017 Contra - Subrecipient Awards	98,000.00		\$ 97,412.01		587.99
2017	2017 Pedestrian Mobility Improvements	19,600.00			(4,550.00)	15,050.00
2016	2016 Willowdale Avenue Reconstruction	2,886.30			(2,886.30)	
2015	2015 Shelter Improvements - Edgemont Park	9,000.00				9,000.00
		<u>\$ 266,686.30</u>	<u>\$ 300,000.00</u>	<u>\$ 97,412.01</u>	<u>\$ (7,436.30)</u>	<u>\$ 461,837.99</u>
	<u>Ref.</u>	B	B-6	B-2	B-6	B

TOWNSHIP OF MONTCLAIR
TRUST FUNDS

RESERVE FOR SECTION 8 VOUCHER PROGRAM
YEAR ENDED DECEMBER 31, 2018

B-13

	<u>Ref.</u>		
Balance, December 31, 2017	B		\$ 351,247.95
Increased by:			
Housing and Urban Development Assistance:			
Cash Received		\$ 2,376,747.00	
Other Revenue		211,064.67	
Interest Earned		7,084.00	
Recovery of Funds		<u>26,211.00</u>	
	B-2		<u>2,621,106.67</u>
			<u>2,972,354.62</u>
Decreased by:			
Housing Assistance Payments - Includes			
HAP Portability-In	B-2	2,627,879.04	
Accounts Payable - Administrative	B	<u>4,135.00</u>	
			<u>2,632,014.04</u>
Balance, December 31, 2018	B		<u><u>\$ 340,340.58</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
TRUST FUNDS

RESERVE FOR ANIMAL SHELTER EXPENDITURES
YEAR ENDED DECEMBER 31, 2018

B-14

	<u>Ref.</u>		
Balance, December 31, 2017	B		\$ 95,544.12
Increased by:			
Excess Animal Control Receipts	B-16	\$ 3,326.71	
Donations	B-2	<u>5,933.40</u>	
			<u>9,260.11</u>
			104,804.23
Decreased by:			
Expenditures	B-2		<u>5,976.22</u>
Balance, December 31, 2018	B		<u><u>\$ 98,828.01</u></u>

ANALYSIS OF PAYROLL ACTIVITY
YEAR ENDED DECEMBER 31, 2018

B-15

	<u>Ref.</u>		
Balance, December 31, 2017	B		\$ 509,683.94
Increased by:			
Gross Payroll		\$ 42,878,508.66	
Employer FICA Contribution		<u>1,506,765.18</u>	
	B-2		<u>44,385,273.84</u>
			44,894,957.78
Decreased by:			
Cash Disbursements	B-2		<u>44,507,130.39</u>
Balance, December 31, 2018	B		<u><u>\$ 387,827.39</u></u>
<u>Analysis of Balance</u>			
Public Employees Retirement System			\$ 106,428.86
Police and Fire Retirement System			227,962.15
Other			<u>53,436.38</u>
			<u><u>\$ 387,827.39</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
TRUST FUNDS

RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2018

B-16

	<u>Ref.</u>		
Balance, December 31, 2017	B		\$ 27,237.73
Increased by:			
Dog License Fees Collected	B-2	\$ 12,096.00	
Late Fees and Replacement Fees	B-2	1,645.00	
Cat License Fees Collected	B-2	<u>877.00</u>	
			<u>14,618.00</u>
			41,855.73
Decreased by:			
Expenditures Under R.S. 4:19-15.11	B-2	6,935.26	
Transferred to Animal Shelter Reserve	B-14	<u>3,326.71</u>	
			<u>10,261.97</u>
Balance, December 31, 2018	B		<u>\$ 31,593.76</u>

FLEXIBLE SPENDING ACCOUNT
YEAR ENDED DECEMBER 31, 2018

B-17

	<u>Ref.</u>		
Balance, December 31, 2017	B		\$ 36,702.09
Increased by:			
Transferred from Payroll Agency Account	B-2		<u>54,995.26</u>
			91,697.35
Decreased by:			
Cash Disbursements	B-2		<u>85,970.30</u>
Balance, December 31, 2018	B		<u>\$ 5,727.05</u>

TOWNSHIP OF MONTCLAIR
TRUST FUNDS

RESERVE FOR STATE UNEMPLOYMENT TRUST FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2018

B-18

	<u>Ref.</u>		
Balance, December 31, 2017	B		\$ 103,582.38
Increased by:			
Interest Earned	B-2	\$ 2,811.49	
Budget Appropriation	B-2	100,000.00	
Reimbursement	B-2	<u>96,191.37</u>	
			<u>199,002.86</u>
			302,585.24
Decreased by:			
Unemployment Claims Payable	B-2		<u>153,116.81</u>
Balance, December 31, 2018	B		<u><u>\$ 149,468.43</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2018

C-2

	<u>Ref.</u>		
Balance, December 31, 2017	C		\$ 2,852,478.04
Increased by Receipts:			
Premium on Sale of Notes and Bonds	C-1	\$ 1,415,532.03	
Grants Receivable	C-4	25,904.07	
Interfunds Receivable	C-5	65,955.00	
Deferred Charges to Future Taxation - Unfunded	C-7	3,360,578.30	
Capital Improvement Fund	C-9	400,000.00	
Interfunds Payable	C-10	14,006,356.53	
Reserve to Pay Debt Service	C-14	102,769.13	
Bonds Issued	C-19, C-20	12,000,000.00	
Bond Anticipation Notes Issued	C-15	<u>18,508,673.00</u>	
			<u>49,885,768.06</u>
			52,738,246.10
Increased by Disbursements:			
Interfunds Payable	C-10	11,933,919.60	
Improvement Authorizations	C-8	10,542,138.16	
Bond Anticipation Notes Redeemed	C-15	<u>29,314,091.00</u>	
			<u>51,790,148.76</u>
Balance, December 31, 2018	C		<u><u>\$ 948,097.34</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2018

	Receipts			Disbursements			Transfers		Balance December 31, 2018
	Balance December 31, 2017	Bond Anticipation Notes	Other	Improvement Authorizations	Bond Anticipation Notes	Other	From	To	
<u>Improvement Authorizations</u>									
General Improvements:									
#04-49			\$ 67,893.00		\$ 67,893.00				
#06-37	\$ 8,229.13								\$ 8,229.13
#06-78	(176.99)								(176.99)
#07-06		\$ 138,352.00			138,352.00				
#07-19	(257,671.71)		222,448.30						(35,223.41)
#08-43		23,934.00			23,934.00				
#08-44		152,695.00			152,695.00				
#09-11		20,221.00			20,221.00				
#09-52b1	(100,611.00)								(100,611.00)
#10-12	(11,088.00)		37,948.00		37,947.00				(11,087.00)
#10-13	(15,187.32)	445,812.00	26,737.00		472,549.00				(15,187.32)
#10-70	(48,944.26)		168,397.00		168,397.00				(48,944.26)
#11-18	(5,867.60)		52,614.00		52,614.00				(5,867.60)
#11-20	(0.26)		23,773.00		23,773.00				(0.26)
#11-67	329.20								329.20
#11-72			723,100.00		723,100.00				
#12-26	46,336.98	487,582.00	13,000.00		500,582.00				46,336.98
#12-27	5,560.59		42,104.00		42,104.00				5,560.59
#12-31	(295.31)	298,805.00	12,118.00		310,923.00				(295.31)
#12-35	504.39			\$ 91,998.53					(91,494.14)
#12-36	(96,110.37)	476,057.00	15,396.00		491,453.00				(96,110.37)
#12-40	(11,050.00)	434,000.00	77,200.00		511,200.00				(11,050.00)
#12-41	(29,992.25)	571,622.00	34,189.00		605,812.00				(29,993.25)
#12-42	(93.36)	111,222.00	15,889.00		127,111.00				(93.36)
#13-18	(4,193.44)	93,513.00	2,964.00	3,414.72	96,477.00				(7,608.16)
#13-20	3,349.10	878,557.00	8,579.00		927,136.00				(36,650.90)
#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	(121,464.64)	327,789.00	18,211.00		26,000.00				198,535.36
#14-04	15,927.11	313,793.00	11,207.00		325,000.00				15,927.11
#14-05/14-27	(145,121.50)	3,206,647.00	171,053.00		3,377,700.00				(145,121.50)
#14-06	698.83		40,000.00	50,370.12					(9,671.29)
#14-09	(700.00)	403,118.00	26,082.00		429,200.00				(700.00)
#14-22	5,632.88								5,632.88
#14-23	60,773.09								60,773.09
#14-25	(30,804.72)	1,047,898.00	42,102.00		1,090,000.00				(30,804.72)
#14-26	(5,080.84)	402,624.00	15,076.00		417,700.00				(5,080.84)
#14-35	102,908.70	250,000.00			250,000.00				102,908.70
#14-36	(74,052.23)	6,300.00		109,512.55	6,300.00				(183,564.78)
#15-09	751,245.22	1,446,464.00	1,092,498.00		3,206,250.00				83,957.22
#15-35	254,655.63			154,548.02					100,107.61

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2018

	Receipts			Disbursements			Transfers		Balance December 31, 2018
	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	\$ 324,062.39	\$ 101,450.00	\$ 5,000,000.00	\$ 330,993.73	\$ 5,101,450.00				\$ (6,931.34)
#16-11	359,080.49			10,375.67					348,704.82
#16-32	(1,278,951.05)			858,851.43					(2,137,802.48)
#17-13	30,822.34	1,000,000.00	3,000,000.00	1,048,497.62	3,000,000.00				(17,675.28)
#17-23	(325,415.71)	1,500,000.00		1,475,949.44					(301,365.15)
#17-34	320,000.00			271,291.19	320,000.00				(271,291.19)
#18-19		2,500,000.00		5,042,321.70			\$ 516,000.00		(2,026,321.70)
<u>Local Improvements:</u>									
#17-24	2,588.00								2,588.00
#17-31	23,780.00								23,780.00
#16-29	49,815.00								49,815.00
#16-30	5,117.00								5,117.00
#16-31	4,085.00								4,085.00
<u>School Improvements:</u>									
#06-30	54,278.56			8,733.25					45,545.31
#07-26	176,776.00								176,776.00
#08-14	75,625.69		77,984.00		77,984.00				75,625.69
#10-28	107,076.70			1,550.00					105,526.70
#11-41	(299,389.14)		142,656.00	11,039.22	142,656.00				(310,428.36)
#12-32	(117,036.38)		688,936.00	15,944.28	769,424.00				(213,468.66)
#13-17/13-67	(765.37)	550,706.00	409,936.00		960,642.00				(765.37)
#15-24	248,530.41	1,319,512.00	1,080,488.00	380,687.61	2,319,512.00				(51,669.20)
#16-12	302,640.58		2,000,000.00	443,866.08	2,000,000.00				(141,225.50)
#18-17				232,193.00					(232,193.00)
<u>Other Accounts</u>									
Fund Balance	1,035,684.39		1,415,532.03			\$ 700,000.00	41,447.55		1,792,663.97
Capital Improvement Fund	179,937.83		400,000.00			516,000.00			63,937.83
Cost of Issuance	14,492.04					14,492.04			
General Trust Fund	(65,955.00)		4,065,955.00						4,000,000.00
Current Fund Interfund	36,147.20		10,006,356.53			\$ 11,933,919.60		1,892,000.00	584.13
Reserve for Repayment of UDAG	26,955.51						26,955.51		
Reserve for Debt Service	1,217,118.73		128,673.20				1,192,000.00		153,791.93
	<u>\$ 2,852,478.04</u>	<u>\$ 18,508,673.00</u>	<u>\$ 31,377,095.06</u>	<u>\$ 10,542,138.16</u>	<u>\$ 29,314,091.00</u>	<u>\$ 11,933,919.60</u>	<u>\$ 2,449,447.55</u>	<u>\$ 2,449,447.55</u>	<u>\$ 948,097.34</u>

Ref. C

C

Difference

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2018

C-4

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Balance December 31, 2017</u>	<u>Grants</u>	<u>Decrease</u>	<u>Balance December 31, 2018</u>
<u>Federal Grants</u>					
County of Essex:					
Community Development Block					
Grants:					
16-10	Glenridge Avenue Streetscape - Phase II & III	\$ 2,886.30		\$ 2,886.30	
17-13	Lackawana Plaza Valley Improvements		\$ 137,200.00		\$ 137,200.00
<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					
15-09	Gates Avenue Section 3	111,377.00			111,377.00
17-13	Hillside Avenue	273,639.00			273,639.00
18-19	Valley Road & Church Street		333,430.00		333,430.00
		<u>\$ 410,920.07</u>	<u>\$ 470,630.00</u>	<u>\$ 25,904.07</u>	<u>\$ 855,646.00</u>
<u>Ref.</u>		C	C-13	C-2	C

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

INTERFUNDS RECEIVABLE
YEAR ENDED DECEMBER 31, 2018

C-5

	<u>Ref.</u>	<u>General Trust Fund</u>
Balance, December 31, 2017	C	\$ 65,955.00
Decreased by: Settlements	C-2	<u>65,955.00</u>
Balance, December 31, 2018		<u><u>\$ -</u></u>

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2018

C-6

	<u>Ref.</u>		
Balance, December 31, 2017	C		\$ 100,955,269.63
Increased by:			
Refunded Bonds:			
School Issue	C-19	\$ 3,000,000.00	
General Issue	C-20	<u>9,000,000.00</u>	
			<u>12,000,000.00</u>
			112,955,269.6
Decreased by:			
Downtown Business District Loan	C-18	32,666.67	
Green Acres Loan	C-16	40,043.75	
Infrastructure Loan	C-17	46,608.44	
School Bonds	C-19	4,450,000.00	
Municipal Bonds	C-20	<u>5,135,000.00</u>	
			<u>9,704,318.86</u>
Balance, December 31, 2018	C		<u>\$ 103,250,950.77</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2018

