

# City of Montclair Annual Financial Report For the Fiscal Year Ended June 30, 2023



## CITY OF MONTCLAIR

## **FINANCIAL STATEMENTS**

Year Ended June 30, 2023

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#### Independent Auditor's Report

The Honorable City Council City of Montclair, California

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

#### Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Montclair (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Montclair, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 generally accepted auditing standards and *Government Auditing Standards* 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.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

#### **Required Supplementary Information**

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other records used to prepare the basic financial statements themselves, and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 7, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Van Lant + Fankhanel, 11P

March 7, 2024

**BASIC FINANCIAL STATEMENTS** 

## City of Montclair Statement of Net Position June 30, 2023

	Governmen Activities		Total
ASSETS			
Pooled Cash and Investments	\$ 65,831,3	317 \$ 5,819,303	\$ 71,650,620
Receivables:			
Accounts	3,783,2	244 586,319	4,369,563
Notes and Loans	5,	- 000	5,000
Accrued Interest	260,	729 -	. 260,729
Prepaid Costs		779 -	· 11,779
Due From Other Governments	5,656,9		
Internal Balances	(•	493) 493	-
Restricted Assets:			
Cash with Fiscal Agent	45,530,2		45,530,258
Capital Assets Not Being Depreciated	30,401,3		30,401,353
Capital Assets, Net of Accumulated Depreciation	90,467,	029 1,974,033	92,441,062
Total Assets	241,947,	131 8,523,927	250,471,058
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflow - Bond Refunding	210,	373 -	210,373
Deferred Outflows Related to OPEB	1,771,4	407 70,329	1,841,736
Deferred Outflows Related to Pensions	51,866,0	026 2,028,770	53,894,796
Total Deferred Outflows of Resources	53,847,	806 2,099,099	55,946,905
LIABILITIES			
Accounts Payable	2,855,	151 667,433	3,522,584
Accrued Liabilities	729,	191 48,377	777,568
Accrued Interest	890,	810 -	. 890,810
Deposits Payable	320,2	203 -	. 320,203
Due to Other Governments	70,4	439 -	. 70,439
Noncurrent Liabilities:			
Due Within One Year	7,017,0	070 120,012	7,137,082
Due in More Than One Year	182,873,9	911 3,622,260	186,496,171
Total Liabilities	194,756,	775 4,458,082	199,214,857
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to OPEB	3,476,0	644 138,030	3,614,674
Deferred Inflows Related to Pensions	58,758,	630 2,574,926	61,333,556
Total Deferred Inflows of Resources	62,235,2	274 2,712,956	64,948,230
NET POSITION			
Net Investment in Capital Assets	79,506,0	688 1,974,033	81,480,721
Restricted for:	,,	.,,	• • • • • • • • • • • • •
Housing	5,528,	781 -	5,528,781
Public Safety	1,757,0		1,757,070
Transportation	26,593,		26,593,933
Community Development	2,506,		2,506,106
Unrestricted	(77,089,0		
Total Net Position	\$ 38,802,8		
	φ 00,002,	$\psi 0, \tau 0, 300$	$\psi = \pm, 20\pm, 010$

## **City of Montclair Statement of Activities** Year Ended June 30, 2023

		Program Revenues			
		Charges	Charges Operating		
		for	Grants and	Grants and	
Functions/Programs	Expenses	Services	Contributions	Contributions	
Primary Government:					
Governmental Activities:					
General Government	\$ (23,179,323)	\$ 2,617,512	\$ 4,822,853	\$-	
Public Safety	(34,708,807)	838,658	517,702	-	
Community Development	(5,733,358)	1,522,853	2,445,143	44,427	
Public Works	(5,055,276)	3,952,402	53,909	5,753,331	
Interest on Long-Term Debt	(4,428,032)	-	-	-	
Total Governmental Activities	(73,104,796)	8,931,425	7,839,607	5,797,758	
Business-type Activities:					
Sewer Maintenance	(5,986,664)	5,791,126	-	-	
Total Business-type Activities	(5,986,664)	5,791,126			
Total Primary Government	\$ (79,091,460)	\$ 14,722,551	\$ 7,839,607	\$ 5,797,758	

General Revenues:

Taxes: Property Taxes Transient Occupancy Taxes Sales Taxes Franchise Taxes Business Licenses Taxes Utility Users Tax Other Taxes Miscellaneous Revenues Interest Income Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

