

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 23, 2026

NEW ISSUE – BOOK-ENTRY-ONLY

**Municipal Notes Rating: S&P Global: “SP-1+”
Tax Anticipation Notes Rating: NOT RATED
(see “RATING” herein)**

In the opinion of Waters, McPherson, McNeill, P.C. Bond Counsel to the Township, assuming continuing compliance by the Township with certain tax covenants described herein, under existing law, interest on the Tax-Exempt Notes (as defined herein) is excluded from the gross income of the owners of the Tax-Exempt Notes for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and interest on the Tax-Exempt Notes is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the Tax-Exempt Notes is included in the “adjusted financial statement income” of certain corporations that are subject to alternative minimum tax under Section 55 of the Code. The Taxable Notes (as defined herein) are taxable obligations under federal law and interest on the Taxable Notes and any gain from the sale thereof is includable as gross income under the Code. Under existing law, interest on the Notes and any gains from the sale of the Notes are not included in gross income under the New Jersey Gross Income Tax. See “TAX MATTERS” herein. No opinion is expressed regarding other tax consequences arising with respect to the Notes.

**TOWNSHIP OF MONTCLAIR,
IN THE COUNTY OF ESSEX, NEW JERSEY**

**\$7,743,594 TAX-EXEMPT BOND ANTICIPATION NOTES
(Non-Callable) (Non-Bank Qualified)**

**Interest Rate: ___ %
Yield: ___ %
CUSIP*: _____
Due Date: July 13, 2027**

**\$6,300,000 TAX ANTICIPATION NOTES
(Non-Callable) (Non-Bank Qualified)**

**Interest Rate: ___ %
Yield: ___ %
CUSIP*: _____
Due Date: April 29, 2027**

**\$10,747,406 TAXABLE BOND ANTICIPATION NOTES
(Non-Callable) (Non-Bank Qualified)**

**Interest Rate: ___ %
Yield: ___ %
CUSIP*: _____
Due Date: July 13, 2027**

Dated: Date of Delivery

The (i) \$7,743,594 Tax-Exempt Bond Anticipation Notes (the “Tax-Exempt BAN”); (ii) \$10,747,406 Taxable Bond Anticipation Notes (the “Taxable BAN”, and together with the Tax-Exempt BAN, the “Municipal Notes”) and (iii) \$6,300,000 Tax Anticipation Notes (the “Tax Anticipation Notes”, and together with the Tax-Exempt BAN (the “Tax Exempt Notes” and together with the Municipal Notes, the “Notes”) will be issued in the form of one certificate for each series of notes for the aggregate principal amount of each series of the Notes and when issued each will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, Brooklyn, New York (“DTC”), which will act as securities depository. Interest on the Notes will be credited to the participants of DTC as listed on the records of DTC as of one business day prior to the maturity date set forth above. The principal of and interest on the Notes will be paid on the maturity date to DTC by the Township or its designated paying agent. Interest on the Notes shall be calculated on the basis of a 360-day year consisting of twelve 30-day calendar months. The Notes are not subject to redemption prior to its stated maturity.

The Notes are valid and legally binding obligations of the Township, payable in the first instance from the proceeds of the sale of bonds in anticipation of which the Notes are issued, but, if not so paid, payable ultimately from *ad valorem* taxes that may be levied upon all the taxable property within the Township without limitation as to rate or amount.

This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement, including the appendices, to obtain information essential to the making of an informed investment decision.

The Notes will be offered when, as and if issued and delivered to the Underwriters (as defined herein), subject to prior sale, to withdrawal or modification of the offer without notice and to the approval of legality by the law firm of Waters, McPherson, McNeill, P.C., Secaucus, New Jersey, and certain other conditions described herein. Certain legal matters will be passed upon for the Township by the Township Attorney, Ruby Kumar-Thompson, Esq., Cleary, Giacobbe, Alfieri, Jacobs, LLC, Oakland, New Jersey. Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, has served as Municipal Advisor to the Township in connection with the issuance of the Notes. It is expected that the Notes will be available for delivery through DTC in Brooklyn, New York, on or about July 14, 2026.

**BIDS FOR EACH SERIES OF THE NOTES WILL BE RECEIVED IN ACCORDANCE WITH THEIR
RESPECTIVE NOTICES OF SALE ON TUESDAY, JUNE 30, 2026. FOR MORE DETAILS ON
HOW TO BID, VIEW THE NOTICES OF SALE POSTED AT WWW.MUNIHUB.COM.**

* Registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers listed above is being provided solely for the convenience of Note holders only at the time of issuance of the Notes, and the Township does not make any representation with respect to such number or undertake any responsibility for its accuracy now or at any time in the future. The CUSIP numbers for a specific maturity is subject to being changed after the issuance of the Notes as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to the Notes.

**TOWNSHIP OF MONTCLAIR,
IN THE COUNTY OF ESSEX, NEW JERSEY**

TOWNSHIP COUNCIL

Dr. Renee Baskerville, M.D., Mayor
Susan Shin Andersen, Deputy Mayor
Erik D'Amato
Eileen Birmingham
Rahum Williams
Aminah Toler
William Harrison

TOWNSHIP MANAGER

Stephen Marks

CHIEF FINANCIAL OFFICER

Peter George

TOWNSHIP CLERK

A. Bermúdez Nieves

TOWNSHIP ATTORNEY

Ruby Kumar-Thompson, Esq.
Cleary, Giacobbe, Alfieri, Jacobs, LLC
Oakland, New Jersey

2025 TOWNSHIP AUDITOR

PKF O'Connor Davies, LLP
Cranford, New Jersey

2024 TOWNSHIP AUDITOR

Suplee, Clooney & Company, LLC
Westfield, New Jersey

BOND COUNSEL

Waters, McPherson, McNeill, P.C.
Secaucus, New Jersey

MUNICIPAL ADVISOR

Phoenix Advisors,
a division of First Security Municipal Advisors, Inc.
Hamilton, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Township to give any information or to make any representations with respect to the Notes, other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the foregoing. The information contained herein has been provided by the Township and other sources deemed reliable; however, no representation or warranty is made as to its accuracy or completeness and such information is not to be construed as a representation or warranty by the Underwriters or, as to information from sources other than itself, by the Township. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Township since the date hereof or any earlier date as of which any information contained herein is given. This Official Statement is submitted in connection with the sale of the Notes referred to herein and may not be used, in whole or in part, for any other purpose.

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

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

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guaranty the accuracy or completeness of such information.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended by the Township from time to time (collectively, the "Official Statement"), may be treated as a "Final Official Statement" with respect to the Notes described herein that is deemed final as of the date hereof (or of any such supplement or amendment) by the Township.

IN CONNECTION WITH THE OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NOTES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE.

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

Neither Waters, McPherson, McNeill, P.C. nor the Underwriters have participated in the preparation of the financial or statistical information contained in this Official Statement nor have they verified the accuracy or completeness thereof, and, accordingly, they express no opinion with respect thereto.

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OFFICIAL STATEMENT
Relating to the
TOWNSHIP OF MONTCLAIR,
IN THE COUNTY OF ESSEX, NEW JERSEY

\$7,743,594 TAX-EXEMPT BOND ANTICIPATION NOTES,
\$10,747,406 TAXABLE BOND ANTICIPATION NOTES
AND
\$6,300,000 TAX ANTICIPATION NOTES

INTRODUCTION

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the Township of Montclair (the “Township”), in the County of Essex (the “County”), State of New Jersey (the “State”), in connection with the sale and issuance of: (i) \$7,743,594 Tax-Exempt Bond Anticipation Notes (the “Tax-Exempt BAN”); (ii) \$10,747,406 Taxable Bond Anticipation Notes (the “Taxable Notes” and together with the Tax-Exempt BAN, the “Municipal Notes”) and (iii) \$6,300,000 Tax Anticipation Notes (the “Tax Anticipation Notes”, and together with the Tax-Exempt BAN, the “Tax-Exempt Notes”, and together with the Municipal Notes, the “Notes”). This Official Statement has been executed by and on behalf of the Township by its Chief Financial Officer and may be distributed in connection with the sale of the Notes described herein.

This Official Statement contains specific information relating to the Notes including their general description, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to this issue. This Official Statement should be read in its entirety. All financial and other information presented herein has been provided by the Township from its records, except for information expressly attributed to other sources. This Official Statement is “deemed final,” as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission.

THE NOTES

General Description

The Notes are dated, will mature on the date and in the amount and will bear interest payable at the interest rate as set forth on the cover page hereof. Interest shall be computed on the basis of a 30-day month/360-day year. The Notes will be issued in the form of one certificate for each series of the Notes for the aggregate principal amount of each series of the Notes and when issued may be registered in the name of Cede & Co., as nominee for The Depository Trust Company, Brooklyn, New York (“DTC”), which will act as securities depository. The Notes may be purchased in book-entry-only form in the principal amount of \$5,000 or any integral multiple of \$1,000 in excess thereof through book-entries made on the books and records of DTC and its participants. The Notes are issuable as a fully registered book-entry obligation. Interest on the Notes will be credited to the participants of DTC as listed on the records of DTC as of one business day prior to maturity.

Redemption

The Notes are not subject to redemption prior to their stated maturities.

BOOK-ENTRY-ONLY SYSTEM*

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interest in the Notes, payment of principal and interest and other payments on the Notes to Direct and Indirect Participants (each as defined below) or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Notes and other related transactions by and between DTC, Direct Participants and Beneficial Owners, is based on certain information furnished by DTC to the Township. DTC will act as securities depository for the Notes. The Notes will be issued as a fully registered security registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Note certificate will be issued for each series of the Notes in the aggregate principal amount of each series of the Notes and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

* Source: The Depository Trust Company.

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Township as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts a Note is credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, if any, and principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Township or the paying agent, if any, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and shall be the responsibility of such Participant and not of DTC or its nominee, the paying agent, if any, or the Township, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, if any, and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township or the paying agent, if any, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

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

The Township may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Township believes to be reliable, but the Township takes no responsibility for the accuracy thereof.

THE INFORMATION CONTAINED IN THIS SUBSECTION "BOOK-ENTRY-ONLY SYSTEM" HAS BEEN PROVIDED BY DTC. THE TOWNSHIP MAKES NO REPRESENTATIONS AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE

ABSENCE OF ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

THE TOWNSHIP WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO NOTE HOLDERS; (III) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST DUE ON THE NOTES; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY CEDE & CO., AS NOMINEE FOR DTC AND THE REGISTERED OWNER OF THE NOTES. THE RULES APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE NOTES, AS NOMINEE FOR DTC, REFERENCES HEREIN TO THE NOTEHOLDERS OR REGISTERED OWNERS OF THE NOTES (OTHER THAN UNDER THE CAPTIONS “TAX MATTERS” AND “SECONDARY MARKET DISCLOSURE”) SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE NOTES.

Discontinuation of Book-Entry-Only System

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

AUTHORIZATION AND PURPOSE

The Municipal Notes have been authorized by and are being issued pursuant to the laws of the State, including the Local Bond Law (constituting Chapter 2 of Title 40A of the State statutes, as amended) (the “Local Bond Law”) Resolution No. R-26-197 of the Township adopted on June 9, 2026 and the bond ordinances adopted by the Township Council referenced therein and further referred to in the chart below, and Resolution No. R-26-196 of the Township adopted on June 9, 2026. The bond ordinances authorizing the Municipal Notes were published in full or in summary after their final adoption along with the statement that the twenty (20) day period of limitation within which a suit, action or proceeding questioning the validity of such bond ordinance could be commenced began to run from the date of the first publication of such statement. The Local Bond Law provides that, after issuance, all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and all persons shall be estopped from questioning their sale, execution or delivery by the Township. Such estoppel periods for the bond ordinances have concluded as of the date of this Official Statement. The Tax Anticipation Notes have been authorized by Resolution No. R-26-195 adopted by the Township Council on June 9, 2026.

Proceeds from the sale and issuance of the Tax-Exempt BAN will be used to: (i) temporarily finance various general capital improvements in and by the Township; and (iii) provide funds for the costs incurred in connection with the authorization, sale and issuance of the Notes.

Proceeds from the sale and issuance of the Taxable BAN will be used to: (i) temporarily finance various general capital improvements in and by the Township; and (iii) provide funds for the costs incurred in connection with the authorization, sale and issuance of the Notes.

Proceeds from the sale and issuance of the Tax Anticipation Notes will be used to: (i) temporarily finance the payment of taxes due to the Board of Education of the Township of Montclair (the “Board of Education”) in anticipation of the receipt of taxes in the subsequent calendar year; and (iii) provide funds for the costs incurred in connection with the authorization, sale and issuance of the Notes.

Tax-Exempt BAN

| Bond Ordinance Number | Description of Improvement | Amount to be Issued |
|------------------------------|-----------------------------------|----------------------------|
| #2016-32 | Various capital improvements. | \$139,000 |
| #2017-23 | Various capital improvements. | \$227,000 |
| #2023-17 | Various capital improvements. | 1,377,594 |
| #2025-36 | Various capital improvements. | <u>6,000,000</u> |
| | Tax-Exempt Notes Total: | <u>\$7,743,594</u> |

Taxable BAN

| Bond Ordinance Number | Description of Improvement | Amount to be Issued |
|------------------------------|-----------------------------------|----------------------------|
| #2020-01 | Various capital improvements. | \$310,000 |
| #2020-14 | Various capital improvements. | 490,000 |
| #2021-05 | Various capital improvements. | 80,000 |
| #2022-06 | Various capital improvements. | 110,000 |
| #2023-01 | Various capital improvements. | 635,000 |
| #2023-17 | Various capital improvements. | 2,622,406 |
| #2024-18 | Various capital improvements. | <u>6,500,000</u> |
| | Taxable Notes Total: | <u>\$10,747,406</u> |

Tax Anticipation Notes

| Resolution Number | Description of Improvement | Amount to be Issued |
|--------------------------|--|----------------------------|
| #R-26-195 | Payment of taxes to the Board of Education in anticipation of the receipt of taxes in the subsequent year. | \$6,300,000 |
| | Municipal Notes Total: | <u>\$6,300,000</u> |

SECURITY AND SOURCE OF PAYMENT

The Notes are valid and legally binding obligations of the Township, payable in the first instance from the proceeds of the sale of bonds in anticipation of which the Notes are issued, but, if not so paid, payable ultimately from *ad valorem* taxes that may be levied upon all the taxable property within the Township without limitation as to rate or amount.

CERTAIN RISK FACTORS

Cybersecurity

The Township relies upon a large and complex technology environment to conduct its various operations. As a result, the Township faces certain cybersecurity threats at various times, including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and digital networks and systems. To mitigate the risks of business operations impact and/or damage from cybersecurity incidents or cyberattacks, the Township has invested in multiple forms of cybersecurity and operational safeguards. In addition, the Township maintains certain insurance coverage for cyberattacks and related events. However, there can be no assurance that any existing safety or security measures will provide adequate protection in safeguarding against cybersecurity threats and attacks. Cybersecurity breaches of the Township could cause material disruption of the Township's finances and operations.

Climate Change

The State is naturally susceptible to the effects of extreme weather events and natural disasters, including floods and hurricanes, which could result in negative economic impacts on communities. Such effects can be exacerbated by a longer-term shift in the climate over several decades (commonly referred to as "climate change"), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage local infrastructure that provides essential services to the Township as well as resulting in economic impacts such as loss of *ad valorem* tax revenue, interruption of municipal services and escalated recovery costs. The Township has an Office of Emergency Management and also engages with the County Office of Emergency Management to plan for and respond to emergencies, including weather-related emergencies. No assurance can be given as to whether future extreme weather events will occur that could materially adversely affect the financial condition of the Township.

MARKET PROTECTION

The Township does not anticipate issuing any other obligations within the next ninety (90) days. The Township may issue additional bond anticipation notes, as may be determined from time to time to be necessary, during the remainder of calendar year 2026.

MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES

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

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

The authorized bonded indebtedness of the Township for municipal purposes is limited by statute, subject to the exceptions noted below, to an amount equal to 3.5% of its average equalized valuation basis. The Township has not exceeded its statutory debt limit.

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

The Township may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Township may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Township or substantially reduce the ability of the Township to meet its obligations or to provide essential public improvements and services, or if it makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the Township to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

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

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

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

The local unit is authorized to issue Emergency Notes and Special Emergency Notes pursuant to the Local Budget Law.

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

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

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

The Local Budget Law (N.J.S.A. 40A:4-26) provides that no miscellaneous revenues from any source may be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director determines that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and certifies that determination to the local unit.

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

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

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

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as ice, snow and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparation,

payment of compensated absences and drainage map preparation for flood control purposes, which may be amortized over five years. Of course, emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project.

Under legislation enacted to address the COVID-19 pandemic, P.L. 2020, c. 60 (A4175), a municipality may adopt an emergency appropriation to fund certain deficits resulting from COVID-19 with approval of the Director of the Division of Local Government Services and may either fund it as a deferred charge or issue special emergency notes to fund it payable by 1/5 each year beginning in the year after the year in which the deferred charge appears in the financial statements so it is paid off no later than the last day of the sixth fiscal year following the end of the fiscal year in which the application is made. If there is a showing of fiscal distress, that may be extended to ten years. The Director may also promulgate guidelines modifying the standard for anticipated revenues when the amount realized in cash from the same source during the next preceding fiscal year experienced reductions due to COVID-19. Also, local units may be able to issue refunding bonds with Local Finance Board approval to repay a Federal Emergency Management Agency Community Disaster Loan for which it executed a promissory note in 2013.

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between appropriation accounts may be made only during the last two months of the year. Appropriation reserves may also be transferred during the first three months of the year to the previous year's budget. Both types of transfers require a 2/3 vote of the full membership of the governing body; however, transfers cannot be made from either the down payment account or the capital improvement fund. Transfers may be made between sub-account line items within the same account at any time during the year, subject to internal review and approval. In a "CAP" budget, no transfers may be made from excluded from "CAP" appropriations to within "CAP" appropriations nor can transfers be made between excluded from "CAP" appropriations, except that transfers may be made between debt service principal and interest.

A provision of law known as the New Jersey "Cap Law" (N.J.S.A. 40A:4-45.1 *et seq.*) imposes limitations on increases in municipal appropriations subject to various exceptions. The payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the "Index Rate" if the Index Rate is greater than 2.5%. The "Index Rate" is the rate of annual percentage increase, rounded to the nearest one-half percent, in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other things including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. Counties are also prohibited from increasing their tax levies by more than the lesser of 2.5% or the Index Rate subject to certain exceptions. Municipalities by ordinance approved by a majority of the full membership of the governing body may increase appropriations up to 3.5% over the prior year's appropriation, and counties by resolution approved by a majority of the full membership of the governing body may increase the tax levy up to 3.5% over the prior year's tax levy in years when the Index Rate is 2.5% or less.

Additionally, legislation constituting P.L. 2010, c. 44, approved July 13, 2010, limits tax levy increases for those local units to 2% with exceptions only for capital expenditures including debt service, increases in pension contributions and accrued liability for pension contributions in excess of 2%, certain healthcare increases, extraordinary costs directly related to a declared emergency and amounts approved by a simple majority of voters voting at a special election.

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

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

Tax Assessment and Collection Procedure

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners, but it often results in a divergence of the assessment ratio to true value. Because of the changes in property resale values, annual adjustments could not keep pace with the changing values.

Upon the filing of certified adopted budgets by the Township's local school district and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, the levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 et seq. Special taxing districts are permitted in the State for various special services rendered to the properties located within the special districts.

Tax bills are typically mailed annually in June or following the adoption of the State budget, at which time State aid is certified, by the Township's Tax Collector. The taxes are due August 1 and November 1, respectively, and are adjusted to reflect the current calendar year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding year are based upon one-half of the current year's total tax.

By State statute, tax installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00, and if a delinquency (including interest) is in excess of \$10,000.00 and remains in arrears after December 31, an additional flat penalty of 6% shall be charged against the delinquency. These interest rates and penalties are the highest permitted under State statutes. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with State statutes. A table detailing tax title liens is included in Appendix "A".

Tax Appeals

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

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

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

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

FINANCIAL STATEMENTS

Appendix "B" to this Official Statement contains the Township's unaudited compiled financial statements for the year ended December 31, 2025, as well as the audited financial statements for the years ended December 31, 2024 and 2023. The unaudited compiled financial information for the year ended December 31, 2025 was prepared by PKF O'Connor Davies, LLP (the "2025 Auditor"). The audited financial statements for the years ended December 31, 2024 and 2023 were prepared by Suplee, Clooney & Company, LLC (the "2024 Auditor", and together with the 2025 Auditor, the "Auditors"). Such financial statements are included herein in reliance upon the authority of the respective firms.

LITIGATION

To the knowledge of the Township Attorney, Ruby Kumar-Thompson, Esq., Cleary, Giacobbe, Alfieri, Jacobs, LLC, Oakland, New Jersey (the "Township Attorney"), there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Notes, or the levy or the collection of any taxes to pay the principal of or the interest on the Notes, or in any manner questioning the authority or the proceedings for the issuance of the Notes or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Township or the title of any of the present officers. Moreover, to the knowledge of the Township Attorney, no litigation is presently pending that, in the opinion of the Township Attorney, would have a material adverse impact on the financial condition of the Township if adversely decided.

TAX MATTERS

Federal

Tax-Exempt Notes

The Township has covenanted to comply with any continuing requirements that may be necessary to preserve the tax-exempt status of the Tax-Exempt Notes under the Internal Revenue Code of 1986, as amended (the "Code"). In the opinion of Waters, McPherson, McNeill, P.C., Secaucus, New Jersey ("Bond Counsel") to be delivered at the time of original issuance of the Tax-Exempt Notes, assuming continuing compliance by the Township with its covenant, under current law, interest on the Tax-Exempt Notes is not

included in gross income of the owners of the Tax-Exempt Notes for federal income tax purposes under Section 103 of the Code. Interest on the Tax-Exempt Notes is not an item of tax preference under Section 57 of the Code when calculating the federal alternative minimum tax on individuals, however, interest on the Tax-Exempt Notes is taken in to account in determining the annual adjusted financial statement income of certain corporations for the purpose of calculating the federal alternative minimum tax imposed on such corporations. No opinion is expressed regarding other federal tax consequences or other federal taxes arising with respect to the Tax-Exempt Notes.

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Tax-Exempt Notes in order to assure that interest on the Tax-Exempt Notes will be, and remains, excludable from gross income for federal income tax purposes. These requirements include, but are not limited to, requirements relating to use and expenditure of proceeds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on investments of gross proceeds of the Tax-Exempt Notes be rebated to the federal government. Noncompliance with such requirements may cause interest on the Tax-Exempt Notes to become subject to federal income taxation retroactive to their date of issuance, regardless of the date on which such noncompliance occurs or is discovered. The Township will deliver a certificate or certificates concurrently with the issuance of the Tax-Exempt Notes, which will contain provisions and covenants relating to its compliance with the requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Township in connection with the Tax-Exempt Notes, and Bond Counsel has assumed compliance by the Township with its covenant to comply with any continuing requirements that may be necessary to preserve the tax-exempt status of the Tax-Exempt Notes under the Code. The Tax-Exempt Notes is not a “private activity bond” as defined in the Code.

Bank Qualification. The Code denies the interest deduction for indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax exempt obligations. The denial to such institutions of 100% of the deduction for interest paid on funds allocable to tax exempt obligations applies to those tax-exempt obligations acquired by such institutions after August 7, 1986. For certain issues, which must be so designated by the issuer as qualified under Section 265 of the Code, 80% of such interest may be deducted as a business expense by such institutions.

The Tax-Exempt Notes will not be designated as qualified under Section 265 of the Code by the Authority for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax exempt obligations.

Possible Government Action. Legislation affecting municipal bonds is regularly under consideration by the United States Congress. In addition, the Internal Revenue Service (“IRS”) has established an expanded audit program for tax exempt obligations. There can be no assurance that legislation enacted or proposed, or an audit initiated or concluded by the IRS involving the Notes or other tax exempt obligations, after the issue date of the Tax-Exempt Notes will not have an adverse effect on the tax exempt status or market price of the Tax-Exempt Notes.

Additional Tax Consequences. Except as stated specifically herein, Bond Counsel expresses no opinion with respect to any other Federal, state, local or foreign tax consequences relating to ownership of the Tax-Exempt Notes. Prospective purchasers of the Tax-Exempt Notes should consult with their tax advisors as to the applicability and effect of ownership of the Tax-Exempt Notes on their federal income taxes. Ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations such as the Tax-Exempt Notes may have additional Federal income tax consequences for certain tax payers, including, but not limited to, taxpayers eligible for the earned income tax credit, recipients of certain Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness

to purchase or carry tax-exempt obligations, financial institutions, property and casualty insurance companies, foreign corporations and certain S-corporations. Prospective purchasers of the Tax-Exempt Notes should also consult with their tax advisors regarding the potential need to furnish certain information to avoid backup withholding. Bond Counsel renders its opinion under the currently existing statutes, regulations, rulings and court decisions as of the date of issuance of the Tax-Exempt Notes only and assumes no obligation to update its opinion after such date for any reason.

Taxable BAN

The Taxable BAN are taxable obligations under federal law. Interest on the Taxable Notes, and any gain from the sale thereof, is included as Gross Income under the Code.

State

In the opinion of Bond Counsel, under current law interest on the Notes and Tax Anticipation Notes, and any gain on the sale thereof, is not includable in gross income under the New Jersey Gross Income Tax Act.

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

SECONDARY MARKET DISCLOSURE

Solely for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the “Rule”), and provided that the Notes are not exempt from the Rule and provided that the Notes are not exempt from the following requirements in accordance with paragraph (d) of the Rule, for so long as the Notes remain outstanding (unless the Notes have been wholly defeased), the Township shall provide for the benefit of the holders of the Notes and the beneficial owners thereof, in a timely manner not in excess of ten business days after the occurrence of the event, to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (“EMMA”) dataport, notice of any of the following events with respect to the Notes:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;
- (7) Modifications to the rights of holders of the Notes, if material;
- (8) Note calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Notes, if material;
- (11) Rating changes;

- (12) Bankruptcy, insolvency, receivership or similar event of the Township;
- (13) The consummation of a merger, consolidation or acquisition involving the Township or the sale of all or substantially all of the assets of the Township, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the Township, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the Township, any of which affect holders of the Notes, if material; and
- (16) Default, event of acceleration, termination event, modification of terms or other similar events under a Financial Obligation of the Township, if any such event reflects financial difficulties.

The term “Financial Obligation” as used in subparagraphs (15) and (16) above means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation or (iii) guarantee of (i) or (ii); provided, however, that the term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

If all or any part of the Rule ceases to be in effect for any reason, then the information required to be provided under this undertaking, insofar as the provision of the Rule no longer in effect required the provision of such information, shall no longer be required to be provided.

The Business Administrator shall determine, in consultation with Bond Counsel, the application of the Rule or the exemption from the Rule for each issue of obligations of the Township prior to their offering. Such officer is authorized to enter into additional written contracts or undertakings to implement the Rule and to amend such contracts or undertakings or the undertakings set forth herein, provided such amendment is, in the opinion of Bond Counsel, in compliance with the Rule.

In the event that the Township fails to comply with the Rule requirements or the written contracts or undertakings specified in this undertaking, the Township shall not be liable for monetary damages, remedy being specifically limited to specific performance of the Rule requirements or the written contracts or undertakings therefor.

The Township has previously entered into secondary market disclosure undertakings in accordance with the Rule. The Township has engaged Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey to serve as continuing disclosure agent to assist in the filing of certain information on MSRB’s Electronic Municipal Market Access (“EMMA”) website as required under its prior secondary market disclosure undertakings.

MUNICIPAL BANKRUPTCY

The undertakings of the Township should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. Section 901, et seq., as amended by Public Law 94-260, approved April 8, 1976, and as further amended on November 6, 1978 by the Bankruptcy Reform Act of 1978, effective October 1, 1979, as further amended by Public Law 100-597, effective November 3, 1988, and as further amended and other bankruptcy laws affecting creditor’s rights and municipalities in general. The amendments of P.L.

94-260 replace former Chapter IX and permit the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to file a petition in a court of bankruptcy for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under such chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to debt owed for services or material actually provided within three months of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount or more than one-half in number of the listed creditors. The 1976 Amendments were incorporated into the Bankruptcy Reform Act of 1978 with only minor changes.

Reference should also be made to N.J.S.A. 52:27-40 *et seq.*, which provides that a municipality has the power to file a petition in bankruptcy provided the approval of the Municipal Finance Commission has been obtained. The powers of the Municipal Finance Commission have been vested in the Local Finance Board. The Bankruptcy Act specifically provides that Chapter IX does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Act.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, issuance, sale and delivery of the Notes is subject to the approval of Bond Counsel to the Township, whose approving legal opinion will be delivered with the Notes substantially in the form as set forth in Appendix "C". Certain legal matters will be passed on for the Township by the Township Attorney.

TAX-EXEMPT BAN UNDERWRITER

The Tax-Exempt BAN have been purchased from the Township at a public sale by _____ (the "Tax-Exempt BAN Underwriter") at a price of \$ _____ (consisting of the par amount of the Tax-Exempt BAN plus original issue premium in the amount of \$ _____ less Tax-Exempt BAN Underwriter's discount in the amount of \$ _____). The Tax-Exempt BAN Underwriter has purchased the Tax-Exempt BAN in accordance with the Notice of Sale.

The Tax-Exempt BAN Underwriter intends to offer the Tax-Exempt BAN to the public initially at the offering yield set forth on the cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Tax-Exempt BAN Underwriter may offer and sell the Tax-Exempt BAN to certain dealers (including dealers depositing the Tax-Exempt BAN into investment trusts) at a yield higher than the public offering yield set forth on the cover page, and such yield may be changed, from time to time, by the Tax-Exempt BAN Underwriter without prior notice.

TAXABLE BAN UNDERWRITER

The Taxable BAN have been purchased from the Township at a public sale by _____ (the "Taxable BAN Underwriter") at a price of \$ _____ (consisting of the par amount of the Taxable BAN plus original issue premium in the amount of \$ _____ less Taxable BAN Underwriter's discount in the amount of \$ _____). The Taxable Notes Underwriter has purchased the Taxable BAN in accordance with the Notice of Sale.

The Taxable BAN Underwriter intends to offer the Taxable BAN to the public initially at the offering yield set forth on the cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Taxable BAN Underwriter may offer and sell the Taxable BAN to certain dealers (including dealers depositing the Taxable BAN into investment trusts) at a yield higher than the public offering yield set forth on the cover page, and such yield may be changed, from time to time, by the Taxable BAN Underwriter without prior notice.

TAX ANTICIPATION NOTES UNDERWRITER

The Tax Anticipation Notes have been purchased from the Township at a public sale by _____ (the “Tax Anticipation Notes Underwriter”) at a price of \$ _____ (consisting of the par amount of the Tax Anticipation Notes plus original issue premium in the amount of \$ _____ less Underwriter’s discount in the amount of \$ _____). The Tax Anticipation Notes Underwriter has purchased the Tax Anticipation Notes in accordance with the Notice of Sale.

The Tax Anticipation Notes Underwriter intends to offer the Tax Anticipation Notes to the public initially at the offering yield set forth on the cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Tax Anticipation Notes Underwriter may offer and sell the Tax Anticipation Notes to certain dealers (including dealers depositing the Tax Anticipation Notes into investment trusts) at a yield higher than the public offering yield set forth on the cover page, and such yield may be changed, from time to time, by the Underwriter without prior notice.

RATING

S&P Global Ratings, a division of Standard and Poor’s Financial Services LLC (the “Rating Agency”), has assigned a short-term rating of “SP-1+” to the Municipal Notes based upon the creditworthiness of the Township. The Tax Anticipation Notes have not been rated.

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

MUNICIPAL ADVISOR

Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, has served as Municipal Advisor to the Township in connection with the issuance of the Notes (the “Municipal Advisor”) and has assisted in matters related to the planning, structuring and terms of the Notes. The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness or fairness of the information contained in the Official Statement and the Appendices hereto. The Municipal Advisor is an Independent Registered Municipal Advisor pursuant to the Dodd-Frank Act and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

PREPARATION OF OFFICIAL STATEMENT

The Township hereby states that the descriptions and statements herein, including financial statements, are true and correct in all material respects, and it will confirm to the Underwriter by a certificate signed by the Mayor and the Chief Financial Officer of the Township that, to their knowledge, such descriptions and statements, as of the date of this Official Statement, are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

The Auditors have not participated in the preparation of this Official Statement and has not verified the accuracy, completeness or fairness thereof, except for the financial statements described herein under the heading entitled "FINANCIAL STATEMENTS" and contained in Appendix "B" hereto, and, accordingly, expresses no opinion or other assurance with respect thereto.

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

Bond Counsel has neither participated in the preparation of the financial or statistical information contained in this Official Statement, nor has it verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

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

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including any information additional to that contained herein, may be directed to Peter George, Chief Financial Officer, Township of Montclair, 205 Claremont Avenue, Montclair, New Jersey 07042, (973) 509-4964, or to its Municipal Advisor, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 2000 Waterview Drive, Suite 101, Hamilton, New Jersey 08691, telephone (609) 291-0130.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement among the Township, the Underwriter and any holders of the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Notes made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs (financial or

otherwise) of the Township since the date hereof. The information contained in this Official Statement is not guaranteed as to accuracy or completeness.