Ordinance Number	Improvements	Balance Dec. 31, 2017	2018 Authorizations	Collections	Funded by Budget Appropriation	Transferred to Deferred Taxation - Funded	Balance Dec. 31, 2018	December 31, 2018		
								Bond Anticipation Notes	Expended	Unexpended Improvement Authorization
04-49	Various Library Capital Improvements	\$ 67,893.00			\$ 67,893.00					
06-78	Preliminary Design and Planning of Day Care Facility	176.99					\$ 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		\$ 222,448.30			35,223.41		35,223.41	
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	68,635.00			37,948.00		30,687.00		11,087.00	\$ 19,600.00
10-13	Traffic Calming Improvements	486,249.32			26,737.00		459,512.32	445,812.00	13,700.32	
10-70	Multi-purpose	217,341.26			168,397.00		48,944.26		23,694.26	25,250.00
11-18	Shade Tree Improvements	58,481.60			52,614.00		5,867.60		5,867.60	
11-20	Improvements to Edgemont Pond	23,773.26			23,773.00		0.26		0.26	
11-72	Tax Appeal Refunding	723,100.00			723,100.00					
12-26	Paving South Mountain Avenue	659,231.00			13,000.00		646,231.00	487,582.00	-	158,649.00
12-27	Pavement and Restoration - South Park	42,104.00			42,104.00					
12-31	Various Capital Improvements	357,159.00			12,118.00		345,041.00	298,805.00	295.31	45,940.69
12-36	Various Capital Improvements	801,415.00			15,396.00		786,019.00	476,057.00	299,862.84	10,099.16
12-40	Acquisition of Vehicles	522,250.00			77,200.00		445,050.00	434,000.00	11,050.00	
12-41	Various Capital Improvements	699,617.80			34,189.00		665,428.80	571,622.00	29,992.25	63,814.55
12-42	Acquisition of Ambulance	128,986.00			15,889.00		113,097.00	111,222.00	93.36	1,781.64
13-18	HVAC Upgrades - Firehouse Server	112,207.00			2,964.00		109,243.00	93,513.00	7,608.16	8,121.84
13-20	Police Radio System	167,736.00			8,579.00		159,157.00	158,557.00		600.00
14-03	Improvements to Union and Park Street	155,555.59			18,211.00		137,344.59	7,789.00	121,464.64	8,090.95
14-04	Various Park Improvements	403,750.00			11,207.00		392,543.00	313,793.00		78,750.00
14-05	Various Road Improvements	2,245,127.00			171,053.00		2,074,074.00	1,905,147.00	94,102.82	74,824.18
14-06	Police Radio System	897,000.00			40,000.00		857,000.00	720,000.00	49,671.29	87,328.71
14-09	Acquisition of Vehicles	443,850.00			26,082.00		417,768.00	403,118.00	700.00	13,950.00

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2018

Ordinance Number	Improvements	Balance Dec. 31, 2017	2018 Authorizations	Collections	Funded by Budget Appropriation	Transferred to Deferred Taxation - Funded	Balance Dec. 31, 2018	Analysis of Balance December 31, 2018		
								Bond Anticipation Notes	Expended	Unexpended Improvement Authorization
14-25	Acquisition of Trucks	\$ 1,178,000.00			\$ 42,102.00		\$ 1,135,898.00	\$ 1,047,898.00	\$ 30,804.72	\$ 57,195.28
14-26	Various Capital Improvements	435,300.00			15,076.00		420,224.00	402,624.00	5,080.84	12,519.16
14-27	Various Road Improvements	1,301,500.00					1,301,500.00	1,301,500.00		
14-35	Park Improvements at Washington Field	358,250.00					358,250.00	250,000.00		108,250.01
14-36	Library Improvements	239,894.00					239,894.00	6,300.00	183,564.78	50,029.22
15-09	Various Capital Improvements	2,538,962.01			92,498.00	\$ 1,000,000.00	1,446,464.01	1,446,464.00		
16-10	Various Capital Improvements	5,438,297.30				5,000,000.00	438,297.30	101,450.00	6,931.34	329,915.96
16-32	Various Road Improvements	2,854,134.40					2,854,134.40		2,137,802.48	716,331.92
17-13	Various Capital Improvements	4,709,330.00				3,000,000.00	1,709,330.00	1,000,000.00	17,675.28	691,654.72
17-23	Various Capital Improvements	3,300,500.00					3,300,500.00	1,500,000.00	301,365.15	1,499,134.85
17-34	Edgemont Park Improvements	320,000.00					320,000.00	320,000.00		
18-19	Various Capital Improvements		\$ 9,792,250.00				9,792,250.00	2,500,000.00	2,026,321.70	5,265,928.30
	<u>School</u>									
8-14	Various School Improvements	77,984.00			77,984.00					
10-28	Multi-purpose	86,360.00					86,360.00			86,360.00
11-41	Various School Improvements	572,885.00			142,656.00		430,229.00		310,428.36	119,800.64
12-32	Various School Improvements	1,150,695.00			688,936.00		461,759.00		132,980.66	328,778.34
13-17/13-67	Various School Improvements	1,075,809.28			409,936.00		665,873.28	550,706.00	765.37	114,401.91
15-24	Various School Improvements	2,637,440.00			80,488.00	1,000,000.00	1,556,952.00	1,319,512.00	132,158.20	105,281.80
16-12	Various School Improvements	2,701,920.00				2,000,000.00	701,920.00		141,225.50	560,694.50
18-17	Various School Improvements		3,400,000.00				3,400,000.00		232,193.00	3,167,807.00
		<u>\$ 40,952,384.52</u>	<u>\$ 13,192,250.00</u>	<u>\$ 222,448.30</u>	<u>\$ 3,138,130.00</u>	<u>\$ 12,000,000.00</u>	<u>\$ 38,784,057.22</u>	<u>\$ 18,508,673.00</u>	<u>\$ 6,464,498.89</u>	<u>\$ 13,810,884.33</u>
<u>Ref.</u>		C	C-8	C-21	C-2	C-6	C	C	C-3	C-8

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2018

C-8
Sheet 1

Description	Ordinance Number	Date	Amount	Balance Dec. 31, 2017		2018 Authorizations	Paid or Charged	Balance Dec. 31, 2018	
				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						
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		45,940.69				45,940.69
Various Capital Improvements	12-35	05/22/12	222,068.00	504.39				504.39	
Various Capital Improvements	12-36	05/22/12	855,750.00		213,851.63	\$ 91,998.53			121,853.10
Various Capital Improvements	12-41	06/12/12	1,144,080.00		63,814.55				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		11,536.56		3,414.72		8,121.84
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		8,090.95				8,090.95
Various Park Improvements	14-04	03/04/14	425,000.00		94,677.11				94,677.11
Various Road Improvements	14-05	03/04/14	2,363,292.00		74,824.18				74,824.18
Police Radio System	14-06	03/04/14	950,000.00		137,698.83		50,370.12		87,328.71
Acquisition of Vehicles	14-09	04/29/14	467,250.00		13,950.00				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	60,773.09				60,773.09	
Acquisition of Trucks	14-25	08/12/14	1,240,000.00		57,195.28				57,195.28
Various Capital Improvements	14-26	08/12/14	458,300.00		12,519.16				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		159,541.77		109,512.55		50,029.22

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2018

C-8
Sheet 2

Description	Number	Ordinance Date	Amount	Balance Dec. 31, 2017		2018 Authorizations	Paid or Charged	Balance Dec. 31, 2018	
				Funded	Unfunded			Funded	Unfunded
Various Capital Improvements	15-09	03/10/15	\$ 3,375,000.00		\$ 109,129.05			\$	109,129.05
Various Capital Improvements	15-35	11/10/15	1,788,105.47	\$ 254,655.63			\$ 154,548.02	\$	100,107.61
Various Capital Improvements	16-10	04/04/16	5,872,880.00		660,909.69		330,993.73		329,915.96
Redevelopment Projects	16-11	05/31/16	450,000.00	359,080.49			10,375.67	348,704.82	
Various Capital Improvements	16-32	07/26/16	3,004,352.00		1,575,183.35		858,851.43		716,331.92
Various Capital Improvements	17-13	03/28/17	4,957,189.00		1,740,152.34		1,048,497.62		691,654.72
Various Capital Improvements	17-23	06/20/17	3,475,500.00		2,975,084.29		1,475,949.44		1,499,134.85
Edgemont Park Improvements	17-34	10/24/17	320,000.00		320,000.00		271,291.19		48,708.81
Various Capital Improvements	18-19	03/20/18	10,308,250.00			\$ 10,308,250.00	5,042,321.70		5,265,928.30
<u>Local Improvements</u>									
Highmont Terrace	17-24	06/14/17	10,000.00	2,588.00				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	49,815.00				49,815.00	
Mountain Place Improvements	16-30	07/26/16	14,780.00	5,117.00				5,117.00	
Park Terrace Improvements	16-31	07/26/16	31,965.00	4,085.00				4,085.00	
<u>School Improvements</u>									
Various School Improvements	06-30	05/09/06	4,649,840.00	54,278.56			8,733.25	45,545.31	
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	107,076.70	86,360.00		1,550.00	105,526.70	86,360.00
Various School Improvements	11-41	07/12/11	1,686,360.00		130,839.86		11,039.22		119,800.64
Various School Improvements	12-32	05/01/12	3,053,440.00		344,722.62		15,944.28		328,778.34
Various School Improvements	13-17/13-67	05/01/12	2,900,000.00		114,401.91				114,401.91
Various School Improvements	15-24	08/04/15	2,637,440.00		485,969.41		380,687.61		105,281.80
Various School Improvements	16-12	06/21/16	2,701,920.00		1,004,560.58		443,866.08		560,694.50
Various School Improvements	18-17	02/20/18	3,400,000.00			3,400,000.00	232,193.00		3,167,807.00
				<u>\$ 1,160,452.85</u>	<u>\$ 10,885,938.01</u>	<u>\$ 13,708,250.00</u>	<u>\$ 10,542,138.16</u>	<u>\$ 1,032,598.50</u>	<u>\$ 14,179,904.20</u>
		Reference		C	C	Below	C-2	C	C
		Deferred Charge to Future Taxation - Unfunded				\$ 13,192,250.00			
		Capital Improvement Fund				<u>516,000.00</u>			
						<u>\$ 13,708,250.00</u>			

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2018

C-9

	<u>Ref.</u>	
Balance, December 31, 2017	C	\$ 179,937.83
Increased by:		
Budget Appropriations	C-2	<u>400,000.00</u>
		579,937.83
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-8	<u>516,000.00</u>
Balance, December 31, 2018	C	<u><u>\$ 63,937.83</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

INTERFUNDS PAYABLE
YEAR ENDED DECEMBER 31, 2018

C-10

	Ref.	Total	General Trust	Current Fund	Water Utility Capital Fund
Balance, December 31, 2017	C	\$ 36,147.20		\$ 36,145.20	\$ 2.00
Increased by:					
Advances	C-2	14,000,000.00	\$ 4,000,000.00	10,000,000.00	
Interest	C-2	6,356.53		6,356.53	
Reserve for Payment of Debt Service	C-14	1,192,000.00		1,192,000.00	
General Capital Fund Balance Anticipated	C-1	700,000.00		700,000.00	
		<u>15,898,356.53</u>	<u>4,000,000.00</u>	<u>11,898,356.53</u>	<u>-</u>
		15,934,503.73	4,000,000.00	11,934,501.73	2.00
Decreased by:					
Settlements	C-2	<u>11,933,919.60</u>		<u>11,933,917.60</u>	<u>2.00</u>
Balance, December 31, 2018	C	<u>\$ 4,000,584.13</u>	<u>\$ 4,000,000.00</u>	<u>\$ 584.13</u>	<u>\$ -</u>

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

RESERVE FOR COST OF ISSUANCE
YEAR ENDED DECEMBER 31, 2018

C-11

	<u>Ref.</u>	
Balance, December 31, 2017	C	\$ 14,492.04
Decreased by:		
Adjustment to write-off	C-1	<u>14,492.04</u>
Balance, December 31, 2018	C	<u>\$ -</u>

RESERVE FOR REPAYMENT
OF URBAN DEVELOPMENT ACTION GRANT
DECEMBER 31, 2018

C-12

	<u>Ref.</u>	
Balance, December 31, 2017	C	\$ 26,955.51
Decreased by:		
Adjustment to write-off	C-1	<u>26,955.51</u>
Balance, December 31, 2018		<u>\$ -</u>

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

RESERVE FOR GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2018 AND 2017

C-13

Ordinance Number	Purpose	Balance December 31, 2017	Grants	Decreased	Balance December 31, 2018
<u>Federal Grants</u>					
County of Essex:					
Community Development Block Grants:					
16-10	Glenridge Avenue Streetscape Phase II & III	\$ 2,886.30		\$ 2,886.30	
17-13	Lackawana Plaza Valley Improvements		\$ 137,200.00		\$ 137,200.00
<u>State Grants</u>					
New Jersey Department of Transportation:					
15-09	Union Street Section 2				
15-09	Gates Avenue	111,377.00			111,377.00
17-13	Hillside Avenue	273,639.00			273,639.00
18-19	Valley Road & Church Street		333,430.00		333,430.00
Department of Environmental Protection:					
Green Acres Program:					
11-20	Edgemont Pond	23,017.77		23,017.77	
		<u>\$ 410,920.07</u>	<u>\$ 470,630.00</u>	<u>\$ 25,904.07</u>	<u>\$ 855,646.00</u>
	<u>Ref.</u>	C	C-4	C-14	C