Government Activites	al Bu	Business-type Activities		Total
\$ (15,738,94 (33,352,44 (1,720,93 4,704,30 (4,428,03	47) 35) 66	- - - -	\$	(15,738,958) (33,352,447) (1,720,935) 4,704,366 (4,428,032)
(50,536,0	06)	-		(50,536,006)
	<u> </u>	(195,538) (195,538)		(195,538) (195,538)
(50,536,0	06)	(195,538)		(50,731,544)
8,887,1 66,90 30,002,2 968,74 904,6 2,268,73 39,0 528,8 2,209,2	04 13 33 14 38 15 19	- - - - - - 48,703		8,887,118 66,904 30,002,213 968,783 904,614 2,268,738 39,015 528,819 2,257,915 -
45,875,4	16	48,703		45,924,119
(4,660,5	90)	(146,835)		(4,807,425)
43,463,4	78	3,598,823		47,062,301
\$ 38,802,8	88 \$	3,451,988	\$	42,254,876

Net (Expense) Revenue and Changes in Net Position

## City of Montclair Balance Sheet Governmental Funds June 30, 2023

		Capital Projects Funds		
	General Fund	Successor Agency Bonds	Infrastructure	2021 Lease Revenue Bonds Project Fund
ASSETS				
Pooled Cash and Investments	\$ 29,004,032	\$ 12,711,172	\$ 363,391	\$-
Receivables:	0 575 445			
Accounts	2,575,145	-	559,882	-
Notes and Loans	5,000	-	-	-
Accrued Interest	144,577	101,801	-	-
Prepaid Costs	6,524	-	-	-
Due from Other Governments	4,845,492	-	62,766	-
Due from Other Funds	4,171,665	-	254,099	-
Restricted Assets: Cash with Fiscal Agent				45,517,135
Total Assets	\$ 40,752,435	\$ 12,812,973	\$ 1,240,138	\$ 45,517,135
LIABILITIES				
Accounts Payable	\$ 1,254,527	\$ 5,609	\$ 363,391	\$ 418,364
Accrued Liabilities	672,674	φ 0,000	φ 000,001	φ 410,004 6,154
Deposits Payable	235,214	_	_	-
Unearned Revenue	200,211	_	_	_
Due to Other Governments	63,910	_	_	-
Due to Other Funds	31,925	_	378,874	3,094,144
	01,020		010,014	0,004,144
Total Liabilities	2,258,250	5,609	742,265	3,518,662
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Grants	193,300	-	275,263	-
Total Deferred Inflows of Resources	193,300		275,263	
FUND BALANCES (DEFICITS) Nonspendable	6,524	-	-	_
Restricted		12,807,364	_	41,998,473
Committed	-	-	222,610	-
Assigned	27,733,706	<u>-</u>		-
Unassigned	10,560,655	-	-	-
Total Fund Balances (Deficits)	38,300,885	12,807,364	222,610	41,998,473
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 40,752,435	¢ 10 910 070	¢ 1 040 100	¢ 15 517 105
Resources, and Fund Daidnees	\$ 40,752,435	\$ 12,812,973	\$ 1,240,138	\$ 45,517,135

Other Governmenta Funds	Total Governmental Funds
\$ 23,752,722	2 \$ 65,831,317
648,217 - 14,351 5,255 748,657 522,624	- 5,000 260,729 5 11,779 7 5,656,915
13,123	
\$ 25,704,949	\$ 126,027,630
\$ 813,260 50,363 84,989	729,191
6,529 1,443,938	
2,399,079	8,923,865
15,238	483,801
15,238	483,801
5,255 23,591,649 	78,397,486           222,610           27,733,706
(306,272	
23,290,632	2 116,619,964
\$ 25,704,949	\$ 126,027,630

## City of Montclair Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

June 30, 2023

Fund Balances of Governmental Funds	\$ 116,619,964
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	120,868,382
Long-term debt and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds Claims and Judgements Compensated Absences Net Pension Liability Total OPEB Liability	(143,804,491) (4,662,465) (1,730,080) (30,812,400) (8,881,545)
Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.	(890,810)
Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability and Net OPEB Liability are not reported in the funds.	
Deferred Outflows Related to Pensions Deferred Inflows Related to Pensions Deferred Outflows Related to OPEB Deferred Inflows Related to OPEB	51,866,026 (58,758,630) 1,771,407 (3,476,644)
Amounts for deferred outflows related to the City's defeasance of prior bonds are not reported in the funds.	210,373
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported as available revenues in the funds.	483,801
Net Position of Governmental Activities	\$ 38,802,888