**TOWNSHIP OF MONTCLAIR, IN THE
COUNTY ESSEX, NEW JERSEY**

By: _____
Peter George,
Chief Financial Officer

Dated: June __, 2026

APPENDIX A

**CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION ABOUT THE TOWNSHIP OF
MONTCLAIR, IN THE COUNTY OF ESSEX, NEW JERSEY**

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INFORMATION REGARDING THE TOWNSHIP¹

The following material presents certain economic and demographic information of the Township of Montclair (the “Township”), in the County of Essex (the “County”), State of New Jersey (“New Jersey”).

General Information

Located 20 miles northeast of New York City, the Township is a vibrant New Jersey community. Nestled at the foot of the First Watchung Mountain, Montclair is identified by its diverse population, grand old homes, proximity to New York City and its thriving arts community. The second largest university in the state resides in Montclair as well as an art museum, live theaters, art galleries and a wide range of boutiques. Montclair's lively business districts are flush with restaurants, movie theaters, shops and nightlife that attract visitors from all over the region.

Form of Government

The Township is governed under the Faulkner Act's Council-Manager form of municipal government. The elected governing body consists of the mayor, two councilor-at-large and a councilor representing each of Montclair's four wards. The council serves as the policy maker for the Township. The manager is appointed by the council and serves as the administrator.

Pension and Retirement Systems

Substantially all eligible employees participate in the Public Employees’ Retirement System, the Police and Firemen’s Retirement System or the Defined Contribution Retirement Program, which have been established by State statute and are administered by the New Jersey Division of Pensions and Benefits (the “Division”). Benefits, contributions, means of funding and the manner of administration are established pursuant to State statute. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations and the employees contribute a portion of the cost. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes the financial statements and required supplementary information. This report may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or is available online at www.nj.gov/treasury/pensions/financial-reports.shtml.

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

¹ Source: The Township, unless otherwise indicated.

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

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

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Employment and Unemployment Comparisons

For the following years, the New Jersey Department of Labor reported the following annual average employment information for the Township, the County, and the State:

| | <u>Total Labor Force</u> | <u>Employed Labor Force</u> | <u>Total Unemployed</u> | <u>Unemployment Rate</u> |
|------------------------|-------------------------------------|--|------------------------------------|-------------------------------------|
| <u>Township</u> | | | | |
| 2025 | 21,525 | 20,584 | 941 | 4.4% |
| 2024 | 21,538 | 20,731 | 807 | 3.7% |
| 2023 | 21,499 | 20,729 | 770 | 3.6% |
| 2022 | 20,995 | 20,393 | 602 | 2.9% |
| 2021 | 20,535 | 19,495 | 1,040 | 5.1% |
| <u>County</u> | | | | |
| 2025 | 428,462 | 401,347 | 27,115 | 6.3% |
| 2024 | 428,258 | 404,200 | 24,058 | 5.6% |
| 2023 | 424,186 | 402,322 | 21,864 | 5.2% |
| 2022 | 413,426 | 394,838 | 18,588 | 4.5% |
| 2021 | 409,854 | 377,214 | 32,640 | 8.0% |
| <u>State</u> | | | | |
| 2025 | 4,905,633 | 4,648,499 | 257,134 | 5.2% |
| 2024 | 4,899,384 | 4,672,089 | 227,295 | 4.6% |
| 2023 | 4,879,285 | 4,668,296 | 210,989 | 4.3% |
| 2022 | 4,771,781 | 4,586,675 | 185,106 | 3.9% |
| 2021 | 4,674,518 | 4,361,147 | 313,371 | 6.7% |

Source: New Jersey Department of Labor, Office of Research and Planning, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics, Local Area Unemployment Statistics

Income (as of 2024)

| | <u>Township</u> | <u>County</u> | <u>State</u> | <u>National</u> |
|-------------------------|------------------------|----------------------|---------------------|------------------------|
| Median Household Income | \$151,075 | \$80,789 | \$103,556 | \$80,734 |
| Median Family Income | 228,915 | 106,938 | 127,025 | 99,999 |
| Per Capita Income | 91,351 | 49,449 | 54,253 | 44,673 |

Source: US Bureau of the Census

Population

The following tables summarize population increases and the decreases for the Township, the County, and the State.

| <u>Year</u> | <u>Township</u> | | <u>County</u> | | <u>State</u> | |
|--------------------|--------------------------|------------------------|--------------------------|------------------------|--------------------------|------------------------|
| | <u>Population</u> | <u>% Change</u> | <u>Population</u> | <u>% Change</u> | <u>Population</u> | <u>% Change</u> |
| 2024 est. | 41,076 | 0.4% | 896,379 | 3.8% | 9,548,215 | 2.8% |
| 2020 | 40,921 | 8.6% | 863,728 | 10.2% | 9,288,994 | 5.7% |
| 2010 | 37,669 | -2.6% | 783,969 | -1.2% | 8,791,894 | 4.5% |
| 2000 | 38,658 | 2.5% | 793,633 | 2.0% | 8,414,350 | 8.9% |
| 1990 | 37,729 | -1.5% | 778,206 | -8.5% | 7,730,188 | 5.0% |

Source: United States Department of Commerce, Bureau of the Census

Largest Taxpayers

The ten largest taxpayers in the Township and their assessed valuations are listed below:

| <u>Taxpayers</u> | <u>2025 Assessed Valuation</u> | <u>% of Total Assessed Valuation</u> |
|---|---|---|
| Rockcliffe Apartments | \$18,935,400 | 0.26% |
| Bellclaire LLC | 14,449,200 | 0.20% |
| Rockledge 36, LLC | 14,360,500 | 0.20% |
| Montclairion Associates LP (% Atlantic) | 10,823,800 | 0.15% |
| Orange Pavilion, LLC | 10,764,800 | 0.15% |
| First Montclair LLC (% Empire MGMT) | 10,327,600 | 0.14% |
| 45 Church St Assoc (% Afflia MGMT) | 10,126,800 | 0.14% |
| BDP Lackawanna LLC | 10,000,000 | 0.14% |
| MKM Holdings LLC | 9,292,800 | 0.13% |
| 147 Bloomfield Ave JV, LLC | <u>8,951,000</u> | <u>0.12%</u> |
| Total | <u>\$118,031,900</u> | <u>1.64%</u> |

Source: Annual Comprehensive Financial Report of the School District and Municipal Tax Assessor

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Comparison of Tax Levies and Collections

| <u>Year</u> | | <u>Tax Levy</u> | <u>Current Year Collection</u> | <u>Current Year % of Collection</u> |
|-------------|---|-----------------|------------------------------------|---|
| 2025 | U | \$255,161,018 | \$252,077,761 | 98.79% |
| 2024 | | 246,118,652 | 243,743,445 | 99.03% |
| 2023 | | 243,611,226 | 240,824,163 | 98.86% |
| 2022 | | 236,075,887 | 233,783,165 | 99.03% |
| 2021 | | 230,756,627 | 228,188,065 | 98.89% |

U: Unaudited

Source: 2025 Annual Financial Statement and Annual Audit Reports of the Township

Delinquent Taxes and Tax Title Liens

| <u>Year</u> | | <u>Amount of Tax Title Liens</u> | <u>Amount of Delinquent Tax</u> | <u>Total Delinquent</u> | <u>Delinquent % of Tax Levy</u> |
|-------------|---|--------------------------------------|-------------------------------------|-----------------------------|-------------------------------------|
| 2025 | U | \$316,359 | \$3,155,825 | \$3,472,184 | 1.36% |
| 2024 | | 293,121 | 2,426,417 | 2,719,539 | 1.10% |
| 2023 | | 270,631 | 2,774,937 | 3,045,568 | 1.25% |
| 2022 | | 317,151 | 2,258,186 | 2,575,338 | 1.09% |
| 2021 | | 292,593 | 2,566,883 | 2,859,476 | 1.24% |

U: Unaudited

Source: 2025 Annual Financial Statement and Annual Audit Reports of the Township

Property Acquired by Tax Lien Liquidation

| <u>Year</u> | | <u>Property Acquired For Taxes</u> |
|-------------|---|--|
| 2025 | U | \$317,900 |
| 2024 | | 317,900 |
| 2023 | | 317,900 |
| 2022 | | 317,900 |
| 2021 | | 317,900 |

U: Unaudited

Source: 2025 Annual Financial Statement and Annual Audit Reports of the Township

Tax Rates per \$100 of Net Valuations Taxable and Allocations

The table below lists the tax rates for Township residents for the past five (5) years.

| <u>Year</u> | <u>General Municipal</u> | <u>Local School</u> | <u>Total County</u> | <u>Total</u> |
|-------------|------------------------------|-------------------------|-------------------------|--------------|
| 2025 | \$0.922 | \$2.018 | \$0.576 | \$3.516 |
| 2024 | 0.901 | 1.927 | 0.575 | 3.403 |
| 2023 | 0.872 | 1.915 | 0.593 | 3.380 |
| 2022 | 0.854 | 1.876 | 0.558 | 3.288 |
| 2021 | 0.836 | 1.849 | 0.546 | 3.231 |

Source: Abstract of Ratables and State of New Jersey – Property Taxes

Valuation of Property

| <u>Year</u> | <u>Assessed Value of Real Property</u> | <u>True Value of Real Property</u> | <u>Ratio of Assessed to True Value</u> | <u>Assessed Value of Public Utility Equip.</u> | <u>Equalized Valuation</u> |
|-------------|--|--|--|--|--------------------------------|
| 2025 | \$7,205,132,400 | \$12,806,847,494 | 56.26% | \$7,235,700 | \$12,814,083,194 |
| 2024 | 7,172,658,300 | 11,659,067,458 | 61.52% | 7,689,600 | 11,666,757,058 |
| 2023 | 7,148,236,600 | 10,710,573,269 | 66.74% | 8,369,200 | 10,718,942,469 |
| 2022 | 7,120,172,300 | 9,824,992,825 | 72.47% | 9,003,189 | 9,833,996,014 |
| 2021 | 7,091,984,900 | 8,592,179,428 | 82.54% | 9,629,400 | 8,601,808,828 |

Source: Abstract of Ratables and State of New Jersey – Table of Equalized Valuations

Classification of Ratables

The table below lists the comparative assessed valuation for each classification of real property within the Township for the past five (5) years.

| <u>Year</u> | <u>Vacant Land</u> | <u>Residential</u> | <u>Farm</u> | <u>Commercial</u> | <u>Industrial</u> | <u>Apartments</u> | <u>Total</u> |
|-------------|--------------------|--------------------|-------------|-------------------|-------------------|-------------------|-----------------|
| 2025 | \$29,217,000 | \$6,143,631,400 | \$0 | \$699,414,500 | \$5,023,000 | \$327,846,500 | \$7,205,132,400 |
| 2024 | 28,571,900 | 6,109,752,800 | 0 | 701,898,700 | 5,023,000 | 327,411,900 | 7,172,658,300 |
| 2023 | 28,920,700 | 6,090,214,000 | 0 | 697,806,700 | 5,023,000 | 326,272,200 | 7,148,236,600 |
| 2022 | 26,315,900 | 6,064,804,300 | 0 | 697,834,200 | 5,023,000 | 326,194,900 | 7,120,172,300 |
| 2021 | 26,461,900 | 6,038,567,900 | 0 | 693,817,200 | 5,023,000 | 328,114,900 | 7,091,984,900 |

Source: Abstract of Ratables and State of New Jersey – Property Value Classification

Financial Operations

The following table summarizes the Township's Current Fund budget for the past five (5) fiscal years ending December 31. The following summary should be used in conjunction with the tables in the sourced documents from which it is derived.

Summary of Current Fund Budget

| <u>REVENUE</u> | <u>Adopted 2022</u> | <u>Adopted 2023</u> | <u>Adopted 2024</u> | <u>Adopted 2025</u> | <u>Adopted 2026</u> |
|---------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Fund Balance Utilized | \$6,700,000 | \$7,550,000 | \$9,000,000 | \$8,000,000 | \$7,000,000 |
| Miscellaneous Revenues | 16,149,008 | 18,724,194 | 18,492,132 | 20,381,037 | 20,457,495 |
| Municipal Grants | 566,059 | 1,446,013 | 1,686,742 | 2,961,366 | 0 |
| Receipts from Delinquent Taxes | 2,500,000 | 2,000,000 | 2,400,000 | 2,450,000 | 2,750,000 |
| Amount to be Raised by Taxation | <u>69,074,023</u> | <u>70,270,258</u> | <u>72,499,142</u> | <u>74,223,931</u> | <u>76,599,288</u> |
| Total Revenue: | <u>\$94,989,090</u> | <u>\$99,990,464</u> | <u>\$104,078,016</u> | <u>\$108,016,334</u> | <u>\$106,806,783</u> |
| | | | | | |
| <u>APPROPRIATIONS</u> | | | | | |
| General Purpose (Inside CAP) | \$65,784,050 | \$69,365,042 | \$72,451,353 | \$75,713,351 | \$78,860,806 |
| Operations (Outside CAP) | 4,722,633 | 5,966,469 | 6,083,550 | 6,867,268 | 6,063,491 |
| Municipal Grants | 566,059 | 1,476,810 | 1,717,542 | 3,011,366 | 0 |
| Capital Improvement Fund | 1,420,000 | 1,112,000 | 686,000 | 2,858,000 | 1,350,000 |
| Municipal Debt Service | 9,879,117 | 10,737,617 | 10,782,020 | 8,663,607 | 8,624,308 |
| Deferred Charges | 88,310 | 0 | 0 | 0 | 500,000 |
| Judgments | 0 | 0 | 1,000,000 | 0 | 0 |
| Local District School Purposes | 9,243,095 | 8,046,700 | 8,028,975 | 7,878,650 | 7,878,178 |
| Reserve for Uncollected Taxes | <u>3,285,826</u> | <u>3,285,826</u> | <u>3,328,577</u> | <u>3,024,093</u> | <u>3,530,000</u> |
| Total Appropriations: | <u>\$94,989,090</u> | <u>\$99,990,464</u> | <u>\$104,078,016</u> | <u>\$108,016,334</u> | <u>\$106,806,783</u> |

Source: Annual Adopted Budgets of the Township

Fund Balance

Current Fund

The following table lists the Township's fund balance and the amount utilized in the succeeding year's budget for the Current Fund for the past five (5) fiscal years ending December 31.

Fund Balance - Current Fund

| <u>Year</u> | <u>Fund Balance</u> | <u>Utilized in Budget of Succeeding Year</u> |
|-------------|-------------------------|--|
| 2025 U | \$16,239,065 | \$7,000,000 |
| 2024 | 17,258,516 | 8,000,000 |
| 2023 | 18,225,294 | 9,000,000 |
| 2022 | 18,726,503 | 7,550,000 |
| 2021 | 14,051,839 | 6,700,000 |

U: Unaudited

Source: 2025 Annual Financial Statement and Annual Audit Reports of the Township

Water Utility Operating Fund

The following table lists the Township's fund balance and the amount utilized in the succeeding year's budget for the Water Utility Operating Fund for the past five (5) fiscal years ending December 31.

| <u>Fund Balance - Water Utility</u> | | | |
|--|---|-----------------------|----------------------------------|
| <u>Year</u> | | <u>Balance</u> | <u>Utilized in Budget</u> |
| | | <u>12/31</u> | <u>of Succeeding Year</u> |
| 2025 | U | \$4,121,495 | \$1,500,000 |
| 2024 | | 3,547,354 | 1,570,370 |
| 2023 | | 2,008,242 | 1,069,100 |
| 2022 | | 2,470,293 | 1,873,182 |
| 2021 | | 1,902,310 | 1,592,154 |

U: Unaudited

Source: 2025 Annual Financial Statement and Annual Audit Reports of the Township

Sewer Utility Operating Fund

The following table lists the Township's fund balance and the amount utilized in the succeeding year's budget for the Water Utility Operating Fund for the past five (5) fiscal years ending December 31.

| <u>Fund Balance - Sewer Utility</u> | | | |
|--|---|-----------------------|----------------------------------|
| <u>Year</u> | | <u>Balance</u> | <u>Utilized in Budget</u> |
| | | <u>12/31</u> | <u>of Succeeding Year</u> |
| 2025 | U | \$2,409,523 | \$1,120,000 |
| 2024 | | 2,728,971 | 1,316,271 |
| 2023 | | 2,319,339 | 926,565 |
| 2022 | | 1,779,368 | 600,000 |
| 2021 | | 2,437,174 | 1,000,000 |

U: Unaudited

Source: 2025 Annual Financial Statement and Annual Audit Reports of the Township

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Parking Utility Operating Fund

The following table lists the Township's fund balance and the amount utilized in the succeeding year's budget for the Water Utility Operating Fund for the past five (5) fiscal years ending December 31.

| <u>Fund Balance - Parking Utility</u> | | |
|--|---------------------|----------------------------------|
| | Balance | Utilized in Budget |
| <u>Year</u> | <u>12/31</u> | <u>of Succeeding Year</u> |
| 2025 U | \$2,979,064 | \$925,000 |
| 2024 | 3,132,179 | 547,108 |
| 2023 | 2,437,988 | 1,116,672 |
| 2022 | 1,812,906 | 943,908 |
| 2021 | 1,331,339 | 802,661 |

U: Unaudited

Source: 2025 Annual Financial Statement and Annual Audit Reports of the Township

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Township Indebtedness as of December 31, 2025

General Purpose Debt

| | |
|---|---------------------|
| Serial/Term Bonds | \$37,000,000 |
| Bond Anticipation Notes | 0 |
| Bonds and Notes Authorized but Not Issued | 35,821,406 |
| Other Bonds, Notes and Loans | 258,212 |
| Total: | <u>\$73,079,618</u> |

Local/Regional School District Debt

| | |
|---|----------------------|
| Serial/Term Bonds | \$157,240,000 |
| Temporary Notes Issued | 0 |
| Bonds and Notes Authorized but Not Issued | 57,730,769 |
| Other Bonds, Notes and Loans | 0 |
| Total: | <u>\$214,970,769</u> |

Self-Liquidating Debt

| | |
|---|---------------------|
| Serial/Term Bonds | \$10,010,000 |
| Bond Anticipation Notes | 0 |
| Bonds and Notes Authorized but Not Issued | 952,000 |
| Other Bonds, Notes and Loans | 1,941,107 |
| Total: | <u>\$12,903,107</u> |

TOTAL GROSS DEBT

\$300,953,494

Less: Statutory Deductions

| | |
|-------------------------------------|----------------------|
| General Purpose Debt | \$0 |
| Local/Regional School District Debt | 214,970,769 |
| Self-Liquidating Debt | 12,903,107 |
| Total: | <u>\$227,873,876</u> |

TOTAL NET DEBT

\$73,079,618

Source: Annual Debt Statement of the Township

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Overlapping Debt (as of December 31, 2025)²

| <u>Name of Related Entity</u> | <u>Related Entity Debt Outstanding</u> | <u>Township Percentage</u> | <u>Township Share*</u> |
|--------------------------------------|---|---------------------------------------|-----------------------------------|
| Local School District | \$214,970,769 | 100.0% | \$214,970,769 |
| Essex County | 947,474,874 | 9.4% | 88,702,937 |
| | | | <hr/> |
| Net Indirect Debt | | | \$303,673,706 |
| Net Direct Debt | | | 73,079,618 |
| Total Net Direct and Indirect Debt | | | <u>\$376,753,324</u> |

Debt Limit

DEBT LIMIT AND BORROWING CAPACITY

| | |
|--|-----------------------------|
| Average Equalized Valuation Basis (2023, 2024, 2025) | \$11,725,496,074 |
| Permitted Debt Limitation (3.50%) | 410,392,363 |
| Less: Net Debt | 73,079,618 |
| Remaining Borrowing Power | <u>\$337,312,745</u> |
| | |
| Percentage of Net Debt to Average Equalized Valuation | 0.623% |
| | |
| Gross Debt Per Capita based on 2020 population of 40,921 | \$7,354 |
| Net Debt Per Capita based on 2020 population of 40,921 | \$1,786 |

Source: Annual Debt Statement of the Township

Litigation

The status of pending litigation is included in the Notes to Financial Statements of the Borough's annual audit report.

² Township percentage of County debt is based on the Township's share of total equalized valuation in the County.

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APPENDIX B

**EXCERPTS FROM UNAUDITED FINANCIAL DATA AND AUDITED FINANCIAL
STATEMENTS OF THE TOWNSHIP OF MONTCLAIR, IN THE COUNTY OF ESSEX, NEW
JERSEY**

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TOWNSHIP OF MONTCLAIR
FINANCIAL STATEMENTS
DECEMBER 31, 2025

TOWNSHIP OF MONTCLAIR, NEW JERSEY

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ACCOUNTANTS' COMPILATION REPORT

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

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

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

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the regulatory basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Township's assets, liabilities, fund balances, revenues and expenditures and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

PKF O'Connor Davies, LLP

Cranford, New Jersey
June 22, 2026

Robert E. Provost

Robert E. Provost, CPA
Registered Municipal Accountant, No. 582

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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TOWNSHIP OF MONTCLAIR
CURRENT AND GRANT FUNDS

BALANCE SHEET
REGULATORY BASIS
DECEMBER 31, 2025 (UNAUDITED)

A
Sheet # 1

| <u>ASSETS AND DEFERRED CHARGES</u> | <u>2025</u> |
|--|---|
| <u>Current Fund</u> | |
| Cash and Cash Equivalents | \$ 50,496,225.39 |
| Change Funds | 855.00 |
| | <hr style="width: 100%; border: 0.5px solid black;"/> |
| | 50,497,080.39 |
| Receivables and Other Assets with Full Reserves: | |
| Delinquent Property Taxes Receivable | 3,054,901.72 |
| Tax Title Liens | 316,358.61 |
| Property Acquired for Taxes - Assessed Valuation | 317,900.00 |
| Other Liens Receivable | 7,500.00 |
| Revenue Accounts Receivable | 135,321.28 |
| | <hr style="width: 100%; border: 0.5px solid black;"/> |
| | 3,831,981.61 |
| <u>Deferred Charges:</u> | |
| Special Emergency Authorizations (40A:4-53) | 2,000,000.00 |
| Emergency Appropriation (40A:4-48) | 100,000.00 |
| | <hr style="width: 100%; border: 0.5px solid black;"/> |
| | 2,100,000.00 |
| | <hr style="width: 100%; border: 0.5px solid black;"/> |
| | 56,429,062.00 |
| <u>Grant Fund</u> | |
| Cash | 775,242.27 |
| Grants Receivable | 6,823,633.87 |
| | <hr style="width: 100%; border: 0.5px solid black;"/> |
| | 7,598,876.14 |
| | <hr style="width: 100%; border: 0.5px solid black;"/> |
| | \$ 64,027,938.14 |
| | <hr style="width: 100%; border: 0.5px solid black;"/> |

TOWNSHIP OF MONTCLAIR
CURRENT AND GRANT FUNDS

BALANCE SHEET
REGULATORY BASIS
DECEMBER 31, 2025 (UNAUDITED)

A
Sheet # 2

LIABILITIES, RESERVES AND FUND BALANCE

2025

Current Fund

Appropriated Reserves:

| | |
|---|-----------------|
| Encumbered | \$ 3,791,371.27 |
| Unencumbered | 6,577,233.41 |
| Due to State of New Jersey: (Ch. 129, P.L. 1976) | 2,500.00 |
| Due to State of New Jersey | 116,698.00 |
| Accounts Payable | 974,688.64 |
| Interfunds Payable | 431,010.84 |
| Tax Overpayments | 245,736.93 |
| Special Improvement District Taxes Payable | 267,676.00 |
| Payment in Lieu of Taxes - Due to County | 117,652.76 |
| County Taxes Payable | 93,560.40 |
| School Taxes Payable | 20,171,754.00 |
| Prepaid Taxes | 1,539,224.44 |
| Prepaid Payment in Lieu of Taxes | 22,240.02 |
| Reserve for Revaluation | 2,000,000.00 |
| Reserve for Tax Appeals | 9,418.36 |
| | 36,360,765.07 |
| Reserve for Receivables | 3,831,981.61 |
| Fund Balance | 16,236,315.32 |
| | 56,429,062.00 |

Grant Fund

Appropriated Reserves for Federal and

| | |
|-------------------------------|------------------|
| State Grants | 5,646,897.41 |
| Reserve for Encumbrances | 1,873,325.97 |
| Unappropriated Grant Reserves | 78,652.76 |
| | 7,598,876.14 |
| | \$ 64,027,938.14 |

TOWNSHIP OF MONTCLAIR
CURRENT FUND

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

A-1

| | <u>2025</u> |
|---|-------------------------|
| <u>Revenues and Other Income Realized:</u> | |
| Fund Balance Utilized | \$ 8,000,000.00 |
| Miscellaneous Revenues Anticipated | 25,487,203.07 |
| Receipts from Delinquent Taxes | 2,324,653.49 |
| Receipts from Current Taxes | 252,076,760.88 |
| Nonbudget Revenues | 214,428.82 |
| Other Credits to Income: | |
| Unexpended Balance of Appropriation Reserves | 5,036,672.60 |
| Total Revenues and Other Income Realized | <u>293,139,718.86</u> |
| <u>Expenditures and Other Charges:</u> | |
| Budget Appropriations | 107,765,865.31 |
| County Taxes | 41,577,768.73 |
| Local School District Tax | 137,850,631.00 |
| Special Improvement District Tax | 1,065,904.00 |
| Prior Year Senior and Veteran Deductions Disallowed | 1,750.00 |
| Total Expenditures and Other Charges | <u>288,261,919.04</u> |
| Excess Revenues and Other Income Realized Over Expenditures and Other Charges | <u>4,877,799.82</u> |
| <u>Adjustments to Income Before Fund Balance:</u> | |
| Expenditures Included Above Which Are by Statute | |
| Deferred Charges to Budgets of Succeeding Year | |
| Emergency Appropriation | 100,000.00 |
| Special Emergency Authorization | 2,000,000.00 |
| | <u>2,100,000.00</u> |
| Statutory Excess to Fund Balance | 6,977,799.82 |
| <u>Fund Balance</u> | |
| Balance, Beginning of Year | <u>17,258,515.50</u> |
| | 24,236,315.32 |
| <u>Decreased by:</u> | |
| Utilized as Anticipated Revenue | <u>8,000,000.00</u> |
| Balance, End of Year | <u>\$ 16,236,315.32</u> |

TOWNSHIP OF MONTCLAIR
CURRENT FUND

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

A-2

| | <u>Adopted Budget</u> | <u>N.J.S. 40A:4-87</u> | <u>Realized</u> | <u>Excess or (Deficit)</u> |
|---|---------------------------|----------------------------|--------------------------|--------------------------------|
| Fund Balance Anticipated | \$ 8,000,000.00 | | \$ 8,000,000.00 | |
| Miscellaneous Revenues | 23,342,403.14 | \$ 674,734.61 | 25,487,203.07 | \$ 1,470,065.32 |
| Receipts from Delinquent Taxes | <u>2,450,000.00</u> | | <u>2,324,653.49</u> | <u>(125,346.51)</u> |
| Sub-Total General Revenues | <u>33,792,403.14</u> | <u>674,734.61</u> | <u>35,811,856.56</u> | <u>1,344,718.81</u> |
| Amount to be Raised by Taxes for Support of Municipal Budget | <u>74,223,931.35</u> | | <u>74,606,549.74</u> | <u>382,618.39</u> |
| Total General Revenues | 108,016,334.49 | 674,734.61 | 110,418,406.30 | 1,727,337.20 |
| Nonbudget Revenues | | | <u>214,428.82</u> | <u>214,428.82</u> |
| | <u>\$ 108,016,334.49</u> | <u>\$ 674,734.61</u> | <u>\$ 110,632,835.12</u> | <u>\$ 1,941,766.02</u> |

TOWNSHIP OF MONTCLAIR
CURRENT FUND

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

A-2a
Sheet # 1

| | <u>Budget</u> | <u>N.J.S. 40A:4-87</u> | <u>Realized</u> | <u>Excess or (Deficit)</u> |
|---|-----------------------------|----------------------------|-----------------------------|--------------------------------|
| <u>Miscellaneous Revenues</u> | | | | |
| Licenses: | | | | |
| Alcoholic Beverages | \$ 64,000.00 | | \$ 68,000.00 | \$ 4,000.00 |
| Other Licenses | 119,000.00 | | 194,176.00 | 75,176.00 |
| Fees and Permits | 991,000.00 | | 1,097,975.24 | 106,975.24 |
| Fines and Costs: | | | | |
| Municipal Court | 1,160,000.00 | | 1,793,049.42 | 633,049.42 |
| Interest and Cost on Taxes | 750,000.00 | | 675,244.66 | (74,755.34) |
| Interest on Investments and Deposits | 2,440,000.00 | | 2,056,333.71 | (383,666.29) |
| Energy Receipts Tax | 3,002,446.00 | | 3,002,446.06 | 0.06 |
| Uniform Construction Code Fees | 1,421,181.00 | | 1,973,978.00 | 552,797.00 |
| Interlocal Government Services: | | | | |
| Interlocal - Health - Cedar Grove | 86,412.00 | | 86,412.00 | |
| Interlocal - Health - West Caldwell | 58,500.00 | | 54,674.99 | (3,825.01) |
| Interlocal - Fire Services | 972,222.00 | | 972,222.00 | |
| School Resources Officer Board of Education | 150,000.00 | | 165,391.33 | 15,391.33 |
| State and Federal Revenues Offset with Appropriations: | | | | |
| Safe and Secure Neighborhoods Program | 100,551.67 | | 100,551.67 | |
| Distracted Driving Incentive Grant | 12,250.00 | | 12,250.00 | |
| Bullet Proof Vest Partnership Grant - 2025 | 7,614.91 | | 7,614.91 | |
| CLG Historic Preservation Grant | 30,000.00 | | 30,000.00 | |
| Safe Streets and Roads | 438,220.00 | | 438,220.00 | |
| NJDOT - Glen Ridge Avenue Cycle Track | 997,000.00 | | 997,000.00 | |
| Glen Ridge Cycle Track Design | 330,118.29 | | 330,118.29 | |
| Emergency Management Agency Assistance Grant | 10,000.00 | | 10,000.00 | |
| NJDOT - Upper Mountain Avenue Roadway | 380,354.00 | | 380,354.00 | |
| Recycling Tonnage Grant | 38,986.26 | | 38,986.26 | |
| ELC Grant (Epidemiology and Laboratory Capacity for Infectious Disease) | 12,500.00 | | 12,500.00 | |
| National Opioid Settlement Grant | 159,606.98 | \$ 156,497.35 | 316,104.33 | |
| Community Energy Plan (BPU Initiative) | 10,000.00 | | 10,000.00 | |
| Click it or Ticket Grant | 4,900.00 | | 4,900.00 | |
| Partners for Health | 7,500.00 | | 7,500.00 | |
| 2025 Partners For Health Lifelong Grant | | 50,000.00 | 50,000.00 | |
| NJ DCA NJ Homes Launchpad | | 50,000.00 | 50,000.00 | |
| Drive Sober or Get Pulled Over Grant | | 22,750.00 | 22,750.00 | |
| Childhood Lead Program Grant 7/1/25-6/30/26 | | 174,862.00 | 174,862.00 | |
| Township of Maplewood Sustainable Energy Initiatives Grant | | 66,629.42 | 66,629.42 | |
| Clean Communities Grant | | 92,448.35 | 92,448.35 | |
| JIF - No Accidents Today | | 5,000.00 | 5,000.00 | |
| Sustainable Energy Small Programs Grant | | 25,000.00 | 25,000.00 | |
| Alcohol Education Rehab Fund | | 1,547.49 | 1,547.49 | |
| Assistance to Firefighters Grant | 160,789.09 | | 160,789.09 | |
| MCIA | 20,325.26 | | 20,325.26 | |
| USDA Composting Grant | 240,650.00 | | 240,650.00 | |
| 2025 MILL Grant - Partners for Health Grant | | 30,000.00 | 30,000.00 | |
| Other Special Items: | | | | |
| Pilot- Montclair Sr Housing (Orange Rd) | 130,325.56 | | 200,266.51 | 69,940.95 |
| Pilot - First Montclair Housing Corp. (Walnut Street) | 179,783.40 | | 200,081.63 | 20,298.23 |
| Pilot - RTD Management Corp. (Lackawanna Plaza) | 162,037.00 | | 228,757.00 | 66,720.00 |
| Pilot - RTD Management Corp. (Union Gardens) | 110,000.00 | | 110,072.67 | 72.67 |
| Pilot - United Methodist Homes (Pineridge of Montclair) | 28,647.76 | | 36,161.36 | 7,513.60 |
| Pilot - MAP / Centro Verde | 1,399,384.31 | | 1,607,707.71 | 208,323.40 |
| Pilot - MAG / Centro Verde (Garage) | 58,153.79 | | 58,014.68 | (139.11) |
| Pilot - Siena | 1,216,000.00 | | 1,250,323.51 | 34,323.51 |
| Pilot - 11 Pine Street | 345,360.42 | | 428,174.56 | 82,814.14 |
| Pilot - Herod Redevelopment | 30,230.38 | | 216,602.20 | 186,371.82 |
| Pilot - 55 Glenridge | 3,632.92 | | 7,048.33 | 3,415.41 |
| Pilot - MC Hotel | 828,797.29 | | 857,724.30 | 28,927.01 |
| Pilot - Two South Willow (Wellmont East) | 1,017,064.44 | | 1,026,168.74 | 9,104.30 |
| Pilot - Two South Willow (Wellmont West) | 293,670.02 | | 304,905.98 | 11,235.96 |
| Wellmont Ground Lease | 124,000.00 | | 123,999.96 | (0.04) |
| Utility Operating Surplus - Prior Year | 1,300,000.00 | | 1,300,000.00 | |
| Capital Fund Surplus | 150,000.00 | | 150,000.00 | |
| Reserve for payment of debt service (School) | 134,549.00 | | 134,549.00 | |
| Trust Assessment Fund Balance | 30,000.00 | | 30,000.00 | |
| Rent Control Revenues | 85,000.00 | | 82,610.00 | (2,390.00) |
| Alarm Registration Fees - Burglar/Fire | 110,000.00 | | 114,538.25 | 4,538.25 |
| Penalty on Delinquent Tax-\$10,000 & Over | 130,000.00 | | 104,286.24 | (25,713.76) |
| Administrative Fee - Police Off Duty | 440,000.00 | | 400,153.94 | (39,846.06) |
| Rear Yard Refuse Collection | 29,000.00 | | 28,600.00 | (400.00) |
| Hotel Tax | 370,000.00 | | 218,572.23 | (151,427.77) |
| Wireless Edge - Cellular Use | 60,000.00 | | 91,240.40 | 31,240.40 |
| Cable TV Franchise Fees | 400,639.39 | | 400,639.39 | |
| Total Miscellaneous Revenue | <u>\$ 23,342,403.14</u> | <u>\$ 674,734.61</u> | <u>\$ 25,487,203.07</u> | <u>\$ 1,470,065.32</u> |
| Revenue Accounts Receivable | | | <u>\$ 21,851,102.00</u> | |
| Grants Receivable | | | <u>3,636,101.07</u> | |
| | | | <u>\$ 25,487,203.07</u> | |