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

RESERVE FOR PAYMENT OF DEBT SERVICE
YEAR ENDED DECEMBER 31, 2018

C-14

	<u>Ref.</u>		
Balance, December 31, 2017	C		\$ 1,217,118.73
Increased by:			
Cash Received on grants receivable - CDBG	C-13	\$ 25,904.07	
Cash Received on Funded Authorizations	C-2	<u>102,769.13</u>	
			<u>128,673.20</u>
			1,345,791.93
Decreased by:			
Anticipated Revenue	C-10		<u>1,192,000.00</u>
Balance, December 31, 2018	C		<u><u>\$ 153,791.93</u></u>
 <u>Analysis of Balance</u>			
General Improvements			\$ 27,880.46
School Improvements			<u>125,911.47</u>
			<u><u>\$ 153,791.93</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2018

C-15
Sheet # 1

Ordinance Number	Description	Date of Original Issue	Date of Maturity	Interest Rate	Balance December 31, 2017	Increase	Decrease	Balance December 31, 2018
	<u>General</u>							
04-49	Various Capital Improvements	12-15-11	11-01-19	3.50 %	\$ 67,893.00		\$ 67,893.00	
10-12	Various Capital Improvements	11-07-14	11-01-19	3.50	37,948.00		37,948.00	
10-13	Various Capital Improvements	11-07-14	11-01-19	3.50	472,549.00	\$ 445,812.00	472,549.00	\$ 445,812.00
10-70	Various Capital Improvements	12-15-11	11-01-19	3.50	168,397.00		168,397.00	
11-18	Shade Tree Improvements	12-15-11	11-01-19	3.50	52,614.00		52,614.00	
11-20	Various Capital Improvements	12-15-11	11-01-19	3.50	23,773.00		23,773.00	
11-72	Tax Appeal Refunding	12-15-11	11-01-19	3.50	723,100.00		723,100.00	
12-27	Pavement Restoration at South Park Plaza	12-14-12	11-01-19	3.50	42,104.00		42,104.00	
12-26	Paving of South Mountain Avenue	11-07-14	11-01-19	3.50	500,582.00	487,582.00	500,582.00	487,582.00
12-31	Various Capital Improvements	12-14-12	11-01-19	3.50	180,923.00	173,543.00	180,923.00	173,543.00
		11-07-14	11-01-19	3.50	130,000.00	125,262.00	130,000.00	125,262.00
12-36	Various Capital Improvements	11-07-14	11-01-19	3.50	303,453.00	291,906.00	303,453.00	291,906.00
		11-05-15	11-01-19	3.50	105,000.00	101,151.00	105,000.00	101,151.00
		11-04-16	11-01-19	3.50	83,000.00	83,000.00	83,000.00	83,000.00
12-40	Acquisition of Vehicles	11-07-14	11-01-19	3.50	496,000.00	434,000.00	496,000.00	434,000.00
		11-04-16	11-01-19	3.50	15,200.00		15,200.00	
12-41	Various Capital Improvements	11-05-15	11-01-19	3.50	605,811.00	571,622.00	605,811.00	571,622.00
12-42	Acquisition of Ambulance	11-07-14	11-01-19	3.50	127,111.00	111,222.00	127,111.00	111,222.00

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2018

C-15
Sheet # 2

Ordinance Number	Description	Date of Original Issue	Date of Maturity	Interest Rate	Balance			Balance December 31, 2018
					December 31, 2017	Increase	Decrease	
<u>General</u>								
13-18	HVAC - Firehouse Server Room	11-07-14	11-01-19	3.50	\$ 31,777.00	\$ 30,554.00	\$ 31,777.00	\$ 30,554.00
		11-05-15	11-01-19	3.50	47,000.00	45,259.00	47,000.00	45,259.00
		11-04-16	11-01-19	3.50	17,700.00	17,700.00	17,700.00	17,700.00
13-20	Acquisition of Police Radio System	11-07-14	11-01-19	3.50	159,736.00	151,157.00	159,736.00	151,157.00
		11-05-15	11-01-19	3.50	760,000.00	720,000.00	760,000.00	720,000.00
		11-04-16	11-01-19	3.50	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	11-01-19	3.50	26,000.00	7,789.00	26,000.00	7,789.00
					320,000.00	320,000.00	320,000.00	320,000.00
14-04	Various Park Improvements	11-05-15	11-01-19	3.50	325,000.00	313,793.00	325,000.00	313,793.00
14-05/14-27	Various Road Improvements	11-05-15	11-01-19	3.50	3,325,000.00	3,153,947.00	3,325,000.00	3,153,947.00
		11-04-16	11-01-19	3.50	52,700.00	52,700.00	52,700.00	52,700.00
14-09	Acquisition of Vehicles	11-05-15	11-01-19	3.50	422,000.00	395,918.00	422,000.00	395,918.00
		11-04-16	11-01-19	3.50	7,200.00	7,200.00	7,200.00	7,200.00
14-25	Acquisition of Trucks	11-05-15	11-01-19	3.50	1,050,000.00	1,007,898.00	1,050,000.00	1,007,898.00
		11-04-16	11-01-19	3.50	40,000.00	40,000.00	40,000.00	40,000.00
14-26	Various Capital Improvements	11-05-15	11-01-19	3.50	360,000.00	344,924.00	360,000.00	344,924.00
		11-04-16	11-01-19	3.50	57,700.00	57,700.00	57,700.00	57,700.00
14-35	Multi-Use Field Improvements	11-04-16	11-01-19	3.50	250,000.00	250,000.00	250,000.00	250,000.00
15-09	Various Capital Improvements	11-05-15	11-01-19	3.50	1,800,000.00		1,800,000.00	
		11-04-16	11-01-19	3.50	1,061,200.00		1,061,200.00	
		11-03-17	11-01-19	3.50	345,050.00		345,050.00	
		11-01-18	11-01-19	3.50		1,446,464.00		1,446,464.00
07-06	Various Capital Improvements	11-04-16	11-01-19	3.50	138,352.00	138,352.00	138,352.00	138,352.00
08-43	Various Capital Improvements	11-04-16	11-01-19	3.50	23,934.00	23,934.00	23,934.00	23,934.00
08-44	Various Capital Improvements	11-04-16	11-01-19	3.50	152,695.00	152,695.00	152,695.00	152,695.00
09-11	Various Capital Improvements	11-04-16	11-01-19	3.50	20,221.00	20,221.00	20,221.00	20,221.00
14-36	Various Library Improvements	11-04-16	11-01-19	3.50	6,300.00	6,300.00	6,300.00	6,300.00
16-10	Various Capital Improvements	11-04-16	11-01-19	3.50	4,096,500.00	96,500.00	4,096,500.00	96,500.00
		11-03-17	11-01-19	3.50	1,004,950.00	4,950.00	1,004,950.00	4,950.00
17-13	Various Capital Improvements	11-03-17	11-01-19	3.50	3,000,000.00	1,000,000.00	3,000,000.00	1,000,000.00
17-23	Various Capital Improvements	11-01-18	11-01-19	3.50		1,500,000.00		1,500,000.00
18-19	Various Capital Improvements	11-01-18	11-01-19	3.50		2,500,000.00		2,500,000.00
					23,043,873.00	16,638,455.00	23,043,873.00	16,638,455.00

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2018

C-15
Sheet # 3

Ordinance Number	Description	Date of Original Issue	Date of Maturity	Interest Rate	Balance December 31, 2017	Increase	Decrease	Balance December 31, 2018
	<u>School</u>							
12-32	Various School Improvements	12-14-12	11-01-19	3.50 %				
		11-07-14	11-01-19	3.50	\$ 444,255.00		\$ 444,255.00	
		11-04-16	11-01-19	3.50	244,681.00		244,681.00	
08-14	Various School Improvements	11-07-14	11-01-19	3.50	77,984.00		77,984.00	
11-41	Various School Improvements	11-07-14	11-01-19	3.50	142,656.00		142,656.00	
13-17	Various School Improvements	11-07-14	11-01-19	3.50	300,297.00		300,297.00	
		11-04-16	11-01-19	3.50	660,345.00	\$ 550,706.00	660,345.00	\$ 550,706.00
15-24	Various School Improvements	11-04-16	11-01-19	3.50	1,312,927.00	312,927.00	1,312,927.00	312,927.00
		11-03-17	11-01-19	3.50	1,087,073.00	1,006,585.00	1,087,073.00	1,006,585.00
16-12	Various School Improvements	11-03-17	11-01-19	3.50	2,000,000.00		2,000,000.00	
					<u>6,270,218.00</u>	<u>1,870,218.00</u>	<u>6,270,218.00</u>	<u>1,870,218.00</u>
					<u>\$ 29,314,091.00</u>	<u>\$ 18,508,673.00</u>	<u>\$ 29,314,090.00</u>	<u>\$ 18,508,673.00</u>
				<u>Ref.</u>	C	C-2	C-2	C

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

GREEN ACRES TRUST LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2018

C-16

Description	Amount of Original Issue	Maturities of Loan Outstanding December 31, 2018		Interest Rate	Balance December 31, 2017	Decrease	Balance December 31, 2018
		Date	Amount				
Project Youth Sports	\$ 250,000.00	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 %	\$ 120,963.80	\$ 13,192.15	\$ 107,771.65
Project Youth Sports II	250,000.00	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	*	147,435.84	12,820.52	134,615.32
Project Youth Sports III	273,606.00	2019-2035	14,031.08	*			
				*	252,559.38	14,031.08	238,528.30
					<u>\$ 520,959.02</u>	<u>\$ 40,043.75</u>	<u>\$ 480,915.27</u>
				Ref.	C	C-6	C

* Interest Free

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2018

C-17

Description	Original Issue		Loan Maturities Outstanding		Interest Rate	Balance Dec. 31, 2017	Loan Payments	Balance Dec. 31, 2018
	Date	Amount	Date	Amount				
Trust Share	10-14-04	\$ 435,000.00	8-01-2019	25,000.00	5.00 %	\$ 193,631.68	\$ 24,029.12	\$ 169,602.56
			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	2-01-2019	2,775.28	*	159,012.28	22,579.32	136,432.96
			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>159,012.28</u>	<u>22,579.32</u>	<u>136,432.96</u>	
					<u>\$ 352,643.96</u>	<u>\$ 46,608.44</u>	<u>\$ 306,035.52</u>	
					<u>Ref.</u>	C	C-6	C

* Interest Free

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

N.J. BUSINESS DISTRICT
LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2018

C-18

Description	Original Issue		Loan Maturities Outstanding December 31, 2018		Interest Rate	Balance Dec. 31, 2017	Decrease	Balance Dec. 31, 2018
	Date	Amount	Date	Amount				
Loan	12-31-12	\$ 490,000.00	12-31-19/27	\$ 32,666.67	* %	\$ 326,666.65	\$ 32,666.67	\$ 293,999.98
					<u>Ref.</u>	C	C-6	C

* Interest Free

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

C-19
Sheet # 1

SERIAL BONDS - SCHOOL
YEAR ENDED DECEMBER 31, 2018

Purpose	Date of Issue	Issue Amount	Maturities of Bonds Outstanding Dec. 31, 2018		Interest Rate	Balance Dec. 31, 2017	Bonds Issued	Decrease	Balance Dec. 31, 2018
			Date	Amount					
School Improvements (Refunded)	5-15-08	\$ 14,600,000.00				\$ 900,000.00		\$ 900,000.00	
School Improvements (Refunded)	6-08-10	9,662,000.00	6-01-19 6-01-20	\$ 430,000.00 460,000.00	4.00 % 3.25	1,290,000.00		400,000.00	\$ 890,000.00
School Improvements	3-01-11	21,660,000.00	3-01-19 3-01-20 3-01-21	975,000.00 1,010,000.00 1,050,000.00	4.00 4.00 4.00	3,975,000.00		940,000.00	3,035,000.00
School Improvements	3-01-13	22,000,000.00	3-01-19 3-01-20 3-01-21 3-01-22 3-01-23 3-01-24 3-01-25 3-01-26 3-01-27 3-01-28	1,325,000.00 1,395,000.00 1,465,000.00 1,535,000.00 1,605,000.00 1,675,000.00 1,745,000.00 1,815,000.00 1,885,000.00 1,960,000.00	5.00 5.00 5.00 5.00 5.00 5.00 2.50 2.625 2.625 2.75	17,665,000.00		1,260,000.00	16,405,000.00

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

C-19
Sheet # 2

SERIAL BONDS - SCHOOL
YEAR ENDED DECEMBER 31, 2018

<u>Purpose</u>	<u>Date of Issue</u>	<u>Issue Amount</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2018</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Bonds Issued</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2018</u>							
			<u>Date</u>	<u>Amount</u>												
Refunding School	3-01-14	\$ 11,855,000.00	1-01-19	\$ 940,000.00	4.00 %	\$ 10,895,000.00		\$ 950,000.00	\$ 9,945,000.00							
			1-01-20/21	940,000.00	5.00											
			1-01-22/23	945,000.00	5.00											
			1-01-24/25	950,000.00	5.00											
			1-01-26	955,000.00	5.00											
			1-01-27	1,155,000.00	5.00											
			1-01-28	1,225,000.00	5.00											
			Refunding School	9-01-16	14,840,000.00					10-01-19	780,000.00	4.00	14,700,000.00			14,700,000.00
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														
Refunding School	8-20-17	12,415,000.00				9-01-22	1,070,000.00	3.00	12,415,000.00			12,415,000.00				
						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											
			School Improvements	9-02-18	3,000,000.00	4-01-19	200,000.00	4.00						\$ 3,000,000.00		3,000,000.00
4-01-20	250,000.00	4.00														
4-01-21	275,000.00	4.00														
4-01-22	300,000.00	4.00														
4-01-23	300,000.00	4.00														
4-01-24	300,000.00	4.00														
4-01-25	325,000.00	5.00														
4-01-26	325,000.00	5.00														
4-01-27	350,000.00	4.00														
4-01-28	375,000.00	4.00														
						<u>\$ 61,840,000.00</u>	<u>\$ 3,000,000.00</u>	<u>\$ 4,450,000.00</u>	<u>\$ 60,390,000.00</u>							
								<u>Ref.</u>	C	C-2	C-6	C				