## City of Montclair Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds

Year Ended June 30, 2023

		Ca	apital Projects Fur	nds
		Successor		2021 Lease
	General	Agency		Revenue Bonds
	Fund	Bonds	Infrastructure	Project Fund
REVENUES				
Taxes	\$ 42,356,236	\$-	\$-	\$-
Licenses and Permits	698,118	-	-	-
Intergovernmental	236,318	-	322,467	-
Charges for Services	4,755,747	-	-	-
Use of Money and Property	532,310	266,700	-	1,429,623
Fines and Forfeitures	329,352	-	-	-
Miscellaneous	326,042			
Total Revenues	49,234,123	266,700	322,467	1,429,623
EXPENDITURES				
Current:				
General Government	12,842,517	-	-	-
Public Safety	16,574,546	-	-	-
Community Development	2,436,845	-	-	-
Public Works	4,586,743	107,156	-	1,827,763
Capital Outlay	286,000	-	641,084	4,729,519
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	36,726,651	107,156	641,084	6,557,282
Excess (Deficiency) of Revenues	40 507 470	450 544	(040.047)	(5.407.050)
Over Expenditures	12,507,472	159,544	(318,617)	(5,127,659)
OTHER FINANCING SOURCES (USES)				
Transfers In	4,943,603	-	318,616	-
Transfers Out	(10,369,554)			(497,278)
Total Other Financing Sources (Uses)	(5,425,951)		318,616	(497,278)
Net Change in Fund Balances	7,081,521	159,544	(1)	(5,624,937)
Fund Balance, Beginning of Year	31,219,364	12,647,820	222,611	47,623,410
Fund Balance, End of Year	\$ 38,300,885	\$ 12,807,364	\$ 222,610	\$ 41,998,473

Other Governmental Funds	Total Governmental Funds
\$ 2,657,374 - 12,172,622 668,935 1,116,090 412,628 110,949	\$ 45,013,610 698,118 12,731,407 5,424,682 3,344,723 741,980 436,991
17,138,598	68,391,511
1,373,885 1,845,039 3,272,922 991,896 4,987,147 4,660,818 4,613,421 21,745,128	14,216,402 18,419,585 5,709,767 7,513,558 10,643,750 4,660,818 4,613,421 65,777,301
(4,606,530)	2,614,210
10,876,841 (5,272,228) 5,604,613	16,139,060 (16,139,060)
998,083	2,614,210
22,292,549	114,005,754
\$ 23,290,632	\$ 116,619,964

## City of Montclair Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds	\$	2,614,210
Amounts reported for Governmental Activities in the Statement of Activities are different because	:	
Governmental funds report capital outlays as an expenditures. However in the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense.		
Acquisition of Capital Assets Depreciation Expense		13,235,530 (5,362,434)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the Statement of Activities.		
Amortization of Premium on Bonds Principal Repayments Amortization of Deferred Outflow on Refunding		174,723 4,660,818 (9,563)
Claims and judgments expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.		(1,914,755)
Accrued interest payable is not reported in the governmental funds.		20,229
To record the net change in compensated absences in the Statement of Activities.		(134,372)
Some revenues reported in the Statement of Activities are not considered to be available to finance current expenditures and therefore are not reported as revenues in the governmental funds.		52,696
Some expenses reported in the Statement of Activities relating to pensions and OPEB do not require the use of current financial resources and are not reported as governmental fund expenditures.		
Net change in Deferred Outflows Related to Pensions Net change in Deferred Inflows Related to Pensions Net change in Net Pension Liability Net change in Deferred Outflows Related to OPEB Net change in Deferred Inflows Related to OPEB Net change in Total OPEB Liability		(23,467,170) (17,164,193) 22,343,072 (273,256) (2,288,684) 2,852,559
Change in Net Position of Governmental Activities	\$	(4,660,590)