TOWNSHIP OF MONTCLAIR
CURRENT FUND

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

A-2b

Other Licenses

| | | |
|-------------------|--------------|----------------------|
| Township Clerk | \$ 33,745.00 | |
| Health Department | 160,431.00 | |
| | <hr/> | |
| | | <u>\$ 194,176.00</u> |

Other Fees and Permits

| | | |
|----------------------------------|---------------|------------------------|
| Township Clerk - Cert of Search | \$ 284,850.00 | |
| Township Clerk - Tree Contractor | 5,100.00 | |
| Board of Adjustment | 10,965.50 | |
| Planning Board | 15,565.00 | |
| Zoning Board | 10,700.00 | |
| Historic Preservation | 3,800.00 | |
| Police - ID Bureau | 40,217.00 | |
| Tree Removal / Restoration | 25,320.00 | |
| Community Services | 52,077.65 | |
| Certificate of Habitability | 25,380.00 | |
| Health | 37,610.00 | |
| Animal Shelter | 20,401.00 | |
| Recreation | 469,489.09 | |
| Vacant Properties | 96,500.00 | |
| | <hr/> | |
| | | <u>\$ 1,097,975.24</u> |

TOWNSHIP OF MONTCLAIR
CURRENT FUND

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

A-2c

Receipts from Delinquent Taxes

Collections of Delinquent Taxes

2025 Collections:

Taxes

\$ 2,324,653.49

Allocation of Current Tax Collections

Collection of Current Taxes:

2025 Collections

\$ 250,760,914.84

2024 Collections

1,274,721.04

Due from State of New Jersey

41,125.00

\$ 252,076,760.88

Allocated to:

County Taxes

41,577,768.73

Local School District Taxes

137,850,631.00

Special Improvement District Taxes

1,065,904.00

180,494,303.73

71,582,457.15

Plus: Appropriation for "Reserve for
Uncollected Taxes"

3,024,092.59

Realized for Support of Municipal Budget

\$ 74,606,549.74

TOWNSHIP OF MONTCLAIR
CURRENT FUND

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

A-2d

| | | |
|---|------------------|----------------------|
| Salvation Army Rent (68 N Full.) | \$ 8,000.00 | |
| Mobile Food Vendor | 29,500.00 | |
| Copies | 370.00 | |
| NSF Returned Check Charge | 2,660.00 | |
| Other | 96,437.23 | |
| Auction | 8,570.00 | |
| Cost of Sales | 12,636.84 | |
| Fee for Dumpster | 325.00 | |
| Division of Motor Vehicles Inspection Fines | 3,650.00 | |
| Special Program - Food Handler | <u>52,279.75</u> | |
| | | <u>\$ 214,428.82</u> |

TOWNSHIP OF MONTCLAIR
CURRENT FUND

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

A-3
Sheet # 1

| | Appropriations | | Paid or Charged | Reserved | | Balance Canceled |
|-------------------------------------|---------------------|---------------------|---------------------|-------------------|-------------------|------------------|
| | Budget | Modified Budget | | Encumbered | Unencumbered | |
| APPROPRIATIONS WITHIN "CAPS" | | | | | | |
| GENERAL GOVERNMENT | | | | | | |
| Mayor and Council: | | | | | | |
| Salaries and Wages | \$ 42,000.00 | \$ 42,000.00 | \$ 41,160.55 | | \$ 839.45 | |
| Other Expenses | 45,072.00 | 45,072.00 | 11,675.64 | \$ 1,000.00 | 32,396.36 | |
| Township and Manager: | | | | | | |
| Salaries and Wages | 663,023.84 | 663,023.84 | 609,639.10 | | 53,384.74 | |
| Other Expenses | 363,762.00 | 403,762.00 | 139,988.36 | 230,830.63 | 32,943.01 | |
| Human Resources: | | | | | | |
| Salaries and Wages | 200,938.97 | 200,938.97 | 149,986.50 | | 50,952.47 | |
| Other Expenses | 200,350.00 | 200,350.00 | 124,919.57 | 28,762.24 | 46,668.19 | |
| Information Technology: | | | | | | |
| Salaries and Wages | 189,844.07 | 199,844.07 | 193,610.57 | | 6,233.50 | |
| Other Expenses | 728,300.00 | 718,300.00 | 396,770.47 | 224,343.01 | 97,186.52 | |
| Township Clerk: | | | | | | |
| Salaries and Wages | 268,965.33 | 268,965.33 | 239,670.41 | | 29,294.92 | |
| Other Expenses | 49,489.00 | 49,489.00 | 19,177.85 | 15,109.74 | 15,201.41 | |
| Election Expenses: | | | | | | |
| Salaries and Wages | 15,000.00 | 15,000.00 | 5,517.98 | | 9,482.02 | |
| Other Expenses | 190,000.00 | 190,000.00 | 40,410.35 | | 149,589.65 | |
| Township Attorney: | | | | | | |
| Salaries and Wages | 130,224.13 | 130,224.13 | 85,778.48 | | 44,445.65 | |
| Other Expenses | 610,000.00 | 610,000.00 | 334,793.36 | 228,762.50 | 46,444.14 | |
| Municipal Court: | | | | | | |
| Salaries and Wages | 673,067.82 | 673,067.82 | 591,698.16 | | 81,369.66 | |
| Other Expenses | 72,620.00 | 72,620.00 | 30,454.85 | 42,165.15 | | |
| | <u>4,442,657.16</u> | <u>4,482,657.16</u> | <u>3,015,252.20</u> | <u>770,973.27</u> | <u>696,431.69</u> | <u>-</u> |
| FINANCE DEPARTMENT | | | | | | |
| Administration: | | | | | | |
| Salaries and Wages | 145,962.40 | 125,962.40 | 91,387.38 | | 34,575.02 | |
| Other Expenses | 22,000.00 | 22,000.00 | 5,935.51 | 7,512.39 | 8,552.10 | |
| Accounting and Treasury: | | | | | | |
| Salaries and Wages | 218,664.17 | 213,664.17 | 96,752.12 | | 116,912.05 | |
| Other Expenses | 47,000.00 | 47,000.00 | 19,857.84 | 3,924.89 | 23,217.27 | |
| Centralized Applications: | | | | | | |
| Other Expenses | 231,000.00 | 231,000.00 | 91,560.93 | 27,346.17 | 112,092.90 | |
| Tax Assessor: | | | | | | |
| Salaries and Wages | 400,150.39 | 400,150.39 | 393,259.49 | | 6,890.90 | |
| Other Expenses | 388,884.00 | 388,884.00 | 182,127.83 | 108,085.73 | 98,670.44 | |
| Other Expenses - Revaluation | | 2,000,000.00 | 2,000,000.00 | | | |
| Tax Collector: | | | | | | |
| Salaries and Wages | 253,052.75 | 253,052.75 | 219,630.54 | | 33,422.21 | |
| Other Expenses | 44,500.00 | 44,500.00 | 27,062.43 | 2,231.98 | 15,205.59 | |
| Auditing: | | | | | | |
| Other Expenses | 55,000.00 | 45,000.00 | 37,000.00 | | 8,000.00 | |
| | <u>1,806,213.71</u> | <u>3,771,213.71</u> | <u>3,164,574.07</u> | <u>149,101.16</u> | <u>457,538.48</u> | <u>-</u> |

TOWNSHIP OF MONTCLAIR
CURRENT FUND

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

A-3
Sheet # 2

| | Appropriations | | Paid or Charged | Reserved | | Balance Canceled |
|--|----------------------|----------------------|----------------------|-------------------|---------------------|------------------|
| | Budget | Modified Budget | | Encumbered | Unencumbered | |
| <u>APPROPRIATIONS WITHIN "CAPS"</u> | | | | | | |
| <u>PLANNING AND COMMUNITY DEVELOPMENT</u> | | | | | | |
| Municipal Land Use Law (N.J.S.A. 40:55D-1): | | | | | | |
| Planning Administration: | | | | | | |
| Salaries and Wages | \$ 431,181.20 | \$ 431,181.20 | \$ 418,483.60 | | \$ 12,697.60 | |
| Other Expenses | 197,350.00 | 197,350.00 | 26,457.29 | \$ 26,279.93 | 144,612.78 | |
| Planning Board: | | | | | | |
| Other Expenses | 73,400.00 | 73,400.00 | 22,781.91 | 29,984.47 | 20,633.62 | |
| Board of Adjustment: | | | | | | |
| Other Expenses | 20,800.00 | 20,800.00 | 13,482.47 | 3,103.52 | 4,214.01 | |
| Rent Control Administration: | | | | | | |
| Salaries and Wages | 94,253.67 | 94,253.67 | 69,769.58 | | 24,484.09 | |
| Other Expenses | 40,500.00 | 40,500.00 | 2,872.08 | 3,777.43 | 33,850.49 | |
| | <u>857,484.87</u> | <u>857,484.87</u> | <u>553,846.93</u> | <u>63,145.35</u> | <u>240,492.59</u> | <u>-</u> |
| <u>DEPARTMENT OF ADMINISTRATION AND CODE ENFORCEMENT & ENVIRONMENT</u> | | | | | | |
| Salaries and Wages | 665,224.14 | 665,224.14 | 610,773.16 | | 54,450.98 | |
| Other Expenses | 87,550.00 | 87,550.00 | 13,010.19 | 44,316.19 | 30,223.62 | |
| | <u>752,774.14</u> | <u>752,774.14</u> | <u>623,783.35</u> | <u>44,316.19</u> | <u>84,674.60</u> | <u>-</u> |
| <u>POLICE DEPARTMENT</u> | | | | | | |
| Salaries and Wages | 17,119,910.50 | 17,119,910.50 | 16,128,077.43 | | 991,833.07 | |
| Other Expenses | 635,350.00 | 635,350.00 | 511,832.06 | 52,053.14 | 71,464.80 | |
| | <u>17,755,260.50</u> | <u>17,755,260.50</u> | <u>16,639,909.49</u> | <u>52,053.14</u> | <u>1,063,297.87</u> | <u>-</u> |
| <u>FIRE DEPARTMENT</u> | | | | | | |
| Salaries and Wages | 10,357,594.80 | 10,357,594.80 | 10,229,588.16 | | 128,006.64 | |
| Other Expenses | 478,829.00 | 478,829.00 | 286,307.09 | 140,266.76 | 52,255.15 | |
| | <u>10,836,423.80</u> | <u>10,836,423.80</u> | <u>10,515,895.25</u> | <u>140,266.76</u> | <u>180,261.79</u> | <u>-</u> |
| <u>PUBLIC WORKS DEPARTMENT</u> | | | | | | |
| Community Services Administration: | | | | | | |
| Salaries and Wages | 969,935.31 | 969,935.31 | 933,251.30 | | 36,684.01 | |
| Other Expenses | 29,350.00 | 29,350.00 | 11,403.34 | 2,172.10 | 15,774.56 | |
| Engineering: | | | | | | |
| Other Expenses | 450,000.00 | 450,000.00 | 311,781.73 | 79,740.06 | 58,478.21 | |
| Street Repairs and Maintenance: | | | | | | |
| Salaries and Wages | 610,157.99 | 610,157.99 | 559,670.59 | | 50,487.40 | |
| Other Expenses | 28,625.00 | 28,625.00 | 19,478.34 | 5,167.84 | 3,978.82 | |
| Storm Sewers Repairs and Maintenance: | | | | | | |
| Other Expenses | 52,500.00 | 52,500.00 | 45,977.11 | 1,432.89 | 5,090.00 | |

TOWNSHIP OF MONTCLAIR
CURRENT FUND

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

A-3
Sheet # 3

| | Appropriations | | Paid or Charged | Reserved | | Balance Canceled |
|--|---------------------|---------------------|---------------------|-------------------|-------------------|------------------|
| | Budget | Modified Budget | | Encumbered | Unencumbered | |
| <u>APPROPRIATIONS WITHIN "CAPS"</u> | | | | | | |
| <u>PUBLIC WORKS DEPARTMENT</u> | | | | | | |
| Refuse Collection and Disposal: | | | | | | |
| Salaries and Wages | \$ 1,458,803.54 | \$ 1,458,803.54 | \$ 1,372,540.51 | | \$ 86,263.03 | |
| Other Expenses | 27,450.00 | 27,450.00 | 8,979.17 | \$ 13,102.16 | 5,368.67 | |
| Storm Clearance: | | | | | | |
| Salaries and Wages | 150,000.00 | 150,000.00 | 147,830.10 | | 2,169.90 | |
| Other Expenses | 100,000.00 | 100,000.00 | 37,269.80 | 51,096.03 | 11,634.17 | |
| Traffic: | | | | | | |
| Salaries and Wages | 225,645.64 | 240,645.64 | 236,763.23 | | 3,882.41 | |
| Other Expenses | 105,750.00 | 90,750.00 | 44,818.87 | 10,355.05 | 35,576.08 | |
| Central Garage Operation: | | | | | | |
| Salaries and Wages | 349,441.13 | 349,441.13 | 269,197.19 | | 80,243.94 | |
| Other Expenses | 409,200.00 | 409,200.00 | 341,108.21 | 56,993.37 | 11,098.42 | |
| Building Maintenance: | | | | | | |
| Salaries and Wages | 158,010.34 | 174,010.34 | 170,104.87 | | 3,905.47 | |
| Other Expenses | 600,000.00 | 700,000.00 | 542,273.00 | 157,213.71 | 513.29 | |
| Parks Maintenance: | | | | | | |
| Salaries and Wages | 485,941.57 | 485,941.57 | 443,597.18 | | 42,344.39 | |
| Other Expenses | 158,000.00 | 158,000.00 | 127,589.96 | 17,906.16 | 12,503.88 | |
| Shade Trees: | | | | | | |
| Salaries and Wages | 220,733.60 | 220,733.60 | 207,341.09 | | 13,392.51 | |
| Other Expenses | 144,100.00 | 128,100.00 | 30,771.98 | 77,020.15 | 20,307.87 | |
| Refuse Tipping Fees: | | | | | | |
| Other Expenses - Dump Fees | 1,319,500.00 | 1,319,500.00 | 872,039.18 | 159,960.82 | 287,500.00 | |
| Mandatory Recycling Act: | | | | | | |
| Salaries and Wages | 1,234,423.91 | 1,234,423.91 | 1,115,148.11 | | 119,275.80 | |
| Other Expenses | 525,000.00 | 525,000.00 | 323,342.29 | 197,519.79 | 4,137.92 | |
| | <u>9,812,568.03</u> | <u>9,912,568.03</u> | <u>8,172,277.15</u> | <u>829,680.13</u> | <u>910,610.75</u> | <u>-</u> |
| <u>PARKS, RECREATION AND CULTURAL AFFAIRS DEPARTMENT</u> | | | | | | |
| Recreation Program: | | | | | | |
| Salaries and Wages | 754,231.37 | 754,231.37 | 751,662.76 | | 2,568.61 | |
| Other Expenses | 211,550.00 | 211,550.00 | 91,435.81 | 14,877.45 | 105,236.74 | |
| | <u>965,781.37</u> | <u>965,781.37</u> | <u>843,098.57</u> | <u>14,877.45</u> | <u>107,805.35</u> | <u>-</u> |
| <u>SPECIAL PROGRAMS AND ACTIVITIES</u> | | | | | | |
| Parks, Recreation and Cultural Affairs: | | | | | | |
| Other Expenses | 218,000.00 | 218,000.00 | 122,880.49 | 22,691.55 | 72,427.96 | |
| | <u>218,000.00</u> | <u>218,000.00</u> | <u>122,880.49</u> | <u>22,691.55</u> | <u>72,427.96</u> | <u>-</u> |
| <u>HEALTH AND HUMAN SERVICES DEPARTMENT</u> | | | | | | |
| Health Services: | | | | | | |
| Salaries and Wages | 830,708.78 | 830,708.78 | 778,074.42 | | 52,634.36 | |
| Other Expenses | 179,948.00 | 179,948.00 | 115,142.55 | 7,235.12 | 57,570.33 | |
| Nursing Services: | | | | | | |
| Salaries and Wages | 424,971.10 | 424,971.10 | 283,263.96 | | 141,707.14 | |
| Senior Services: | | | | | | |
| Salaries and Wages | 413,746.62 | 413,746.62 | 393,173.74 | | 20,572.88 | |
| Other Expenses | 95,250.00 | 95,250.00 | 34,803.59 | 5,660.48 | 54,785.93 | |
| Other Expenses - Senior Center Operations Space | 125,000.00 | 125,000.00 | | 33,700.00 | 91,300.00 | |
| Animal Control: | | | | | | |
| Salaries and Wages | 499,207.35 | 499,207.35 | 456,913.13 | | 42,294.22 | |
| Other Expenses | 162,948.00 | 162,948.00 | 129,399.90 | 25,302.25 | 8,245.85 | |
| | <u>2,731,779.85</u> | <u>2,731,779.85</u> | <u>2,190,771.29</u> | <u>71,897.85</u> | <u>469,110.71</u> | <u>-</u> |

See Accountants' Compilation Report.

TOWNSHIP OF MONTCLAIR
CURRENT FUND

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

A-3
Sheet # 4

| | Appropriations | | Paid or Charged | Reserved | | Balance Canceled |
|---|----------------------|----------------------|----------------------|---------------------|---------------------|------------------|
| | Budget | Modified Budget | | Encumbered | Unencumbered | |
| APPROPRIATIONS WITHIN "CAPS" | | | | | | |
| MISCELLANEOUS AND OTHER | | | | | | |
| Unemployment Compensation Insurance: | | | | | | |
| Other Expenses | \$ 30,000.00 | \$ 30,000.00 | \$ 30,000.00 | | | |
| | <u>30,000.00</u> | <u>30,000.00</u> | <u>30,000.00</u> | - | - | - |
| Insurances: | | | | | | |
| Liability Insurance | 2,344,275.00 | 2,339,275.00 | 1,969,498.50 | \$ 44,121.06 | \$ 325,655.44 | |
| Employee Group Insurance | 7,104,218.80 | 7,078,218.80 | 6,350,300.37 | 39,967.34 | 687,951.09 | |
| Health Benefit Waiver | 200,000.00 | 220,000.00 | 216,053.61 | | 3,946.39 | |
| | <u>9,648,493.80</u> | <u>9,637,493.80</u> | <u>8,535,852.48</u> | <u>84,088.40</u> | <u>1,017,552.92</u> | - |
| UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17) | | | | | | |
| Salaries and Wages | 1,036,044.80 | 1,036,044.80 | 926,594.53 | | 109,450.27 | |
| Other Expenses | 21,725.00 | 21,725.00 | 4,743.50 | 139.12 | 16,842.38 | |
| | <u>1,057,769.80</u> | <u>1,057,769.80</u> | <u>931,338.03</u> | <u>139.12</u> | <u>126,292.65</u> | - |
| UNCLASSIFIED | | | | | | |
| Utilities: | | | | | | |
| Gasoline | 390,000.00 | 390,000.00 | 196,263.40 | 81,501.16 | 112,235.44 | |
| Fuel - Diesel | 330,000.00 | 330,000.00 | 172,798.07 | 80,390.39 | 76,811.54 | |
| Electricity | 660,000.00 | 660,000.00 | 347,484.03 | 30,947.49 | 281,568.48 | |
| Telephone | 360,000.00 | 360,000.00 | 197,546.25 | 12,062.40 | 150,391.35 | |
| Natural Gas | 228,800.00 | 228,800.00 | 91,325.61 | 4,627.11 | 132,847.28 | |
| Street Lighting | 605,000.00 | 605,000.00 | 413,098.19 | 51,350.45 | 140,551.36 | |
| Postage | 100,000.00 | 100,000.00 | 60,719.70 | 10,000.00 | 29,280.30 | |
| Building Maintenance | 100,000.00 | 100,000.00 | 63,653.50 | 6,400.00 | 29,946.50 | |
| Copier Maintenance | 27,500.00 | 27,500.00 | 13,485.37 | 7,582.59 | 6,432.04 | |
| Credit Card Processing Fees | 30,000.00 | 36,000.00 | 36,000.00 | | | |
| Operating Lease - Ladder Truck | 212,576.53 | 212,576.53 | 212,575.53 | | 1.00 | |
| Montclair Early Childhood Corporation M.E.C.C. | 278,000.00 | 278,000.00 | 278,000.00 | | | |
| | <u>3,321,876.53</u> | <u>3,327,876.53</u> | <u>2,082,949.65</u> | <u>284,861.59</u> | <u>960,065.29</u> | - |
| COMPENSATED ABSENCES FOR EARLY RETIREMENT PAYOUTS | | | | | | |
| Salaries and Wages | 1,000.00 | 1,000.00 | 1,000.00 | | | |
| | <u>1,000.00</u> | <u>1,000.00</u> | <u>1,000.00</u> | | | |
| Total Operations Within CAPS | <u>64,238,083.56</u> | <u>66,338,083.56</u> | <u>57,423,428.95</u> | <u>2,528,091.96</u> | <u>6,386,562.65</u> | - |
| CONTINGENT | | | | | | |
| | <u>30,000.00</u> | <u>30,000.00</u> | | | <u>30,000.00</u> | |
| Total Operations Within CAPS | <u>64,268,083.56</u> | <u>66,368,083.56</u> | <u>57,423,428.95</u> | <u>2,528,091.96</u> | <u>6,416,562.65</u> | - |
| Detail: | | | | | | |
| Salaries and Wages | 42,092,211.62 | 42,108,211.62 | 39,614,169.41 | - | 2,494,042.21 | - |
| Other Expenses | 22,145,871.94 | 24,229,871.94 | 17,809,259.54 | 2,528,091.96 | 3,892,520.44 | - |
| | <u>64,238,083.56</u> | <u>66,338,083.56</u> | <u>57,423,428.95</u> | <u>2,528,091.96</u> | <u>6,386,562.65</u> | |

TOWNSHIP OF MONTCLAIR
CURRENT FUND

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

A-3
Sheet # 5

| | Appropriations | | Paid or Charged | Reserved | | Balance Canceled |
|---|----------------------|----------------------|----------------------|------------------------|---------------------|------------------|
| | Budget | Modified Budget | | Encumbered | Unencumbered | |
| APPROPRIATIONS WITHIN "CAPS" | | | | | | |
| DEFERRED CHARGES | | | | | | |
| IT - Other Expenses | \$ 224.78 | \$ 224.78 | \$ 224.78 | | | |
| | <u>224.78</u> | <u>224.78</u> | <u>224.78</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| STATUTORY EXPENDITURES | | | | | | |
| Contributions to: | | | | | | |
| Public Employees' Retirement System of N.J. | 1,739,413.48 | 1,739,413.48 | 1,706,443.12 | | \$ 32,970.36 | |
| Social Security System (OASI) | 1,598,598.24 | 1,493,598.24 | 1,421,653.94 | | 71,944.30 | |
| Police and Firemen's Retirement System of N.J. | 8,057,030.71 | 8,162,030.71 | 8,160,534.02 | | 1,496.69 | |
| Defined Contribution Retirement Plan | 50,000.00 | 50,000.00 | 45,740.59 | | 4,259.41 | |
| | <u>11,445,042.43</u> | <u>11,445,042.43</u> | <u>11,334,371.67</u> | <u>-</u> | <u>110,670.76</u> | <u>-</u> |
| Total Statutory Expenditures | 11,445,042.43 | 11,445,042.43 | 11,334,371.67 | - | 110,670.76 | - |
| Total Appropriations Within "CAPS" | <u>75,713,350.77</u> | <u>77,813,350.77</u> | <u>68,758,025.40</u> | <u>\$ 2,528,091.96</u> | <u>6,527,233.41</u> | <u>-</u> |
| APPROPRIATIONS EXCLUDED FROM "CAPS" | | | | | | |
| OTHER OPERATIONS | | | | | | |
| Maintenance of Free Public Library - Statutory Appropriation | 3,888,915.00 | 3,888,915.00 | 3,888,915.00 | | | |
| Maintenance of Free Public Library - Additional Appropriation | | - | | | | |
| Salaries and Wages | 515,000.00 | 515,000.00 | 515,000.00 | | | |
| Employee Group Health Insurances | 565,384.00 | 565,384.00 | 565,384.00 | | | |
| Liability Insurance | 341,517.00 | 341,517.00 | 341,517.00 | | | |
| Total Other Operations | <u>5,310,816.00</u> | <u>5,310,816.00</u> | <u>5,310,816.00</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| UNIFORM CONSTRUCTION CODE - | | | | | | |
| APPROPRIATIONS OFFSET BY | | | | | | |
| INCREASED FEE REVENUE | | | | | | |
| (N.J.A.C. 5:23-4.17) | | | | | | |
| Other Expenses - Health Benefits | 114,318.00 | 114,318.00 | 114,318.00 | | | |
| | <u>114,318.00</u> | <u>114,318.00</u> | <u>114,318.00</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| ADDITIONAL APPROPRIATIONS OFFSET BY | | | | | | |
| REVENUES (N.J.S.A. 40A:4-43.3h) | | | | | | |
| Glen Ridge Fire Contract: | | | | | | |
| Salaries and Wages | 972,222.00 | 972,222.00 | 972,222.00 | | | |
| School Resource Officer - BOE: | | | | | | |
| Salaries and Wages | 150,000.00 | 150,000.00 | 150,000.00 | | | |
| Interlocal Government Health Service Contract - Cedar Grove: | | | | | | |
| Salaries and Wages | 86,412.00 | 86,412.00 | 86,412.00 | | | |
| Interlocal Nursing Services - West Caldwell: | | | | | | |
| Salaries and Wages | 58,500.00 | 58,500.00 | 58,500.00 | | | |
| Interlocal Senior Bus Ride Services - Essex County: | | | | | | |
| Other Expenses | 175,000.00 | 175,000.00 | 175,000.00 | | | |
| | <u>1,442,134.00</u> | <u>1,442,134.00</u> | <u>1,442,134.00</u> | <u>-</u> | <u>-</u> | <u>-</u> |

TOWNSHIP OF MONTCLAIR
CURRENT FUND

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

A-3
Sheet # 6

| | Appropriations | | Paid or Charged | Reserved | | Balance Canceled |
|---|---------------------|----------------------|----------------------|---------------|------------------|------------------|
| | Budget | Modified Budget | | Encumbered | Unencumbered | |
| APPROPRIATIONS EXCLUDED FROM "CAPS" | | | | | | |
| PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES | | | | | | |
| Matching Funds for Grants | \$ 50,000.00 | \$ 50,000.00 | | | \$ 50,000.00 | |
| Safe and Secure Neighborhood Programs Grant | 100,551.67 | 100,551.67 | \$ 100,551.67 | | | |
| Distracted Driving Incentive Grant | 12,250.00 | 12,250.00 | 12,250.00 | | | |
| Bulletproof Vest Partnership Grant | 7,614.91 | 7,614.91 | 7,614.91 | | | |
| CLG Historic Preservation Grant | 30,000.00 | 30,000.00 | 30,000.00 | | | |
| Safe Streets and Roads | 438,220.00 | 438,220.00 | 438,220.00 | | | |
| NJDOT - Glen Ridge Avenue Cycle Track | 997,000.00 | 997,000.00 | 997,000.00 | | | |
| Glen Ridge Cycle Track Design | 330,118.29 | 330,118.29 | 330,118.29 | | | |
| Emergency Management Agency Assistance Grant | 10,000.00 | 10,000.00 | 10,000.00 | | | |
| NJDOT - Upper Mountain Avenue Roadway | 380,354.00 | 380,354.00 | 380,354.00 | | | |
| Recycling Tonnage Grant | 38,986.26 | 38,986.26 | 38,986.26 | | | |
| ELC Grant (Epidemiology and Laboratory Capacity for Infectious Disease) | 12,500.00 | 12,500.00 | 12,500.00 | | | |
| National Opioid Settlement Grant | 159,606.98 | 316,104.33 | 316,104.33 | | | |
| Community Energy Plan (BPU Initiative) | 10,000.00 | 10,000.00 | 10,000.00 | | | |
| Click it or Ticket | 4,900.00 | 4,900.00 | 4,900.00 | | | |
| Partners for Health | 7,500.00 | 7,500.00 | 7,500.00 | | | |
| 2025 Partners for Health Lifelong Grant | | 50,000.00 | 50,000.00 | | | |
| NJ DCA NJ Homes Launchpad | | 50,000.00 | 50,000.00 | | | |
| Drive Sober or Get Pulled Over Grant | | 22,750.00 | 22,750.00 | | | |
| Childhood Lead Program Grant 7/1/25-6/30/26 | | 174,862.00 | 174,862.00 | | | |
| Township of Maplewood Sustainable Energy Initiatives Grant | | 66,629.42 | 66,629.42 | | | |
| Clean Communities Grant | | 92,448.35 | 92,448.35 | | | |
| JIF - No Accidents Today | | 5,000.00 | 5,000.00 | | | |
| Sustainable Energy Small Programs Grant | | 25,000.00 | 25,000.00 | | | |
| Alcohol Education Rehab Fund | | 1,547.49 | 1,547.49 | | | |
| Assistance to Firefighters Grant | 160,789.09 | 160,789.09 | 160,789.09 | | | |
| MCIA | 20,325.26 | 20,325.26 | 20,325.26 | | | |
| USDA Composting Grant | 240,650.00 | 240,650.00 | 240,650.00 | | | |
| 2025 MILL Grant - Partners for Health Grant | 30,000.00 | 30,000.00 | 30,000.00 | | | |
| | <u>3,041,366.46</u> | <u>3,686,101.07</u> | <u>3,636,101.07</u> | <u>-</u> | <u>50,000.00</u> | <u>-</u> |
| Total Operations Excluded from "CAPS" | <u>9,908,634.46</u> | <u>10,553,369.07</u> | <u>10,503,369.07</u> | <u>-</u> | <u>50,000.00</u> | <u>-</u> |
| Detail: | | | | | | |
| Salaries and Wages | 1,782,134.00 | 1,782,134.00 | 1,782,134.00 | - | - | - |
| Other Expenses | 8,126,500.46 | 8,771,235.07 | 8,721,235.07 | - | 50,000.00 | - |
| | <u>9,908,634.46</u> | <u>10,553,369.07</u> | <u>10,503,369.07</u> | <u>-</u> | <u>50,000.00</u> | <u>-</u> |
| CAPITAL IMPROVEMENTS | | | | | | |
| Capital Improvement Fund | 620,000.00 | 620,000.00 | 620,000.00 | | | |
| Motor Vehicles and Equipment | 507,000.00 | 507,000.00 | 338,575.78 | \$ 168,424.22 | | |
| CRT & Weapons and Accessories | 75,000.00 | 75,000.00 | 33,795.55 | 41,204.45 | | |
| Police IT Projects | 98,000.00 | 98,000.00 | 98,000.00 | | | |
| Police Buildings Improvements | 80,000.00 | 80,000.00 | | 80,000.00 | | |