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

C-20

GENERAL SERIAL BONDS
YEAR ENDED DECEMBER 31, 2018

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2018		Interest Rate	Balance Dec. 31, 2017	Bonds Issued	Decrease	Balance Dec. 31, 2018
			Date	Amount					
General Improvements (Refunded)	9-01-08	\$ 8,252,000.00			3.75 %	\$ 750,000.00		\$ 750,000.00	
General Improvements	3-01-11	18,519,000.00	3-01-19 3-01-20 3-01-21	1,505,000.00 1,585,000.00 1,665,000.00	3.00 3.125 3.375	6,180,000.00		1,425,000.00	\$ 4,755,000.00
Pension Refunding Bonds	10-01-12	2,780,000.00	4-01-19 4-01-20 4-01-21	380,000.00 415,000.00 455,000.00	2.521 2.853 3.053	1,595,000.00		345,000.00	1,250,000.00
General Improvement	3-01-13	\$ 10,500,000.00	3-01-19 3-01-20 3-01-21 3-01-22 3-01-23 3-01-24	955,000.00 1,020,000.00 1,080,000.00 1,145,000.00 1,210,000.00 1,270,000.00	4.00 5.00 5.00 5.00 5.00 5.00	7,570,000.00		890,000.00	6,680,000.00
General Improvement Refunding Bonds	3-01-14	14,960,000.00	1-01-19 1-01-20 1-01-21 1-01-22 1-01-23 1-01-24 1-01-25 1-01-26	1,610,000.00 1,455,000.00 610,000.00 1,405,000.00 1,910,000.00 1,910,000.00 1,915,000.00 1,785,000.00	4.00 5.00 5.00 5.00 5.00 5.00 5.00 5.00	14,325,000.00		1,725,000.00	12,600,000.00
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 3-01-23 3-01-24	1,695,000.00 1,780,000.00 1,830,000.00	3.00 4.00 4.00	5,305,000.00			5,305,000.00
General Improvements	10-01-18		4-01-19 4-01-20 4-01-21 4-01-22 4-01-23 4-01-24 4-01-25 4-01-26 4-01-27 4-01-28	600,000.00 640,000.00 680,000.00 740,000.00 840,000.00 940,000.00 1,040,000.00 1,140,000.00 1,180,000.00 1,200,000.00	4.00 4.00 4.00 4.00 4.00 4.00 5.00 5.00 4.00 4.00		\$ 9,000,000.00		9,000,000.00
						\$ 37,915,000.00	\$ 9,000,000.00	\$ 5,135,000.00	\$ 41,780,000.00

Ref. C C-2 C-6 C

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

C-21
Sheet # 1

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2018

Ordinance Number	Improvement Description	Balance Dec. 31, 2017	Authorizations/ Adjustments	Grants/ Budget	Notes Issued	Balance Dec. 31, 2018
	<u>General Improvements</u>					
06-78	Preliminary Design and Planning of Day Care Facility	\$ 176.79				\$ 176.79
07-19	Acquisition of Property	257,671.71		\$ 222,448.30		35,223.41
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-21
Sheet # 2

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2018

Ordinance Number	Improvement Description	Balance Dec. 31, 2017	Authorizations/ Adjustments	Grants/ Budget	Notes Issued	Balance Dec. 31, 2018
	<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	336,897.30				336,897.30
16-32	Various Capital Improvements	2,854,134.40				2,854,134.40
17-13	Various Capital Improvements	1,709,330.00			\$ 1,000,000.00	709,330.00
17-23	Various Capital Improvements	3,300,500.00			1,500,000.00	1,800,500.00
18-19	Various Capital Improvements		\$ 9,792,250.00		2,500,000.00	7,292,250.00
		<u>10,272,755.77</u>	<u>9,792,250.00</u>	<u>\$ 222,448.30</u>	<u>5,000,000.00</u>	<u>14,842,557.47</u>
	<u>School Improvements</u>					
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	237,440.00				237,440.00
16-12	Various School Improvements	701,920.00				701,920.00
18-17	Various School Improvements		3,400,000.00			3,400,000.00
		<u>2,032,875.28</u>	<u>3,400,000.00</u>			<u>5,432,875.28</u>
		<u>\$ 12,305,631.05</u>	<u>\$ 13,192,250.00</u>	<u>\$ 222,448.30</u>	<u>\$ 5,000,000.00</u>	<u>\$ 20,275,432.75</u>
<u>Ref.</u>		C	C-7	C-7	C-7	C

TOWNSHIP OF MONTCLAIR
WATER UTILITY

CASH RECEIPTS AND DISBURSEMENTS - TREASURER
YEAR ENDED DECEMBER 31, 2018

D-5

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance, December 31, 2017	D	\$ 4,695,133.28	\$ 1,085,221.65
Increased by Receipts:			
Premium on Sales of Notes	D-2		\$ 250,741.81
Miscellaneous Revenue	D-3	\$ 285,855.53	
Collector	D-6	7,937,506.37	
Interfund Receivable	D-11	96,564.43	
Bond Anticipation Notes	D-24		1,020,510.00
Serial Bonds Issued	D-26		2,385,000.00
		<u>8,319,926.33</u>	<u>3,656,251.81</u>
		13,015,059.61	4,741,473.46
Decreased by Disbursements:			
Anticipated Revenue - Current Fund	D-1	250,000.00	
Budget Appropriations	D-4	6,836,392.06	
Appropriation Reserves	D-15	369,486.03	
Accrued Interest on Bonds	D-16	219,418.76	
Accrued Interest on Notes	D-17	101,387.74	
Accrued Interest on Loans	D-18	20,663.46	
Water Overpayments	D-19	7,076.23	
Miscellaneous adjustment	D-1	1,939.44	
Improvement Authorizations	D-20		42,718.17
Interfund Payable	D-8		4,603.77
Bond Anticipation Notes	D-24		3,405,510.00
		<u>7,806,363.72</u>	<u>3,452,831.94</u>
Balance, December 31, 2018	D	<u>\$ 5,208,695.89</u>	<u>\$ 1,288,641.52</u>

TOWNSHIP OF MONTCLAIR
WATER UTILITY

CASH RECEIPTS AND DISBURSEMENTS - COLLECTOR
YEAR ENDED DECEMBER 31, 2018

D-6

	<u>Ref.</u>	
Increased by:		
Consumer Accounts Receivable	D-12	\$ 7,897,491.66
Water Overpayments	D-19	40,014.71
		<hr/> 7,937,506.37
Decreased by:		
Turnovers to Treasurer	D-5	<hr/> 7,937,506.37
		<hr/> <u>\$ -</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
WATER UTILITY

CHANGE FUNDS
YEAR ENDED DECEMBER 31, 2018

D-7

	<u>Ref.</u>	
Balance, December 31, 2017	D	<u>\$ 200.00</u>
Balance, December 31, 2018	D	<u><u>\$ 200.00</u></u>

TOWNSHIP OF MONTCLAIR
WATER UTILITY

INTERFUNDS PAYABLE
YEAR ENDED DECEMBER 31, 2018

D-8

			Water Capital Fund	
<u>Ref.</u>	<u>Total</u>	<u>Water Operating Fund</u>	<u>General Capital Fund</u>	
Balance, December 31, 2017	D	\$ 4,603.77	\$ 4,605.77	\$ (2.00)
Decreased by:				
Cash Disbursements	D-5	4,603.77	4,605.77	(2.00)
Balance, December 31, 2018		\$ -	\$ -	\$ -

TOWNSHIP OF MONTCLAIR
WATER UTILITY

ANALYSIS OF CAPITAL CASH
YEAR ENDED DECEMBER 31, 2018

D-9

	Balance Dec. 31, 2017	Receipts		Disbursements		Transfers		Balance Dec. 31, 2018
		Bond Anticipation Notes	Other	Improvement Authorizations	Other	From	To	
<u>Improvement Authorizations</u>								
General Improvements:								
#09-69		\$ 375,588.00	\$ 250,000.00		\$ 625,588.00			
#10-73		35,498.00	500,000.00		535,498.00			
#11-74	\$ 196.70	306,555.00	285,000.00		591,555.00	196.70		
#12-73	(344.12)	180,619.00	350,000.00		530,619.00			\$ (344.12)
#14-20	(35,785.11)	122,250.00	1,000,000.00	\$ 8,569.12	1,122,250.00			(44,354.23)
#17-32	500,000.00			34,149.05				465,850.95
<u>Other Accounts</u>								
Fund Balance	575,411.59		250,741.81				196.70	826,350.10
Cash on Hand	(1,170.11)							(1,170.11)
Capital Improvement Fund	72,256.53							72,256.53
Loan Receivable	(29,947.60)							(29,947.60)
Water Operating Fund Interfund	4,605.77				4,605.77			
General Capital Fund Interfund	(2.00)		2.00					
	<u>\$ 1,085,221.65</u>	<u>\$ 1,020,510.00</u>	<u>\$ 2,635,741.81</u>	<u>\$ 42,718.17</u>	<u>\$ 3,410,115.77</u>	<u>\$ 196.70</u>	<u>\$ 196.70</u>	<u>\$ 1,288,641.52</u>
Ref.	D							D

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
WATER UTILITY

LOANS RECEIVABLE
YEAR ENDED DECEMBER 31, 2018

D-10

	<u>Ref.</u>	
Balance, December 31, 2017	D	<u>\$ 29,947.60</u>
Balance, December 31, 2018	D	<u><u>\$ 29,947.60</u></u>
 <u>Analysis of Balance</u>		
<u>N.J. Environmental Infrastructure</u>		
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, 2018

D-11

	<u>Ref.</u>	<u>Total Water Operating Fund</u>	<u>Water Operating Fund</u>	
			<u>Current Fund</u>	<u>Water Capital Fund</u>
Balance, December 31, 2017	D	\$ 96,564.43	\$ 91,958.66	\$ 4,605.77
Increased by: Advances	D-5	96,564.43	91,958.66	4,605.77
Balance, December 31, 2018		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF MONTCLAIR
WATER UTILITY

CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2018

D-12

	<u>Ref.</u>		
Balance, December 31, 2017	D		\$ 537,158.35
Increased by:			
Water Rents Levied - Net		\$ 7,710,228.33	
Water Billing Adjustment		<u>(6,376.55)</u>	
	Reserve		<u>7,703,851.78</u>
			<u>8,241,010.13</u>
Decreased by:			
Collections	D-3 6	7,897,491.66	
Overpayments Applied	D-3,19	30,636.32	
Canceled	Reserve	<u>3,237.33</u>	
			<u>7,931,365.31</u>
Balance, December 31, 2018	D		<u><u>\$ 309,644.82</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
WATER UTILITY

FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2018

D-13

	<u>Ref.</u>	
Balance, December 31, 2017	D	\$ 41,342,903.27
Increased by:		
Capital Outlay Expenditures	D-4, D-15	\$ 304,938.34
Transferred from FC Authorized but Uncomplete	D-14	<u>2,277.14</u>
		<u>307,215.48</u>
Balance, December 31, 2018	D	<u>\$ 41,650,118.75</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
WATER UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2018

D-14

Ordinance Number	Description	Balance Dec. 31, 2017	Canceled	Transferred to Fixed Capital	Balance Dec. 31, 2018
11-74	Various Water Utility Improvements	\$ 1,402.86		\$ 1,402.86	
12-73	Various Water Utility Improvements	2,468.86	\$ 1,594.58	874.28	
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>\$ 624,154.45</u>	<u>\$ 1,594.58</u>	<u>\$ 2,277.14</u>	<u>\$ 620,282.73</u>
<u>Ref.</u>		D	D-20	D-13	D

TOWNSHIP OF MONTCLAIR
WATER UTILITY

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2018

D-15

	Balance Dec. 31, 2017		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Unencumbered</u>			
<u>Operating</u>					
Salaries and Wages		\$ 81,739.66	\$ 81,739.66	\$ 18,068.61	\$ 63,671.05
Other Expenses	\$ 173,980.06	795,928.47	969,908.53	267,962.68	701,945.85
<u>Commercial</u>					
Salaries and Wages		326,268.84	326,268.84	20,460.43	305,808.41
Other Expenses	752.34	37,063.01	37,815.35	752.33	37,063.02
<u>Capital Improvements</u>					
Capital Outlay	68,565.50		68,565.50	62,241.98	6,323.52
	<u>\$ 243,297.90</u>	<u>\$ 1,240,999.98</u>	<u>\$ 1,484,297.88</u>	<u>\$ 369,486.03</u>	<u>\$ 1,114,811.85</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, 2018

D-16

	<u>Ref.</u>	
Balance, December 31, 2017	D	\$ 87,647.92
Increased by:		
Budget Appropriation	D-4	235,318.76
		<u>322,966.68</u>
Decreased by:		
Payments	D-5	219,418.76
		<u>219,418.76</u>
Balance, December 31, 2018	D	<u>\$ 103,547.92</u>

Analysis of Balance

<u>Principal Outstanding Dec. 31, 2018</u>	<u>Interest Rate</u>	<u>Accrued</u>		<u>Period</u>	<u>Amount</u>
		<u>From</u>	<u>To</u>		
\$ 100,000.00	3.000%	9-01-18	12-31-18	4 Months	\$ 1,000.00
100,000.00	3.125%	9-01-18	12-31-18	4 Months	1,041.67
165,000.00	3.375%	9-01-18	12-31-18	4 Months	1,856.25
245,000.00	4.000%	7-01-18	12-31-18	6 Months	4,900.00
1,925,000.00	5.000%	7-01-18	12-31-18	6 Months	48,125.00
3,975,000.00	4.000%	10-01-18	12-31-18	3 Months	39,750.00
<u>550,000.00</u>	5.000%	10-01-18	12-31-18	3 Months	<u>6,875.00</u>
<u>\$ 7,060,000.00</u>					<u>\$ 103,547.92</u>