## City of Montclair Statement of Net Position Proprietary Funds June 30, 2023

ASSETS Current:	
Current:	
Pooled Cash and Investments \$	
Receivables:	
Accounts (net of allowance)	586,319
Due from Other Funds	681
Due from Other Governments	143,779
	143,113
Total Current Assets	6,550,082
Noncurrent:	
Capital Assets Not Being Depreciated	-
Capital Assets - Net of Accumulated Depreciation	1,974,033
Total Noncurrent Assets	1,974,033
Total Assets	8,524,115
	0,024,110
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to OPEB	70,329
Deferred Outflows Related to Pensions	2,028,770
Total Deferred Outflows of Resources	2,099,099
LIABILITIES	
Current:	
Accounts Payable	667,433
Accrued Liabilities	48,377
Due to Other Funds	188
Current Portion of Pension Obligation Bonds Payable	106,690
Accrued Compensated Absences	13,322
Total Current Liabilities	836,010
—	
Noncurrent:	
Accrued Compensated Absences	53,285
Pension Obligation Bonds	2,057,648
OPEB Liability	352,617
Net Pension Liability	1,158,710
Total Noncurrent Liabilities	3,622,260
Total Liabilities	4,458,270
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to OPEB	138,030
Deferred Inflows Related to Pensions	2,574,926
	2,074,020
Total Deferred Inflows of Resources	2,712,956
NET POSITION	
Net Investment in Capital Assets	1,974,033
Unrestricted	1,477,955
Total Net Position \$	3,451,988
The accompanying notes are an integral part of this statement.	, , ,

## City of Montclair Statement of Revenues, Expenses and Changes in Net Position Proprietary Funds Year Ended June 30, 2023

	Business-Type Activities - <u>Enterprise Funds</u> Sewer Maintenance Fund
OPERATING REVENUES	
Sales and Service Charges	\$ 5,791,126
Total Operating Revenues	5,791,126
OPERATING EXPENSES	
Salaries and Benefits	1,893,778
Supplies and Services	213,991
Treatment	3,770,406
Depreciation Expense	73,151
Total Operating Expenses	5,951,326
Operating Income (Loss)	(160,200)
NONOPERATING REVENUES (EXPENSES)	
Interest Revenue	48,703
Interest Expense	(35,338)
Total Nonoperating Revenues (Expenses)	13,365
Changes in Net Position	(146,835)
Net Position, Beginning of Year	3,598,823
Net Position, End of Fiscal Year	\$ 3,451,988

## City of Montclair Statement of Cash Flows Proprietary Funds Year Ended June 30, 2023

	A Ente	siness-Type ctivities - prrise Funds Sewer tenance Fund
Cash Flows from Operating Activities		
Cash Received from Customers and Users	\$	5,937,168
Cash Paid to Suppliers for Goods and Services		(4,265,446)
Cash Paid to Employees for Services		(1,371,236)
Net Cash Provided (Used) by Operating Activities		300,486
Cash Flows from Non-Capital Financing Activities		
Principal Paid Pension Obligation Bonds		(113,912)
Interest Paid on Pension Obligation Bonds		(35,338)
Cash Received From (Paid to) Other Funds		(493)
Net Cash Provided (Used) by Non-Capital Financing Activities		(149,743)
Cash Flows from Capital and Related Financing Activities Acquistion of Capital Assets		<u> </u>
Net Cash Provided (Used) by Capital and Related Financing Activities		-
Cash Flows from Investing Activities Interest Received		48,703
Net Cash Provided (Used) by Investing Activities		48,703
Net Increase (Decrease) in Cash and Cash Equivalents		199,446
Cash and Cash Equivalents at Beginning of Year		5,619,857
Cash and Cash Equivalents at End of Year	\$	5,819,303
Reconciliation of Operating Income to Net Cash		
Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$	(160,200)
Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:		
Depreciation		73,151
(Increase) Decrease in Accounts Receivable		1,374
(Increase) Decrease in Due from Other Governments		144,668
(Increase) Decrease in Deferred Outflows - OPEB		24,317
(Increase) Decrease in Deferred Outflows - Pensions		780,493
Increase (Decrease) in Accounts Payable		(281,049)
Increase (Decrease) in Accrued Liabilities		8,868
Increase (Decrease) in Compensated Absences		14,720
Increase (Decrease) in Deferred Inflows - OPEB		75,365
Increase (Decrease) in Deferred Inflows - Pension		613,543
Increase (Decrease) in Total OPEB Liability		(113,253)
Increase (Decrease) in Net Pension Liability		(881,511)
Total Adjustments		460,686
Net Cash Provided (Used) by Operating Activities	\$	300,486
meanying notes are an integral part of this statement		