TOWNSHIP OF MONTCLAIR
CURRENT FUND

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

A-3
Sheet # 7

| | Appropriations | | Paid or Charged | Reserved | | Balance Canceled |
|--|--------------------------|--------------------------|--------------------------|------------------------|------------------------|--------------------|
| | Budget | Modified Budget | | Encumbered | Unencumbered | |
| <u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u> | | | | | | |
| <u>CAPITAL IMPROVEMENTS (CONT)</u> | | | | | | |
| Fire Vehicles (SUV's & Lighting) | \$ 135,000.00 | \$ 135,000.00 | \$ 37,245.00 | \$ 97,755.00 | | |
| Fire PPE | 50,000.00 | 50,000.00 | | 50,000.00 | | |
| Tools and Equipment | 40,000.00 | 40,000.00 | | 40,000.00 | | |
| Station #2 Repairs | 75,000.00 | 75,000.00 | | 75,000.00 | | |
| Senior Services - United Way Building Furniture | 60,000.00 | 60,000.00 | 60,000.00 | | | |
| Animal Shelter Laptops, Desktops and Monitors | 8,000.00 | 8,000.00 | 8,000.00 | | | |
| Health - Vital Statistics Software | 10,000.00 | 10,000.00 | 10,000.00 | | | |
| Log Truck | 325,000.00 | 325,000.00 | 10,000.00 | 315,000.00 | | |
| Pickup Trucks with Plow | 125,000.00 | 125,000.00 | 4,448.55 | 120,551.45 | | |
| Drainage Projects, Sidewalks, Retaining Walls, Curbs | 250,000.00 | 250,000.00 | 250,000.00 | | | |
| Packer Repairs | 125,000.00 | 125,000.00 | 111,605.38 | 13,394.62 | | |
| Snow Plow | 275,000.00 | 275,000.00 | 13,050.43 | 261,949.57 | | |
| | <u>2,858,000.00</u> | <u>2,858,000.00</u> | <u>1,594,720.69</u> | <u>1,263,279.31</u> | <u>-</u> | <u>-</u> |
| <u>DEBT SERVICE</u> | | | | | | |
| Payment of Bond Principal | 7,405,000.00 | 7,405,000.00 | 7,405,000.00 | | | |
| Interest on Bonds | 1,182,440.00 | 1,182,440.00 | 1,182,433.78 | | | \$ 6.22 |
| Green Acres Trust Loan Program: | | | | | | |
| Loan Repayments for Principal | 43,000.00 | 43,000.00 | 42,015.64 | | | 984.36 |
| Loan Repayments for Interest | 500.00 | 500.00 | 382.16 | | | 117.84 |
| Business Improvement District Loan | 32,666.67 | 32,666.67 | 32,666.67 | | | |
| | <u>8,663,606.67</u> | <u>8,663,606.67</u> | <u>8,662,498.25</u> | <u>-</u> | <u>-</u> | <u>1,108.42</u> |
| <u>FOR LOCAL SCHOOL DISTRICT PURPOSES</u> | | | | | | |
| Type I School District Debt Service: | | | | | | |
| Payment of Bond Principal | 6,665,000.00 | 6,665,000.00 | 6,665,000.00 | | | |
| Interest on Bonds | 1,213,650.00 | 1,213,650.00 | 1,213,647.22 | | | 2.78 |
| | <u>7,878,650.00</u> | <u>7,878,650.00</u> | <u>7,878,647.22</u> | <u>-</u> | <u>-</u> | <u>2.78</u> |
| Total Appropriations Excluded from "CAPS" | <u>29,308,891.13</u> | <u>29,953,625.74</u> | <u>28,639,235.23</u> | <u>1,263,279.31</u> | <u>\$ 50,000.00</u> | <u>1,111.20</u> |
| Sub-total Appropriations | 105,022,241.90 | 107,766,976.51 | 97,397,260.63 | 3,791,371.27 | 6,577,233.41 | 1,111.20 |
| Reserve for Uncollected Taxes | <u>3,024,092.59</u> | <u>3,024,092.59</u> | <u>3,024,092.59</u> | | | |
| Total Appropriations | <u>\$ 108,046,334.49</u> | <u>\$ 110,791,069.10</u> | <u>\$ 100,421,353.22</u> | <u>\$ 3,791,371.27</u> | <u>\$ 6,577,233.41</u> | <u>\$ 1,111.20</u> |
| | | | | | | |
| Adopted Budget | | \$ 108,016,334.49 | | | | |
| Added by N.J.S.A. 40A:4-87 | | 674,734.61 | | | | |
| Emergency Appropriation | | 100,000.00 | | | | |
| Special Emergency Appropriation | | <u>2,000,000.00</u> | | | | |
| Total Modified Budget | | <u>110,791,069.10</u> | | | | |
| Cash Disbursements | | | \$ 91,330,731.71 | | | |
| Interfund - Due to General Capital Fund | | | 430,427.85 | | | |
| Reserve for Uncollected Taxes | | | 3,024,092.59 | | | |
| Reserve for Revaluation | | | 2,000,000.00 | | | |
| Appropriated Grant Reserves | | | <u>3,636,101.07</u> | | | |
| | | <u>\$ 110,791,069.10</u> | <u>\$ 100,421,353.22</u> | | | |

TOWNSHIP OF MONTCLAIR
TRUST FUNDS

BALANCE SHEET
REGULATORY BASIS
DECEMBER 31, 2025 (UNAUDITED)

B
Sheet # 1

| | <u>2025</u> |
|---|------------------------------|
| <u>ASSETS</u> | |
| <u>Assessment Trust Fund</u> | |
| Cash - Checking | \$ 6,150.01 |
| Assessments Receivable | 341.15 |
| | <hr/> 6,491.16 <hr/> |
| <u>Animal Control Trust Fund</u> | |
| Cash - Checking | 154,350.10 |
| | <hr/> 154,350.10 <hr/> |
| <u>General Trust Fund</u> | |
| Cash - General Trust | 9,040,343.00 |
| Cash - State Unemployment Insurance | 431,086.85 |
| Cash - Section 8 Housing | 202,836.32 |
| Cash - Forfeited Assets | 63,155.78 |
| Interfunds Receivable | 400.00 |
| Due from County of Essex - Community Development Block Grants Receivable | 236,421.33 |
| | <hr/> 9,974,243.28 <hr/> |
| <u>Payroll Account</u> | |
| Cash | 433,647.44 |
| | <hr/> \$ 10,568,731.98 <hr/> |

TOWNSHIP OF MONTCLAIR
TRUST FUNDS

BALANCE SHEET
REGULATORY BASIS
DECEMBER 31, 2025 (UNAUDITED)

B
Sheet # 2

2025

LIABILITIES, RESERVES AND FUND BALANCE

Assessment Trust Fund

| | |
|--|-----------------|
| Reserve for Assessments and Assessment Liens | \$ 341.15 |
| Fund Balance | 6,150.01 |
| | <u>6,491.16</u> |

Animal Control Trust Fund

| | |
|--|-------------------|
| Due to State of New Jersey | 12.00 |
| Reserve for: | |
| Animal Shelter Expenditures | 135,832.65 |
| Animal Control Trust Fund Expenditures | 18,505.45 |
| | <u>154,350.10</u> |

General Trust Fund

| | |
|--|---------------------|
| Accounts Payable - Section 8 Housing | 10,121.68 |
| Encumbrances Payable | 1,171,052.25 |
| Reserve for: | |
| Special Deposits | 7,988,267.46 |
| Community Development Block Grant | 163,148.83 |
| Section 8 Voucher Program | 192,714.64 |
| Police Forfeiture Expenditures | 61,565.78 |
| State Unemployment Trust Fund Expenditures | 387,372.64 |
| | <u>9,974,243.28</u> |

Payroll Account

| | |
|---------------------------------------|-------------------------|
| Payroll Deductions and Other Payables | 422,105.45 |
| Flexible Spending Account | 11,541.99 |
| | <u>433,647.44</u> |
| | <u>\$ 10,568,731.98</u> |

TOWNSHIP OF MONTCLAIR
TRUST FUNDS

STATEMENT OF FUND BALANCE
ASSESSMENT TRUST
YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

B-1

| | |
|------------------------------------|---------------------------|
| Balance, December 31, 2024 | \$ 35,435.36 |
| Increased by: | |
| Cash Receipts | <u>714.65</u> |
| | 36,150.01 |
| Decreased by: | |
| Anticipated Revenue - Current Fund | <u>30,000.00</u> |
| Balance, December 31, 2025 | <u><u>\$ 6,150.01</u></u> |

See Accountants' Compilation Report.

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

BALANCE SHEET
REGULATORY BASIS
DECEMBER 31, 2025 (UNAUDITED)

C

ASSETS AND DEFERRED CHARGES

| | <u>2025</u> |
|--------------------------------------|--------------------------|
| Cash - Checking | \$ 26,106.94 |
| Grants Receivable | 480,944.10 |
| Interfunds Receivable | 457,627.85 |
| Deferred Charges to Future Taxation: | |
| Funded | 66,598,211.67 |
| Unfunded | 35,821,406.37 |
| | <u>\$ 103,384,296.93</u> |

LIABILITIES, RESERVES AND FUND BALANCE

| | |
|---|--------------------------|
| General Serial Bonds | \$ 37,000,000.00 |
| School Serial Bonds | 29,340,000.00 |
| Green Acres Loans Payable | 192,878.38 |
| Business District Loan Payable | 65,333.29 |
| Interfunds Payable | 4,525,935.50 |
| Encumbrances Payable | 6,832,091.55 |
| Improvement Authorizations: | |
| Funded | 472,492.25 |
| Unfunded | 22,803,322.80 |
| Capital Improvement Fund | 831,832.83 |
| Reserve for: | |
| Capital Projects | 430,427.85 |
| Grants Receivable | 480,944.10 |
| Payment of Debt Service | 338,412.50 |
| Fund Balance | 70,625.88 |
| | <u>\$ 103,384,296.93</u> |
| | |
| Bonds and Notes Authorized but Not Issued | <u>\$ 35,821,406.37</u> |

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

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

C-1

| | |
|------------------------------------|----------------------------|
| Balance, December 31, 2024 | \$ 220,625.88 |
| Decreased by: | |
| Anticipated Revenue - Current Fund | <u>150,000.00</u> |
| Balance, December 31, 2025 | <u><u>\$ 70,625.88</u></u> |

TOWNSHIP OF MONTCLAIR
WATER UTILITY FUND

BALANCE SHEET
REGULATORY BASIS
DECEMBER 31, 2025 (UNAUDITED)

D
Sheet # 1

ASSETS

2025

Operating Fund

| | |
|-------------|--------------------|
| Cash | \$ 5,385,502.65 |
| Change Fund | 200.00 |
| | <hr/> 5,385,702.65 |

| | |
|-----------------------|--------|
| Interfunds Receivable | 488.23 |
|-----------------------|--------|

Receivables with Full Reserves:

| | |
|------------------------------|--------------------|
| Consumer Accounts Receivable | <hr/> 1,053,924.27 |
|------------------------------|--------------------|

6,440,115.15

Capital Fund

| | |
|-----------------|--------------|
| Cash - Checking | 6,318,243.18 |
|-----------------|--------------|

| | |
|-----------------------|--------------|
| Interfunds Receivable | 2,025,935.50 |
|-----------------------|--------------|

| | |
|---------------|---------------|
| Fixed Capital | 43,371,358.11 |
|---------------|---------------|

| | |
|--|---------------------|
| Fixed Capital - Authorized and Uncompleted | <hr/> 15,175,000.00 |
|--|---------------------|

66,890,536.79

\$ 73,330,651.94

TOWNSHIP OF MONTCLAIR
WATER UTILITY FUND

BALANCE SHEET
REGULATORY BASIS
DECEMBER 31, 2025 (UNAUDITED)

D
Sheet # 2

LIABILITIES, RESERVES AND FUND BALANCES

2025

Operating Fund

Appropriation Reserves:

| | |
|---------------------------|---------------|
| Encumbered | \$ 439,962.26 |
| Unencumbered | 633,435.59 |
| Accrued Interest on Bonds | 20,141.67 |
| Accrued Interest on Loans | |
| Accounts Payable | 111,824.33 |
| Water Overpayments | 59,332.12 |
| | <hr/> |
| | 1,264,695.97 |
| Reserve for Receivables | 1,053,924.27 |
| Fund Balance | 4,121,494.91 |
| | <hr/> |
| | 6,440,115.15 |

Capital Fund

| | |
|---|------------------|
| Serial Bonds | 1,645,000.00 |
| N.J. Environmental Infrastructure Trust | |
| Loan Payable | 115,602.58 |
| Improvement Authorizations: | |
| Funded | 5,454,302.44 |
| Encumbrances Payable | 2,319,129.32 |
| Capital Improvement Fund | 472,256.53 |
| Reserve for Amortization | 41,610,755.53 |
| Deferred Reserve for Amortization | 15,175,000.00 |
| Fund Balance | 98,490.39 |
| | <hr/> |
| | 66,890,536.79 |
| | <hr/> |
| | \$ 73,330,651.94 |

TOWNSHIP OF MONTCLAIR
WATER UTILITY OPERATING FUND

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

D-1

2025

Revenues and Other Income Realized:

| | |
|--|----------------------|
| Fund Balance Utilized | \$ 1,570,369.85 |
| Water Rents | 8,836,266.03 |
| Miscellaneous Revenues | 1,463,201.48 |
| Other Credits to Income: | |
| Unexpended Balance of Appropriation Reserves | 926,197.10 |
| Total Revenues and Other Income Realized | <u>12,796,034.46</u> |

Expenditures

| | |
|------------------------|----------------------|
| Budget Expenditures: | |
| Operating | 6,380,562.65 |
| Capital Improvements | 3,000,000.00 |
| Debt Service | 889,154.08 |
| Statutory Expenditures | 381,807.20 |
| Total Expenditures | <u>10,651,523.93</u> |

| | |
|---|--------------|
| Excess in Revenues and Other Income Realized Over Expenditures | 2,144,510.53 |
|---|--------------|

Fund Balance

| | |
|----------------------------|---------------------|
| Balance, Beginning of Year | <u>3,547,354.23</u> |
| | 5,691,864.76 |

Decreased by:

| | |
|---------------------------------|---------------------|
| Utilized as Anticipated Revenue | <u>1,570,369.85</u> |
|---------------------------------|---------------------|

| | |
|----------------------|-------------------------------|
| Balance, End of Year | <u><u>\$ 4,121,494.91</u></u> |
|----------------------|-------------------------------|

See Accountants' Compilation Report.

TOWNSHIP OF MONTCLAIR
WATER UTILITY CAPITAL FUND

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

D-2

Balance, December 31, 2025 and 2024

\$ 98,490.39

See Accountants' Compilation Report.

TOWNSHIP OF MONTCLAIR
WATER UTILITY OPERATING FUND

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

D-3

| Source | Budget | Realized | Excess |
|--|------------------|------------------|-----------------|
| Fund Balance Utilized | \$ 1,570,369.85 | \$ 1,570,369.85 | |
| Water Rents | 8,700,000.00 | 8,836,266.03 | \$ 136,266.03 |
| Miscellaneous Revenues | 425,000.00 | 1,463,201.48 | 1,038,201.48 |
| | \$ 10,695,369.85 | \$ 11,869,837.36 | \$ 1,174,467.51 |
| <u>Analysis of Realized Revenues</u> | | | |
| Miscellaneous Revenues: | | | |
| New Service Fees | \$ 65,538.98 | | |
| Other | 130,227.08 | | |
| PFAS Settlement Proceeds | 710,750.07 | | |
| Interest on Deposits - Operating | 384,106.88 | | |
| Interest on Deposits - Capital | 91,667.56 | | |
| Return Check Fees | 1,581.13 | | |
| Interest on Delinquent Rents | 79,329.78 | | |
| | | \$ 1,463,201.48 | |
| Collections: | | | |
| Treasurer | | \$ 1,463,201.48 | |

TOWNSHIP OF MONTCLAIR
WATER UTILITY OPERATING FUND

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

D-4

| Appropriation | Budget | Modified Budget | Paid or Charged | Expended | | Balance Canceled |
|--------------------------------------|-------------------------|-------------------------|------------------------|----------------------|--------------------------|---------------------|
| | | | | Encumbered | Reserved Unencumbered | |
| <u>Operating</u> | | | | | | |
| Salaries and Wages | \$ 1,417,294.08 | \$ 1,417,294.08 | \$ 1,360,273.30 | | \$ 57,020.78 | |
| Other Expenses | 2,570,975.00 | 2,570,975.00 | 1,732,444.07 | \$ 439,781.12 | 398,749.81 | |
| Purchased Water | 2,200,000.00 | 2,200,000.00 | 2,082,602.80 | | 117,397.20 | |
| <u>Commercial</u> | | | | | | |
| Salaries and Wages | 137,293.57 | 137,293.57 | 102,230.70 | | 35,062.87 | |
| Other Expenses | 55,000.00 | 55,000.00 | 29,613.93 | 181.14 | 25,204.93 | |
| | <u>6,380,562.65</u> | <u>6,380,562.65</u> | <u>5,307,164.80</u> | <u>439,962.26</u> | <u>633,435.59</u> | <u>-</u> |
| <u>Capital Improvements</u> | | | | | | |
| Capital Improvements | 3,000,000.00 | 3,000,000.00 | 3,000,000.00 | - | - | - |
| | <u>3,000,000.00</u> | <u>3,000,000.00</u> | <u>3,000,000.00</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>Debt Service</u> | | | | | | |
| Payment on Bond Principal | 770,000.00 | 770,000.00 | 770,000.00 | | | |
| Interest on Bonds | 120,000.00 | 120,000.00 | 80,104.17 | | | \$ 39,895.83 |
| Environmental Trust Fund - Principal | 40,000.00 | 40,000.00 | 37,016.58 | | | 2,983.42 |
| Environmental Trust Fund - Interest | 3,000.00 | 3,000.00 | 2,033.33 | | | 966.67 |
| | <u>933,000.00</u> | <u>933,000.00</u> | <u>889,154.08</u> | <u>-</u> | <u>-</u> | <u>43,845.92</u> |
| <u>Statutory Expenditures</u> | | | | | | |
| Contribution to: | | | | | | |
| Public Employees' Retirement System | 250,586.84 | 250,586.84 | 250,586.84 | | | |
| Social Security System | 126,220.36 | 126,220.36 | 126,220.36 | | | |
| Unemployment Compensation Insurance | 5,000.00 | 5,000.00 | 5,000.00 | | | |
| | <u>381,807.20</u> | <u>381,807.20</u> | <u>381,807.20</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 10,695,369.85</u> | <u>\$ 10,695,369.85</u> | <u>\$ 9,578,126.08</u> | <u>\$ 439,962.26</u> | <u>\$ 633,435.59</u> | <u>\$ 43,845.92</u> |
| Cash Disbursed | | | \$ 9,495,988.58 | | | |
| Accrued Interest on Bonds | | | 80,104.17 | | | |
| Accrued Interest on Loans | | | 2,033.33 | | | |
| | | | <u>\$ 9,578,126.08</u> | | | |

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

BALANCE SHEET
REGULATORY BASIS
DECEMBER 31, 2025 (UNAUDITED)

E
Sheet # 1

| | <u>2025</u> |
|--|-------------------------|
| <u>ASSETS</u> | |
| <u>Operating Fund</u> | |
| Cash - Checking | \$ 3,065,896.15 |
| Change Fund | 200.00 |
| | <u>3,066,096.15</u> |
| Receivables with Full Reserves: | |
| Consumer Accounts Receivable | <u>1,181,045.93</u> |
| | <u>4,247,142.08</u> |
| <u>Capital Fund</u> | |
| Cash | 5,683,697.68 |
| Interfund Receivable | 2,500,000.00 |
| Fixed Capital | 7,201,097.09 |
| Fixed Capital Authorized and Uncompleted | <u>11,035,000.00</u> |
| | <u>26,419,794.77</u> |
| | <u>\$ 30,666,936.85</u> |

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

BALANCE SHEET
REGULATORY BASIS
DECEMBER 31, 2025 (UNAUDITED)

E
Sheet # 2

LIABILITIES, RESERVES AND FUND BALANCE

Operating Fund

Appropriation Reserves:

| | |
|---------------------------|---------------|
| Encumbered | \$ 183,819.25 |
| Unencumbered | 388,819.25 |
| Accrued Interest on Loans | 6,295.01 |
| Interfund Payable | 488.23 |
| Accounts Payable | 12,229.39 |
| Sewer Overpayments | 64,922.10 |
| | <hr/> |
| | 656,573.23 |
| Reserve for Receivables | 1,181,045.93 |
| Fund Balance | 2,409,522.92 |
| | <hr/> |
| | 4,247,142.08 |
| | <hr/> |

Capital Fund

| | |
|---|------------------|
| Environmental Infrastructure Loan Payable | 1,825,504.76 |
| Improvement Authorizations: | |
| Funded | 6,512,512.15 |
| Capital Improvement Fund | 200,500.00 |
| Encumbrances Payable | 1,283,847.86 |
| Reserve for Amortization | 5,375,592.33 |
| Deferred Reserve for Amortization | 11,035,000.00 |
| Fund Balance | 186,837.67 |
| | <hr/> |
| | 26,419,794.77 |
| | <hr/> |
| | \$ 30,666,936.85 |
| | <hr/> <hr/> |

TOWNSHIP OF MONTCLAIR
SEWER UTILITY OPERATING FUND

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

E-1

2025

Revenues and Other Income Realized:

| | |
|--|----------------------|
| Fund Balance Utilized | \$ 1,316,270.98 |
| Sewer Rents | 8,496,465.92 |
| Sewer Flow Usage Fees - Reservoir Ridge | 137,706.36 |
| Miscellaneous | 474,652.32 |
| Other Credits to Income: | |
| Unexpended Balance of Appropriation Reserves | 543,797.28 |
| Total Revenues and Other Income Realized | <u>10,968,892.86</u> |

Expenditures

Budget Expenditures:

| | |
|------------------------|---------------------|
| Operating | 7,627,405.77 |
| Debt Service | 124,799.31 |
| Statutory Expenditures | 219,865.21 |
| Capital Improvements | 2,000,000.00 |
| Total Expenditures | <u>9,972,070.29</u> |

Excess in Revenues and Other Income Realized Over Expenditures 996,822.57

Fund Balance

| | |
|----------------------------|---------------------|
| Balance, Beginning of Year | <u>2,728,971.33</u> |
| | 3,725,793.90 |

Decreased by:

| | |
|---------------------------------|---------------------|
| Utilized as Anticipated Revenue | <u>1,316,270.98</u> |
|---------------------------------|---------------------|

Balance, End of Year \$ 2,409,522.92

TOWNSHIP OF MONTCLAIR
SEWER UTILITY CAPITAL FUND

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

E-2

Balance, December 31, 2025 and 2024

\$ 186,837.67

TOWNSHIP OF MONTCLAIR
SEWER UTILITY OPERATING FUND

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

E-3

| | <u>Budget</u> | <u>Realized</u> | <u>Excess</u> |
|--|------------------------|-------------------------|----------------------|
| Fund Balance Utilized | \$ 1,316,270.98 | \$ 1,316,270.98 | |
| Sewer Rents | 8,250,000.00 | 8,496,465.92 | \$ 246,465.92 |
| Sewer Flow Usage Fee - Reservoir Ridge | 111,000.00 | 137,706.36 | 26,706.36 |
| Miscellaneous | <u>300,000.00</u> | <u>474,652.32</u> | <u>174,652.32</u> |
| | <u>\$ 9,977,270.98</u> | <u>\$ 10,425,095.58</u> | <u>\$ 447,824.60</u> |
| <u>Miscellaneous Revenues</u> | | | |
| Interest on Deposits: | | | |
| Operating Fund | \$ 89,745.94 | | |
| Capital Fund | <u>268,464.02</u> | | |
| Cash Receipts - Treasurer | | \$ 358,209.96 | |
| Interest on Delinquent Rents | 53,539.09 | | |
| Returned Check Charges | 1,326.21 | | |
| New Services | 56,620.00 | | |
| Other | <u>4,957.06</u> | | |
| Cash Receipts - Collector | | <u>116,442.36</u> | |
| | | <u>\$ 474,652.32</u> | |

TOWNSHIP OF MONTCLAIR
SEWER UTILITY OPERATING FUND

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

E-4

| <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 | \$ 910,097.77 | \$ 910,097.77 | \$ 813,826.64 | | \$ 96,271.13 | |
| Other Expenses | 879,700.00 | 879,700.00 | 548,786.92 | \$ 40,696.25 | 290,216.83 | |
| Passaic Valley Sewer Commission | 5,700,000.00 | 5,700,000.00 | 5,556,876.99 | 143,123.00 | 0.01 | |
| Third River Sewer | 5,000.00 | 5,000.00 | 2,668.72 | | 2,331.28 | |
| Second River Sewer | 132,608.00 | 132,608.00 | 132,608.00 | | | |
| | <u>7,627,405.77</u> | <u>7,627,405.77</u> | <u>7,054,767.27</u> | <u>183,819.25</u> | <u>388,819.25</u> | <u>-</u> |
| <u>Capital</u> | | | | | | |
| Capital Improvement Fund | <u>2,000,000.00</u> | <u>2,000,000.00</u> | <u>2,000,000.00</u> | | | |
| <u>Debt Service</u> | | | | | | |
| Payment on Loan | 110,000.00 | 110,000.00 | 109,528.13 | | | \$ 471.87 |
| Payment of Interest on Loan | 20,000.00 | 20,000.00 | 15,271.18 | | | 4,728.82 |
| | <u>130,000.00</u> | <u>130,000.00</u> | <u>124,799.31</u> | <u>-</u> | <u>-</u> | <u>5,200.69</u> |
| <u>Statutory Expenditures</u> | | | | | | |
| Contribution to: | | | | | | |
| Public Employees' Retirement System | 145,023.98 | 145,023.98 | 145,023.98 | | | |
| Social Security System | 69,841.23 | 69,841.23 | 69,841.23 | | | |
| Unemployment Compensation Insurance | 5,000.00 | 5,000.00 | 5,000.00 | | | |
| | <u>219,865.21</u> | <u>219,865.21</u> | <u>219,865.21</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 9,977,270.98</u> | <u>\$ 9,977,270.98</u> | <u>\$ 9,399,431.79</u> | <u>\$ 183,819.25</u> | <u>\$ 388,819.25</u> | <u>\$ 5,200.69</u> |
| Cash Disbursed | | | \$ 9,384,160.61 | | | |
| Accrued Interest on Loans | | | 15,271.18 | | | |
| | | | <u>\$ 9,399,431.79</u> | | | |

TOWNSHIP OF MONTCLAIR
PARKING UTILITY FUND

BALANCE SHEET
REGULATORY BASIS
DECEMBER 31, 2025 (UNAUDITED)

F

2025

ASSETS

Operating Fund

| | |
|-----------------------|---------------------|
| Cash - Checking | \$ 4,637,198.29 |
| Interfunds Receivable | 125,182.99 |
| | <u>4,762,381.28</u> |

Capital Fund

| | |
|--|----------------------|
| Cash | 1,683,788.75 |
| Fixed Capital | 17,070,856.80 |
| Fixed Capital Authorized and Uncompleted | 2,991,000.00 |
| | <u>21,745,645.55</u> |

\$ 26,508,026.83

LIABILITIES, RESERVES AND FUND BALANCE

Operating Fund

| | |
|------------------------------------|---------------------|
| Accrued Interest on Bonds | \$ 199,689.50 |
| Appropriation Reserves - Committed | 304,649.18 |
| Appropriation Reserves - Reserved | 1,246,366.40 |
| Accounts Payable | 32,612.53 |
| Fund Balance | 2,979,063.67 |
| | <u>4,762,381.28</u> |

Capital Fund

| | |
|------------------------------------|----------------------|
| Serial Bonds | 8,365,000.00 |
| Capital Improvement Fund | 9,000.00 |
| Improvement Authorization - Funded | 1,279,804.86 |
| Encumbrances Payable | 313,733.89 |
| Reserve for Amortization | 8,355,856.80 |
| Deferred Reserve for Amortization | 3,341,000.00 |
| Reserve for Crescent Parking Deck | 31,250.00 |
| Fund Balance | 50,000.00 |
| | <u>21,745,645.55</u> |

\$ 26,508,026.83

See Accountants' Compilation Report.

TOWNSHIP OF MONTCLAIR
PARKING UTILITY OPERATING FUND

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

F-1

2025

| | |
|---|-------------------------------|
| <u>Revenues and Other Income Realized</u> | |
| Fund Balance Utilized | \$ 947,108.09 |
| Permit Fees | 1,460,573.16 |
| Meter Fees | 1,359,522.40 |
| Transient Fees | 1,888,793.03 |
| PATS Revenue | 201,544.02 |
| Other Revenues | 584,479.07 |
| Other Credits to Income: | |
| Appropriation Reserves Lapsed | 1,429,887.80 |
| Total Revenues and Other Income Realized | <u>7,871,907.57</u> |
| <u>Expenditures and Other Charges</u> | |
| Budget Appropriations: | |
| Operating | 4,236,953.86 |
| Capital Improvements | 250,000.00 |
| Debt Service | 995,806.30 |
| Statutory Expenditures | 295,154.23 |
| Transfer to Current Fund - Prior Year Surplus | 1,300,000.00 |
| Total Expenditures and Other Income Realized | <u>7,077,914.39</u> |
| Excess in Revenue and Other Income Realized Over Expenditures | 793,993.18 |
| <u>Fund Balance</u> | |
| Balance, Beginning of Year | <u>3,132,178.58</u> |
| | 3,926,171.76 |
| Decreased by: | |
| Utilized as Anticipated Revenue | <u>947,108.09</u> |
| Balance, End of Year | <u><u>\$ 2,979,063.67</u></u> |

See Accountants' Compilation Report.

TOWNSHIP OF MONTCLAIR
PARKING UTILITY CAPITAL FUND

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

F-1a

Balance, December 31, 2025 and 2024

\$ 50,000.00

See Accountants' Compilation Report.

TOWNSHIP OF MONTCLAIR
PARKING UTILITY OPERATING FUND

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

F-2

| | Budget | Realized | (Deficit) / Excess |
|---------------------------------------|-----------------|-----------------|-----------------------|
| <u>Source:</u> | | | |
| Fund Balance Anticipated | \$ 947,108.09 | \$ 947,108.09 | |
| Meter Fees | 1,600,000.00 | 1,359,522.40 | \$ (240,477.60) |
| Permit Fees | 1,275,000.00 | 1,460,573.16 | 185,573.16 |
| Transient Fees | 1,650,000.00 | 1,888,793.03 | 238,793.03 |
| PATS Revenue | 150,000.00 | 201,544.02 | 51,544.02 |
| Other | 200,000.00 | 584,479.07 | 384,479.07 |
| | \$ 5,822,108.09 | \$ 6,442,019.77 | \$ 619,911.68 |
| <u>Miscellaneous Revenues</u> | | | |
| Interest on Deposits: | | | |
| Operating Fund | \$ 184,726.54 | | |
| Capital Fund | 63,340.11 | | |
| | | \$ 248,066.65 | |
| Chargepoint - Charging Stations | 14,544.95 | | |
| Other | 30,289.57 | | |
| LCOR License Agreement | 68,400.00 | | |
| Herod Operations and Maintenance | 131,177.90 | | |
| Herod's Share of Debt and Maintenance | 92,000.00 | | |
| | | 336,412.42 | |
| | | \$ 584,479.07 | |

TOWNSHIP OF MONTCLAIR
PARKING UTILITY OPERATING FUND

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

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>Unencumbered</u> | |
| <u>Operating</u> | | | | | | |
| Salaries and Wages | \$ 1,345,453.86 | \$ 1,345,453.86 | \$ 1,161,663.16 | | \$ 183,790.70 | |
| Other Expenses | 2,891,500.00 | 2,891,500.00 | 1,524,275.12 | \$ 304,649.18 | 1,062,575.70 | |
| | <u>4,236,953.86</u> | <u>4,236,953.86</u> | <u>2,685,938.28</u> | <u>304,649.18</u> | <u>1,246,366.40</u> | <u>-</u> |
| <u>Capital Improvements</u> | | | | | | |
| Capital Improvement Fund | 250,000.00 | 250,000.00 | 250,000.00 | | | |
| | <u>250,000.00</u> | <u>250,000.00</u> | <u>250,000.00</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>Debt Service</u> | | | | | | |
| Payment on Bond Principal | 590,000.00 | 590,000.00 | 590,000.00 | | | |
| Interest on Bonds | 450,000.00 | 450,000.00 | 405,806.30 | | | \$ 44,193.70 |
| | <u>1,040,000.00</u> | <u>1,040,000.00</u> | <u>995,806.30</u> | <u>-</u> | <u>-</u> | <u>44,193.70</u> |
| <u>Statutory Expenditures</u> | | | | | | |
| Contribution to: | | | | | | |
| Public Employees' Retirement System | 192,151.70 | 192,151.70 | 192,151.70 | | | |
| Social Security System | 98,002.53 | 98,002.53 | 98,002.53 | | | |
| Unemployment Compensation Insurance | 5,000.00 | 5,000.00 | 5,000.00 | | | |
| | <u>295,154.23</u> | <u>295,154.23</u> | <u>295,154.23</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 5,822,108.09</u> | <u>\$ 5,822,108.09</u> | <u>\$ 4,226,898.81</u> | <u>\$ 304,649.18</u> | <u>\$ 1,246,366.40</u> | <u>\$ 44,193.70</u> |
| | | | \$ 3,821,092.51 | | | |
| Cash Disbursements | | | <u>405,806.30</u> | | | |
| Accrued Interest on Bonds | | | <u>\$ 4,226,898.81</u> | | | |

See Accountants' Compilation Report.