TOWNSHIP OF MONTCLAIR
WATER UTILITY

ACCRUED INTEREST ON NOTES
YEAR ENDED DECEMBER 31, 2018

D-17

	<u>Ref.</u>	
Balance, December 31, 2017	D	\$ 16,897.95
Increased by:		
Budget Appropriation	D-4	90,343.55
		<u>107,241.50</u>
Decreased by:		
Payments	D-5	101,387.74
		<u>101,387.74</u>
Balance, December 31, 2018	D	<u>\$ 5,853.76</u>

Analysis of Balance

Notes Outstanding Dec. 31, 2018	Interest Rate	<u>Accrued</u>		<u>Period</u>	<u>Amount</u>
		<u>From</u>	<u>To</u>		
<u>\$ 1,020,510.00</u>	3.50%	11-02-18	12-31-19	59 Days	<u>\$ 5,853.76</u>

TOWNSHIP OF MONTCLAIR
WATER UTILITY

ACCRUED INTEREST ON LOANS
YEAR ENDED DECEMBER 31, 2018

D-18

	<u>Ref.</u>	
Balance, December 31, 2017	D	\$ 10,108.33
Increased by:		
Budget Appropriation	D-4	21,003.05
		31,111.38
Decreased by:		
Payments	D-5	20,663.46
		20,663.46
Balance, December 31, 2018	D	\$ 10,447.92

Analysis of Balance

	<u>Principal</u>		<u>Accrued</u>			
<u>Outstanding - Trust</u>	<u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>	
<u>Dec. 31, 2018</u>						
\$ 255,000.00	5.00%	8-01-18	12-31-18	5 Months	\$ 5,312.50	
170,000.00	4.75%	8-01-18	12-31-18	5 Months	3,364.58	
10,000.00	3.00%	8-01-18	12-31-18	5 Months	125.00	
90,000.00	4.00%	8-01-18	12-31-18	5 Months	1,500.00	
10,000.00	3.50%	8-01-18	12-31-18	5 Months	145.83	
\$ 535,000.00					\$ 10,447.92	

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
WATER UTILITY

WATER OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2018

D-19

	<u>Ref.</u>		
Balance, December 31, 2017	D		\$ 37,712.55
Increased by:			
Collections	D-6		<u>40,014.71</u>
			77,727.26
Decreased by:			
Refunds	D-5	\$ 7,076.23	
Applied to Rents	D-12	<u>30,636.32</u>	
			<u>37,712.55</u>
Balance, December 31, 2018	D		<u><u>\$ 40,014.71</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
WATER UTILITY

WATER IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2018

D-20

<u>Improvement Description</u>	<u>Ordinance</u>			<u>Balance</u> <u>Dec. 31, 2017</u>		<u>Paid or</u> <u>Charged</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2018</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		\$ 196.70		\$ 196.70		
Various Water System Improvements	12-73	12/28/12	577,500.00		1,397.88		1,397.88		
Various Water System Improvements	14-20	6/17/14	1,350,000.00		79,014.89	\$ 8,569.12			\$ 70,445.77
Various Water System Improvements	17-32	9/19/17	500,000.00	\$ 500,000.00		34,149.05		\$ 465,850.95	
				<u>\$ 500,000.00</u>	<u>\$ 80,609.47</u>	<u>\$ 42,718.17</u>	<u>\$ 1,594.58</u>	<u>\$ 465,850.95</u>	<u>\$ 70,445.77</u>
		<u>Reference</u>		D	D	D-5	D-14	D	D

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
WATER UTILITY

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2018

D-21

	<u>Ref.</u>	
Balance, December 31, 2017	D	<u>\$ 72,256.53</u>
Balance, December 31, 2018	D	<u>\$ 72,256.53</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
WATER UTILITY

RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2018

D-22

	<u>Ref.</u>		
Balance, December 31, 2017	D		\$ 30,743,183.25
Increased by:			
Budget Appropriation:			
Capital Outlay	D-13	\$ 304,938.34	
Transferred from Deferred Reserve	D-23	3,675.04	
Paydown of Bond Anticipation Notes	D-24	650,000.00	
N.J. Environmental Infrastructure Trust			
Loan Paid by Operating Budget	D-25	203,800.93	
Serial Bonds Paid	D-26	<u>610,000.00</u>	
			<u>1,772,414.31</u>
Balance, December 31, 2018	D		<u>\$ 32,515,597.56</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
WATER UTILITY

D-23

DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2018

Ordinance Number	Description	Balance Dec. 31, 2017	Decrease	Balance Dec. 31, 2018
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>\$ 571,371.74</u>	<u>\$ 3,871.74</u>	<u>\$ 567,500.00</u>
		<u>Ref.</u> D	Below	D
			Ref.	
	Funded Improvement Authorization Canceled		D-2 \$ 196.70	
	Transfer to Reserve for Amortization		D-22 <u>3,675.04</u>	
			<u>\$ 3,871.74</u>	

TOWNSHIP OF MONTCLAIR
WATER UTILITY

D-24

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2018

Ordinance Number	Description	Date of Original Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2017	Increase	Decrease	Balance Dec. 31, 2018
07-50	Various Water System Improvements	12-18-08 03-13-09	11-01-19 11-01-19	3.50% 3.50	\$ 36,205.00		\$ 36,205.00	
08-35	Various Water System Improvements	12-18-09 12-16-10	11-01-19 11-01-19	3.50 3.50	361,146.00		361,146.00	
09-69	Various Water System Improvements	03-11-10 03-10-11 11-07-14	11-01-19 11-01-19 11-01-19	3.50 3.50 3.50	192,810.00 238,905.00 208,000.00	\$ 170,665.00 204,923.00	192,810.00 238,905.00 208,000.00	\$ 170,665.00 204,923.00
02-34	Various Water System Improvements	12-15-11 11-04-16	11-01-19 11-01-19	3.50 3.50	160,600.00		160,600.00	
10-73	Various Water System Improvements	12-15-11 11-07-14 11-05-15	11-01-19 11-01-19 11-01-19	3.50 3.50 3.50	466,886.00 39,000.00 39,000.00	35,498.00	466,886.00 39,000.00 39,000.00	35,498.00
11-74	Various Water System Improvements	12-14-12 11-07-14 11-05-15	11-01-19 11-01-19 11-01-19	3.50 3.50 3.50	285,891.00 180,000.00 146,000.00	165,138.00 141,417.00	285,891.00 180,000.00 146,000.00	165,138.00 141,417.00
12-73	Various Water System Improvements	11-07-14 11-05-15 11-04-16	11-01-19 11-01-19 11-01-19	3.50 3.50 3.50	395,140.00 121,000.00 22,883.00	38,677.00 119,059.00 22,883.00	395,140.00 121,000.00 22,883.00	38,677.00 119,059.00 22,883.00
14-20	Various Water System Improvements	11-07-14 11-05-15 11-04-16	11-01-19 11-01-19 11-01-19	3.50 3.50 3.50	158,344.00 990,000.00 13,700.00	108,550.00 13,700.00	158,344.00 990,000.00 13,700.00	108,550.00 13,700.00
					<u>\$ 4,055,510.00</u>	<u>\$ 1,020,510.00</u>	<u>\$ 4,055,510.00</u>	<u>\$ 1,020,510.00</u>
					<u>Ref.</u> D	D-5	Below	D
					Cash Disbursements	<u>Ref.</u> D-5	\$ 3,405,510.00	
					Paid by Budget Appropriation	D-4, D-22	650,000.00	
							<u>\$ 4,055,510.00</u>	

TOWNSHIP OF MONTCLAIR
WATER UTILITY

N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2018

D-25

	<u>Original Issue</u>		<u>Balance</u>	<u>Loan</u>	<u>Balance</u>
	<u>Date</u>	<u>Amount</u>	<u>December 31, 2017</u>	<u>Payments</u>	<u>December 31, 2018</u>
Fund Share	11-04-99	\$ 1,245,000.00	\$ 5,436.25	\$ 3,596.30	\$ 1,839.95
Trust Share	11-08-01	660,000.00	138,667.26	31,562.20	107,105.06
Fund Share	11-08-01	706,820.00	144,595.67	36,004.35	108,591.32
Trust Share	11-07-02	915,000.00	242,551.12	44,776.24	197,774.88
Fund Share	11-07-02	962,135.00	245,295.11	49,845.26	195,449.85
Trust Share	3-10-10	180,000.00	124,000.00	10,000.00	114,000.00
Fund Share	3-10-10	550,993.00	293,735.21	28,016.58	265,718.63
			<u>\$ 1,194,280.62</u>	<u>\$ 203,800.93</u>	<u>\$ 990,479.69</u>
	Reference		D	D-22	D

TOWNSHIP OF MONTCLAIR
WATER UTILITY
 SERIAL BONDS
YEAR ENDED DECEMBER 31, 2018

D-26

Purpose	Date of Issue	Amount of Original Issue	Bonds Outstanding Dec. 31, 2018		Interest Rate	Balance Dec. 31, 2017	Bonds Issued	Decrease	Balance Dec. 31, 2018
			Date	Amount					
Water Improvements	9-01-08	\$ 3,349,000.00				\$ 250,000.00		\$ 250,000.00	
Water Improvements	3-01-11	1,065,000.00	3-01-19	\$ 100,000.00	3.00 %				
			3-01-20	100,000.00	3.125				
			3-01-21	165,000.00	3.375	465,000.00		100,000.00	\$ 365,000.00
Water Improvements	3-01-14	2,580,000.00	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	2,430,000.00		260,000.00	2,170,000.00
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
Water Improvements	9-02-18	2,385,000.00	4-01-19	160,000.00	4.00				
			4-01-20	170,000.00	4.00				
			4-01-21	180,000.00	4.00				
			4-01-22	220,000.00	4.00				
			4-01-23/24	250,000.00	4.00				
			4-01-25	250,000.00	5.00				
			4-01-26	300,000.00	5.00				
			4-01-27	300,000.00	4.00				
			4-01-28	305,000.00	4.00		\$ 2,385,000.00		2,385,000.00
						\$ 5,285,000.00	\$ 2,385,000.00	\$ 610,000.00	\$ 7,060,000.00
						Ref. D	D-5	D-22	D

TOWNSHIP OF MONTCLAIR
WATER UTILITY

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2018

D-27

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2017</u>	<u>Canceled</u>	<u>Balance December 31, 2018</u>
12-73	Various Water Improvements	\$ 1,742.00	\$ 1,397.88	\$ 344.12
14-20	Various Water Improvements	114,800.00		114,800.00
		<u>\$ 116,542.00</u>	<u>\$ 1,397.88</u>	<u>\$ 115,144.12</u>
	<u>Ref.</u>	D		D

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

CASH RECEIPTS, DISBURSEMENTS
TREASURER
YEAR ENDED DECEMBER 31, 2018

E-5

	Ref.	Operating Fund	Capital Fund
Balance, December 31, 2017	E	\$ 1,756,048.23	\$ 196,223.49
Increased by Receipts:			
Premium on Sales of Notes	E-2		\$ 6,055.00
Interest on Deposits	E-3	\$ 22,672.48	
Interfund Payable	E-15		900,000.00
Collector	E-6	6,818,631.97	
Environmental Loan Receivable	E-24		693,823.00
Interfunds Receivable	E-9	300,000.00	
Bond Anticipation Notes	E-23		491,836.00
		7,141,304.45	2,091,714.00
		8,897,352.68	2,287,937.49
Decreased by Disbursements:			
Anticipated Revenue - Current Fund	E-1	200,000.00	
Budget Appropriations	E-4	6,349,266.07	
Interfunds Receivable	E-9	900,000.00	
Appropriation Reserves	E-13	19,885.07	
Accrued Interest on Notes	E-17	31,045.89	
Accrued Interest on Loans	E-16	7,794.95	
Sewer Overpayments	E-14	3,940.85	
Improvements Authorizations	E-18		1,308,901.23
Interfund Payable	E-15		300,000.00
Bond Anticipation Notes	E-23		491,836.00
		7,511,932.83	2,100,737.23
Balance, December 31, 2018	E	\$ 1,385,419.85	\$ 187,200.26

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

CASH RECEIPTS AND DISBURSEMENTS - COLLECTOR
YEAR ENDED DECEMBER 31, 2018

E-6

	<u>Ref.</u>	
Increased by:		
Miscellaneous Revenue Not Anticipated	E-3	\$ 63,477.69
Sanitary Sewer Connection Reservoir Ridge	E-3	87,161.45
Consumer Accounts Receivable	E-10	6,647,027.80
Sewer Overpayments	E-14	<u>20,965.03</u>
		6,818,631.97
Decreased by:		
Turnovers to Treasurer	E-5	<u>6,818,631.97</u>
		<u><u>\$ -</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

CHANGE FUNDS
YEAR ENDED DECEMBER 31, 2018

E-7

	<u>Ref.</u>	
Balance, December 31, 2017	E	<u>\$ 200.00</u>
Balance, December 31, 2018	E	<u><u>\$ 200.00</u></u>

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

ANALYSIS OF CAPITAL CASH
YEAR ENDED DECEMBER 31, 2018

E-8

	Balance Dec. 31, 2017	Receipts Other	Disbursements		Transfers		Balance Dec. 31, 2018
			Improvement Authorizations	Other	From	To	
<u>Improvement Authorizations</u>							
General Improvements:							
#09-17	\$ 5,300.00						\$ 5,300.00
#12-21	5,701.64						5,701.64
#14-19	(99,184.18)		\$ 25,072.00				(124,256.18)
#15-32	48,126.35				\$ 48,126.35		
#17-35		\$ 693,823.00	1,283,829.23				(590,006.23)
<u>Other Accounts</u>							
Fund Balance	115,778.75	6,055.00				\$ 48,126.35	169,960.10
Excess Bond Anticipation Notes	0.93						0.93
Capital Improvement Fund	120,500.00						120,500.00
Sewer Operating Fund Interfund		900,000.00		\$ 300,000.00			600,000.00
	<u>\$ 196,223.49</u>	<u>\$ 1,599,878.00</u>	<u>\$ 1,308,901.23</u>	<u>\$ 300,000.00</u>	<u>\$ 48,126.35</u>	<u>\$ 48,126.35</u>	<u>\$ 187,200.26</u>
<u>Ref.</u>	E						E

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

INTERFUNDS RECEIVABLE
YEAR ENDED DECEMBER 31, 2018

E-9

	Ref.	<u>Sewer Operating Fund</u> <u>Sewer Capital</u>
Increased by:		
Advances	E-5	\$ 900,000.00
Decreased by:		
Settlements	E-5	<u>300,000.00</u>
Balance, December 31, 2018	E	<u><u>\$ 600,000.00</u></u>

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2018

E-10

	<u>Ref.</u>		
Balance, December 31, 2017	E		\$ 853,202.84
Increased by:			
Sewer Charges Levied - Net	Reserve		6,590,878.34
			7,444,081.18
Decreased by:			
Collections	E-6	\$ 6,647,027.80	
Overpayments Applied	E-14	17,888.36	
	E-3		6,664,916.16
Balance, December 31, 2018	E		\$ 779,165.02

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2018

E-11

Balance, December 31, 2017	<u>Ref.</u> E	\$ 5,098,801.56
Increased by:		
Capital Outlay	E-4	<u>32,000.00</u>
Balance, December 31, 2018	E	<u>\$ 5,130,801.56</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2018

E-12

Ordinance Number	Description	Balance Dec. 31, 2017	Decrease	Balance Dec. 31, 2018
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	2,600,000.00		2,600,000.00
		<u>\$ 3,039,877.01</u>	<u>\$ 48,126.35</u>	<u>\$ 2,991,750.66</u>

Ref.