## City of Montclair Statement of Fiduciary Net Position Fiduciary Funds June 30, 2023

	Successor Agency Private-purpose Trust Fund	Custodial Fund	
ASSETS			
Pooled Cash and Investments	\$ 1,098,713	\$ 4,038,166	
Restricted Cash with Fiscal Agent	2,109,634	-	
Accounts Receivable		1,046,262	
Total Assets	3,208,347	5,084,428	
LIABILITIES			
Accounts Payable	-	-	
Accrued Liabilities	4,023	-	
Due to Other Governments	36,514	-	
Interest Payable	249,789	-	
Bonds Payable	30,613,955		
Total Liabilities	30,904,281	<u> </u>	
NET POSITION			
Net Position Held for the Benefit of Others	-	5,084,428	
Net Position Held in Trust for Successor Agency	(27,695,934)		
Total Net Position	\$ (27,695,934)	\$ 5,084,428	

## City of Montclair Statement of Changes in Fiduciary Net Position Fiduciary Funds Year Ended June 30, 2023

	Successor Agency Private-purpose Trust Fund	Custodial Fund	
ADDITIONS			
Taxes and Assessments	\$ 12,707,276	\$ 1,266,606	
Investment Income	28,827	-	
Other Revenue			
Total Additions	12,736,103	1,266,606	
DEDUCTIONS			
Administrative Costs	174,009	-	
Distributions to other governments	-	66,559	
Pass-through Payments	9,999,581	-	
Interest on Bonds	813,577		
Total Deductions	10,987,167	66,559	
Change in Net Position	1,748,936	1,200,047	
Net Position - Beginning of Year	(29,444,870)	3,884,381	
Net Position - End of Year	\$ (27,695,934)	\$ 5,084,428	

Year Ended June 30, 2023

#### 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A) Description of Entity

The reporting entity is a municipal corporation governed by an elected mayor and a four-member council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Montclair (the City), and its component units, entities for which the City is considered financially accountable. Blended component units, although legally separate entities, are in substance, part of the government's operation, so data from these units are combined herein. The following criteria were used in the determination of blended units:

The members of the City Council also act as the governing body of the Montclair Housing Corporation, the Montclair Housing Authority, the Montclair Public Financing Authority (PFA), and the Montclair Community Foundation (Foundation). The City, Housing Corporation, Housing Authority, PFA, and Foundation are financially interdependent. The Housing Corporation, Housing Authority, PFA, and Foundation are managed by employees of the City. A portion of the City's salary and overhead expenses are billed to the Housing Authority each year. The City of Montclair was incorporated April 25, 1956, under the general laws of the State of California and enjoys all the rights and privileges pertaining to "General Law" cities.

#### **Blended Component Units**

The Montclair Housing Corporation was established in September 1993. The Corporation presently manages 98 residential units which are occupied by over 300 people. Those properties are covered by 55 year deed restrictions for affordability and approximately 80 percent of those deed restrictions are for very low income families.

The Montclair Housing Authority (the Authority) was established on July 18, 2011 to minimize the amount of unsanitary and unsafe inhabited dwelling accommodations and to provide decent, safe, sanitary, and affordable dwelling accommodations to persons of low income. On January 12, 2012, the Authority elected to serve as the Successor Housing Agency of the City of Montclair Redevelopment Agency (former redevelopment agency) and in accordance with that role it has received transferred Low and Moderate Housing assets of the former redevelopment agency as part of the dissolution process.

The Montclair Public Financing Authority was established through a Joint Exercise of Powers Agreement, dated as of September 1, 2014, by and between the City and the Montclair Housing Authority. The Authority is qualified to assist in the financing of certain public improvements and to issue Bonds under the Bond Law.

The Montclair Community Foundation, a separate 501(c)(3) organization, was established to provide various community services, and is funded by contributions from the community.

Separate financial statements are not prepared for the Corporation, the Authority, the PFA, or Foundation.

#### B) Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

Year Ended June 30, 2023

#### 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not property included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### C) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this period, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period, to include revenues received later than 60 days due to delays in processing payments to the City by other levels of government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Successor Agency Bonds Capital Projects Fund accounts for bond funds to be expended on various approved projects.

The *Infrastructure Capital Projects Fund* accounts for monies set aside by City Council for the purpose of economic development within the City.

The 2021 Lease Revenue Bonds Capital Projects Fund accounts for projects funded by the issuance of the 2021 Lease Revenue Bonds.

Year Ended June 30, 2023

#### 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The City reports the following major proprietary fund:

The Sewer Maintenance Fund accounts for sewer service revenues and the corresponding sewer maintenance expenses.

Additionally, the City reports the following fund types:

The *Custodial funds* are used to account for assets held by a governmental unit as an agent for individual, private organizations and/or other governmental units. The *Successor Agency Private-Purpose Trust Fund* accounts for the balances and activities relating to the dissolution of the former Redevelopment Agency.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reporting as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted, as they are needed.