TOWNSHIP OF MONTCLAIR
ICE ARENA UTILITY FUND

BALANCE SHEET
REGULATORY BASIS
DECEMBER 31, 2025 (UNAUDITED)

| | 2025 |
|---|-----------------|
| <u>ASSETS AND DEFERRED CHARGES</u> | |
| Operating Fund: | |
| Cash | \$ 59,095.51 |
| Deferred Charges: | |
| Emergency Authorization (40A:4-47) | 50,000.00 |
| Operating Deficit | 270,032.49 |
| Total Operating Fund | 379,128.00 |
| Capital Fund | |
| Cash | 8,003.50 |
| Fixed Capital Authorized and Uncompleted | 952,000.00 |
| Interfund Receivable | 105,180.00 |
| Total Capital Fund | 1,065,183.50 |
| | \$ 1,444,311.50 |
| <u>Liabilities, Reserves and Fund Balance</u> | |
| Operating Fund: | |
| Liabilities: | |
| Interfund Payable | \$ 200,180.00 |
| Encumbrances Payable | 126,317.00 |
| Appropriation Reserves | 52,631.00 |
| Total Operating Fund | 379,128.00 |
| Capital Fund: | |
| Improvement Authorizations: | |
| Unfunded | 482,353.50 |
| Encumbrances Payable | 468,450.00 |
| Reserve for Capital Outlay | 55,180.00 |
| Interfund Payable | 57,200.00 |
| Capital Improvement Fund | 2,000.00 |
| Total Capital Fund | 1,065,183.50 |
| | \$ 1,444,311.50 |
| Bonds and Notes Authorized but Not Issued | \$ 952,000.00 |

See Accountants' Compilation Report.

TOWNSHIP OF MONTCLAIR
ICE ARENA UTILITY OPERATING FUND

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

| | 2025 |
|--|---------------|
| Revenues: | |
| Miscellaneous Revenues | \$ 190,411.51 |
| Total Revenues | 190,411.51 |
| Expenditures: | |
| Operating | 404,764.00 |
| Capital improvements | 105,680.00 |
| Total Expenditures | 510,444.00 |
| Deficit in Revenues Under Expenditures | (320,032.49) |
| Adjustment to Income Before Fund Balance | |
| Expenditures Included Above Which are by | |
| Statute Deferred Charges to Budget of | |
| Succeeding Year: | |
| Emergency Authorization | 50,000.00 |
| Operating Deficit | 270,032.49 |
| | 320,032.49 |
| Statutory Excess to Fund Balance | - |
| Fund Balance: | |
| Balance, January 1 | - |
| Balance, December 31 | \$ - |

TOWNSHIP OF MONTCLAIR
ICE ARENA UTILITY OPERATING FUND

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

| | Anticipated | | Realized | (Deficit) |
|---------------|----------------|--------------------|---------------|-----------------|
| | 2025 Budget | N.J.S. 40A:4-87 | | |
| Miscellaneous | | \$ 460,444.00 | \$ 190,411.51 | \$ (270,032.49) |
| | \$ - | \$ 460,444.00 | \$ 190,411.51 | \$ (270,032.49) |

TOWNSHIP OF MONTCLAIR
ICE ARENA UTILITY OPERATING FUND

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

| | Appropriations | | Expended | | |
|-------------------------------|----------------|---------------------------|-----------------|---------------|--------------|
| | Budget | Budget After Modification | Paid or Charged | Encumbered | Reserved |
| OPERATING: | | | | | |
| Salaries and Wages | | \$ 10,000.00 | | | \$ 10,000.00 |
| Other Expenses | | 394,764.00 | \$ 226,316.00 | \$ 125,817.00 | 42,631.00 |
| CAPITAL IMPROVEMENTS: | | | | | |
| Capital Outlay | | 55,680.00 | 55,180.00 | 500.00 | |
| Down Payments on Improvements | | 50,000.00 | 50,000.00 | | |
| | \$ - | \$ 510,444.00 | \$ 331,496.00 | \$ 126,317.00 | \$ 52,631.00 |

| | |
|---------------------------------|----------------------|
| Appropriated by N.J.S. 40A:4-87 | \$ 460,444.00 |
| Emergency Appropriation | 50,000.00 |
| | <u>\$ 510,444.00</u> |

TOWNSHIP OF MONTCLAIR
GOVERNMENTAL FIXED ASSETS

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2025 (UNAUDITED)

H

| | <u>2025</u> |
|---|--------------------------|
| <u>GOVERNMENTAL FIXED ASSETS</u> | |
| Building and Contents | \$ 49,954,200.00 |
| Land | 46,503,300.00 |
| Vehicles and Other Equipment | <u>21,425,250.00</u> |
| | <u>\$ 117,882,750.00</u> |
| <u>RESERVE</u> | |
| Investment in Governmental Fixed Assets | <u>\$ 117,882,750.00</u> |

See Accountants' Compilation Report.

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INDEPENDENT AUDITOR'S REPORT

AUDITED FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

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SUPLEE, CLOONEY & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Council
Township of Montclair
County of Essex
Montclair, New Jersey 07042

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Unmodified Opinion on Regulatory Basis of Accounting

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

SUPLEE, CLOONEY & COMPANY LLC

Basis for Adverse and Unmodified Opinions

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

Matter Giving Rise to Adverse Opinion

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

SUPLEE, CLOONEY & COMPANY LLC

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2025 on our consideration of the 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Township's internal control over financial reporting and compliance.

SUPLEE, CLOONEY & COMPANY LLC
Certified Public Accountants

/s/ Robert W. Swisher
Robert W. Swisher, C.P.A., R.M.A.

June 24, 2025

TOWNSHIP OF MONTCLAIR
CURRENT AND GRANT FUNDS

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2024 AND 2023

| | Balance December <u>31, 2024</u> | Balance December <u>31, 2023</u> |
|---|--|--|
| <u>ASSETS</u> | | |
| <u>Current Fund</u> | | |
| Current Assets: | | |
| Cash - Checking | \$ 46,743,960.60 | \$ 48,836,624.03 |
| Change Funds | 855.00 | 855.00 |
| | 46,744,815.60 | 48,837,479.03 |
| Due from State of New Jersey: (Ch. 129, P.L. 1976) | 250.00 | 250.00 |
| | 46,745,065.60 | 48,837,729.03 |
| Receivables and Other Assets with Full Reserves: | | |
| Delinquent Property Taxes Receivable | 2,426,417.13 | 2,774,936.67 |
| Tax Title Liens | 293,121.38 | 270,630.94 |
| Property Acquired for Taxes - Assessed Valuation | 317,900.00 | 317,900.00 |
| Other Liens Receivable | 7,500.00 | 7,500.00 |
| Other Accounts Receivable | 30,305.84 | 46,400.31 |
| Revenue Accounts Receivable | 170,336.42 | 84,606.22 |
| | 3,245,580.77 | 3,501,974.14 |
| | 49,990,646.37 | 52,339,703.17 |
| <u>Grant Fund</u> | | |
| Cash | 1,449,035.48 | 1,348,670.53 |
| Grants Receivable | 4,450,410.54 | 1,874,402.40 |
| | 5,899,446.02 | 3,223,072.93 |
| | \$ 55,890,092.39 | \$ 55,562,776.10 |

The accompanying Note to the Financial Statement are an integral part of this statement

TOWNSHIP OF MONTCLAIR
CURRENT AND GRANT FUNDS

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2024 AND 2023

| | Balance December <u>31, 2024</u> | Balance December <u>31, 2023</u> |
|---|--|--|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | |
| <u>Current Fund</u> | | |
| Appropriated Reserves: | | |
| Encumbered | \$ 2,622,817.81 | \$ 2,016,628.88 |
| Unencumbered | 5,805,722.52 | 6,693,726.66 |
| County Taxes Payable | 123,943.20 | 122,434.44 |
| School Taxes Payable | 16,529,506.00 | 18,649,421.00 |
| Special District Tax Payable | 1,200.00 | 1,200.00 |
| Reserve for Municipal Relief Fund | | 309,481.38 |
| Due to State of New Jersey | 88,211.00 | 110,305.00 |
| Prepaid Taxes | 1,274,721.04 | 1,089,110.06 |
| Prepaid PILOTS | 42,250.56 | 30,443.80 |
| Accounts Payable | 1,064,535.84 | 1,449,394.03 |
| Payment in Lieu of Taxes - Overpayments | 5,467.34 | 5,467.34 |
| Tax Overpayments | 52,247.61 | 134,822.29 |
| Reserve for Tax Appeals | 509,876.28 | |
| Interfunds Payable | 1,366,050.90 | |
| | <u>29,486,550.10</u> | <u>30,612,434.88</u> |
| Reserve for Receivables | 3,245,580.77 | 3,501,974.14 |
| Fund Balance | <u>17,258,515.50</u> | <u>18,225,294.15</u> |
| | <u>49,990,646.37</u> | <u>52,339,703.17</u> |
| <u>Grant Fund</u> | | |
| Appropriated Reserves for Federal and | | |
| State Grants | 4,481,397.26 | 2,567,945.33 |
| Reserve for Encumbrances | 1,179,483.71 | 453,860.96 |
| Reserve for Unappropriated Grants | 238,565.05 | 201,266.64 |
| | <u>5,899,446.02</u> | <u>3,223,072.93</u> |
| | <u>\$ 55,890,092.39</u> | <u>\$ 55,562,776.10</u> |

The accompanying Note to the Financial Statement are an integral part of this statement

TOWNSHIP OF MONTCLAIR
CURRENT FUND

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

| | Balance December <u>31, 2024</u> | Balance December <u>31, 2023</u> |
|--|--|--|
| <u>Revenue and Other Income Realized</u> | | |
| Fund Balance Utilized | \$ 9,000,000.00 | \$ 7,550,000.00 |
| Miscellaneous Revenue Anticipated | 24,147,958.71 | 23,022,838.84 |
| Receipts from Delinquent Taxes | 2,733,476.97 | 2,128,461.95 |
| Receipts from Current Taxes | 243,233,569.95 | 240,824,163.18 |
| Nonbudget Revenue | 295,540.47 | 485,392.75 |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriation | | |
| Reserves | 5,268,791.61 | 4,479,398.30 |
| Grant Reserves Canceled | 57,790.82 | |
| Accounts Payable Adjustment | 24,546.34 | |
| Total Income | <u>284,761,674.87</u> | <u>278,490,255.02</u> |
| <u>Expenditures</u> | | |
| Budget Appropriations | 103,704,728.61 | 98,324,217.09 |
| Prior Year Senior Citizen Deductions | | |
| Disallowed by Tax Collector | | |
| Grant Receivables Canceled | 48,663.70 | |
| County Taxes | 41,350,282.21 | 42,525,698.84 |
| Local School District Tax | 130,568,711.00 | 129,208,540.00 |
| Special Improvement District Tax | 1,039,907.00 | 1,018,290.00 |
| Senior and Veteran Receivable Canceled | 1,000.00 | 5,950.00 |
| Transferred to Accounts Payable | | 95,360.93 |
| Refund of PY Revenues | 15,161.00 | 263,407.25 |
| Total Expenditures | <u>276,728,453.52</u> | <u>271,441,464.11</u> |
| Excess Revenue | 8,033,221.35 | 7,048,790.91 |
| <u>Fund Balance</u> | | |
| Balance, Beginning of Year | <u>18,225,294.15</u> | <u>18,726,503.24</u> |
| | 26,258,515.50 | 25,775,294.15 |
| Decreased by: | | |
| Utilized as Anticipated Revenue | <u>9,000,000.00</u> | <u>7,550,000.00</u> |
| Balance, End of Year | <u>\$ 17,258,515.50</u> | <u>\$ 18,225,294.15</u> |

The accompanying Note to the Financial Statement are an integral part of this statement

TOWNSHIP OF MONTCLAIR
CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

| | Budget | N.J.S. 40A:4-87 | Realized | Excess or (Deficit) |
|--|-----------------|--------------------|-----------------|------------------------|
| Fund Balance Anticipated | \$ 9,000,000.00 | | \$ 9,000,000.00 | |
| Miscellaneous Revenue | | | | |
| Licenses: | | | | |
| Alcoholic Beverages | 65,000.00 | | 64,000.00 | \$ (1,000.00) |
| Other Licenses | 154,000.00 | | 119,064.00 | (34,936.00) |
| Fees and Permits | 930,000.00 | | 991,544.29 | 61,544.29 |
| Fines and Costs: | | | | |
| Municipal Court | 1,030,000.00 | | 1,161,768.43 | 131,768.43 |
| Interest and Cost on Taxes | 638,000.00 | | 805,012.43 | 167,012.43 |
| Interest on Investments and Deposits | 1,950,000.00 | | 2,461,351.52 | 511,351.52 |
| Energy Receipts Tax | 3,002,446.00 | | 3,002,446.06 | 0.06 |
| Municipal Relief Fund | 309,481.38 | | 309,481.38 | |
| Dedicated Uniform Construction Code Fees | | | | |
| Offset with Appropriations: | | | | |
| (N.J.S.A. 40A:4.36 and N.J.A.C. 5:23-4.17): | 1,297,000.00 | | 1,306,863.00 | 9,863.00 |
| Interlocal Government Services: | | | | |
| Interlocal Health Services - Cedar Grove | 81,520.00 | | 81,520.00 | |
| Interlocal Health Services - Verona | 94,928.00 | | 94,928.00 | |
| Interlocal Government Services - Fire Services | 911,111.00 | | 911,111.00 | |
| School Resources Officer Board of Education | 155,000.00 | | 161,450.76 | 6,450.76 |
| State and Federal Revenues Offset with | | | | |
| Appropriations: | | | | |
| 2024 Childhood Lead Grant - Extension | 12,500.00 | | 12,500.00 | |
| MILL Grant | 11,000.00 | | 11,000.00 | |
| 2023 Better Cities For Pets Program Grant | 20,000.00 | | 20,000.00 | |
| Sustainable Jersey-PSE&G Partnership Program Grant | 5,000.00 | | 5,000.00 | |
| EECBG Grant | 76,400.00 | | 76,400.00 | |
| National Opioids Settlement Grant | 71,373.90 | | 71,373.90 | |
| 2024 MILL Grant | 30,000.00 | | 30,000.00 | |
| AARP Community Challenge Grant | 11,301.00 | | 11,301.00 | |
| Sustainable Jersey-PSE&G Partnership Program Grant | 20,000.00 | | 20,000.00 | |
| Distracted Driving | 12,250.00 | | 12,250.00 | |
| Bicycle & School Bus Safety Grant 10/1/23-9/30/24 | 18,000.00 | | 18,000.00 | |
| Pedestrian Safety Grant 10/1/23 - 9/30/24 | 30,000.00 | | 30,000.00 | |
| 2023 Body Armor Replacement Fund Grant | 7,282.74 | | 7,282.74 | |
| Bulletproof Vest Partnership Grant | 25,110.93 | | 25,110.93 | |
| Click It or Ticket Grant 5/20/24 - 6/2/24 | 10,500.00 | | 10,500.00 | |
| Safe & Secure Grant | 44,100.00 | | 44,100.00 | |
| American Rescue Plan Firefighter 2024 Grant | 75,000.00 | | 75,000.00 | |
| 2021 Recycling Tonnage Grant rec'd in 2024 | 41,712.00 | | 41,712.00 | |
| 2024 Local Recreation Improvement Grant | 67,000.00 | | 67,000.00 | |
| 2024 Clean Communities Grant | 93,211.17 | | 93,211.17 | |
| USDA Tree Canopy Grant | 1,000,000.00 | | 1,000,000.00 | |
| Comcast Grant | 5,000.00 | | 5,000.00 | |
| Sustainable Jersey-PSE&G Partnership Program Grant | | 5,000.00 | 5,000.00 | |
| Childhood Lead Program Grant 7/1/24 - 6/30/25 | | 200,644.00 | 200,644.00 | |
| Sustaining Local Public Health Infrastructure | | 168,049.00 | 168,049.00 | |
| National Opioids Settlement Grant | | 475,660.37 | 475,660.37 | |
| MCIA Grant 7/1/23 - 6/30/24 | | 15,243.95 | 15,243.95 | |
| Safe & Secure Grant | | 6,270.83 | 6,270.83 | |
| 2024 BVP Awards Grant | | 17,805.42 | 17,805.42 | |
| 2024 Pedestrian/Bicycle/School Bus Safety Gr | | 51,500.00 | 51,500.00 | |
| 2024 Safe & Secure Grant | | 11,287.50 | 11,287.50 | |
| Automated License Plate Reader Grant | | 55,020.00 | 55,020.00 | |
| 2024 Drive Sober or Get Pulled Over Year End | | 8,750.00 | 8,750.00 | |
| NJDEP Green Acres Grant | | 750,000.00 | 750,000.00 | |
| Clean Fleet Grant | | 264,000.00 | 264,000.00 | |
| NJEDA Hazardous Discharge | | 926,360.29 | 926,360.29 | |

The accompanying Note to the Financial Statement are an integral part of this statement

TOWNSHIP OF MONTCLAIR
CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

| | Budget | N.J.S. 40A:4-87 | Realized | (Deficit) or Excess |
|---|-------------------|--------------------|-------------------|------------------------|
| <u>Miscellaneous Revenue</u> | | | | |
| Other Special Items: | | | | |
| Payment In Lieu of Taxes | | | | |
| PILOT - Montclair Senior Housing Corp. (Orange Road) | \$ 124,337.59 | | \$ 136,313.56 | \$ 11,975.97 |
| PILOT - First Montclair Housing Corp. (Walnut Street) | 172,270.70 | | 191,472.07 | 19,201.37 |
| PILOT - RTD Management Corp. (Lackawanna Plaza) | 160,406.00 | | 163,668.00 | 3,262.00 |
| PILOT - RTD Management Corp. (Union Gardens) | 110,000.00 | | 111,299.03 | 1,299.03 |
| PILOT - United Methodist Homes (Pineridge of Montclair) | 26,000.00 | | 30,922.81 | 4,922.81 |
| PILOT - MAP/Centro Verde | 1,359,000.00 | | 1,510,556.57 | 151,556.57 |
| PILOT - MAG/Centro Verde (Garage) | 60,000.00 | | 58,153.77 | (1,846.23) |
| PILOT - Siena | 1,200,000.00 | | 1,267,016.52 | 67,016.52 |
| PILOT - 11 Pine Street | 407,100.00 | | 345,375.62 | (61,724.38) |
| PILOT - Herod Redevelopment | 106,934.57 | | 30,207.72 | (76,726.85) |
| PILOT - 55 Glenridge | 2,500.00 | | 1,714.31 | (785.69) |
| PILOT - MC Hotel | 915,074.74 | | 839,938.19 | (75,136.55) |
| PILOT - Two South Willow (Wellmont East) | 850,000.00 | | 810,419.16 | (39,580.84) |
| PILOT - Two South Willow (Wellmont West) | 243,000.00 | | 374,059.94 | 131,059.94 |
| Wellmont Ground Lease | 124,000.00 | | 123,999.96 | (0.04) |
| Reserve for Payment of Debt Service (School) | 192,022.46 | | 192,022.46 | |
| Rent Control Revenues | 68,000.00 | | 86,850.00 | 18,850.00 |
| Alarm Registration Fees | 110,000.00 | | 111,316.00 | 1,316.00 |
| Penalty on Delinquent Taxes (\$10,000.00 and Over) | 97,000.00 | | 131,018.32 | 34,018.32 |
| Administrative Fees - Police Off-Duty | 384,000.00 | | 449,856.76 | 65,856.76 |
| Rear Yard Refuse Collection | 35,000.00 | | 29,600.00 | (5,400.00) |
| Hotel Tax | 357,000.00 | | 370,085.72 | 13,085.72 |
| Cannabis Revenue | 274,000.00 | | 182,277.02 | (91,722.98) |
| Wireless Edge - Cellular Lease | 60,000.00 | | 62,176.26 | 2,176.26 |
| Cable Television Franchise Fees | 436,000.00 | | 424,764.97 | (11,235.03) |
| Total Miscellaneous Revenue | \$ 20,178,874.18 | \$ 2,955,591.36 | \$ 24,147,958.71 | \$ 1,013,493.17 |
| Receipts From Delinquent Taxes | \$ 2,400,000.00 | \$ | \$ 2,733,476.97 | \$ 333,476.97 |
| Amount to be Raised by Taxes for Support of Municipal Budget: | | | | |
| Local Tax for Municipal Purposes | \$ 61,089,212.77 | | \$ 62,193,316.84 | \$ 1,104,104.07 |
| Minimum Library Tax | 3,572,977.00 | | 3,572,977.00 | |
| Addition to Local District School Tax | 7,836,952.54 | | 7,836,952.54 | |
| | 72,499,142.31 | | 73,603,246.38 | 1,104,104.07 |
| BUDGET TOTALS | \$ 104,078,016.49 | \$ 2,955,591.36 | \$ 109,484,682.06 | 2,451,074.21 |
| Non-Budget Revenues | | | 295,540.47 | 295,540.47 |
| | \$ 104,078,016.49 | \$ 2,955,591.36 | \$ 109,780,222.53 | \$ 2,746,614.68 |

The accompanying Note to the Financial Statement are an integral part of this statement

TOWNSHIP OF MONTCLAIR
CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

| | |
|-----------------------------------|---------------|
| <u>Other Licenses</u> | |
| Township Clerk | \$ 43,215.00 |
| Health Department | 75,849.00 |
| | <hr/> |
| | \$ 119,064.00 |
| | <hr/> |
| <u>Other Fees and Permits</u> | |
| Township Clerk | \$ 142,610.00 |
| Animal Shelter | 20,233.00 |
| Board of Adjustment | 12,460.00 |
| Collector | 560.00 |
| Community Services | 104,212.17 |
| Construction Code | 27,640.00 |
| Health Officer | 32,180.00 |
| Planning Board | 7,470.00 |
| Police | 39,351.62 |
| Public Works | 12,960.00 |
| Recreation | 470,367.50 |
| Vacant Properties | 121,500.00 |
| | <hr/> |
| | \$ 991,544.29 |
| | <hr/> |

The accompanying Note to the Financial Statement are an integral part of this statement

TOWNSHIP OF MONTCLAIR
CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

Analysis of Non-Budget Revenues

| | | |
|--------------------------------------|-------------|----------------------|
| Salvation Army Rent (68 N Full | \$ 8,000.00 | |
| FEMA | 23,732.81 | |
| MRNA- Cellular Lease (Wireless Edge) | 28,232.44 | |
| Copies | 750.00 | |
| NSF Returned Check Charge | 2,950.00 | |
| Miscellaneous | 33,170.21 | |
| Sale of Maps | 40.00 | |
| Auction | 54,465.00 | |
| Vending Machine Commissions | 1,266.50 | |
| Special Charges (Tax Office) | 5,626.52 | |
| Cost of Sales | 13,168.62 | |
| Fee for Dumpster | 425.00 | |
| Div of Motor Veh. Inspec Fines | 500.00 | |
| Special Program - Food Handler | 32,794.00 | |
| Arena Commission | 90,419.37 | |
| | | <u>\$ 295,540.47</u> |

The accompanying Note to the Financial Statement are an integral part of this statement

TOWNSHIP OF MONTCLAIR
CURRENT FUND

"A-3"
Sheet # 1

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

| | Appropriations | | Paid or Charged | Reserved | | Balance Canceled |
|--------------------------------------|---------------------|---------------------|---------------------|-------------------|-------------------|---------------------|
| | Budget | Modified Budget | | Encumbered | Unencumbered | |
| APPROPRIATIONS WITHIN 'CAPS': | | | | | | |
| GENERAL GOVERNMENT | | | | | | |
| Mayor and Council: | | | | | | |
| Salaries and Wages | \$ 49,100.00 | \$ 49,100.00 | \$ 44,193.09 | \$ | \$ 4,906.91 | |
| Other Expenses | 46,950.00 | 46,950.00 | 16,144.66 | 1,478.26 | 29,327.08 | |
| Township and Manager: | | | | | | |
| Salaries and Wages | 449,327.00 | 384,327.00 | 357,098.95 | | 27,228.05 | |
| Other Expenses | 422,662.00 | 422,662.00 | 267,823.03 | 91,412.76 | 63,426.21 | |
| Human Resources | | | | | | |
| Salaries and Wages | 195,881.50 | 195,881.50 | 172,712.40 | | 23,169.10 | |
| Other Expenses | 187,959.44 | 187,959.44 | 126,985.74 | 37,850.91 | 23,112.79 | |
| Information Technology | | | | | | |
| Salaries and Wages | 244,381.60 | 244,381.60 | 230,381.48 | | 14,000.12 | |
| Other Expenses | 674,951.00 | 674,951.00 | 273,164.67 | 121,667.78 | 280,118.55 | |
| Township Clerk: | | | | | | |
| Salaries and Wages | 246,036.50 | 246,036.50 | 234,823.55 | | 11,212.95 | |
| Other Expenses | 49,489.00 | 49,489.00 | 35,758.44 | 13,161.37 | 569.19 | |
| Election Expenses: | | | | | | |
| Salaries and Wages | 15,000.00 | 15,000.00 | 14,325.87 | | 674.13 | |
| Other Expenses | 290,000.00 | 290,000.00 | 97,941.22 | 27,704.89 | 164,353.89 | |
| Township Attorney: | | | | | | |
| Salaries and Wages | 252,240.66 | 202,240.66 | 167,860.51 | | 34,380.15 | |
| Other Expenses | 499,500.00 | 499,500.00 | 288,161.94 | 90,987.97 | 120,350.09 | |
| Municipal Court: | | | | | | |
| Salaries and Wages | 668,198.37 | 668,198.37 | 528,881.39 | 7,697.77 | 139,316.98 | |
| Other Expenses | 72,620.00 | 72,620.00 | 64,922.23 | | | |
| Postage: | | | | | | |
| Other Expenses | 90,000.00 | 90,000.00 | 66,936.84 | 375.00 | 22,688.16 | |
| | <u>4,454,297.07</u> | <u>4,339,297.07</u> | <u>2,988,126.01</u> | <u>392,336.71</u> | <u>958,834.35</u> | |
| FINANCE DEPARTMENT | | | | | | |
| Administration: | | | | | | |
| Salaries and Wages | 129,900.15 | 129,900.15 | 129,893.24 | | 6.91 | |
| Other Expenses | 22,000.00 | 22,000.00 | 9,248.13 | 506.92 | 12,244.95 | |
| Accounting and Treasury: | | | | | | |
| Salaries and Wages | 275,385.13 | 225,385.13 | 223,850.51 | | 1,534.62 | |
| Other Expenses | 52,300.00 | 52,300.00 | 16,952.00 | 3,793.70 | 31,554.30 | |
| Tax Assessor: | | | | | | |
| Salaries and Wages | 395,309.94 | 395,309.94 | 379,793.12 | | 15,516.82 | |
| Other Expenses: | 388,709.00 | 388,709.00 | 218,794.19 | 78,875.75 | 91,039.06 | |
| Tax Collector: | | | | | | |
| Salaries and Wages | 253,008.80 | 253,008.80 | 195,582.48 | | 57,426.32 | |
| Other Expenses | 44,500.00 | 44,500.00 | 21,694.03 | 189.26 | 22,616.71 | |
| Centralized Financial Applications | | | | | | |
| Other Expenses | 210,000.00 | 210,000.00 | 98,188.92 | 26,865.13 | 84,945.95 | |
| Auditing: | | | | | | |
| Other Expenses | 55,000.00 | 55,000.00 | 48,100.00 | | 6,900.00 | |
| | <u>1,826,113.02</u> | <u>1,776,113.02</u> | <u>1,342,096.62</u> | <u>110,230.76</u> | <u>323,785.64</u> | |

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

TOWNSHIP OF MONTCLAIR
CURRENT FUND

"A-3"
Sheet # 2

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

| | Appropriations | | Paid or Charged | Reserved | | Balance Canceled |
|--|----------------|--------------------|--------------------|------------|--------------|---------------------|
| | Budget | Modified Budget | | Encumbered | Unencumbered | |
| APPROPRIATIONS WITHIN "CAPS": | | | | | | |
| PLANNING AND COMMUNITY DEVELOPMENT | | | | | | |
| Municipal Land Use Law (N.J.S.A. 40:56D-1): | | | | | | |
| Planning Administration: | | | | | | |
| Salaries and Wages | \$ 404,054.88 | \$ 404,054.88 | \$ 382,048.69 | \$ | \$ 22,006.19 | |
| Other Expenses | 137,050.00 | 137,050.00 | 53,735.22 | 21,586.00 | 61,728.78 | |
| Planning Board: | | | | | | |
| Other Expenses | 73,400.00 | 73,400.00 | 30,124.15 | 27,301.95 | 15,973.90 | |
| Board of Adjustment | | | | | | |
| Other Expenses | 19,800.00 | 19,800.00 | 10,789.51 | 5,825.00 | 3,185.49 | |
| Rent Control Administration | | | | | | |
| Salaries and Wages | 95,027.70 | 95,027.70 | 83,259.02 | | 11,768.68 | |
| Other Expenses | 40,500.00 | 40,500.00 | 4,073.24 | 2,803.67 | 33,623.09 | |
| Total | 769,832.58 | 769,832.58 | 564,029.83 | 57,516.62 | 148,286.13 | |
| DEPARTMENT OF ADMINISTRATION AND CODE ENFORCEMENT | | | | | | |
| Salaries and Wages | 621,807.75 | 501,807.75 | 489,974.89 | 24,441.72 | 11,832.86 | |
| Other Expenses | 87,550.00 | 87,550.00 | 10,286.81 | 24,441.72 | 52,811.47 | |
| Total | 709,357.75 | 589,357.75 | 500,271.70 | | 64,644.33 | |
| POLICE DEPARTMENT | | | | | | |
| Salaries and Wages | 16,282,955.00 | 16,282,955.00 | 15,791,210.04 | 34,243.88 | 491,744.96 | |
| ATB Service Police PD&Fire Alarm | 503,850.00 | 503,850.00 | 435,875.52 | 4,372.85 | 33,730.60 | |
| Other Expenses | 40,000.00 | 40,000.00 | 18,627.15 | | 17,000.00 | |
| Total | 16,826,805.00 | 16,826,805.00 | 16,245,712.71 | 38,616.73 | 542,475.56 | |
| FIRE DEPARTMENT | | | | | | |
| Salaries and Wages | 10,659,366.96 | 10,659,366.96 | 9,953,452.05 | 160,573.29 | 705,914.91 | |
| Other Expenses | 445,750.00 | 445,750.00 | 285,056.27 | 160,573.29 | 120.44 | |
| Total | 11,105,116.96 | 11,105,116.96 | 10,238,508.32 | 321,146.58 | 706,035.35 | |
| PUBLIC WORKS DEPARTMENT | | | | | | |
| Community Services Administration: | | | | | | |
| Salaries and Wages | 1,048,568.34 | 1,048,568.34 | 997,504.92 | 469.50 | 51,063.42 | |
| Other Expenses | 14,850.00 | 14,850.00 | 5,336.18 | | 9,044.32 | |
| Engineering: | | | | | | |
| Other Expenses | 250,000.00 | 250,000.00 | 250,000.00 | | | |
| Street Repairs and Maintenance: | | | | | | |
| Salaries and Wages | 400,350.21 | 410,350.21 | 401,367.83 | 6,315.47 | 8,982.38 | |
| Other Expenses | 28,625.00 | 28,625.00 | 10,574.50 | | 11,735.03 | |
| Storm Sewers Repairs and Maintenance | | | | | | |
| Salaries and Wages | 221,168.14 | 176,168.14 | 158,060.08 | 14,148.38 | 18,108.06 | |
| Other Expenses | 52,500.00 | 52,500.00 | 19,013.39 | | 19,338.23 | |