E

E-18

E

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2018

E-13

	<u>Balance Dec. 31, 2017</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		\$ 122,148.65	\$ 122,148.65	\$ 4,409.24	\$ 117,739.41
Other Expenses	\$ 18,324.24	41,731.46	60,055.70	15,475.83	44,579.87
Third River Sewer		195.64	195.64		195.64
Second River Sewer		7,531.81	7,531.81		7,531.81
	<u>\$ 18,324.24</u>	<u>\$ 171,607.56</u>	<u>\$ 189,931.80</u>	<u>\$ 19,885.07</u>	<u>\$ 170,046.73</u>
<u>Ref.</u>	E	E	E	E-5	E-1

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

E-14

SEWER OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2018

	<u>Ref.</u>	
Balance, December 31, 2017	E	\$ 21,829.21
Increased by:		
Collections	E-6	20,965.03
		<u>42,794.24</u>
Decreased by:		
Refunds	E-5	\$ 3,940.85
Applied to Sewer Rents	E-10	17,888.36
		<u>21,829.21</u>
Balance, December 31, 2018	E	<u>\$ 20,965.03</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

E-15

INTERFUNDS PAYABLE
YEAR ENDED DECEMBER 31, 2018

	<u>Ref.</u>	<u>Sewer Capital Fund</u> <u>Sewer Operating Fund</u>
Increased by:		
Advances	E-5	\$ 900,000.00
Decreased by:		
Settlements	E-5	<u>300,000.00</u>
Balance, December 31, 2018	E	<u>\$ 600,000.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

ACCRUED INTEREST ON LOANS
YEAR ENDED DECEMBER 31, 2018

E-16

	<u>Ref.</u>	
Balance, December 31, 2017	E	\$ 3,265.10
Increased by:		
Budget Appropriation	E-4	7,586.62
		10,851.72
Decreased by:		
Payments	E-5	7,794.95
		7,794.95
Balance, December 31, 2018	E	\$ 3,056.77

Analysis of Balance

	<u>Interest on Loans</u> <u>Due Feb. 1,</u>	<u>Interest</u> <u>Rate</u>	<u>Accrued</u>		<u>Period</u>	<u>Amount</u>
			<u>From</u>	<u>To</u>		
\$	100,000.00	5.00	8/1/2018	12/31/2018	5 months	\$ 2,083.33
	30,000.00	3.00	8/1/2018	12/31/2018	5 months	375.00
	15,000.00	3.125	8/1/2018	12/31/2018	5 months	195.31
	15,000.00	3.20	8/1/2018	12/31/2018	5 months	200.00
	15,000.00	3.25	8/1/2018	12/31/2018	5 months	203.13
						\$ 3,056.77

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

ACCRUED INTEREST ON NOTES
YEAR ENDED DECEMBER 31, 2018

E-17

	<u>Ref.</u>	
Balance, December 31, 2017	E	\$ 5,001.84
Increased by:		
Budget Appropriation	E-4	28,865.28
		33,867.12
Decreased by:		
Payments	E-5	31,045.89
		31,045.89
Balance, December 31, 2018	E	\$ 2,821.23

Analysis of Balance

<u>Notes Outstanding</u> <u>Dec. 31, 2018</u>	<u>Interest</u> <u>Rate</u>	<u>Accrued</u>		<u>Period</u>	<u>Amount</u>
		<u>From</u>	<u>To</u>		
\$ 491,836.00	3.5 %	11/2/2018	12/31/2018	59	\$ 2,821.23

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
SEWER UTILITY

E-18

SEWER IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2018

<u>Improvement Description</u>	<u>Ordinance</u>			<u>Balance</u> <u>Dec. 31, 2017</u>		<u>Paid or</u> <u>Charged</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2018</u>	
	<u>Number</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	\$ 5,701.64	112,379.65			5,701.64	\$ 112,379.65
Various Sewer System Improvements	14-19	06-17-14	445,000.00		101,515.82	\$ 25,072.00			76,443.82
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	1,283,829.23			1,316,170.77
				<u>\$ 53,827.99</u>	<u>\$ 2,819,195.47</u>	<u>\$ 1,308,901.23</u>	<u>\$ 48,126.35</u>	<u>\$ 11,001.64</u>	<u>\$ 1,504,994.24</u>
		<u>Reference</u>		E	E	E-5	E-12	E	E

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2018

E-19

	<u>Ref.</u>	
Balance, December 31, 2017	E	\$ 732,449.00
Decreased by:		
Loan Payments	E-22	<u>49,103.50</u>
Balance, December 31, 2018	E	<u>\$ 683,345.50</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2018

E-20

Ordinance Number	Improvement Description	Balance Dec. 31, 2017	Decrease	Balance Dec. 31, 2018
09-17	Various Sewer System Improvements	\$ 5,300.00		\$ 5,300.00
15-32	Various Sewer System Improvements	48,126.35	\$ 48,126.35	
		<u>\$ 53,426.35</u>	<u>\$ 48,126.35</u>	<u>\$ 5,300.00</u>
	Ref.	E	E-2	E

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2018

E-21

	<u>Ref.</u>	
Balance, December 31, 2017	E	<u>\$ 120,500.00</u>
Balance, December 31, 2018	E	<u><u>\$ 120,500.00</u></u>

RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2018

E-22

	<u>Ref.</u>	
Balance, December 31, 2017	E	\$ 3,197,887.50
Increased by:		
Paydown of Bond Anticipation Notes	E-23	\$ 750,000.00
Payment of Loans	E-19	49,103.50
Capital Outlay	E-4	32,000.00
Adjustment	E-23	<u>1.00</u>
		<u>831,104.50</u>
Balance, December 31, 2018	E	<u><u>\$ 4,028,992.00</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2018

E-23

Ordinance Number	Purpose	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2017	Adjustment	Increase	Decrease	Balance Dec. 31, 2018	
08-11	Various Sewer Improvements	3-13-09	11-01-18	11-01-19	3.50 %	\$ 76,816.00			\$ 76,816.00		
		11-07-14	11-01-18	11-01-19	3.50						
08-36	Repairs to Sewer Utility System	3-13-09	11-01-18	11-01-19	3.50	243,191.00			243,191.00		
		3-11-10	11-01-18	11-01-19	3.50						
09-17	Various Sewer Improvements	3-11-10	11-01-18	11-01-19	3.50	344,128.00		\$ 35,551.00	344,128.00	\$ 35,551.00	
09-70	Various Sewer Improvements	12-16-10	11-01-18	11-01-19	3.50	300,000.00		180,483.00	300,000.00	180,483.00	
		11-07-14	11-01-18	11-01-19	3.50	33,402.00	\$ (1.00)	33,401.00	33,401.00	33,401.00	
14-19	Various Sewer Improvements	11-05-15	11-01-18	11-01-19	3.50	150,000.00		148,101.00	150,000.00	148,101.00	
		11-04-16	11-01-18	11-01-19	3.50	94,300.00		94,300.00	94,300.00	94,300.00	
						<u>\$ 1,241,837.00</u>	<u>\$ (1.00)</u>	<u>\$ 491,836.00</u>	<u>\$ 1,241,836.00</u>	<u>\$ 491,836.00</u>	
<u>Ref.</u>						E	E-22	E-5	Below	E	
<u>Ref.</u>											
Budget Appropriations						E-22			\$ 750,000.00		
Cash						E-5			491,836.00		
						Above			<u>\$ 1,241,836.00</u>		

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

ENVIRONMENTAL LOAN RECEIVABLE
YEAR ENDED DECEMBER 31, 2018

E-24

	<u>Ref.</u>	
Increased by:		
Loan Issued	E-25	\$ 2,600,000.00
Decreased by:		
Collections	E-5	<u>693,823.00</u>
Balance, December 31, 2018	E	<u>\$ 1,906,177.00</u>

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE
INTERIM FINANCING PAYABLE
YEAR ENDED DECEMBER 31, 2018

E-25

	<u>Ref.</u>	
Increased by:		
Loan Issued	E-24	<u>\$ 2,600,000.00</u>
Balance, December 31, 2018	E	<u>\$ 2,600,000.00</u>

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2018

E-26

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2017</u>	<u>Balance Dec. 31, 2018</u>
12-21	Various Sewer System Improvements	\$ 112,379.65	\$ 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>\$ 2,913,079.65</u>	<u>\$ 2,913,079.65</u>
	<u>Ref.</u>	E	E

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

CASH RECEIPTS, DISBURSEMENTS AND RECONCILIATION -
TREASURER
YEAR ENDED DECEMBER 31, 2018

F-4

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance, December 31, 2017	F	\$ 2,509,600.28	\$ 893,026.62
Increased by Receipts:			
Interest on Deposits	F-2	\$ 42,628.32	
Meter Fees	F-2	2,799,973.36	
Miscellaneous Revenue	F-2	315,551.95	
Permit Fees	F-2	1,454,861.02	
Petty Cash	F-5a	150.00	
Interfund Receivable	F-6	3,026.62	
Reserve for Midtown Parking Deck	F-17		\$ 200,000.00
Reserve for Crescent Parking Deck	F-18		6,250.00
		4,616,191.27	206,250.00
		7,125,791.55	1,099,276.62
Increased by Disbursements:			
Anticipated Revenue - Current Fund	F-1	100,000.00	
Prior Year Refund	F-1	9.75	
Budget Appropriations	F-3	3,295,569.49	
Interfund Payable	F-14	405.00	3,026.62
Appropriation Reserves	F-9	335,180.01	
Accrued Interest on Bonds	F-10	576,607.81	
Improvement Authorizations	F-15		268,502.37
		4,307,772.06	271,528.99
Balance, December 31, 2018	F	\$ 2,818,019.49	\$ 827,747.63

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

ANALYSIS OF CAPITAL CASH
DECEMBER 31, 2018 AND 2017

F-5

	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
<u>Other Accounts</u>		
Capital Improvement Fund	\$ 305,000.00	\$ 305,000.00
Fund Balance	50,000.00	50,000.00
Improvement Authorization	266,497.63	535,000.00
Reserve for Midtown Parking Deck	200,000.00	
Reserve for Crescent Parking Deck	6,250.00	
Parking Utility Operating Fund Interfund		3,026.62
	<u>\$ 827,747.63</u>	<u>\$ 893,026.62</u>
<u>Ref.</u>	F-4	F-4

ANALYSIS OF PETTY CASH
YEAR ENDED DECEMBER 31, 2018

F-5a

	<u>Ref.</u>	
Balance December 31, 2017	F	\$ 150.00
Decreased by:		
Transfer to Checking Account	F-4	150.00
Balance, December 31, 2018		\$ -

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

INTERFUNDS RECEIVABLE
YEAR ENDED DECEMBER 31, 2018

F-6

	<u>Ref.</u>		<u>Parking Utility Operating Fund</u> <u>Parking Utility Capital Fund</u>
Balance, December 31, 2017	F	\$	3,026.62
Decreased by:			
Collections	F-4		3,026.62
Balance, December 31, 2018		<u>\$</u>	<u>-</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

FIXED CAPITAL
DECEMBER 31, 2018

F-7

	Balance Dec. 31, 2017	Increased by Capital Outlay	Balance Dec. 31, 2018
Construction of Various Parking Decks	\$ 16,445,000.00	\$ 115,015.13	\$ 16,560,015.13
<u>Ref.</u>	F	F-3, F-11	F

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
DECEMBER 31, 2018

F-8

	Ref.		
Balance, December 31, 2017 and 2018	F		\$ 535,000.00
<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Date</u>	<u>Amount</u>
Various Parking Improvements	16-23	6-15-16	\$ 185,000.00
Various Parking Improvements	17-33	9-19-17	350,000.00
			\$ 535,000.00

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2018

F-9

	Balance Dec. 31, 2017		Balance After Transfers	Paid or Charged	Balance Lapsed
	Committed	Reserved			
<u>Operating</u>					
Salaries and Wages		\$ 132,559.14	\$ 132,559.14	\$ 10,315.92	\$ 122,243.22
Other Expenses	\$ 116,414.19	256,735.03	373,149.22	261,512.51	111,636.71
Capital Improvements	63,373.00	36,280.44	99,653.44	63,351.58	36,301.86
	<u>\$ 179,787.19</u>	<u>\$ 425,574.61</u>	<u>\$ 605,361.80</u>	<u>\$ 335,180.01</u>	<u>\$ 270,181.79</u>
<u>Ref.</u>	F	F		F-4	F-1