#### D) Assets, Liabilities and Net Position or Equity

#### **Deposits and Investments**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. For financial statement presentation purposes, cash and cash equivalents are shown as both restricted and unrestricted cash and investments in the Proprietary funds.

Investments for the City, as well as for its component units, are reported at fair value. The City's policy is generally to hold investments until maturity or until market values equal or exceed costs. The State Treasurer's Investment Pool operates in accordance with appropriate State laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

#### Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Year Ended June 30, 2023

#### 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Advances between funds, if reported in the fund financial statements, are offset by nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation.

All trade and property tax receivables are shown net of an allowance for uncollectibles.

#### Policy for Eliminating Internal Activity in Government-Wide Statement of Activities

Administrative overhead charges are made to funds and programs and are thereby included in the direct expenses of those funds and programs.

#### Property Tax Calendar

Property tax revenue is recognized on the modified accrual basis, that is, in the fiscal year for which the taxes have been levied providing they become available. Available means then due or pass due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The County of San Bernardino collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January preceding the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property as it exists on that date. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of January each year and are delinquent, if unpaid, on August 31.

#### Functional Classifications

Expenditures of the Governmental funds are classified by function. Functional classifications are defined as follows:

- General Government includes legislative activities which have a primary objective of providing legal and policy guidelines for the City. Also included in this classification are those activities which provide management or support services across more than one functional area.
- Public Safety includes those activities which involve the protection of people and property.
- Community Development includes those activities which involve the enhancing of the general quality of life.
- Public Works includes those activities which involve the maintenance and improvement of City streets, roads and park development and maintenance.
- Debt Service includes those activities that account for the payment of long-term principal, interest and fiscal charges.

#### Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Year Ended June 30, 2023

#### 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### Restricted Assets

Certain proceeds of debt issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. In addition, funds have been restricted for future capital improvements by City resolution.

#### Capital Assets

Capital assets, which include property, plant, equipment, intangible assets and infrastructure assets (roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities column in the Government-wide Financial Statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 for equipment and \$50,000 for infrastructure. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets received prior to the implementation of GASB 72 were recorded at fair value on the date of donation. Donated capital assets received subsequent to the implementation of GASB 72 are recorded at acquisition value as of the date received.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Sewer Lines	100 years
Structures and Improvements	20 to 99 years
Furniture and Equipment	5 to 20 years
Infrastructure Assets	5 to 30 years

#### Compensated Absences

Compensated absences are the City's liabilities for future vacation, sick and other leave benefits. The shortterm portion is determined to be the amount due to employees for future absences which is attributable to services already rendered and which is expected to be paid during the next fiscal year. The total amount of liability for compensated absences is segregated between short-term and long-term as indicated above, with both portions being reflected in the government-wide financial statements. Compensated absences are paid, when matured, out of the general fund.

For Proprietary funds, the total amount of the liability for compensated absences is segregated between shortterm and long-term as indicated above and both portions are reflected in the fund involved.

Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment. Normally, an employee cannot accrue more than two times his or her regular annual entitlement without approval of the City Manager.

Year Ended June 30, 2023

#### 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Sick leave is payable when an employee is unable to work because of illness. Sick leave may be accumulated indefinitely or an employee may convert one-half of unused sick leave accrued during the preceding year for cash providing the person has been employed on a full-time basis for two years immediately preceding November 30 of each year. Unused sick leave may be redeemed in the two years prior to retirement at the rate of two days of sick leave for one day of absence leave. All unused sick leave is forfeited upon termination, other than for normal retirement.

#### Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### Other Postemployment Benefits

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used: June 30, 2022 Valuation Date, June 30, 2022 Measurement Date, July 1, 2021 through June 30, 2022 Measurement Period.

#### Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, longterm debt and other obligations are reported as liabilities in the applicable governmental activities, businesstype activities or proprietary fund type statement of net assets. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing sources.

#### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City reports deferred outflows relating to the Total OPEB Liability as well as the Net Pension Liability.

Year Ended June 30, 2023

#### 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments, grant receivables, and other miscellaneous receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the City reports deferred inflows related to the Total OPEB Liability and also the Net Pension Liability.

#### Net Position

*Net Investment in Capital Assets* – this category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

*Restricted Net Position* – this category represents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

*Unrestricted Net Position* - this category represents the net position of the City that is not externally restricted for any project or other purpose.

#### Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the statement of net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position, is applied.

#### Fund Balances

Fund balances in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance

in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Year Ended June 30, 2023

#### 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

<u>Nonspendable Fund Balance</u> - Amounts that cannot be spent either because they are in nonspendable form or are required to be maintained intact.

<u>Restricted Fund Balance</u> - Amounts that are constrained to specific purposes by state or federal laws, or externally imposed conditions by grantors or creditors.

<u>Committed Fund Balance</u> - Amounts constrained for a specific purpose by City Council action. It would require the same action by City Council to remove the constraint.

<u>Assigned Fund Balance</u> - Amounts that are constrained by the City Manager with the intent to use specified financial resources for specific purposes, but are neither restricted nor committed as defined by the City's fund balance policy adopted by Resolution No. 11-2932.

<u>Unassigned Fund Balance</u> - These are either residual positive net resources of fund balance in excess of what can properly be classified in one of the other four categories, or negative balances.

#### 2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The following deficits in non-major funds at June 30, 2023 will be funded by future revenues:

Special Revenue Funds:	
Community Development Block Grant	\$ 2,336
Older American Grant	3,822
After School Program	43,628
E.M.S. Paramedic	4,750
Title IIIB Sr. Supportive Services	1,527
Statewide Park Development	235,262
LEAP Grant	14,947

#### 3) CASH AND INVESTMENTS

As of June 30, 2023, cash and investments were reported in the accompanying financial statements as follows:

Government-wide Statement of Net Position				
	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and Investments Cash and Investments with Fiscal Agent	\$ 65,831,317 45,530,258	\$    5,819,303 -	\$ 5,136,879 2,109,634	\$ 76,787,499 47,639,892
Total Cash and Investments	\$ 111,361,575	\$ 5,819,303	\$ 7,246,513	\$ 124,427,391

The City of Montclair maintains a cash and investment pool that is available for use for all funds. Each fund's position in the pool is reported on the combined balance sheet as cash and investments. The City has adopted an investment policy, which authorizes it to invest in various investments.

Year Ended June 30, 2023

#### 3) CASH AND INVESTMENTS – Continued

#### <u>Deposits</u>

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure Agency deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC.

The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local government agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

#### Investments

Under provisions of the City's investment policy, and in accordance with the California Government Code, the following investments are authorized:

- Bonds issued by the local agency
- United States Treasury notes, bonds, bills or certificates
- Registered state warrants or treasury notes or bonds of California
- Bonds, notes, warrants or other evidences of indebtedness of any local agency of the State of California
- Federal Agency or United States government-sponsored enterprise obligations, participations, or other instruments.
- Bankers' Acceptances and commercial paper
- Negotiable certificates of deposit
- Repurchase Agreements and reverse repurchase agreements
- Medium-term notes
- Money market funds
- Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest
- Mortgage pass-through securities
- Local Agency Investment fund

#### Investments Authorized by Debt Agreements

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy.

Year Ended June 30, 2023

#### 3) CASH AND INVESTMENTS - Continued

#### Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

#### GASB Statement No. 31

GASB Statement No. 31 established fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. Accordingly, the City reports its investments at fair value in the balance sheet. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

#### Credit Risk

The City's investment policy limits investments in medium-term notes (MTN's) to those rated "A" or higher by Standard and Poor's (S&P) or by Moody's. As of June 30, 2023, the City has no investment in medium-term notes. All securities were investment grade and were legal under State law. Investments in U.S. treasuries are not considered to have credit risk and, therefore, their credit quality is not disclosed. As of June 30, 2023, the City's investments in external investment pools and money market mutual funds are unrated.

#### Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. As of June 30, 2023, none of the City's deposits or investments were exposed to custodial credit risk.

#### Concentration of Credit Risk

The City's investment policy imposes restrictions for certain types of investments with any one issuer. With respect to concentration risk, as of June 30, 2023, the City is in compliance with the investment policy restrictions. Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement. In accordance with GASB Statement No. 40, if the City has invested more than 5% of its investments in any one issuer, then they are exposed to credit risk. The City had no investments in any one issuer that exceeded 5% of total investments.