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

TOWNSHIP OF MONICLAIR
CURRENT FUND

"A-3"
Sheet # 3

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

| | Appropriations | | Paid or Charged | Reserved | | Balance Cancelled |
|--|-----------------|--------------------|--------------------|------------|--------------|----------------------|
| | Budget | Modified Budget | | Encumbered | Unencumbered | |
| APPROPRIATIONS WITHIN "CAPS": | | | | | | |
| PUBLIC WORKS DEPARTMENT | | | | | | |
| Refuse Collection and Disposal: | | | | | | |
| Salaries and Wages | \$ 1,299,737.89 | \$ 1,329,737.89 | \$ 1,321,201.94 | \$ - | \$ 8,535.95 | |
| Other Expenses | 27,450.00 | 27,450.00 | 9,322.25 | 11,500.81 | 6,626.94 | |
| Storm Clearance: | | | | | | |
| Salaries and Wages | 100,000.00 | 100,000.00 | 100,000.00 | | 90,233.75 | |
| Other Expenses | 100,000.00 | 100,000.00 | 9,766.25 | | | |
| Traffic: | | | | | | |
| Salaries and Wages | 176,126.35 | 131,126.35 | 125,303.98 | 53,735.19 | 5,822.37 | |
| Other Expenses | 90,750.00 | 90,750.00 | 27,965.00 | | 9,049.81 | |
| Central Garage Operation: | | | | | | |
| Salaries and Wages | 243,268.62 | 248,268.62 | 242,339.28 | 163,830.73 | 5,829.34 | |
| Other Expenses | 409,200.00 | 499,200.00 | 311,485.14 | | 23,884.13 | |
| Building Maintenance: | | | | | | |
| Salaries and Wages | 144,018.82 | 164,018.82 | 160,493.26 | 161,069.58 | 3,525.56 | |
| Other Expenses | 517,300.00 | 607,300.00 | 340,863.45 | | 105,366.97 | |
| Parks Maintenance: | | | | | | |
| Salaries and Wages | 458,063.41 | 458,063.41 | 441,895.75 | 7,396.87 | 16,167.66 | |
| Other Expenses | 145,000.00 | 145,000.00 | 95,615.83 | | 41,987.30 | |
| Shade Trees: | | | | | | |
| Salaries and Wages | 214,098.40 | 219,098.40 | 218,800.38 | 20,098.07 | 298.02 | |
| Other Expenses | 158,500.00 | 158,500.00 | 90,388.23 | 48,013.70 | 48,013.70 | |
| Other Expenses | 6,099,575.18 | 6,289,575.18 | 5,337,297.64 | 438,564.60 | 483,712.94 | |
| PARKS, RECREATION AND CULTURAL AFFAIRS DEPARTMENT | | | | | | |
| Recreation Program: | | | | | | |
| Salaries and Wages | 720,418.26 | 760,418.26 | 722,883.94 | 5,795.08 | 57,534.32 | |
| Other Expenses | 206,000.00 | 206,000.00 | 98,415.19 | 5,795.08 | 101,789.73 | |
| Other Expenses | 926,418.26 | 986,418.26 | 821,299.13 | 5,795.08 | 189,324.05 | |
| HEALTH AND HUMAN SERVICES DEPARTMENT | | | | | | |
| Health Services: | | | | | | |
| Salaries and Wages | 694,928.50 | 719,928.50 | 688,565.04 | 35,755.95 | 31,363.46 | |
| Other Expenses | 198,948.00 | 198,948.00 | 134,255.90 | | 28,936.15 | |
| Senior Services | | | | | | |
| Salaries and Wages | 330,215.38 | 330,215.38 | 314,875.77 | 3,513.13 | 15,339.61 | |
| Other Expenses | 59,100.00 | 59,100.00 | 23,119.98 | | 32,466.89 | |
| Nursing Services: | | | | | | |
| Salaries and Wages | 313,554.48 | 313,554.48 | 311,339.73 | | 2,214.75 | |
| Animal Control: | | | | | | |
| Salaries and Wages | 488,346.68 | 488,346.68 | 443,538.22 | 37,048.70 | 44,808.46 | |
| Other Expenses | 159,298.00 | 159,298.00 | 117,749.30 | | 4,500.00 | |
| Other Expenses | 2,244,391.04 | 2,269,391.04 | 2,033,443.94 | 76,317.78 | 159,629.32 | |

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

TOWNSHIP OF MONTCLAIR
CURRENT FUND

"A-3"
Sheet # 4

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

| | Appropriations | | Paid or Charged | Reserved | | Balance Canceled |
|---|---------------------|---------------------|---------------------|-------------------|-------------------|---------------------|
| | Budget | Modified Budget | | Encumbered | Unencumbered | |
| APPROPRIATIONS WITHIN "CAPS": | | | | | | |
| MISCELLANEOUS AND OTHER | | | | | | |
| Unemployment Compensation Insurance: | | | | | | |
| Other Expenses | \$ 50,000.00 | \$ 50,000.00 | | \$ | 50,000.00 | |
| Refuse Tipping Fees: | | | | | | |
| Other Expenses | 1,319,500.00 | 1,319,500.00 | \$ 1,001,516.22 | \$ 56,349.22 | 259,634.56 | |
| Mandatory Recycling Act: | | | | | | |
| Salaries and Wages | 1,362,174.42 | 1,362,174.42 | 1,251,004.94 | | 111,169.48 | |
| Other Expenses | 750,000.00 | 750,000.00 | 519,485.54 | 221,023.28 | 9,491.18 | |
| 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 | | | |
| | <u>3,972,249.95</u> | <u>3,972,249.95</u> | <u>3,262,582.23</u> | <u>279,372.50</u> | <u>430,295.22</u> | |
| Insurances: | | | | | | |
| Liability Insurance | 2,265,000.52 | 2,265,000.52 | 1,755,641.21 | 103,421.71 | 405,937.60 | |
| Health Benefit Waiver | 6,830,980.45 | 6,830,980.45 | 6,399,877.01 | 77,398.81 | 353,704.63 | |
| Employee Group Insurance | 200,000.00 | 200,000.00 | 181,070.56 | | 18,929.44 | |
| | <u>9,295,980.97</u> | <u>9,295,980.97</u> | <u>8,336,588.78</u> | <u>180,820.52</u> | <u>778,571.67</u> | |
| SPECIAL PROGRAMS AND ACTIVITIES | | | | | | |
| Parks, Recreation and Cultural Affairs: | | | | | | |
| Other Expenses | 203,000.00 | 203,000.00 | 134,015.65 | 5,629.88 | 63,354.47 | |
| | <u>203,000.00</u> | <u>203,000.00</u> | <u>134,015.65</u> | <u>5,629.88</u> | <u>63,354.47</u> | |
| UNIFORM CONSTRUCTION CODE - | | | | | | |
| APPROPRIATIONS OFFSET BY | | | | | | |
| DEDICATED REVENUES (N.J.A.C. | | | | | | |
| 5:23-4.17) | | | | | | |
| Salaries and Wages | 945,199.84 | 785,199.84 | 785,362.68 | | 19,837.16 | |
| Other Expenses | 21,725.00 | 21,725.00 | 2,325.01 | | 19,399.99 | |
| | <u>966,924.84</u> | <u>806,924.84</u> | <u>767,687.69</u> | | <u>39,237.15</u> | |
| UNCLASSIFIED | | | | | | |
| Utilities: | | | | | | |
| Gasoline | 385,000.00 | 385,000.00 | 197,767.12 | 63,145.53 | 124,087.35 | |
| Fuel - Diesel | 325,000.00 | 325,000.00 | 181,714.53 | 61,765.91 | 81,519.56 | |
| Electricity | 600,000.00 | 600,000.00 | 353,955.90 | 71,645.93 | 174,398.17 | |
| Telephone | 350,000.00 | 350,000.00 | 173,832.05 | 30,731.63 | 145,436.32 | |
| Natural Gas | 208,000.00 | 208,000.00 | 91,097.94 | 28,840.40 | 88,061.66 | |

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

TOWNSHIP OF MONTCLAIR
CURRENT FUND

"A-3"
Sheet # 5

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

| | Appropriations | | Paid or Charged | Reserved | | Balance Canceled |
|--|----------------------|----------------------|----------------------|---------------------|---------------------|------------------|
| | Budget | Modified Budget | | Encumbered | Unencumbered | |
| APPROPRIATIONS WITHIN "CAPS": | | | | | | |
| UNCLASSIFIED | | | | | | |
| Utilities: | | | | | | |
| Street Lighting | \$ 550,000.00 | \$ 550,000.00 | \$ 348,586.43 | \$ 44,607.19 | \$ 156,806.38 | |
| Buildings Cleaning Services | 100,000.00 | 100,000.00 | 57,108.97 | 15,479.73 | 27,411.30 | |
| Copier Lease | 25,000.00 | 25,000.00 | 10,114.76 | | 14,885.24 | |
| | <u>2,543,000.00</u> | <u>2,543,000.00</u> | <u>1,414,177.70</u> | <u>316,216.32</u> | <u>812,605.98</u> | |
| Total Operations Within CAPS | 61,943,062.62 | 61,743,062.62 | 53,985,837.95 | 2,086,432.51 | 5,670,792.16 | |
| Detail: | | | | | | |
| Salaries | 40,302,191.98 | 39,922,191.98 | 37,960,620.00 | | 1,961,571.98 | |
| Other Expenses | 21,640,870.64 | 21,820,870.64 | 16,025,217.95 | 2,086,432.51 | 3,709,220.18 | |
| | <u>61,943,062.62</u> | <u>61,743,062.62</u> | <u>53,985,837.95</u> | <u>2,086,432.51</u> | <u>5,670,792.16</u> | |
| STATUTORY EXPENDITURES | | | | | | |
| Contributions to: | | | | | | |
| Public Employees' Retirement System of N.J. | 1,704,735.80 | 1,704,735.80 | 1,682,384.19 | | 22,351.61 | |
| Social Security System (OAS) | 1,430,939.30 | 1,430,939.30 | 1,404,664.47 | | 26,274.83 | |
| Police and Firemen's Retirement System of N.J. | 7,795,429.00 | 7,795,429.00 | 7,795,429.00 | | | |
| Defined Contribution Retirement Plan | 50,000.00 | 50,000.00 | 41,618.92 | | 8,381.08 | |
| Total Statutory Expenditures | <u>10,981,104.10</u> | <u>10,981,104.10</u> | <u>10,924,096.58</u> | | <u>57,007.52</u> | |
| Contingent | 30,000.00 | 30,000.00 | 4,000.00 | 12,000.00 | 14,000.00 | |
| Total Appropriations Within "CAPS" | <u>72,954,166.72</u> | <u>72,754,166.72</u> | <u>64,913,934.53</u> | <u>2,086,432.51</u> | <u>5,741,799.68</u> | |
| APPROPRIATIONS EXCLUDED FROM "CAPS:" | | | | | | |
| OTHER OPERATIONS | | | | | | |
| Maintenance of Free Public Library | 4,087,977.00 | 4,087,977.00 | 4,087,977.00 | | | |
| | <u>4,087,977.00</u> | <u>4,087,977.00</u> | <u>4,087,977.00</u> | | | |

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

TOWNSHIP OF MONTCLAIR
CURRENT FUND

"A-3"
Sheet # 6

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

| | Appropriations | | Paid or Charged | Reserved | | Balance Canceled |
|--|---------------------|---------------------|---------------------|-------------------------|----------------------|---------------------|
| | Budget | Modified Budget | | Encumbered | Unencumbered | |
| UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY INCREASED FEE REVENUE (N.J.A.C. 5:23-4.17) | | | | | | |
| Salaries and Wages | \$ 77,000.00 | \$ 77,000.00 | \$ 77,000.00 | | | |
| ADDITIONAL APPROPRIATIONS OFFSET BY REVENUES (N.J.S.A. 40A:4-43.3b) | | | | | | |
| Glen Ridge Fire Contract: | | | | | | |
| Salaries and Wages | 911,111.00 | 911,111.00 | 911,111.00 | | | |
| Interlocal Government Health Service Contract: | | | | | | |
| Salaries and Wages | 176,448.00 | 176,448.00 | 176,448.00 | | | |
| Interlocal School Resource Officer - BOE | | | | | | |
| Salaries and Wages | 155,000.00 | 155,000.00 | 155,000.00 | | | |
| Interlocal Animal Control Services - Senior Bus Ride Services with Essex County | | | | | | |
| Other Expenses | 173,200.00 | 173,200.00 | | \$ 173,200.00 | | |
| | <u>1,415,759.00</u> | <u>1,415,759.00</u> | <u>1,242,569.00</u> | <u>\$ 173,200.00</u> | <u>173,200.00</u> | |
| PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES | | | | | | |
| Matching Funds for Grants | 30,800.00 | 30,800.00 | 30,800.00 | | | |
| AARP Community Challenge Grant | 11,301.00 | 11,301.00 | 11,301.00 | | | |
| ARP - Fire Fighters Grant | 75,000.00 | 75,000.00 | 75,000.00 | | | |
| Better Cities for Pets Program Grant - 2023 | 20,000.00 | 20,000.00 | 20,000.00 | | | |
| Bicycle & School Bus Safety Grant 1st half | 18,000.00 | 18,000.00 | 18,000.00 | | | |
| Body Armor Replacement Fund | 7,282.74 | 7,282.74 | 7,282.74 | | | |
| BVP Award (N.J.S.A. 40A:4-87 \$17,805.42) | 25,110.93 | 42,916.35 | 42,916.35 | | | |
| Childhood Lead Program Grant | | | | | | |
| 07/01/24-06/30/25 (N.J.S.A. 40A:4-87 \$200,644.00) | 12,500.00 | 213,144.00 | 213,144.00 | | | |
| Clean Communities Grant - 2023 | 93,211.17 | 93,211.17 | 93,211.17 | | | |
| Clean Fleet Grant (N.J.S.A. 40A:4-87 \$264,000.00) | | 264,000.00 | 264,000.00 | | | |
| Click It or Ticket | 10,500.00 | 10,500.00 | 10,500.00 | | | |
| Comcast | 5,000.00 | 5,000.00 | 5,000.00 | | | |
| Community Oriented Policing Grant - Automated License Plate Reader (N.J.S.A. 40A:4-87 \$55,020.00) | | 55,020.00 | 55,020.00 | | | |
| Drive Sober or Get Pulled Over (N.J.S.A. 40A:4-87 \$8,750.00) | | 8,750.00 | 8,750.00 | | | |
| Energy Efficiency & Conservation Block Grant (EECBG) | 76,400.00 | 76,400.00 | 76,400.00 | | | |
| Equitable Urban Tree Access and Climate Resilience Grant | 1,000,000.00 | 1,000,000.00 | 1,000,000.00 | | | |
| Green Acres Grant Program (N.J.S.A. 40A:4-87 \$750,000.00) | | 750,000.00 | 750,000.00 | | | |
| Hazardous Discharge Site Remediation Fund (N.J.S.A. 40A:4-87 \$926,360.29) | | 926,360.29 | 926,360.29 | | | |
| Local Recreation Improvement Grant | 67,000.00 | 67,000.00 | 67,000.00 | | | |
| MILL Program Grant | 41,000.00 | 41,000.00 | 41,000.00 | | | |
| Drive Sober or Get Pulled Over (N.J.S.A. 40A:4-87 \$15,243.95) | 71,373.90 | 547,034.27 | 547,034.27 | | | |
| National Opioid Settlement Grant (N.J.S.A. 40A:4-87 \$475,660.37) | 30,000.00 | 81,500.00 | 81,500.00 | | | |
| Pedestrian Safety Grant (N.J.S.A. 40A:4-87 \$51,500.00) | 41,712.00 | 41,712.00 | 41,712.00 | | | |
| Recycling Grant | 44,100.00 | 44,100.00 | 44,100.00 | | | |
| Safe and Secure Grant | 12,250.00 | 12,250.00 | 12,250.00 | | | |
| Safe and Secure Grant (N.J.S.A. 40A: 4-87 \$11,287.50) | | 11,287.50 | 11,287.50 | | | |
| Safe and Secure Grant (N.J.S.A. 40A: 4-87 \$6,270.83) | | 6,270.83 | 6,270.83 | | | |
| Sustainable Jersey - PSE&G Partnership Program (N.J.S.A. 40A:4-87 \$5,000.00) | 25,000.00 | 30,000.00 | 30,000.00 | | | |
| Sustaining Local Public Health Infrastructure (N.J.S.A. 40A: 4-87 \$168,049.00) | | 168,049.00 | 168,049.00 | | | |
| Total Operations Excluded from "CAPS" | <u>1,717,541.74</u> | <u>168,049.00</u> | <u>4,673,133.10</u> | <u>\$ 10,080,669.10</u> | <u>\$ 173,200.00</u> | <u>\$ -</u> |

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

TOWNSHIP OF MONTCLAIR
CURRENT FUND

"A-3"
Sheet # 7

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

| | Appropriations | | Paid or Charged | Reserved | | Balance Canceled |
|---|--------------------------|-----------------------------------|--|------------------------|------------------------|---------------------|
| | Budget | Modified Budget | | Encumbered | Unencumbered | |
| APPROPRIATIONS EXCLUDED FROM "CAPS" | | | | | | |
| CAPITAL IMPROVEMENTS | | | | | | |
| Capital Improvement Fund | \$ 50,000.00 | \$ 50,000.00 | \$ 50,000.00 | | | |
| Other Capital Projects | 636,000.00 | 836,000.00 | 420,891.86 | \$ 351,185.30 | \$ 63,922.84 | |
| | <u>686,000.00</u> | <u>886,000.00</u> | <u>470,891.86</u> | <u>351,185.30</u> | <u>63,922.84</u> | |
| DEBT SERVICE | | | | | | |
| Payment of Bond Principal | 9,335,000.00 | 9,335,000.00 | 9,335,000.00 | | | |
| Interest on Bonds | 1,314,900.00 | 1,314,900.00 | 1,314,900.00 | | | |
| Loan Repayments-Downtown Business Improvement District | 32,666.67 | 32,666.67 | 32,666.67 | | | |
| Green Trust Loan Program: | | | | | | |
| Loan Repayments for Principal | 42,000.00 | 42,000.00 | 42,000.00 | | | |
| Loan Repayments for Interest | 700.00 | 700.00 | 397.40 | | | |
| Environmental Trust - Principal | 55,482.36 | 55,482.36 | 55,482.36 | | | |
| Environmental Trust - Interest | 1,271.36 | 1,271.36 | 1,271.36 | | | |
| | <u>10,782,020.39</u> | <u>10,782,020.39</u> | <u>10,781,717.79</u> | | | <u>302.60</u> |
| FOR LOCAL SCHOOL DISTRICT PURPOSES | | | | | | |
| Type I School District Debt Service: | | | | | | |
| Payment of Bond Principal | 6,475,000.00 | 6,475,000.00 | 6,475,000.00 | | | |
| Interest on Bonds | 1,553,975.00 | 1,553,975.00 | 1,553,975.00 | | | |
| | <u>8,028,975.00</u> | <u>8,028,975.00</u> | <u>8,028,975.00</u> | | | |
| JUDGEMENTS | 1,000,000.00 | 1,000,000.00 | 1,000,000.00 | | | |
| Total Appropriations Excluded from "CAPS" | <u>27,795,273.13</u> | <u>30,950,864.49</u> | <u>30,362,253.75</u> | <u>524,385.30</u> | <u>63,922.84</u> | <u>302.60</u> |
| Sub-total Appropriations | 100,749,439.85 | 103,705,031.21 | 95,276,188.28 | 2,822,817.81 | 5,805,722.52 | 302.60 |
| Reserve for Uncollected Taxes | 3,328,576.64 | 3,328,576.64 | 3,328,576.64 | | | |
| Total Appropriations | <u>\$ 104,078,016.49</u> | <u>\$ 107,033,607.85</u> | <u>\$ 98,604,764.92</u> | <u>\$ 2,822,817.81</u> | <u>\$ 5,805,722.52</u> | <u>\$ 302.60</u> |
| Budget Amendment by (NJSA 40A:4-87) | | \$ 104,078,016.49 2,955,591.36 | | | | |
| | | <u>\$ 107,033,607.85</u> | | | | |
| Reserve for Uncollected Taxes Disbursements Reserve for Grants Appropriated | | | \$ 3,328,576.64 90,603,055.18 4,673,133.10 | | | |
| | | | <u>\$ 98,604,764.92</u> | | | |

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

TOWNSHIP OF MONTCLAIR
TRUST FUND

COMPARATIVE BALANCE SHEETS
 REGULATORY BASIS
DECEMBER 31, 2024 AND 2023

| | BALANCE DECEMBER <u>31, 2024</u> | BALANCE DECEMBER <u>31, 2023</u> |
|--|--|--|
| <u>ASSETS</u> | | |
| <u>Assessment Trust Fund</u> | | |
| Cash - Checking | \$ 35,435.36 | \$ 33,867.43 |
| Assessments Receivable: | 1,055.80 | 1,055.67 |
| | <u>36,491.16</u> | <u>34,923.10</u> |
| <u>Animal Control Trust Fund</u> | | |
| Cash - Checking | <u>139,289.71</u> | <u>157,371.02</u> |
| <u>General Trust Fund</u> | | |
| Cash - General | 9,023,263.96 | 9,536,879.76 |
| Cash - State Unemployment Insurance | 385,383.86 | 570,923.94 |
| Cash - Section 8 Housing | 163,285.23 | 181,568.30 |
| Cash - Forfeited Assets | 27,442.30 | 35,673.16 |
| Due from County of Essex - Community Development Block Grant Programs | 404,191.33 | 357,919.83 |
| Interfunds Receivable | 1,366,050.90 | 1,000,000.00 |
| | <u>11,369,617.58</u> | <u>11,682,964.99</u> |
| <u>Payroll Account</u> | | |
| Cash | <u>435,708.27</u> | <u>418,511.66</u> |
| | <u>\$ 11,981,106.72</u> | <u>\$ 12,293,770.77</u> |

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

TOWNSHIP OF MONTCLAIR
TRUST FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2024 AND 2023

| | BALANCE DECEMBER <u>31, 2024</u> | BALANCE DECEMBER <u>31, 2023</u> |
|---|--|--|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | |
| <u>Assessment Trust Fund</u> | | |
| Reserve for: | | |
| Assessments and Assessment Liens | \$ 1,055.80 | \$ 1,055.67 |
| Fund Balance | <u>35,435.36</u> | <u>33,867.43</u> |
| | <u>36,491.16</u> | <u>34,923.10</u> |
| <u>Animal Control Trust Fund</u> | | |
| Due to State of New Jersey | 19.20 | 9.60 |
| Reserve for: | | |
| Animal Shelter Expenditures | 130,191.11 | 142,019.87 |
| Animal Control Trust Fund Expenditures | <u>9,079.40</u> | <u>15,341.55</u> |
| | <u>139,289.71</u> | <u>157,371.02</u> |
| <u>General Trust Fund</u> | | |
| Special Deposits | 9,397,570.17 | 10,247,261.80 |
| Accounts Payable | 110,435.93 | 135,381.26 |
| Encumbrances Payable - Special Deposits | 1,023,295.19 | 343,302.96 |
| Encumbrances Payable - CDBG | 87,156.00 | 93,750.00 |
| Reserve for: | | |
| Police Forfeiture Expenditures | 27,442.30 | 35,673.16 |
| State Unemployment Trust Fund Expenditures | 385,383.86 | 570,923.94 |
| Community Development Block Grant | 285,484.83 | 210,484.83 |
| Section 8 Voucher Program | <u>52,849.30</u> | <u>46,187.04</u> |
| | <u>11,369,617.58</u> | <u>11,682,964.99</u> |
| <u>Payroll Account</u> | | |
| Flexible Spending Account | 8,557.23 | 10,888.81 |
| Payroll Deductions and Other Payables | <u>427,151.04</u> | <u>407,622.85</u> |
| | <u>435,708.27</u> | <u>418,511.66</u> |
| | <u>\$ 11,981,106.72</u> | <u>\$ 12,293,770.77</u> |

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

"B-1"

TOWNSHIP OF MONTCLAIR
ASSESSMENT TRUST FUND

STATEMENT OF FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2024

| | |
|----------------------------|---------------------|
| Balance, December 31, 2023 | \$ 33,867.43 |
| Increased by: | |
| Cash Receipts | <u>1,567.93</u> |
| Balance, December 31, 2024 | <u>\$ 35,435.36</u> |

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

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2024 AND 2023

| | BALANCE DECEMBER 31, 2024 | BALANCE DECEMBER 31, 2023 |
|---|---------------------------------|---------------------------------|
| <u>ASSETS AND DEFERRED CHARGES</u> | | |
| Cash - Checking | \$ 255,639.52 | \$ 715,038.45 |
| Grants Receivable | 772,302.98 | 1,132,701.84 |
| Deferred Charges to Future Taxation: | | |
| Funded | 80,742,893.98 | 86,857,759.86 |
| Unfunded | 29,576,417.44 | 26,616,659.99 |
| | <u>\$ 111,347,253.92</u> | <u>\$ 115,322,160.14</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | |
| General Serial Bonds | \$ 44,405,000.00 | \$ 43,805,000.00 |
| School Serial Bonds | 36,005,000.00 | 42,590,000.00 |
| Environmental Infrastructure Loan Payable | | 55,482.36 |
| Interfunds Payable | 500,000.00 | 7,000,000.00 |
| Green Acres Loans Payable | 234,894.02 | 276,610.87 |
| Business District Loan Payable | 97,999.96 | 130,666.63 |
| Encumbrances Payable | 3,781,561.16 | 2,020,531.89 |
| Improvement Authorizations: | | |
| Funded | 1,610,918.87 | 1,244,763.35 |
| Unfunded | 23,228,569.22 | 16,174,723.90 |
| Capital Improvement Fund | 355,832.83 | 541,832.83 |
| Reserve for: | | |
| Grants Receivable | 772,302.98 | 1,132,701.84 |
| Debt Service | 134,549.00 | 169,977.46 |
| Fund Balance | 220,625.88 | 179,869.01 |
| | <u>\$ 111,347,253.92</u> | <u>\$ 115,322,160.14</u> |
| Bonds and Notes Authorized but Not Issued: | | |
| General | \$ 27,316,765.25 | \$ 24,357,007.80 |
| School | 2,259,652.19 | 2,259,652.19 |
| | <u>\$ 29,576,417.44</u> | <u>\$ 26,616,659.99</u> |

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

TOWNSHIP OF MONTCLAIR
GENERAL CAPITAL FUND

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

| | |
|----------------------------|-----------------------------|
| Balance, December 31, 2023 | \$ 179,869.01 |
| Increased by: | |
| Premium on Sale of Bonds | <u>40,756.87</u> |
| Balance, December 31, 2024 | <u><u>\$ 220,625.88</u></u> |

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

TOWNSHIP OF MONTCLAIR
WATER UTILITY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2024 AND 2023

| <u>LIABILITIES, RESERVES AND FUND BALANCES</u> | BALANCE DEC. 31, <u>2024</u> | BALANCE DEC. 31, <u>2023</u> |
|--|------------------------------------|------------------------------------|
| <u>Operating Fund</u> | | |
| Appropriation Reserves: | | |
| Encumbered | \$ 801,158.45 | \$ 1,458,464.12 |
| Unencumbered | 375,208.26 | 1,538,343.91 |
| Accrued Interest on Bonds | 36,175.00 | 34,175.00 |
| Accrued Interest on Loans | 979.17 | 1,145.83 |
| Accounts Payable | 121,899.40 | 206,512.00 |
| Water Overpayments | 52,328.69 | 51,784.22 |
| | <hr/> | <hr/> |
| | 1,387,748.97 | 3,290,425.08 |
| Reserve for Receivables | 825,369.01 | 427,250.86 |
| Fund Balance | 3,547,354.23 | 2,008,241.66 |
| | <hr/> | <hr/> |
| | 5,760,472.21 | 5,725,917.60 |
| <u>Capital Fund</u> | | |
| Serial Bonds | 2,415,000.00 | 3,185,000.00 |
| N.J. Environmental Infrastructure Trust | | |
| Loan Payable | 152,619.16 | 190,635.63 |
| Improvement Authorizations: | | |
| Funded | 5,412,294.84 | 3,608,758.95 |
| Encumbrances Payable | 918,639.85 | 817,164.47 |
| Capital Improvement Fund | 472,256.53 | 472,256.53 |
| Reserves for: | | |
| Amortization | 40,803,738.95 | 39,486,664.84 |
| Deferred Amortization | 12,175,000.00 | 9,675,000.00 |
| Fund Balance | 98,490.39 | 98,490.39 |
| | <hr/> | <hr/> |
| | 62,448,039.72 | 57,533,970.81 |
| | <hr/> | <hr/> |
| | \$ 68,208,511.93 | \$ 63,259,888.41 |
| | <hr/> | <hr/> |

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

TOWNSHIP OF MONTCLAIR
WATER UTILITY

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

| | BALANCE DEC. 31, <u>2024</u> | BALANCE DEC. 31, <u>2023</u> |
|--|------------------------------------|------------------------------------|
| <u>Revenue and Other Income</u> | | |
| Fund Balance Utilized | \$ 1,069,100.49 | \$ 1,873,182.39 |
| Rents | 8,758,161.28 | 8,749,635.61 |
| Miscellaneous Revenue | 523,747.87 | 708,503.27 |
| Water Utility Capital Surplus | | |
| Unexpended Balance of Appropriation Reserves | 2,108,541.83 | 559,841.70 |
| Other Credits to Income: | | |
| Accounts Payable Canceled | 196,512.00 | |
| Void Prior Year Outstanding Check | 2,100.00 | |
| | <u>12,658,163.47</u> | <u>11,891,162.97</u> |
| <u>Expenditures</u> | | |
| Budgets Expenditures: | | |
| Operating | 6,245,844.59 | 7,469,417.65 |
| Capital Improvements | 2,500,000.00 | 1,711,363.75 |
| Debt Service | 943,849.92 | 945,849.91 |
| Statutory Expenditures | 360,255.90 | 353,400.99 |
| | <u>10,049,950.41</u> | <u>10,480,032.30</u> |
| Excess in Revenue | 2,608,213.06 | 1,411,130.67 |
| <u>Fund Balance</u> | | |
| Balance, Beginning of Year | 2,008,241.66 | 2,470,293.38 |
| | <u>4,616,454.72</u> | <u>3,881,424.05</u> |
| Decreased by: | | |
| Utilized as Anticipated Revenue: | | |
| Water Operating Fund Budget | 1,069,100.49 | 1,873,182.39 |
| | <u>1,069,100.49</u> | <u>1,873,182.39</u> |
| Balance, End of Year | <u>\$ 3,547,354.23</u> | <u>\$ 2,008,241.66</u> |

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

TOWNSHIP OF MONTCLAIR
WATER UTILITY

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

| | |
|----------------------------|---------------------|
| Balance, December 31, 2023 | \$ 98,490.39 |
| Balance, December 31, 2024 | <u>\$ 98,490.39</u> |

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

TOWNSHIP OF MONTCLAIR
WATER UTILITY

STATEMENT OF REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

| <u>Source</u> | <u>Budget</u> | <u>Realized</u> | <u>Excess</u> |
|-----------------------|-------------------------|-------------------------|----------------------|
| Fund Balance Utilized | \$ 1,069,100.49 | \$ 1,069,100.49 | |
| Rents | 8,700,000.00 | 8,758,161.28 | \$ 58,161.28 |
| Miscellaneous Revenue | 350,000.00 | 523,747.87 | 173,747.87 |
| | <u>\$ 10,119,100.49</u> | <u>\$ 10,351,009.64</u> | <u>\$ 231,909.15</u> |

Analysis of Realized Revenue

| | | |
|-------------------------------------|--------------|----------------------|
| Miscellaneous Revenue: | | |
| Interest on Delinquent Rents | \$ 95,835.39 | |
| Glen Ridge Management Fee | 68,473.84 | |
| New Service Fees | 29,239.15 | |
| Interest on Investments - Operating | 143,798.03 | |
| Interest on Investments - Capital | 179,116.89 | |
| Return Check Fees | 2,499.97 | |
| Miscellaneous | 4,784.60 | |
| | | <u>\$ 523,747.87</u> |
| Collections: | | |
| Treasurer | | <u>\$ 523,747.87</u> |

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

TOWNSHIP OF MONTCLAIR
WATER UTILITY

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

| Appropriation | Budget | Modified Budget | Paid or Charged | Expended | | Balance Canceled |
|--------------------------------------|------------------|------------------|-----------------|---------------|---------------|------------------|
| | | | | Encumbered | Reserved | |
| <u>Operating</u> | | | | | | |
| Salaries and Wages | \$ 1,381,822.63 | \$ 1,381,822.63 | \$ 1,353,966.68 | | \$ 27,855.95 | |
| Other Expenses | 2,498,875.00 | 2,498,875.00 | 1,632,385.50 | \$ 605,678.59 | 260,810.91 | |
| Purchased Water | 2,150,000.00 | 2,150,000.00 | 1,954,703.40 | 195,296.60 | | |
| <u>Commercial</u> | | | | | | |
| Salaries and Wages | 155,146.96 | 155,146.96 | 99,254.22 | | 55,892.74 | |
| Other Expenses | 60,000.00 | 60,000.00 | 29,168.08 | 183.26 | 30,648.66 | |
| | 6,245,844.59 | 6,245,844.59 | 5,069,477.88 | 801,158.45 | 375,208.26 | |
| <u>Capital Improvements</u> | | | | | | |
| Capital Improvements | 2,500,000.00 | 2,500,000.00 | 2,500,000.00 | | | |
| | 2,500,000.00 | 2,500,000.00 | 2,500,000.00 | | | |
| <u>Debt Service</u> | | | | | | |
| Payment on Bond Principal | 770,000.00 | 770,000.00 | 770,000.00 | | | 66,600.00 |
| Interest on Bonds | 200,000.00 | 200,000.00 | 133,400.00 | | | 1,983.42 |
| Environmental Trust Fund - Principal | 40,000.00 | 40,000.00 | 38,016.58 | | | 566.66 |
| Environmental Trust Fund - Interest | 3,000.00 | 3,000.00 | 2,433.34 | | | |
| | 1,013,000.00 | 1,013,000.00 | 943,849.92 | | | 69,150.08 |
| <u>Statutory Expenditures</u> | | | | | | |
| Contribution to: | | | | | | |
| Public Employees' Retirement System | 238,008.58 | 238,008.58 | 238,008.58 | | | |
| Social Security System | 122,247.32 | 122,247.32 | 122,247.32 | | | |
| | 360,255.90 | 360,255.90 | 360,255.90 | | | |
| | \$ 10,119,100.49 | \$ 10,119,100.49 | \$ 8,873,583.70 | \$ 801,158.45 | \$ 375,208.26 | \$ 69,150.08 |
| Cash Disbursed | | | \$ 8,737,750.36 | | | |
| Accrued Interest on Bonds | | | 133,400.00 | | | |
| Accrued Interest on Loans | | | 2,433.34 | | | |
| | | | \$ 8,873,583.70 | | | |