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

ACCRUED INTEREST ON BONDS
YEAR ENDED DECEMBER 31, 2018

F-10
Sheet # 1

	<u>Ref.</u>	
Balance, December 31, 2017	F	\$ 291,472.28
Increased by:		
Budget Appropriation	F-3	570,271.06
		861,743.34
Decreased by:		
Payments	F-4	576,607.81
		576,607.81
Balance, December 31, 2018	F	\$ 285,135.53

Analysis of Balance

Bonds Outstanding	Interest Rate	Accrued		Period	Amount
		From	To		
\$ 795,000.00	4.000%	7/1/2018	12/31/2018	6 Months	\$ 15,900.00
3,445,000.00	5.000%	7/1/2018	12/31/2018		86,125.00
585,000.00	3.375%	7/1/2018	12/31/2018		9,871.88
610,000.00	3.500%	7/1/2018	12/31/2018		10,675.00
1,280,000.00	3.625%	7/1/2018	12/31/2018		23,200.00
1,375,000.00	3.750%	7/1/2018	12/31/2018		25,781.25
3,165,000.00	5.000%	7/1/2018	12/31/2018		79,125.00
11,255,000.00					250,678.13

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

ACCRUED INTEREST ON BONDS
YEAR ENDED DECEMBER 31, 2018

F-10
Sheet # 2

Bonds Outstanding Dec. 31, 2018	Interest Rate	Accrued		Period	Amount
		From	To		
\$ 65,000.00	2.490%	7/1/2018	12/31/2018	6 Months	\$ 809.25
65,000.00	2.860%	7/1/2018	12/31/2018		929.50
65,000.00	3.110%	7/1/2018	12/31/2018		1,010.75
70,000.00	3.324%	7/1/2018	12/31/2018		1,163.40
65,000.00	3.524%	7/1/2018	12/31/2018		1,145.30
70,000.00	3.674%	7/1/2018	12/31/2018		1,285.90
410,000.00	4.324%	7/1/2018	12/31/2018		8,864.20
845,000.00	4.556%	7/1/2018	12/31/2018		19,249.10
<u>1,655,000.00</u>					<u>34,457.40</u>
<u>\$ 12,910,000.00</u>					<u>\$ 285,135.53</u>

See accompanying notes to financial statements.

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2018

F-11

	<u>Ref.</u>		
Balance, December 31, 2017	F		\$ 3,095,000.00
Increased by:			
Capital Outlay	F-3, F-7	\$ 115,015.13	
Serial Bonds Paid by Operating Budget:			
Current Year	F-16	440,000.00	555,015.13
Balance, December 31, 2018	F		\$ 3,650,015.13

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2018

F-12

	<u>Ref.</u>		
Balance, December 31, 2017 and 2018	F		\$ 305,000.00

DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2018

F-13

	<u>Ref.</u>		
Balance, December 31, 2017 and 2018	F		\$ 535,000.00

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

INTERFUNDS PAYABLE
DECEMBER 31, 2018

F-14

		<u>Parking Utility Operating Fund</u>	<u>Parking Utility Capital Fund</u>
	<u>Ref.</u>	<u>Current Fund</u>	<u>Parking Utility OperatingFund</u>
Balance, December 31, 2017	F	\$ 405.00	\$ 3,026.62
Decreased by:			
Cash Disbursements	F-4	<u>405.00</u>	<u>3,026.62</u>
Balance, December 31, 2018		<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2018

F-15

<u>Improvement Description</u>	<u>Ordinance</u>			<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
	<u>Number</u>	<u>Date</u>	<u>Amount</u>	<u>Funded</u>		<u>Funded</u>
Various Parking Improvements	16-23	6-15-16	\$ 185,000.00	\$ 185,000.00	\$ 69,186.70	\$ 115,813.30
Various Parking Improvements	17-33	9-19-17	350,000.00	350,000.00	199,315.67	150,684.33
				<u>\$ 535,000.00</u>	<u>\$ 268,502.37</u>	<u>\$ 266,497.63</u>
			<u>Reference</u>	E	F-4	F

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

SERIAL BONDS
YEAR ENDED DECEMBER 31, 2018

F-16
Sheet # 1

Purpose	Date of Issue	Amount of Original Issue	Bonds Outstanding Dec. 31, 2018		Interest Rate	Balance Dec. 31, 2017	Decrease	Balance Dec. 31, 2018
			Date	Amount				
Refunding	7-1-14	\$ 12,030,000.00	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			

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

SERIAL BONDS
YEAR ENDED DECEMBER 31, 2018

F-16
Sheet # 2

Purpose	Date of Issue	Amount of Original Issue	Bonds Outstanding Dec. 31, 2018		Interest Rate	Balance Dec. 31, 2017	Decrease	Balance Dec. 31, 2018
			Date	Amount				
Refunding	7-1-14	\$ 1,820,000.00	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			
					\$ 1,720,000.00	\$ 65,000.00	\$ 1,655,000.00	
					\$ 13,350,000.00	\$ 440,000.00	\$ 12,910,000.00	
				<u>Ref.</u>	F	F-11	F	

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

RESERVE FOR MIDTOWN PARKING DECK
YEAR ENDED DECEMBER 31, 2018

F-17

	<u>Ref.</u>	
Increased by:		
Cash Receipt	F-4	<u>\$ 200,000.00</u>
Balance, December 31, 2018	F	<u><u>\$ 200,000.00</u></u>

RESERVE FOR CRESCENT PARKING DECK
YEAR ENDED DECEMBER 31, 2018

F-18

	<u>Ref.</u>	
Increased by:		
Capital Contributions:		
Herod	F-4	<u>\$ 6,250.00</u>
Balance, December 31, 2018	F	<u><u>\$ 6,250.00</u></u>

PART III
REPORT ON INTERNAL CONTROL AND
OTHER MATTERS
SINGLE AUDIT ATTACHMENTS
YEARS ENDED DECEMBER 31, 2018 AND 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 Auditors' 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; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the regulatory-basis financial statements of the Township of Montclair, Essex County, New Jersey (the "Township"), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated August 23, 2019, 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
August 23, 2019

David J. Gannon

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



**Report on Compliance for Each Major Federal and
State Program and Report on Internal Control Over Compliance Required by the Uniform
Guidance and NJ OMB Circular 15-08**

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 and State Program

We have audited the Township of Montclair, County of Essex, New Jersey ("Township") compliance with the types of compliance requirements described in the *OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on its major federal and state programs for the year ended December 31, 2018. The Township's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Township's major federal and state 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; the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("*Uniform Guidance*") and New Jersey OMB Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 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 major federal and state programs 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 the major federal and state programs. However, our audit does not provide a legal determination of the Township's compliance.

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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Opinion on Each Major Federal and State Program

In our opinion, the Township complied, in all material respects with each of the types of compliance requirements referred to above that could have a direct and material effect on its major federal and state programs for the year ended December 31, 2018.

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 its major federal and state programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal and state programs and to test and report on internal control over compliance in accordance with Uniform Guidance and New Jersey OMB Circular 15-08, 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 and state 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 and 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 and 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.

Purpose of this Report

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 the Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purposes.

PKF O'Connor Davies, LLP

Cranford, New Jersey
August 23, 2019

David J. Gannon

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

**TOWNSHIP OF MONTCLAIR
SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2018**

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		Revised Budget	Balance Dec. 31, 2017	Cash Receipts	Current Year Expenditures	Balance Dec. 31, 2018	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:	14.218	Not available			7-01-17	Completion	\$ 729,072.70	\$ 98,000.00	\$ 97,412.01		\$ 527,072.70	
Direct Program												
Housing Choice Voucher Program	14.871				1-01-17	12-31-17	3,640,632.91					3,640,632.91
	14.871				1-01-18	12-31-18	2,632,014.04	2,621,106.67	2,632,014.04			2,632,014.04
U.S. Department of Environmental Protection: Pass Through New Jersey Department of Environmental Protection: Capitalization Grants for Clean Water State Revolving Funds	66.458	Not available			1/1/2018	Completion	1,300,000.00	346,911.50	641,914.62			641,914.62
U.S. Department of Justice: Pass Through New Jersey Department of Law and Public Safety: Cops in Shops	16.710	Not available			7-01-15	6-30-16	3,600.00	\$ 3,600.00	3,600.00			3,600.00
Bulletproof Vest Program	16.607	Not available			7-01-14	6-30-15	9,899.00	9,899.00	9,899.00			9,899.00
Bulletproof Vest Program	16.607	Not available			7-01-14	6-30-15A	8,233.11	0.00		\$ 8,233.11		8,233.11
Bulletproof Vest Program	16.607	Not available			7-01-15	6-30-16	9,592.97	1,758.83	1,758.83			9,592.97
Bulletproof Vest Program	16.607	Not available			7-01-16	6-30-17	13,888.00	6,688.00	6,688.00			13,888.00
Edward Byrne Juvenile Assistance Program	16.751	Not available			7-01-15	6-30-16	1,148.20	1,148.20			1,148.20	
Edward Byrne Juvenile Assistance Program	16.751	Not available			7-01-14	6-30-15	1,709.06	1,709.06			1,709.06	
Edward Byrne Juvenile Assistance Program	16.751	Not available			7-01-13	6-30-14	1,772.40	1,772.40	1,772.40			1,772.40
Edward Byrne Juvenile Assistance Program	16.751	Not available			Prior Year		7,636.30	7,636.30			7,636.30	
U.S. Department of Homeland Security: Assistance to Firefighters	97.044	Not available			7-01-09	6-30-10	25,508.87	25,508.87			25,508.87	
Assistance to Firefighters	97.044	Not available			7-01-07	6-30-08	13,365.07	13,365.07			13,365.07	
Assistance to Firefighters	97.044	Not available			7-01-04	6-30-05	571.84	571.84			571.84	
Assistance to Firefighters	97.044	Not available			7-01-03	6-30-14	19,300.10	19,300.10	6,696.62		12,603.48	6,696.62
Homeland Security							9,500.00	9,500.00			9,500.00	
Generator	97.039				7-01-15	6-30-16	192,000.00	192,000.00	19,000.00		173,000.00	19,000.00
U.S. Environmental Protection Agency: Passed Through Twp. Of Cherry Hill: Climate Showcase Communities Grant	66.041				7-01-10	Completion	57,417.22					57,417.22
U.S. Department of Agriculture: Mobile Food Stand	10.170	Not available			7-01-15	6-30-16	22,831.00					23,096.00
Eat Healthy Grant	10.170	Not available			7-01-15	6-30-16	10,000.00	8,319.92	6,300.00		2,019.92	7,980.08

**TOWNSHIP OF MONTCLAIR
SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2018**

Sheet # 2

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period		Revised Budget	Balance Dec. 31, 2017	Cash Receipts	Current Year Expenditures	Balance Dec. 31, 2018	Cumulative Expenditures
		From	To						
U.S. Department of Transportation:									
Pass Through New Jersey Department of Transportation - Highway Safety:									
Click It or Ticket	20.602	31000	7-01-17	6-30-18	\$ 5,500.00	\$ -	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00
Click It or Ticket	20.602	31000	7-01-16	6-30-17	6,050.00	6,050.00		\$ 6,050.00	
Click It or Ticket	20.602	31000	7-01-15	6-30-16	1,250.00	1,250.00	1,250.00		1,250.00
Click It or Ticket	20.602	31000			5,500.00	-			5,500.00
Drive Sober or Get Pulled Over	20.616	31020	7-01-16	6-30-17	11,000.00	5,000.00	5,500.00		11,000.00
Drive Sober or Get Pulled Over	20.616	31020	7-01-17	6-30-18	5,500.00	5,000.00	2,475.00	3,025.00	2,475.00
U.S. Department of Health and Human Service:									
Older Americans Act - Title III:									
Passed through County of Essex: Senior Citizens' Public Health Nurse	13.991	Not available	7-01-15	6-30-16	7,280.00			7,280.00	
Total Federal Financial Assistance					<u>\$ 320,077.59</u>	<u>\$ 3,078,206.17</u>	<u>\$ 3,441,780.52</u>	<u>\$ 302,427.35</u>	<u>\$ 7,642,780.36</u>