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

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2024 AND 2023

| | BALANCE DECEMBER <u>31, 2024</u> | BALANCE DECEMBER <u>31, 2023</u> |
|--|--|--|
| <u>ASSETS</u> | | |
| <u>Operating Fund</u> | | |
| Cash - Checking | \$ 3,336,479.66 | \$ 3,228,667.37 |
| Change Fund | 200.00 | 200.00 |
| | 3,336,679.66 | 3,228,867.37 |
| Receivables with Full Reserves: | | |
| Consumer Accounts Receivable | 897,491.11 | 936,229.11 |
| | 4,234,170.77 | 4,165,096.48 |
| <u>Capital Fund</u> | | |
| Cash | 6,537,558.08 | 3,452,290.46 |
| Interfund Receivable | 500,000.00 | 2,000,000.00 |
| Fixed Capital | 7,201,097.09 | 7,201,097.09 |
| Fixed Capital Authorized and Uncompleted | 9,035,000.00 | 7,035,000.00 |
| | 23,273,655.17 | 19,688,387.55 |
| | \$ 27,507,825.94 | \$ 23,853,484.03 |

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

TOWNSHIP OF MONTCLAIR
SEWER UTILITY FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2024 AND 2023

| | BALANCE DECEMBER <u>31, 2024</u> | BALANCE DECEMBER <u>31, 2023</u> |
|---|--|--|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | |
| <u>Operating Fund</u> | | |
| Appropriation Reserves: | | |
| Encumbered | \$ 75,483.04 | \$ 324,387.32 |
| Unencumbered | 499,803.44 | 552,897.71 |
| Accrued Interest on Loans | 6,986.46 | 7,507.29 |
| Accounts Payable | 2,000.00 | |
| Sewer Overpayments | <u>23,435.39</u> | <u>24,735.71</u> |
| | 607,708.33 | 909,528.03 |
| Reserve for Receivables | 897,491.11 | 936,229.11 |
| Fund Balance | <u>2,728,971.33</u> | <u>2,319,339.34</u> |
| | <u>4,234,170.77</u> | <u>4,165,096.48</u> |
| | | |
| <u>Capital Fund</u> | | |
| Environmental Infrastructure Loan Payable | 1,935,032.89 | 2,044,683.02 |
| Improvement Authorizations: | | |
| Funded | 6,174,370.29 | 4,199,077.65 |
| Capital Improvement Fund | 200,500.00 | 200,500.00 |
| Encumbrances Payable | 475,850.12 | 865,875.14 |
| Reserve for: | | |
| Amortization | 5,266,064.20 | 5,156,414.07 |
| Deferred Amortization | 9,035,000.00 | 7,035,000.00 |
| Fund Balance | <u>186,837.67</u> | <u>186,837.67</u> |
| | <u>23,273,655.17</u> | <u>19,688,387.55</u> |
| | <u>\$ 27,507,825.94</u> | <u>\$ 23,853,484.03</u> |

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

TOWNSHIP OF MONTCLAIR
SEWER UTILITY OPERATING FUND

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

| | BALANCE DECEMBER <u>31, 2024</u> | BALANCE DECEMBER <u>31, 2023</u> |
|--|--|--|
| <u>Revenues and Other Income Realized</u> | | |
| Fund Balance Utilized | \$ 926,565.34 | \$ 600,000.00 |
| Sewer Charges | 8,287,064.90 | 8,143,122.65 |
| Sewer Flow Usage Fees - Reservoir Ridge | 104,625.49 | 137,559.92 |
| Miscellaneous | 401,151.30 | 343,589.19 |
| Other Credits to Income: | | |
| MRNA - Prior Year Void Check | 75.00 | |
| Unexpended Balance of Appropriation Reserves | 819,441.60 | 511,191.34 |
| | <u>10,538,923.63</u> | <u>9,735,463.10</u> |
| <u>Expenditures</u> | | |
| Budget Expenditures: | | |
| Operating | 6,873,003.04 | 7,087,172.03 |
| Debt Service | 126,160.96 | 127,492.06 |
| Statutory Expenditures | 203,562.30 | 225,827.97 |
| Capital Expenditures | 2,000,000.00 | 1,155,000.00 |
| | <u>9,202,726.30</u> | <u>8,595,492.06</u> |
| Excess in Revenue | 1,336,197.33 | 1,139,971.04 |
| <u>Fund Balance</u> | | |
| Balance, Beginning of Year | <u>2,319,339.34</u> | <u>1,779,368.30</u> |
| | <u>3,655,536.67</u> | <u>2,919,339.34</u> |
| Decreased by: | | |
| Utilized as Anticipated Revenue: | | |
| Sewer Operating Fund Budget | 926,565.34 | 600,000.00 |
| | <u>926,565.34</u> | <u>600,000.00</u> |
| Balance, End of Year | <u>\$ 2,728,971.33</u> | <u>\$ 2,319,339.34</u> |

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

TOWNSHIP OF MONTCLAIR
SEWER UTILITY CAPITAL FUND

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

| | |
|--------------------------------|----------------------|
| Balance, December 31, 2023 | |
| and Balance, December 31, 2024 | <u>\$ 186,837.67</u> |

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

TOWNSHIP OF MONTCLAIR
SEWER UTILITY OPERATING FUND

STATEMENT OF REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2024

| | <u>Budget</u> | <u>Realized</u> | <u>Excess or (Deficit)</u> |
|-----------------------|------------------------|------------------------|--------------------------------|
| Fund Balance Utilized | \$ 926,565.34 | \$ 926,565.34 | |
| Sewer Charges | 8,000,000.00 | 8,287,064.90 | \$ 287,064.90 |
| Sewer Flow Usage Fee | 80,000.00 | 104,625.49 | 24,625.49 |
| Miscellaneous | <u>200,000.00</u> | <u>401,151.30</u> | <u>201,151.30</u> |
| | <u>\$ 9,206,565.34</u> | <u>\$ 9,719,407.03</u> | <u>\$ 512,841.69</u> |

Miscellaneous Revenue

Interest on Deposits:

| | | |
|----------------|-------------------|---------------|
| Operating Fund | \$ 119,791.12 | |
| Capital Fund | <u>190,511.93</u> | |
| | | \$ 310,303.05 |

| | | |
|------------------------------|-----------------|----------------------|
| Interest on Delinquent Rents | 64,135.08 | |
| New Services | 20,885.00 | |
| Other | <u>5,828.17</u> | |
| | | <u>90,848.25</u> |
| | | <u>\$ 401,151.30</u> |

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

TOWNSHIP OF MONTCLAIR
SEWER UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

| Appropriation | Budget | Modified Budget | Paid | Expended | | Unencumbered | Balance Canceled |
|-------------------------------------|-----------------|-----------------|-----------------|--------------|---------------|--------------|------------------|
| | | | | Encumbered | Reserved | | |
| Operating | | | | | | | |
| Salaries and Wages | \$ 861,053.04 | \$ 861,053.04 | \$ 817,103.25 | | \$ 43,949.79 | | |
| Other Expenses | 871,950.00 | 871,950.00 | 461,231.10 | \$ 75,483.04 | 335,235.86 | | |
| Passaic Valley Sewer Commission | 5,000,000.00 | 5,000,000.00 | 4,910,285.49 | | 89,714.51 | | |
| Third River Sewer | 5,000.00 | 5,000.00 | 2,668.72 | | 2,331.28 | | |
| Second River Sewer | 135,000.00 | 135,000.00 | 106,428.00 | | 28,572.00 | | |
| | 6,873,003.04 | 6,873,003.04 | 6,297,716.56 | 75,483.04 | 499,803.44 | | |
| Capital Improvements | | | | | | | |
| Capital Improvement Fund | 2,000,000.00 | 2,000,000.00 | 2,000,000.00 | | | | |
| | 110,000.00 | 110,000.00 | 109,650.13 | | | | \$ 349.87 |
| Debt Service | 20,000.00 | 20,000.00 | 16,510.83 | | | | 3,489.17 |
| Payment on Loan | | | | | | | |
| Payment of Interest on Loan | | | | | | | |
| | 130,000.00 | 130,000.00 | 126,160.96 | | | | 3,839.04 |
| Statutory Expenditures | | | | | | | |
| Contribution to: | | | | | | | |
| Public Employees' Retirement System | 140,757.27 | 140,757.27 | 140,757.27 | | | | |
| Social Security System | 62,805.03 | 62,805.03 | 62,805.03 | | | | |
| | 203,562.30 | 203,562.30 | 203,562.30 | | | | |
| | \$ 9,206,565.34 | \$ 9,206,565.34 | \$ 8,627,439.82 | \$ 75,483.04 | \$ 499,803.44 | | \$ 3,839.04 |
| Cash Disbursed | | | \$ 8,610,928.99 | | | | |
| Accrued Interest on Loans | | | 16,510.83 | | | | |
| | | | \$ 8,627,439.82 | | | | |

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

"F"

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2024 AND 2023

| | BALANCE DECEMBER <u>31, 2024</u> | BALANCE DECEMBER <u>31, 2023</u> |
|---|--|--|
| <u>ASSETS</u> | | |
| <u>Operating Fund</u> | | |
| Cash - Checking | \$ 4,939,277.56 | \$ 4,264,798.71 |
| | <u>4,939,277.56</u> | <u>4,264,798.71</u> |
| <u>Capital Fund</u> | | |
| Cash | 1,582,161.86 | 1,583,063.68 |
| Fixed Capital | 16,720,856.80 | 16,720,856.80 |
| Fixed Capital Authorized and Uncomplete | 3,091,000.00 | 2,591,000.00 |
| | <u>21,394,018.66</u> | <u>20,894,920.48</u> |
| | <u>\$ 26,333,296.22</u> | <u>\$ 25,159,719.19</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | |
| <u>Operating Fund</u> | | |
| Appropriation Reserves - Committed | \$ 648,492.36 | \$ 165,485.85 |
| Appropriation Reserves - Reserved | 1,018,666.84 | 1,405,022.96 |
| Accounts Payable | 32,687.59 | 25,500.00 |
| Accrued Interest on Bonds | 107,252.19 | 230,802.33 |
| | <u>1,807,098.98</u> | <u>1,826,811.14</u> |
| Fund Balance | 3,132,178.58 | 2,437,987.57 |
| | <u>4,939,277.56</u> | <u>4,264,798.71</u> |
| <u>Capital Fund</u> | | |
| Serial Bonds | 8,955,000.00 | 10,450,000.00 |
| Capital Improvement Fund | 9,000.00 | 9,000.00 |
| Improvement Authorization - Funded | 1,406,562.43 | 1,080,647.35 |
| Encumbrances Payable | 85,349.43 | 418,416.33 |
| Reserve for Amortization | 7,765,856.80 | 6,270,856.80 |
| Deferred Reserve for Amortization | 3,091,000.00 | 2,591,000.00 |
| Reserve for Crescent Parking Deck | 31,250.00 | 25,000.00 |
| Fund Balance | 50,000.00 | 50,000.00 |
| | <u>21,394,018.66</u> | <u>20,894,920.48</u> |
| | <u>\$ 26,333,296.22</u> | <u>\$ 25,159,719.19</u> |

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

TOWNSHIP OF MONTCLAIR
PARKING UTILITY OPERATING FUND

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

| | BALANCE DECEMBER <u>31, 2024</u> | BALANCE DECEMBER <u>31, 2023</u> |
|---|--|--|
| <u>Revenues and Other Income Realized</u> | | |
| Fund Balance Utilized | \$ 1,116,671.74 | \$ 943,908.02 |
| Permit Fees | 1,275,860.04 | 1,419,355.90 |
| Meter Fees | 1,625,383.78 | 1,605,798.30 |
| Transient Fees | 1,673,290.67 | 1,654,623.31 |
| PATS Revenue | 204,827.53 | 181,989.39 |
| Miscellaneous Revenue | 545,868.18 | 205,647.12 |
| Appropriation Reserves Canceled | 1,113,939.02 | 558,180.68 |
| Accounts Payable Canceled | 10,500.00 | - |
| | <u>7,566,340.96</u> | <u>6,569,502.72</u> |
| <u>Expenditures</u> | | |
| Budget Appropriations: | | |
| Operating | 3,983,913.97 | 3,591,164.55 |
| Capital Improvements | 500,000.00 | 150,000.00 |
| Debt Service | 889,393.62 | 991,604.66 |
| Statutory Expenditures | 287,757.77 | 267,743.47 |
| Refund of Parkmobile Fees | 94,412.85 | - |
| | <u>5,755,478.21</u> | <u>5,000,512.68</u> |
| Excess in Revenue | 1,810,862.75 | 1,568,990.04 |
| <u>Fund Balance</u> | | |
| Balance, Beginning of Year | <u>2,437,987.57</u> | <u>1,812,905.55</u> |
| | 4,248,850.32 | 3,381,895.59 |
| Decreased by: | | |
| Utilized as Anticipated Revenue | <u>1,116,671.74</u> | <u>943,908.02</u> |
| Balance, End of Year | <u>\$ 3,132,178.58</u> | <u>\$ 2,437,987.57</u> |

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

TOWNSHIP OF MONTCLAIR
PARKING UTILITY CAPITAL FUND

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

Balance, December 31, 2023
and Balance, December 31, 2024

\$ 50,000.00

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

TOWNSHIP OF MONTCLAIR
PARKING UTILITY OPERATING FUND

STATEMENT OF REVENUES
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024

| | <u>Budget</u> | <u>Realized</u> | <u>(Deficit) or Excess</u> |
|---------------------------------------|------------------------|------------------------|--------------------------------|
| <u>Source:</u> | | | |
| Fund Balance Anticipated | \$ 1,116,671.74 | \$ 1,116,671.74 | |
| Meter Fees | 1,500,000.00 | 1,625,383.78 | \$ 125,383.78 |
| Permit Fees | 1,400,000.00 | 1,275,860.04 | (124,139.96) |
| Transient Fees | 1,500,000.00 | 1,673,290.67 | 173,290.67 |
| PATS Revenue | 120,000.00 | 204,827.53 | 84,827.53 |
| Miscellaneous | 150,000.00 | 545,868.18 | 395,868.18 |
| | <u>\$ 5,786,671.74</u> | <u>\$ 6,441,901.94</u> | <u>\$ 655,230.20</u> |
| <u>Miscellaneous Revenue</u> | | | |
| Interest on Deposits: | | | |
| Operating Fund | \$ 194,437.38 | | |
| Capital Fund | 78,250.31 | | |
| | <u>272,687.69</u> | \$ 272,687.69 | |
| ATM & Chargepoint fees | 9,362.93 | | |
| Miscellaneous | 1,685.70 | | |
| LCOR License Agreement | 49,800.00 | | |
| Herod's Share of Debt and Maintenance | 212,331.86 | | |
| | <u>273,180.49</u> | <u>273,180.49</u> | |
| | | <u>\$ 545,868.18</u> | |

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

TOWNSHIP OF MONTCLAIR
PARKING UTILITY

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

| Appropriation | Budget | Modified Budget | Paid | Expended | | Balance |
|-------------------------------------|------------------------|------------------------|------------------------|----------------------|--------------------------|----------------------|
| | | | | Encumbered | Reserved Unencumbered | |
| <u>Operating</u> | | | | | | |
| Salaries and Wages | \$ 1,283,913.97 | \$ 1,283,913.97 | \$ 1,108,025.42 | | \$ 175,888.55 | |
| Other Expenses | 2,700,000.00 | 2,700,000.00 | 1,208,729.35 | \$ 648,492.36 | 842,778.29 | |
| | <u>3,983,913.97</u> | <u>3,983,913.97</u> | <u>2,316,754.77</u> | <u>648,492.36</u> | <u>1,018,666.84</u> | |
| <u>Capital Improvements</u> | | | | | | |
| Capital Improvement Fund | 500,000.00 | 500,000.00 | 500,000.00 | | | |
| | <u>500,000.00</u> | <u>500,000.00</u> | <u>500,000.00</u> | | | |
| <u>Debt Service</u> | | | | | | |
| Payment on Bond Principal | 565,000.00 | 565,000.00 | 565,000.00 | | | |
| Interest on Bonds | 450,000.00 | 450,000.00 | 324,393.62 | | | \$ 125,606.38 |
| | <u>1,015,000.00</u> | <u>1,015,000.00</u> | <u>889,393.62</u> | - | | <u>125,606.38</u> |
| <u>Statutory Expenditures</u> | | | | | | |
| Contribution to: | | | | | | |
| Public Employees' Retirement System | 193,338.35 | 193,338.35 | 193,338.35 | | | |
| Social Security System | 94,419.42 | 94,419.42 | 94,419.42 | | | |
| | <u>287,757.77</u> | <u>287,757.77</u> | <u>287,757.77</u> | | | |
| | <u>\$ 5,786,671.74</u> | <u>\$ 5,786,671.74</u> | <u>\$ 3,993,906.16</u> | <u>\$ 648,492.36</u> | <u>\$ 1,018,666.84</u> | <u>\$ 125,606.38</u> |
| Cash Disbursements | | | \$ 3,669,512.54 | | | |
| Accrued Interest on Bonds | | | <u>324,393.62</u> | | | |
| | | | <u>\$ 3,993,906.16</u> | | | |

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

TOWNSHIP OF MONTCLAIR
GENERAL FIXED ASSETS ACCOUNT GROUP

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
DECEMBER 31, 2024 AND 2023

| <u>ASSETS</u> | <u>BALANCE</u> <u>DEC. 31, 2024</u> | <u>BALANCE</u> <u>DEC. 31, 2023</u> |
|------------------------------------|--|--|
| Land | \$ 49,954,200.00 | \$ 49,954,200.00 |
| Buildings and Contents | 46,503,300.00 | 46,503,300.00 |
| Vehicles and Other Equipment | <u>22,109,353.00</u> | <u>21,119,348.00</u> |
| | <u>\$ 118,566,853.00</u> | <u>\$ 117,576,848.00</u> |
| <u>RESERVE</u> | | |
| Investment in General Fixed Assets | <u>\$ 118,566,853.00</u> | <u>\$ 117,576,848.00</u> |

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

TOWNSHIP OF MONTCLAIR

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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 ("GASB") established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The Division of Local Government Services (the "Division") requires the financial statements of the Township of Montclair to be reported separately.

The financial statements of the Township of Montclair include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as required by the provisions of N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township do not include the operations of the Library and local school district, inasmuch as its activities are administered by separate Boards.

B. Description of Funds

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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.

C. Basis of Accounting and Measurement Focus

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

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

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

Expenditures - are recorded on the "budgetary" basis of accounting. General expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances, at December 31, are reported as a cash liability in the financial statements and constitute part of the Township's regulatory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

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

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

General Fixed Assets - N.J.A.C. 5:30-5.6 Accounting for Governmental Fixed Assets, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Township as part of its basic financial statements. General fixed assets are defined as non-expendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage system are not capitalized.

Property and equipment acquired by the Current and General Capital Funds are recorded as expenditures at the time of the purchase and are not capitalized in their own respective funds. The Township has valued its land and buildings at assessed values. GAAP requires capital assets to be recorded at their historical cost or estimated historical cost. Additionally, GAAP requires depreciation to be calculated on capital assets, with the exception of land.

General Fixed Assets that have been acquired and that are utilized in the Current and General Capital Funds are instead accounted for in the General Fixed Asset Account Group. No depreciation has been provided on general fixed assets or reported in the financial statements.

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Capital - Water Utility, Sewer Utility, Parking Utility - Accounting for utility fund "fixed capital" is done in compliance with N.J.A.C. 5:30-5.6. Property and equipment purchased by the Water Utility Fund, Sewer Utility Fund and Parking Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized.

The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represents changes to operations for the cost of acquisitions of property, equipment, and improvements. The utility does not record depreciation on fixed assets.

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

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

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB) - Under GAAP, municipalities required to record their distributive shares of OPEB liability, deferred outflows of resources, deferred inflows of resources in the statement of Net Position and total OPEB related expense in Statements of Revenues, Expenses, Changes in Net Position and Notes to the Financial Statements in accordance with GASB 75.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB) (Continued) - New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the OPEB liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 75 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 75. As of the date of this report, the information for the period ended June 30, 2024 was not available; therefore, the information dated June 30, 2023 is disclosed.

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

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

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

D. Basic Financial Statements

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

NOTE 2: CASH AND CASH EQUIVALENTS

The Township considers petty cash, change funds, and cash in banks, deposits in the New Jersey Cash Management Fund and certificates of deposit as cash and cash equivalents.

A. Deposits

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

Under GUDPA, if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The Township of Montclair had the following cash and cash equivalents at December 31, 2024:

| <u>Fund</u> | <u>Change Fund</u> | <u>Cash on Deposit</u> | <u>Reconciling Items</u> | <u>Reconciled Total</u> |
|--------------------------------|--------------------|-------------------------|--------------------------|-------------------------|
| Current Fund | \$ 855.00 | \$ 46,029,447.47 | \$ 714,513.13 | \$ 46,744,815.60 |
| Grant Fund | | 1,449,035.48 | | 1,449,035.48 |
| Trust - Assessment | | 35,555.67 | (120.31) | 35,435.36 |
| Trust - Animal Control Fund | | 139,760.37 | (470.66) | 139,289.71 |
| Trust Fund | | 9,396,802.89 | (373,538.93) | 9,023,263.96 |
| Trust - SUI | | 389,971.89 | (4,588.03) | 385,383.86 |
| Trust - Section 8 | | 159,009.54 | 4,275.69 | 163,285.23 |
| Trust - Forfeiture | | 27,442.30 | | 27,442.30 |
| Trust - Payroll | | 1,124,620.07 | (688,911.80) | 435,708.27 |
| General Capital Fund | | 965,862.66 | (710,223.14) | 255,639.52 |
| Water Operating Fund | 200.00 | 5,043,014.54 | (108,111.34) | 4,935,103.20 |
| Water Capital Fund | | 6,925,266.06 | (23,584.45) | 6,901,681.61 |
| Sewer Operating Fund | 200.00 | 3,294,387.91 | 42,091.75 | 3,336,679.66 |
| Sewer Capital Fund | | 6,060,130.12 | 477,427.96 | 6,537,558.08 |
| Parking Operating Fund | | 4,973,823.51 | (34,545.95) | 4,939,277.56 |
| Parking Capital Fund | | 1,595,149.85 | (12,987.99) | 1,582,161.86 |
| <u>Total December 31, 2024</u> | <u>\$ 1,255.00</u> | <u>\$ 87,609,280.33</u> | <u>\$ (718,774.07)</u> | <u>\$ 86,891,761.26</u> |

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Township does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2024, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance in the bank was exposed to custodial credit risk. Of the cash balance in the bank, \$250,000.00 was covered by Federal Depository Insurance and \$87,359,280.33 was covered by NJGUDPA. The New Jersey Cash Management Fund is an investment pool and is not insured by either FDIC or GUDPA.

B. Investments

The purchase of investments by the Township is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

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

NOTE 2: CASH AND CASH EQUIVALENT (CONTINUED)

B. Investments (Continued)

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

Concentration of Credit Risk: The Township places no limit on the amount the Township may invest in any one issuer.

Credit Risk: GASB Statement No. 40 requires disclosures be made to the credit rating of all debt security investments except for obligations for the U.S. Government or investments guaranteed by the U.S. government.

Interest Rate Risk: The Township's practice is typically to invest in investments with short maturities.

Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, the Township is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risk for its investments nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: MUNICIPAL DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond Anticipation Notes, which are issued to temporarily finance capital projects, are included in the below Summary of Municipal Debt and Summary of Statutory Debt Condition Annual Debt Statement:

| | <u>YEAR 2024</u> | <u>YEAR 2023</u> | <u>YEAR 2022</u> |
|---|-------------------------|-------------------------|-------------------------|
| Issued: | | | |
| General: | | | |
| Bonds, Notes and Loans | \$ 44,737,893.98 | \$ 44,267,759.86 | \$ 53,355,457.53 |
| Water Utility: | | | |
| Bonds, Notes and Loans | 2,567,619.16 | 3,375,635.63 | 4,178,652.31 |
| Sewer Utility: | | | |
| Bonds, Notes and Loans | 1,935,032.89 | 2,044,683.02 | 2,154,451.15 |
| Parking Utility: | | | |
| Bonds, Notes and Loans | <u>8,955,000.00</u> | <u>10,450,000.00</u> | <u>10,980,000.00</u> |
| | 58,195,546.03 | 60,138,078.51 | 70,668,560.99 |
| Less: | | | |
| Reserve for Payment of Debt Service | <u>134,549.00</u> | <u>169,977.46</u> | <u>189,066.35</u> |
| Net Debt Issued | <u>58,060,997.03</u> | <u>59,968,101.05</u> | <u>70,479,494.64</u> |
| <u>Authorized but not Issued</u> | | | |
| General: | | | |
| Bonds, Notes and Loans | <u>27,316,765.25</u> | <u>24,357,007.80</u> | <u>16,384,406.32</u> |
| Total Authorized but not Issued | <u>27,316,765.25</u> | <u>24,357,007.80</u> | <u>16,384,406.32</u> |
| Net Bonds and Notes Issued and and Authorized but not issued | <u>\$ 85,377,762.28</u> | <u>\$ 84,325,108.85</u> | <u>\$ 86,863,900.96</u> |

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SUMMARY OF STATUTORY DEBT CONDITION ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.670%:

| | <u>GROSS DEBT</u> | <u>DEDUCTIONS</u> | <u>NET DEBT</u> |
|----------------------------|--------------------------|--------------------------|-------------------------|
| Local School District Debt | \$ 225,995,421.19 | \$ 225,995,421.19 | -0- |
| Utility Debt | 13,457,652.05 | 13,457,652.05 | -0- |
| General Debt | <u>72,054,659.23</u> | <u>134,549.00</u> | <u>\$ 71,920,110.23</u> |
| | <u>\$ 311,507,732.47</u> | <u>\$ 239,587,622.24</u> | <u>\$ 71,920,110.23</u> |

Net debt \$71,920,110.23 divided by equalized valuation basis per N.J.S. 40A:2-2, \$10,731,544,517.33 equals 0.670%

Borrowing Power Under N.J.S.A. 40A:2-6 as Amended

| | |
|---|-----------------------------|
| Equalized Valuation Basis - December 31, 2024 | \$ <u>10,731,544,517.33</u> |
| 3 1/2% of Equalized Valuation Basis | \$ 375,604,058.11 |
| Net Debt | <u>71,920,110.23</u> |
| Remaining Borrowing Power | \$ <u>303,683,947.88</u> |

Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements and the assessed valuation of Class II railroad property of the Township of Montclair for the last three (3) preceding years.

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.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING

| YEAR | GENERAL CAPITAL | | WATER UTILITY CAPITAL | | PARKING UTILITY CAPITAL | | TOTAL |
|-----------|-------------------------|------------------------|------------------------|----------------------|-------------------------|------------------------|-------------------------|
| | PRINCIPAL | INTEREST | PRINCIPAL | INTEREST | PRINCIPAL | INTEREST | |
| 2025 | \$ 7,405,000.00 | \$ 1,182,434.17 | \$ 770,000.00 | \$ 96,950.00 | \$ 590,000.00 | \$ 313,368.99 | \$ 10,357,753.16 |
| 2026 | 7,555,000.00 | 1,000,807.50 | 810,000.00 | 60,000.00 | 525,000.00 | 399,379.00 | 10,350,186.50 |
| 2027 | 6,085,000.00 | 791,862.50 | 530,000.00 | 23,950.00 | 555,000.00 | 372,936.70 | 8,358,749.20 |
| 2028 | 6,475,000.00 | 619,522.50 | 305,000.00 | 6,100.00 | 575,000.00 | 345,261.30 | 8,325,883.80 |
| 2029 | 5,455,000.00 | 460,861.25 | | | 605,000.00 | 316,335.90 | 6,837,197.15 |
| 2030-2034 | 10,280,000.00 | 881,150.00 | | | 3,510,000.00 | 1,091,730.20 | 15,762,880.20 |
| 2035-2037 | 1,150,000.00 | 23,000.00 | | | 2,595,000.00 | 196,216.30 | 3,964,216.30 |
| | <u>\$ 44,405,000.00</u> | <u>\$ 4,959,637.92</u> | <u>\$ 2,415,000.00</u> | <u>\$ 187,000.00</u> | <u>\$ 8,955,000.00</u> | <u>\$ 3,035,228.39</u> | <u>\$ 63,956,866.31</u> |

Green Acres Trust Loans Payable – General Capital Fund

The Township has three loans 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>2024</u> | <u>2023</u> |
|--|----------------------|----------------------|
| <u>Project Youth Sports:</u> \$250,000, loan due in semi-annual installments of \$7,432.63 to \$7,695.96 through May 2026, interest at 2.00%. | \$ 22,859.37 | \$ 37,724.62 |
| <u>Project Youth Sports II:</u> \$250,000, loan due in semi-annual installments of \$6,410.26 to \$6,410.12 through June 2029, interest free. | 57,692.20 | 70,512.72 |
| <u>Project Youth Sports III:</u> \$273,606, loan due in semi-annual installments of \$7,015.54 through August 2035, interest free. | 154,342.45 | 168,373.53 |
| | <u>\$ 234,894.02</u> | <u>\$ 276,610.87</u> |

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

| YEAR | PRINCIPAL | INTEREST | TOTAL |
|-----------|----------------------|------------------|----------------------|
| 2025 | \$ 42,015.64 | \$ 381.77 | \$ 42,397.41 |
| 2026 | 34,546.93 | 76.97 | 34,623.90 |
| 2027 | 26,851.60 | | 26,851.60 |
| 2028 | 26,851.60 | | 26,851.60 |
| 2029 | 20,441.20 | | 20,441.20 |
| 2030-2034 | 70,155.40 | | 70,155.40 |
| 2035 | 14,031.65 | | 14,031.65 |
| | <u>\$ 234,894.02</u> | <u>\$ 458.74</u> | <u>\$ 235,352.76</u> |

NOTE 3: MUNICIPAL DEBT (CONTINUED)

Business District Loan Payable

The Township has taken over the repayment of a business district loan issued by the State Department of Community Affairs in the sum of \$490,000.00. The loan is interest free and payable over fifteen years. Payments are \$32,666.67 a year. The balance remaining at December 31, 2024 is \$97,999.96 and at December 31, 2023 is \$130,666.63

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>2024</u> | <u>2023</u> |
| 2010 Loan: | | |
| Payments are semi-annual through the year 2029 | \$152,619.16 | \$190,635.63 |

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

| <u>YEAR</u> | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
|-------------|----------------------|--------------------|----------------------|
| 2025 | \$ 37,016.58 | \$ 2,200.00 | \$ 39,216.58 |
| 2026 | 37,016.58 | 1,840.00 | 38,856.58 |
| 2027 | 37,016.58 | 1,480.00 | 38,496.58 |
| 2028 | 27,569.42 | 1,120.00 | 28,689.42 |
| 2029 | 14,000.00 | 560.00 | 14,560.00 |
| | <u>\$ 152,619.16</u> | <u>\$ 7,200.00</u> | <u>\$ 159,819.16</u> |

NOTE 3: MUNICIPAL DEBT (CONTINUED)

Environmental Infrastructure Loans Payable – Sewer Utility Fund

The Township was awarded a loan from the New Jersey Environmental Infrastructure Trust. The Fund Loan portion was issued interest free, while the Trust Loan portion was issued at interest ranging from 3.00% to 5.00%. Payments are semi-annual through the year 2049. The balance at December 31, 2024 was \$1,935,032.89 and for December 31, 2023 is \$2,044,683.02.

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> |
|-------------|------------------------|----------------------|------------------------|
| 2025 | \$ 109,528.13 | \$ 16,181.02 | \$ 125,709.15 |
| 2026 | 109,402.13 | 15,108.02 | 124,510.15 |
| 2027 | 109,270.13 | 14,040.06 | 123,310.19 |
| 2028 | 109,272.13 | 13,118.04 | 122,390.17 |
| 2029 | 109,274.13 | 12,195.98 | 121,470.11 |
| 2030-2034 | 411,791.15 | 47,644.76 | 459,435.91 |
| 2035-2039 | 305,498.15 | 36,650.02 | 342,148.17 |
| 2040-2044 | 330,498.15 | 25,325.00 | 355,823.15 |
| 2045-2049 | 340,498.79 | 10,350.00 | 350,848.79 |
| | <u>\$ 1,935,032.89</u> | <u>\$ 190,612.90</u> | <u>\$ 2,125,645.79</u> |

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG TERM DEBT

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

As of December 31, 2024 and 2023, the Township's long-term debt is as follows:

| | OUTSTANDING BALANCE DECEMBER <u>31, 2024</u> | OUTSTANDING BALANCE DECEMBER <u>31, 2023</u> |
|---|--|--|
| <u>General Capital Bonds:</u> | | |
| \$10,500,000.00 2013 Bonds, due in annual installments of \$1,270,000.00 through March 1, 2024, interest at a rate of 5.00%. | | \$ 1,270,000.00 |
| \$14,960,000.00 2014 Bonds, due in annual installments of \$1,785,000.00 to \$1,915,000.00 through January 1, 2026, interest at a rate of 5.00%. | \$ 3,700,000.00 | 5,610,000.00 |
| \$5,305,000.00 2017 Refunding Bonds, due in annual installments of \$1,830,000.00 through March 1, 2024, interest at a rate of 4.00%. | | 1,830,000.00 |
| \$9,000,000.00 2018 Bonds, due in annual installments of \$1,040,000.00 to \$1,200,000.00 through April 1, 2028, interest at rates from 4.00% to 5.00%. | 4,560,000.00 | 5,500,000.00 |
| \$32,395,000.00 2020 Bonds, due in annual installments of \$3,200,000.00 to \$4,415,000.00 through October 15, 2030, interest at rates from 2.00%.to 3.00%. | 22,175,000.00 | 25,065,000.00 |
| \$5,460,000.00 2021 Bonds, due in annual installments of \$525,000.00 to \$615,000.00 through October 15, 2031, interest at a rate of 3.00%. | 4,035,000.00 | 4,530,000.00 |
| \$9,935,000.00 2024 Bonds, due in annual installments of \$725,000.00 to \$1,150,000.00 through January 1, 2035, interest at a rates from 0.05% to 4.00%. | <u>9,935,000.00</u> | |
| | <u>\$44,405,000.00</u> | <u>\$43,805,000.00</u> |

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG TERM DEBT, CONTINUED

| | OUTSTANDING BALANCE DECEMBER <u>31, 2024</u> | OUTSTANDING BALANCE DECEMBER <u>31, 2023</u> |
|---|--|--|
| <u>Water Utility Serial Bonds:</u> | | |
| \$2,580,000.00 in Water Refunding Bonds dated February 27, 2014 due in annual remaining installments of \$230,000.00 to \$240,000.00 due on January 1 of each year with interest rates at 5.000%. | \$ 710,000.00 | \$ 950,000.00 |
| \$2,155,000.00 in Water Refunding Bonds dated August 18, 2016, due in annual remaining installments of \$270,000.00 to \$280,000.00 due on October 1 of each year with interest rates at 4.000%. | 550,000.00 | 830,000.00 |
| \$2,385,000.00 in Water Bonds dated October 10, 2018, due in annual remaining installments ranging between \$250,000.00 and \$305,000.00 due on April 1 of each year with interest rates at 4.000% to 5.000%. | <u>1,155,000.00</u> | <u>1,405,000.00</u> |
| | <u>\$ 2,415,000.00</u> | <u>\$ 3,185,000.00</u> |
| | OUTSTANDING BALANCE DECEMBER <u>31, 2024</u> | OUTSTANDING BALANCE DECEMBER <u>31, 2023</u> |
| <u>Parking Utility Serial Bonds:</u> | | |
| \$12,030,000.00 2014A Parking Refunding Bonds, refunded in 2024. | | \$ 9,125,000.00 |
| \$1,820,000.00 in 2014B Parking Refunding Bonds dated June 2, 2014, due in annual remaining installments ranging between \$75,000.00 and \$125,000.00 due on January 1 of each year with interest rates at 4.324% to 4.556%. | \$ 1,255,000.00 | 1,325,000.00 |
| \$7,700,000.00 in 2024A Parking Refunding Bonds dated October 17, 2024, due in annual remaining installments ranging between \$445,000.00 and \$785,000.00 due on January 1 of each year with interest rates at 0.05% to 4.00%. | <u>7,700,000.00</u> | |
| | <u>\$ 8,955,000.00</u> | <u>\$ 10,450,000.00</u> |

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SCHOOL DEBT

The Board of Education of the Township of Montclair was a Type I School District until November 2021. School debt, under Type I system were authorized by the Board of School Estimate. Obligations of the Type I school debt service continue to be raised as part of the school tax levy until it is retired. School debt is reported on the balance sheet of the General Capital Fund and is detailed as follows:

| | OUTSTANDING BALANCE DECEMBER <u>31, 2024</u> | OUTSTANDING BALANCE DECEMBER <u>31, 2023</u> |
|---|--|--|
| \$22,000,000.00 2013 Bonds, due in annual installments of \$1,745,000.00 to \$1,960,000.00 through March 1, 2028, interest rates at 2.50% to 2.75%. | \$ 7,405,000.00 | \$ 9,080,000.00 |
| \$11,855,000.00 2014 Refunding Bonds, refunded in 2024. | | 5,235,000.00 |
| \$14,840,000.00 2016 Refunding Bonds, due in annual installments of \$680,000.00 to \$1,690,000.00 through October 1, 2030, interest rates at 3.75% to 5.00%. | 7,825,000.00 | 9,270,000.00 |
| \$12,415,000.00 2017 Refunding Bonds, due in annual installments of \$1,195,000.00 to \$1,385,000.00 through September 1, 2031, interest rates at 4.00%. | 9,085,000.00 | 10,235,000.00 |
| \$3,000,000.00 2018 Bonds, due in annual installments of \$325,000.00 to \$375,000.00 through April 1, 2028, interest rates at 4.00% to 5.00%. | 1,375,000.00 | 1,675,000.00 |
| \$6,030,000.00 2020 Bonds, due in annual installments of \$550,000.00 to \$595,000.00 through October 15, 2030, interest rates at 2.00% to 3.00%. | 3,480,000.00 | 4,100,000.00 |
| \$3,640,000.00 2021 Bonds, due in annual installments of \$355,000.00 to \$400,000.00 through October 15, 2031, interest rates at 2.00% to 3.00%. | 2,660,000.00 | 2,995,000.00 |
| \$4,175,000.00 2024 Refunding Bonds, due in annual installments of \$920,000.00 to \$1,180,000.00 through January 1, 2028, interest rates at 5.00%. | 4,175,000.00 | |
| | \$36,005,000.00 | \$42,590,000.00 |

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SCHOOL DEBT, CONTINUED

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

| <u>YEAR</u> | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
|-------------|-------------------------|------------------------|-------------------------|
| 2025 | \$ 6,665,000.00 | \$ 1,213,647.22 | \$ 7,878,647.22 |
| 2026 | 6,860,000.00 | 1,018,178.13 | 7,878,178.13 |
| 2027 | 7,235,000.00 | 748,015.63 | 7,983,015.63 |
| 2028 | 7,490,000.00 | 461,550.00 | 7,951,550.00 |
| 2029 | 2,945,000.00 | 248,100.00 | 3,193,100.00 |
| 2030-2031 | <u>4,810,000.00</u> | <u>186,000.00</u> | <u>4,996,000.00</u> |
| | <u>\$ 36,005,000.00</u> | <u>\$ 3,875,490.98</u> | <u>\$ 39,880,490.98</u> |

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

| <u>Notes</u> | <u>2024</u> | <u>2023</u> |
|----------------------|-----------------|-----------------|
| General Capital Fund | \$ 2,259,652.19 | \$ 2,259,652.19 |

NOTE 4: FUND BALANCES APPROPRIATED

Fund balance, at December 31, 2024, which was appropriated and included as anticipated revenue in its own respective fund for the year ending December 31, 2025, was \$8,000,000.00 for the Current Fund, \$1,570,369.85 for the Water Utility Operating Fund, \$1,316,270.98 for the Sewer Utility Operating Fund and \$547,108.09 for the Parking Utility Operating Fund.

NOTE 5: PROPERTY TAXES

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

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

| | BALANCE DECEMBER 31, <u>2024</u> | BALANCE DECEMBER 31, <u>2023</u> |
|---------------|--|--|
| Prepaid Taxes | <u>\$ 1,274,721.04</u> | <u>\$ 1,089,110.06</u> |

NOTE 6: PENSION PLANS

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Firemen's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at www.nj.gov/treasury/pensions/annrpts.shtml.

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

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

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

Vesting and Benefit Provisions

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

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55.

NOTE 6: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions (Continued)

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

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group life insurance benefits is based on actual claims paid. For fiscal year 2024, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. During 2024 PERS provides for employee contributions of 7.50% of employees' base salary.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. For the fiscal year 2024, the State contributed an amount less than the actuarially determined amount. During 2024, PFRS provides for employee contributions of 10.00% of employees' base salary.

The Township's share of pension, which is based upon the annual billings received from the State, amounted to \$10,072,269.00 for 2024, \$9,854,225.00 for 2023, and \$9,056,732.00 for 2022.

Certain Township employees are also covered by the Federal Insurance Contribution Act.

Accounting and Financial Reporting for Pensions – GASB 68

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

NOTE 6: PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS)

At June 30, 2023, the State reported a net pension liability of \$24,674,823.00 for the Township's proportionate share of the total net pension liability. The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023.

The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 202, the Township's proportion was 0.1703547746 percent, which was a decrease of 0.0043840110 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the State recognized an actuarially determined pension benefit of \$504,515.00 for the Township's proportionate share of the total pension expense. The pension expense recognized in the Township's financial statements based on the April 1, 2023 billing was \$2,203,540.00.

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

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|---|--|---|
| Differences between expected and actual experience | \$ 235,923.00 | \$ 100,863.00 |
| Changes of assumptions | 54,206.00 | 1,495,400.00 |
| Net difference between projected and actual earnings on pension plan investments | 113,631.00 | |
| Changes in proportion and differences between Township contributions and proportionate share of contributions | <u>602,551.00</u> | <u>630,926.00</u> |
| | <u>\$ 1,006,311.00</u> | <u>\$ 2,227,189.00</u> |

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

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

| Year Ended | <u>Amount</u> |
|-----------------|--------------------------------|
| <u>June 30,</u> | |
| 2024 | (\$1,308,413.00) |
| 2025 | (732,814.00) |
| 2026 | 1,010,452.00 |
| 2027 | (187,522.00) |
| 2028 | <u>(2,581.00)</u> |
| | <u><u>(\$1,220,878.00)</u></u> |

Actuarial Assumptions

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

Inflation rate:

| | |
|-------|-------|
| Price | 2.75% |
| Wage | 3.25% |

Salary Increases:

2.75-6.55%
Based on Years of Service

Investment Rate of Return

7.00%

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

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

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

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

Discount Rate

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

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

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

| | June 30, 2023 | | |
|---|-----------------|-----------------|-----------------|
| | 1% | At Current | 1% |
| | Decrease | Discount Rate | Increase |
| | <u>6.00%</u> | <u>7.00%</u> | <u>8.00%</u> |
| Township's proportionate share of the pension liability | \$32,121,369.00 | \$24,674,823.00 | \$18,336,827.00 |

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

Special Funding Situation

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

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Special Funding Situation (Continued)

The non-employer contributing entities' total proportionate share of the non-employer contribution that is associated with the Township as of June 30, 2023 was 0.1710015610%, which is a decrease of 0.0044353337 percent from 0.1754368947% as of June 30, 2022. The non-employer contributing entities' contribution and employer pension expense and related revenue for the years ended June 30, 2023 and June 30, 2022 was \$76,952.00 and \$ 55,485.00 respectively.

Police and Firemen's Retirement System (PFRS)

At June 30, 2023, the State reported a net pension liability of \$64,700,970.00 for the Township's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2023, the Township's proportion was 0.5855936500 percent, which was a decrease of 0.0026701900 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the State recognized an actuarially determined pension benefit of \$3,579,389.00. The pension expense recognized in the Township's financial statements based on the April 1, 2023 billing was \$7,650,685.00.

NOTE 6: PENSION PLANS (CONTINUED)

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

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

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

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|---|--|---|
| Differences between expected and actual experience | \$ 2,770,366.00 | \$ 3,085,662.00 |
| Changes of assumptions | 139,647.00 | 4,368,866.00 |
| Net difference between projected and actual earnings on pension plan investments | 3,295,098.00 | |
| Changes in proportion and differences between Township contributions and proportionate share of contributions | <u>405,983.00</u> | <u>2,346,671.00</u> |
| | <u>\$ 6,611,094.00</u> | <u>\$ 9,801,199.00</u> |

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

| Year Ended | <u>Amount</u> |
|----------------|--------------------------|
| <u>June 30</u> | |
| 2024 | (\$2,906,073.60) |
| 2025 | (2,804,542.60) |
| 2026 | 3,499,612.40 |
| 2027 | (722,514.60) |
| 2028 | (268,790.60) |
| Thereafter | <u>12,204.00</u> |
| | <u>\$ (3,190,105.00)</u> |

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Actuarial Assumptions

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

| | |
|---------------------------|---------------------------|
| Inflation rate: | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases | |
| Through | All Future Years |
| | 3.25-16.25% |
| | Based on Years of Service |
| Investment Rate of Return | 7.00% |

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

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

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Long-Term Rate of Return

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

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

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Discount Rate

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

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

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

| | June 30, 2023 | | |
|---|--------------------------------|---|--------------------------------|
| | 1% Decrease <u>6.00%</u> | At Current Discount Rate <u>7.00%</u> | 1% Increase <u>8.00%</u> |
| Township's proportionate share of the PFRS pension liability | \$90,149,473.00 | \$64,700,970.00 | \$43,508,448.00 |

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Special Funding Situation

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

The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Township as of December 31, 2023 and 2022 is 0.58559372% and 0.58826392% respectively, the non-employer contributing entities' contribution for the year ended June 30, 2023 and 2022 was \$1,363,407.00 and \$1,491,902.00, respectively and the employer pension expense and related revenue for the year ended June 30, 2023 and 2022 was \$1,356,092.00 and \$1,382,592.00 respectively.

At June 30, 2023 and 2022, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$11,921,906.00 and \$11,983,616.00, respectively.

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

| | |
|---|------------------------|
| Township's Proportionate Share of Net Pension Liability | \$64,700,970.00 |
| State of New Jersey Proportionate Share of Net Pension Liability Associated with the Township | <u>11,921,906.00</u> |
| | <u>\$76,622,876.00</u> |

Pension plan fiduciary net position

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

NOTE 7: COMPENSATED ABSENCES

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.

For all full-time Township employees hired after May 21, 2010, the total compensation for unused accumulated sick leave shall not exceed \$15,000.00 and shall solely be payable upon the employee's retirement from a State or locally administered retirement system at their then-current salary.

For all Township employees whose initial appointment date occurs prior to May 21, 2010, and who have accumulated unused sick leave in an amount up to or exceeding \$15,000.00 as of December 31, 2023, shall be entitled to retain and solely upon the employee's retirement from a State or locally administered retirement system be compensated for any remaining amount up to cap of 130 days at their then-current salary.

Employees hired before May 21, 2010, shall continue to accrue sick days, and those days are to be used first. In the event that an employee exhausts their sick days after January 1, 2024, they may use their banked sick days. However, the sick day bank does not replenish. Employees shall not be paid for sick days accrued after December 31, 2023, at the time of retirement.

The sick day bank established as of December 31, 2023, shall include all sick days accrued as of that day. For the purposes of payment at retirement the cap is 130 days. However, in the event that the employee exhausts their current accrued sick days and have to use sick days from their bank, they can use all sick days in the bank, even those in excess of 130 days.

It is estimated that the \$10,748,915.52 computed internally at the 2024 salary rates would be payable to officials and employees of the Township as of December 31, 2024, for accumulated sick and vacation days. This amount was not verified by the audit. The Township has established a reserve for accumulated absences of \$2,131,531.89 as of December 31, 2024.

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

NOTE 8: DEFERRED COMPENSATION PLAN

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

NOTE 8: DEFERRED COMPENSATION PLAN (CONTINUED)

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Township's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

The accompanying financial statements do not include the Township's Deferred Compensation Plan activities. The Township's Deferred Compensation Plan is fully contributory and the Township has no liabilities in conjunction with the plan.

NOTE 9: LITIGATION

The Township's 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.

NOTE 10: TAX APPEALS

There are tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for 2024. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from current tax revenues, through the establishment of a reserve, or by the issuance of refunding bonds per N.J.S.A. 40A:2-51. The Township has a reserve of \$509,876.28 at December 31, 2024.

NOTE 11: CONTINGENT LIABILITIES

The Township participated in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2024, the Township does not believe that any material liabilities will result from such audits.

NOTE 12: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of; damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township participates in the Garden State Joint Insurance Fund ("GSJIF"), which provides coverage for the above type of claims. There have been no provisions included in the financial statements for claims incurred but not reported (IBNR) for the above coverage as of December 31, 2024. The Township is not aware of any claims pending that have a demand in excess of coverages provided under the JIF. In addition, there were no significant reductions in insurance coverage from prior year coverage and there were no amounts settled which exceeded insurance coverage for each of the past three years.

NOTE 12: RISK MANAGEMENT (CONTINUED)

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

| <u>Year</u> | <u>Contributions</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|-------------|----------------------|--------------------------|-----------------------|
| 2024 | \$ 78,350.17 | \$ 263,890.25 | \$ 385,383.86 |
| 2023 | 62,606.03 | 47,387.66 | 570,923.94 |
| 2022 | 52,329.49 | 34,880.62 | 555,705.57 |

NOTE 13: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75

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

Plan Description and Benefits Provided

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*; therefore, assets are accumulated to pay associated benefits.

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

NOTE 13: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Plan Description and Benefits Provided (Continued)

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

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

The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Pursuant to Chapter 78, P.L, 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Total Net OPEB Liability

At June 30, 2023, the Plan reported a Liability of \$47,706,239.00 for the Township's proportionate share of the collective Net OPEB liability. The total Net OPEB Liability measured as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023.

The Township's proportion of the Net OPEB Liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2022 through June 30, 2023.

NOTE 13: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Total Net OPEB Liability

At June 30, 2023, the Township's proportion was 0.317903 percent, which was an increase of 0.041209 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the State reported OPEB expense of \$7,109,321.00. This OPEB expense was based on the OPEB plans June 30, 2023 measurement date.

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

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|---|--|---|
| Differences between expected and actual experience | \$2,199,966.00 | \$12,955,456.00 |
| Changes of assumptions | 6,179,748.00 | 13,485,026.00 |
| Net difference between projected and actual earnings on OPEB plan investments | | 7,872.00 |
| Changes in proportion | <u>22,464,490.00</u> | <u>1,626,109.00</u> |
| | <u>\$30,844,204.00</u> | <u>\$28,074,463.00</u> |

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

| Year Ended | <u>Amount</u> |
|-----------------|-----------------------|
| <u>June 30,</u> | |
| 2024 | (\$1,244,568.80) |
| 2025 | (265,292.80) |
| 2026 | 1,769,516.20 |
| 2027 | 3,043,503.20 |
| 2028 | 1,898,485.20 |
| Thereafter | <u>(2,431,902.00)</u> |
| | <u>\$2,769,741.00</u> |

NOTE 13: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Actuarial Assumptions and Other Inputs

The total OPEB liability as of June 30, 2023, was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all period measurements:

Salary Increases*:

| | |
|--|---|
| Public Employees Retirement System (PERS): | |
| Rate for all future years | 2.75% to 6.55% Based on years of service |
| Police and Firemen's Retirement System (PFRS): | |
| Rate for all future years | 3.25% to 16.25% Based on years of service |

PERS Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2021

PFRS Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2021

*Salary increases are based on years of service within the respective plan.

Actuarial assumptions used in the July 1, 2022 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

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

Discount Rate

The discount rate for June 30, 2023 was 3.65%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

NOTE 13: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

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

The following presents the Net OPEB Liability associated with the Township's as of June 30, 2023, calculated using the discount rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | June 30, 2023 | | |
|----------------------|--------------------------|----------------------------|---------------------------|
| | 1.00% Decrease (2.65) | At Discount Rate (3.65) | 1.00% Increase (4.65%) |
| Total OPEB Liability | \$55,259,031.00 | \$47,706,239.00 | \$41,631,183.00 |

Sensitivity of the Township's Proportionate Share of the Net OPEB Liability to Changes in Healthcare Trends

The following presents the total Net OPEB Liability associated with the Township's as of June 30, 2023, calculated using the healthcare trend rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | June 30, 2023 | | |
|------------|-------------------|-------------------------------|-------------------|
| | 1.00% Decrease | Healthcare Cost Trend Rate | 1.00% Increase |
| Total OPEB | \$40,544,690.00 | \$47,706,239.00 | \$56,875,211.00 |

Special Funding Situation

The Township, by resolution of the governing body, has elected to provide postretirement medical coverage to certain employees under the provisions of Chapter 330, P.L. 1997.

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.

NOTE 13: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Special Funding Situation (Continued)

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.

At June 30, 2023 and 2022, the State's proportionate share of the net OPEB liability attributable to the Township for the special funding situation is \$5,316,576.00 and \$6,567,019.00 respectively.

At June 30, 2023, the Township's and State of New Jersey's proportionate share of the Net OPEB Liability were as follows:

| | |
|--|------------------------|
| Township's Proportionate Share of the Net OPEB Liability | \$47,706,239.00 |
| State of New Jersey's Proportionate Share of Net OPEB Liability Associated with the Township | <u>5,316,576.00</u> |
| | <u>\$53,022,815.00</u> |

OPEB Plan Fiduciary Net Position

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

NOTE 14: DEFERRED SCHOOL TAXES

School taxes raised in the calendar year for the school fiscal year (July 1 to June 30) which remain unpaid at December 31 may be deferred to current fund balance in an amount not exceeding fifty percent (50%) of the levy providing the school district has not requisitioned the funds. The balance of unpaid local school taxes levied, amount deferred and the amount reported as a liability (payable) at December 31, 2024, are as follows:

| | BALANCE DECEMBER 31, <u>2024</u> | BALANCE DECEMBER 31, <u>2023</u> | 2024 <u>DECREASE</u> | BALANCE DECEMBER 31, <u>2022</u> | 2023 <u>INCREASE</u> |
|-----------------------|--|--|--------------------------|--|-------------------------|
| Balance of School Tax | \$ 65,284,355.00 | \$ 67,404,270.00 | \$ (2,119,915.00) | \$ 62,749,284.00 | \$ 4,654,986.00 |
| Deferred Taxes | <u>48,754,849.00</u> | <u>48,754,849.00</u> | | <u>48,754,849.00</u> | |
| School Taxes Payable | <u>\$ 16,529,506.00</u> | <u>\$ 18,649,421.00</u> | <u>\$ (2,119,915.00)</u> | <u>\$ 13,994,435.00</u> | <u>\$ 4,654,986.00</u> |

NOTE 15: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2024 and 2023:

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were made.

| Fund | 2024 | | 2023 | |
|------------------------------|---------------------------------|------------------------------|---------------------------------|------------------------------|
| | <u>Interfund Receivable</u> | <u>Interfund Payable</u> | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
| Current Fund | | \$1,366,050.90 | | |
| General Trust Fund | \$ 1,366,050.90 | | \$ 1,000,000.00 | |
| General Capital Fund | | 500,000.00 | | \$ 7,000,000.00 |
| Water Utility Operating Fund | | | 2,000,000.00 | |
| Water Utility Capital Fund | | | 2,000,000.00 | |
| Sewer Utility Capital Fund | <u>500,000.00</u> | | <u>2,000,000.00</u> | |
| | <u>\$ 1,866,050.90</u> | <u>\$ 1,866,050.90</u> | <u>\$ 7,000,000.00</u> | <u>\$ 7,000,000.00</u> |

NOTE 16: FIXED ASSETS

The Township's governmental fixed assets are reported as follows:

| | Balance December 31, <u>2023</u> | <u>Additions</u> | <u>Deletions</u> | Balance December 31, <u>2024</u> |
|------------------------------|--|------------------------|----------------------|--|
| Land | \$ 49,954,200.00 | | | \$ 49,954,200.00 |
| Building and Improvements | 46,503,300.00 | | | 46,503,300.00 |
| Machinery and Equipment | <u>21,119,348.00</u> | <u>\$ 1,640,128.00</u> | <u>\$ 650,123.00</u> | <u>22,109,353.00</u> |
| | <u>\$ 117,576,848.00</u> | <u>\$ 1,640,128.00</u> | <u>\$ 650,123.00</u> | <u>\$ 118,566,853.00</u> |

NOTE 17: LONG TERM TAX EXEMPTIONS

The Township provides for long-term tax exemptions, as authorized and permitted by New Jersey State Statutes, N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. The exemption provided by the Township are predominately for affordable housing projects. Taxes are abated include municipal, local, school and county taxes. The Township is required to remit five percent (5.00%) to the County for any payments received in lieu of taxes (PILOT payments). The Township PILOT billings in 2024 were \$5,916,818.65 and taxes in 2024 that otherwise would have been due on these long-term tax exemptions amount to \$7,590,326.89 based upon the assessed valuations of the long-term tax exemption properties.

NOTE 18: LESSOR REVENUE

The Township entered into a lease agreement with Wellmont West Urban Renewal, LLC for the lease of Township property. The agreement was approved September 2018 for a term of 99 years with a possible extension of 25 years thereafter. Wellmont began paying \$124,000.00 annually in monthly installments due on the first day of each month following the acceptance of the agreement. The following is a projected benefit for future years:

Projected Lease Revenue

| | |
|------------|-------------------------|
| 2025 | \$124,826.67 |
| 2026 | 126,480.00 |
| 2027 | 126,480.00 |
| 2028 | 126,480.00 |
| 2029 | 126,480.00 |
| Thereafter | <u>11,994,916.98</u> |
| | <u>\$ 12,625,663.65</u> |

NOTE 19: SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after the financial statement date through June 24, 2025 which is the date the financial statements were available to be issued. Based upon this evaluation, the Township has determined that the following subsequent event needed to be disclosed: The Township has adopted the following ordinances which include bonds and notes authorized but not issued:

| <u>Date</u> | <u>Ordinance</u> | <u>Description</u> | <u>Amount</u> | <u>Bonds and Notes</u> |
|-------------|------------------|------------------------------|-----------------|------------------------|
| 04/22/25 | 2025-12 | Various Library Improvements | \$ 5,000,000.00 | \$ 4,760,000.00 |

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APPENDIX C

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

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WATERS, McPHERSON, McNEILL

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

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[FORM OF APPROVING OPINION]

June __, 2026

Township of Montclair
Montclair, New Jersey

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of a \$7,743,594 Tax-Exempt Bond Anticipation Note (the “Note”) of the Township of Montclair, a body corporate and politic of the State of New Jersey (the “Township”). The Note is dated July __, 2026; matures on July 13, 2027; is numbered 2026-1; and bears interest at the rate of ___% per annum (computed on the basis of a 360-day year) payable at maturity. The Note is issued pursuant to the Local Bond Law of the State of New Jersey. The Note is authorized by: Resolution No. R-26-197 of the Township adopted on June 9, 2026, and the bond ordinances referred to therein, each in all respects duly approved and published as required by law; and Resolution No. R-26-196 of the Township adopted on June 9, 2026 (the “Authorization Proceedings”).

The Note is registered in the name of Cede & Co., as nominee of The Depository Trust Company, Brooklyn, New York. The Note is a temporary obligation issued in anticipation of the issuance of bonds.

In our opinion, the Authorization Proceedings have been validly adopted, executed and delivered, and are in full force and effect. The Note is a valid and legally binding general obligation of the Township, enforceable in accordance with their terms and the Authorization Proceedings, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws relating to the enforcement of creditors’ rights. The Township has the power and is obligated to levy *ad valorem* taxes upon all the taxable real property within the Township for the payment of the Note and the interest thereon without limitation as to rate or amount.

The Township has covenanted to comply with any continuing requirements that may be necessary to preserve the tax-exempt status of the Note under the Internal Revenue Code of 1986, as amended (the “Code”). In the event that the Township continuously complies with its covenant, it is our opinion that interest on the Note is not includable in gross income for federal income tax purposes under the current law. It is also our opinion that interest on the Note is also not an item of tax preference under Section 57 of the Code when calculating the federal alternative minimum

tax on individuals. However, interest on the Note is included in computing adjusted financial statement income of those corporations subject to the corporate alternative minimum tax. The Note are not a “private activity bond” as defined in the Code. We express no opinion regarding other federal tax consequences other federal taxes arising with respect to the Note.

Further, in our opinion, under current law interest on the Note, and any gain on the sale thereof, is not includable as gross income under the New Jersey Gross Income Tax Act.

Our engagement by the Township with respect to the opinions expressed herein does not require, and shall not be construed to constitute, a continuing obligation on our part to notify or otherwise inform the addressee hereof of the amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for this opinion letter or of any laws or judicial decisions hereafter enacted or rendered that impact on this opinion letter.

This opinion letter is being furnished solely to the party to whom it is addressed, and it may not be relied upon by any other person or quoted in whole or in part or otherwise referred to without our express prior written consent.

Very truly yours,

WATERS, McPHERSON, McNEILL, P.C.

WATERS, McPHERSON, McNEILL

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

SECAUCUS – NEW YORK

MEADOWLANDS OFFICE

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P.O. BOX 1560

SECAUCUS, NEW JERSEY 07096

201-863-4400

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FAX

201-863-2866

[FORM OF APPROVING OPINION]

June __, 2026

Township of Montclair
Montclair, New Jersey

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of a \$6,300,000 Tax Anticipation Note (the “Note”) of the Township of Montclair, a body corporate and politic of the State of New Jersey (the “Township”). The Note is dated July __, 2026; matures on April 29, 2027; is numbered 2026-3; and bears interest at the rate of ___% per annum (computed on the basis of a 360-day year) payable at maturity. The Note is issued pursuant to the Local Bond Law of the State of New Jersey. The Note is authorized by Resolution No. R-26-195 of the Township adopted on June 9, 2026 (the “Authorization Proceedings”).

The Note is registered in the name of Cede & Co., as nominee of The Depository Trust Company, Brooklyn, New York. The Note is a temporary obligation issued in anticipation of the collection of taxes.

In our opinion, the Authorization Proceedings have been validly adopted, executed and delivered, and are in full force and effect. The Note is a valid and legally binding general obligation of the Township, enforceable in accordance with their terms and the Authorization Proceedings, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws relating to the enforcement of creditors’ rights. The Township has the power and is obligated to levy *ad valorem* taxes upon all the taxable real property within the Township for the payment of the Note and the interest thereon without limitation as to rate or amount.

The Township has covenanted to comply with any continuing requirements that may be necessary to preserve the tax-exempt status of the Note under the Internal Revenue Code of 1986, as amended (the “Code”). In the event that the Township continuously complies with its covenant, it is our opinion that interest on the Note is not includable in gross income for federal income tax purposes under the current law. It is also our opinion that interest on the Note is also not an item of tax preference under Section 57 of the Code when calculating the federal alternative minimum tax on individuals. However, interest on the Note is included in computing adjusted financial statement income of those corporations subject to the corporate alternative minimum tax. The Note

are not a “private activity bond” as defined in the Code. We express no opinion regarding other federal tax consequences other federal taxes arising with respect to the Note.

Further, in our opinion, under current law interest on the Note, and any gain on the sale thereof, is not includable as gross income under the New Jersey Gross Income Tax Act.

Our engagement by the Township with respect to the opinions expressed herein does not require, and shall not be construed to constitute, a continuing obligation on our part to notify or otherwise inform the addressee hereof of the amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for this opinion letter or of any laws or judicial decisions hereafter enacted or rendered that impact on this opinion letter.

This opinion letter is being furnished solely to the party to whom it is addressed, and it may not be relied upon by any other person or quoted in whole or in part or otherwise referred to without our express prior written consent.

Very truly yours,

WATERS, McPHERSON, McNEILL, P.C.

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[FORM OF APPROVING OPINION]

June __, 2026

Township of Montclair
Montclair, New Jersey

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of a \$10,747,406 Taxable Bond Anticipation Note (the “Note”) of the Township of Montclair, a body corporate and politic of the State of New Jersey (the “Township”). The Note is dated July __, 2026; matures on July 13, 2027; is numbered 2026-2; and bears interest at the rate of ___% per annum (computed on the basis of a 360-day year) payable at maturity. The Note is issued pursuant to the Local Bond Law of the State of New Jersey. The Note is authorized by: Resolution No. R-26-197 of the Township adopted on June 9, 2026, and the bond ordinances referred to therein, each in all respects duly approved and published as required by law; and Resolution No. R-26-196 of the Township adopted on June 9, 2026 (the “Authorization Proceedings”).

The Note is registered in the name of Cede & Co., as nominee of The Depository Trust Company, Brooklyn, New York. The Note is a temporary obligation issued in anticipation of the issuance of bonds.

In our opinion, the Authorization Proceedings have been validly adopted, executed and delivered, and are in full force and effect. The Note is a valid and legally binding general obligation of the Township, enforceable in accordance with their terms and the Authorization Proceedings, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws relating to the enforcement of creditors’ rights. The Township has the power and is obligated to levy *ad valorem* taxes upon all the taxable real property within the Township for the payment of the Note and the interest thereon without limitation as to rate or amount.

The Note is a taxable obligation under federal law. Interest on the Note, and any gain from the sale thereof, is includable as gross income under the Internal Revenue Code of 1986, as amended.

Further, in our opinion, under current law interest on the Note, and any gain on the sale thereof, is not includable as gross income under the New Jersey Gross Income Tax Act.

Our engagement by the Township with respect to the opinions expressed herein does not require, and shall not be construed to constitute, a continuing obligation on our part to notify or otherwise inform the addressee hereof of the amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for this opinion letter or of any laws or judicial decisions hereafter enacted or rendered that impact on this opinion letter.

This opinion letter is being furnished solely to the party to whom it is addressed, and it may not be relied upon by any other person or quoted in whole or in part or otherwise referred to without our express prior written consent.

Very truly yours,

WATERS, McPHERSON, McNEILL, P.C.