**TOWNSHIP OF MONTCLAIR
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2018**

State Funding Department or Division	Program	State Account Number	Revised Grant Award	Grant Period		Balance Dec. 31, 2017	Received	Expended	Cancelled	Balance Dec. 31, 2018	Cumulative Expenditures	
				From	To							
Environmental Protection	Clean Community Grant	4900-765-178910-60	70,449.09	1/01/17	12/31/17	\$ 70,449.09	\$ 67,431.69	\$ 41,000.00		\$ 29,449.09	\$ 41,000.00	
	ANJEC Space Stewartspace Grant		294.36	7/01/15	6/30/16	294.36				294.36		
	N.J.E.D.A. Hazardous Discharge		127,318.88	7/01/12	Completion	46,378.82	16,926.90	27,745.90	\$ 3,501.11	15,131.81	108,685.96	
	NJ Historic Preservation	487-542-320010-60	2,560.00	7/01/14	Completion	2,560.00	2,800.00	2,560.00			2,560.00	
	Recycling Tonnage Grant		30,903.52	7/01/14	Completion	30,903.52				30,903.52		
	Radon Awareness		2,000.00	1/01/17	12/31/19	2,000.00	527.50	527.50	1,472.50		527.50	
	N.J. Environmental Infrastructure Program: Sewer Capital	4800-526-99822-60	1,300,000.00	1/1/2018	Completion		346,911.50	641,914.62			973,243.00	
	Health	Municipal Alliance Grant	2000-475-995120-60	\$ 48,941.20	7/01/15	06/30/16	19,273.83	-	18,464.35	809.48	5,320.53	48,131.72
		Tobacco Control Grant		5,940.00	1/01/10	12/31/10	5,680.00		359.47		619.47	
		Emergency Preparedness Grant		602.65	7/01/08	6/30/09	602.65		579.80		22.85	579.80
	Safe Routes to School Program: General Project		313,890.00	7/1/2007	Completion	313,890.00		222,448.30		91,441.70	222,448.30	
	National Association of County Health Officers		2,615.29	7/01/13	6/30/14	2,615.29		1,357.24		1,258.05	1,357.24	
	National Association of County Health Officers		2,559.84	7/01/12	6/30/13	2,559.84				2,559.84		
	Partners for Health		4,018.91	1/1/2013	12/31/13	1,519.43		1,284.22	235.21	7,455.15	3,783.70	
	Partners for Health		8,049.97	1/01/15	12/31/15	7,679.97		224.82		594.82		
	Partners for - Snow Buddies		913.27	1/1/2014	12/31/14	1,375.27		300.00	1,075.27	300.00		
	Partners for Health		20,000.00	1/1/2018	12/31/18			8,191.98		9,998.07	10,001.93	
	Partners for Health - Visiting Nurse		17,261.00	1/1/2018	12/31/18					17,261.00		
	Childhood Lead Exposure		184,353.00	1/1/2018	12/31/2018		96,605.00	123,369.73		60,983.27	123,369.73	
Board of Public Utilities	Micro Grid Feasibility Study		142,480.00	1/1/2018	12/31/2018	142,480.00				142,480.00		
Law and Public Safety	Safe and Secure	1020-100-66-1020-232	60,000.00	7/01/15	6/30/16	60,000.00	60,000.00	60,000.00		60,000.00	60,000.00	
Law and Public Safety	Safe and Secure	1020-100-66-1020-232	60,000.00	7/01/16	6/30/17	60,000.00		60,000.00		60,000.00	60,000.00	
	Safe and Secure	1020-100-66-1020-232	68,975.00	7/01/17	6/30/18	68,975.00		68,975.00		68,975.00	68,000.00	
	Division of Criminal Justice: Body Armor Fund	1020-718-066-1020-001	992.00	7/01/12	6/30/13	470.65		470.65		992.00		
	Body Armor Fund	1020-718-066-1020-002	2,147.54	7/01/13	6/30/14					2,147.54		
	Body Armor Fund	1020-718-066-1020-001	9,592.97	7/01/14	6/30/15					9,592.97		
	Body Armor Fund	1020-718-066-1020-001	7,200.00	7/01/15	6/30/16					7,200.00		
	Body Armor Fund	1020-718-066-1020-001	18,097.83	7/01/15	6/30/16	18,097.83		1,050.77		17,047.06	1,050.77	
	Body Armor Fund	1020-718-066-1020-001	5,941.85	7/01/16	6/30/17			2,328.58	436.07	3,177.20	2,328.58	
	Division of Motor Vehicles: Drunk Driving Enforcement	6400-100-078-6400	2,442.99	7/01/14	6/30/15	15.70		15.70		2,442.99		
	Drunk Driving Enforcement	6400-100-078-6400	12,804.50	7/01/17	6/30/18	12,804.50		695.60		12,093.20	711.30	
	Distracted Driving		6,600.00	1/1/2018	12/31/2018		6,600.00	6,600.00		6,600.00	6,600.00	
	Division of Highway Safety: Pedestrian Safety Enforcement & Educaiton Fund		16,000.00	7-01-15	6-30-16		2,300.00	2,300.00		3,300.00		
	Pedestrian Safety Enforcement & Educaiton Fund		27,000.00	7-01-16	6-30-17		460.00	460.00		2,140.00	24,860.00	
	Pedestrian Safety Enforcement & Educaiton Fund		43,000.00	7-01-17	6-30-18		15,235.00	15,480.00	4,995.00	22,525.00	15,480.00	
	Bicycle Safety Grant		24,000.00	7-01-17	6-30-18		12,000.00	12,460.00		12,460.00	12,460.00	
	Alcohol Ed. & Rehabilitation Grant	9735-760-098-Y900-00 1-XI 00-6019	15,844.94	1/1/2016	12/31/2017	14,694.94	1,150.00			14,694.94	1,150.00	
	Alcohol Ed. & Rehabilitation Grant	9735-760-098-Y900-00 1-XI 00-6019	3,731.71	1/1/2016	12/31/2017	3,731.71	3,683.34	3,731.71		0.00	3,731.71	
Department of Transportation	Local Aid For Various Road Projects		273,639.00	7-01-16	6-30-18			59,921.66			174,638.66	
Division on Aging	Seniorama Grant	N/A		7/01/15	6/30/16	0.00						
	Seniorama Grant	N/A	3,333.54			144.98		144.98			3,333.54	
						931,289.38	\$ 632,630.93	\$ 1,384,962.58	\$ 54,616.64	\$ 486,760.86	\$ 2,903,395.77	

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, 2018

	<u>14.871 Housing Choice Vouchers</u>	<u>Total</u>
111 Cash - Unrestricted	\$ 200,670	\$ 200,670
112 Cash - Restricted - Modernization and Development	\$ 143,805	\$ 143,805
113 Cash - Other Restricted	\$ -	\$ -
100 Total Cash	\$ 344,475	\$ 344,475
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$ 0	\$ 0
150 Total Current Assets	\$ 344,475	\$ 344,475
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	\$ 344,475	\$ 344,475
312 Accounts Payable <= 90 Days	\$ 4,135	\$ 4,135
342 Unearned Revenue		\$ -
310 Total Current Liabilities	\$ 4,135	\$ 4,135
350 Total Non-Current Liabilities	\$ 0	\$ 0
300 Total Liabilities	\$ 4,135	\$ 4,135
511.4 Restricted Net Position	\$ 143,805	\$ 143,805
512.4 Unrestricted Net Position	\$ 196,535	\$ 196,535
513 Total Equity - Net Assets / Position	\$ 340,340	\$ 340,340
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$ 344,475	\$ 344,475

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

Fiscal Year End December 31, 2018

	14.871 Housing Choice Vouchers	Total
70500 Total Tenant Revenue	\$ 0	\$ 0
70600 HUD PHA Operating Grants	\$ 2,376,747.00	\$ 2,376,747.00
71100 Investment Income - Unrestricted	\$ 7,084.00	\$ 7,084.00
71400 Fraud Recovery	\$ 26,211.00	\$ 26,211.00
71500 Other Revenue	\$ 211,064.00	\$ 211,064.00
72000 Investment Income - Restricted	\$ -	\$ -
70000 Total Revenue	\$ 2,621,106.00	\$ 2,621,106.00
91100 Administrative Salaries	\$ 200,690.00	\$ 200,690.00
91200 Auditing Fees	\$ -	\$ -
91300 Management Fee	\$ -	\$ -
91310 Book-keeping Fee	\$ -	\$ -
91400 Advertising and Marketing	\$ -	\$ -
91500 Employee Benefit contributions - Administrative	\$ -	\$ -
91600 Office Expenses	\$ -	\$ -
91700 Legal Expense	\$ -	\$ -
91800 Travel	\$ 2,888.00	\$ 2,888.00
91810 Allocated Overhead	\$ -	\$ -
91900 Other	\$ 150,264.00	\$ 150,264.00
91000 Total Operating - Administrative	\$ 353,842.00	\$ 353,842.00
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	\$ 353,842.00	\$ 353,842.00
97000 Excess of Operating Revenue over Operating Expenses	\$ 2,267,264.00	\$ 2,267,264.00
97100 Extraordinary Maintenance	\$ -	\$ -
97200 Casualty Losses - Non-capitalized	\$ -	\$ -
97300 Housing Assistance Payments	\$ 2,102,220.00	\$ 2,102,220.00
97350 HAP Portability-In	\$ 175,952.00	\$ 175,952.00
90000 Total Expenses	\$ 2,632,014.00	\$ 2,632,014.00
10100 Total Other financing Sources (Uses)	\$ 0	\$ 0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$ (10,908.00)	\$ (10,908.00)
11020 Required Annual Debt Principal Payments	\$ 0	\$ 0
11030 Beginning Equity	\$ 351,248.00	\$ 351,248.00
11170 Administrative Fee Equity	\$ 196,535.00	\$ 196,535.00
11180 Housing Assistance Payments Equity	\$ 143,805.00	\$ 143,805.00
11190 Unit Months Available	\$ 3,852.00	\$ 3,852.00
11210 Number of Unit Months Leased	\$ 2,899.00	\$ 2,899.00

TOWNSHIP OF MONTCLAIR

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

December 31, 2018

1. **General**

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal and state financial assistance programs of the Township of Montclair. The Township is defined in Note 1 to the Township's financial statements. To the extent identified, the federal and state financial assistance that passed through other governmental agencies is included on the schedules of expenditures of federal awards and state financial assistance.

2. **Basis of Accounting**

The accompanying schedule of expenditures of federal awards and state financial assistance 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 and state financial assistance is presented in accordance with the OMB Uniform Guidance and New Jersey OMB 15-08.

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, 2018**

Financial Statement Section

Type of auditor's report issued: Unmodified – Regulatory Basis

Adverse – U.S. GAAP

Internal Control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None Reported

Noncompliance material to the financial statements noted? _____ Yes X No

Federal Awards

Dollar threshold used to distinguish between type A and B programs: \$750,000.00

Auditee qualified as low-risk auditee? X Yes _____ No

Internal Control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None Reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 200.516 of the Uniform Guidance? _____ Yes X No

Identification of major programs:

<u>Program Number(s)</u>	<u>Name of Federal Program or Cluster</u>
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14.871	Section 8 Housing Choice Vouchers
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TOWNSHIP OF MONTCLAIR

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

Financial Statements

Type of auditors' report issued on financial statements Unmodified for Regulatory Basis, Adverse – U.S. GAAP

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 No

Noncompliance material to the financial statements noted? _____ Yes X No

State Financial Assistance

Internal Control over major programs:

Material weakness(es) identified? _____ Yes X No
 Significant deficiency(ies) identified? _____ Yes X None Reported

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 15-08? _____ Yes X No

Identification of major programs:

<u>State Account Number</u>	<u>Name of State Program</u>
4800-526-99822-60	Sewerage Facility Construction Grants

Dollar threshold used to distinguish between Type

A and B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes _____ No

TOWNSHIP OF MONTCLAIR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018

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, 2018

Part III – Schedule of Federal and State 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, 2018

Part IV – Prior Year Audit Findings

No prior year findings were noted.

PART IV
ROSTER OF OFFICIALS
COMMENTS AND RECOMMENDATIONS
YEARS ENDED DECEMBER 31, 2018 AND 2017

TOWNSHIP OF MONTCLAIR

OFFICIALS IN OFFICE AND REPORT ON SURETY BONDS

The following officials were in office on December 31, 2018:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
<u>Township Council</u>		
Robert D. Jackson	Mayor	\$
William L. Hurlock, Esq	Deputy Mayor	
Robert J. Russo	Councilor	
Rich McMahon	Councilor	
Robin Schlager	Councilor	
Sean M. Spiller	Councilor	
Renee E. Baskerville, M.D.	Councilor	
<u>Other Officials</u>		
Timothy Stafford	Acting Township Manager	
Padmaja Rao	Chief Financial Officer,	*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.

**TOWNSHIP OF MONTCLAIR
GENERAL COMMENTS
DECEMBER 31, 2018**

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." The following exception was noted.

2018-001

The Township not did approve emergency purchases by resolution for expenditures exceeding the quote threshold.

We recommend all emergency purchases exceeding the quote threshold be formally approved by Township Council through resolution at the earliest available meeting date.

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 2017, in the sum of \$13.36 are summarized as follows:

<u>Year</u>	<u>Amount</u>
2017	\$ 13.36

A tax sale was held on October 24, 2018 and was complete, except for small remaining balances.

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

<u>Year</u>	<u>Number of Liens</u>
2018	7
2017	7
2016	6

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

Purchase Orders/Vouchers

2018-002

In accordance with N.J.A.C. 5:30-5.3, a certification of availability of funds must be made prior to any commitment of rendered services or purchased goods. During our testing, we noted certain transactions were committed prior to the certification of availability of funds.

We recommend that all requisitions be submitted prior to any commitment of goods or services.

General Comments

2018-003

Our review of certain employment agreements identified certain ambiguous language pertaining to the accrual and potential payment at the retirement date of unused sick and earned compensated time. Consequently, it was difficult to determine the complete accuracy of the accrued time.

We recommend when these employment contracts are to be renegotiated and renewed, they should incorporate transparent language for all parties to fully interpret the intent of the terms of the agreement.

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.

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 2018.

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.

Cybersecurity

As part of its overall risk management, the Township reviews security measures in place relating to its Information Technology (IT), including the use of specialized assessments. With the ever increasing challenges relating to cybersecurity, each organization determines what particular assessment or combination of assessments best fits its information security strategy. We suggest management continue to assess risks related to cybersecurity along with utilization of specialized assessments, which would also include a periodic reporting mechanism to those charged with governance.

RECOMMENDATIONS

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

All emergency purchases exceeding the quote threshold should be formally approved by Township Council through resolution at the earliest available meeting date.

Employment contracts should incorporate transparent language for all parties to fully interpret the intent of the terms of the agreement.

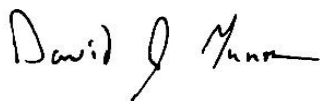
The foregoing comments and recommendations are no of significant nature whereby they would affect our ability to express an opinion on the financial statements taken as a whole.

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 our appreciation for the assistance and effort rendered by the Township officials and employees during the course of the examination.

Respectfully submitted,

Cranford, New Jersey
August 23, 2019

A handwritten signature in black ink, appearing to read "David J. Gannon". The signature is written in a cursive, flowing style.

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