#### Interest Rate Risk

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy states that at least 15% of the City's portfolio shall mature in one year or less, and 50% in three years or less. The only exception to these maturity limits shall be the investment of the gross proceeds of tax-exempt bonds. As of June 30, 2023, the City had the following investments and original maturities:

Year Ended June 30, 2023

## 3) CASH AND INVESTMENTS – Continued

	Remaining Investment Maturities										
	12 Months 1 to 3				4 to 5			Fair			
Investment Type	Or Less		Years		1	Years		Value			
Local Agency Investment Fund	\$ 32,622,444	\$		-	\$		-	\$ 32,622,444			
Money Market Mutual Funds	2,689,917			-			-	2,689,917			
Cash with Fiscal Agent											
Money Market Mutual Funds	47,639,892			-			-	47,639,892			
Total	\$ 82,952,253	\$		-	\$		-	\$ 82,952,253			

### Fair Value of Investments

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has no investments that are subject to the fair value hierarchy.

## 4) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Ending Balance	
Governmental Activities:				
Capital Assets, Not Depreciated:				
Land	\$ 12,420,821	\$ 1,005,250	\$-	\$ 13,426,071
Work in Progress	12,636,260	7,959,278	6,211,401	14,384,137
Land Improvements	2,591,145	-	-	2,591,145
Total Capital Assets Not Depreciated	27,648,226	8,964,528	6,211,401	30,401,353
Capital Assets, Being Depreciated:				
Structures and Improvements	22,382,882	2,976,189	-	25,359,071
Furniture and Equipment	9,499,540	1,294,813	-	10,794,353
Infrastructure	113,033,810	6,211,401		119,245,211
Total Capital Assets Being Depreciated	144,916,232	10,482,403		155,398,635
Less Accumulated Depreciation:				
Structures and Improvements	10,258,036	584,054	-	10,842,090
Furniture and Equipment	6,799,778	852,390	-	7,652,168
Infrastructure	42,511,358	3,925,990		46,437,348
Total Accumulated Depreciation	59,569,172	5,362,434		64,931,606
Total Capital Assets Being				
Depreciated, Net	85,347,060	5,119,969		90,467,029
Governmental Activities				
Capital Assets, Net	\$ 112,995,286	\$ 14,084,497	\$ 6,211,401	\$ 120,868,382

Year Ended June 30, 2023

## 4) CAPITAL ASSETS – Continued

Business-Type Activities:		Beginning Balance	In	creases	Decre	eases	Ending Balance		
Capital Assets, Not Depreciated:									
Work in Progress	\$	-	\$	-	\$	-	\$	-	
Total Capital Assets Not Depreciated		-		-		-		-	
Capital Assets, Being Depreciated:									
Sewer Lines		3,333,838		-		-		3,333,838	
Infrastructure		106,985		-		-		106,985	
Furniture and Equipment		1,143,859		-		-		1,143,859	
Total Capital Assets Being Depreciated		4,584,682		-		-		4,584,682	
Less Accumulated Depreciation:									
Sewer Lines		1,641,854		33,338		-		1,675,192	
Infrastructure		83,597		36,247		-		119,844	
Furniture and Equipment		812,047		3,566		-		815,613	
Total Accumulated Depreciation		2,537,498		73,151		-		2,610,649	
Total Capital Assets Being									
Depreciated, Net		2,047,184		(73,151)				1,974,033	
Business-Type Activities									
Capital Assets, Net	\$	2,047,184	\$	(73,151)	\$	-	\$	1,974,033	

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	\$ 3,837,208
Public Safety	1,368,136
Community Development	23,591
Public Works	 133,499
Total Governmental Activities	\$ 5,362,434
Business-Type Acitivities: Sewer	\$ 73,151

## 5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2023, was as follows:

		2021 Lease				Sewer		
	C	General Revenue Bonds			Ma	aintenance	Non-Major	
DUE TO		Fund	Project Fun			Fund	Funds	Total
General Fund	\$	-	\$	3,094,144	\$	188	\$1,077,333	\$4,171,665
Infrastructure		-		-		-	254,099	254,099
Non-Major Funds		31,244		-		-	491,380	522,624
Sewer Maintenance Fund		681		-		-	-	681
Total	\$	31,925	\$	3,094,144	\$	188	\$1,822,812	\$4,949,069

Interfund receivables and payables are used for temporary loans between funds, which will be repaid through future tax and grant collections.

Year Ended June 30, 2023

## 5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund transfers for the 2022-23 fiscal year were as follows:

General		Governmental		
Fund	Infrastructure	Funds	Total	
\$-	\$ -	\$ 10,369,554	\$ 10,369,554	
-	-	497,278	497,278	
4,943,603	318,616	10,009	5,272,228	
\$4,943,603	\$ 318,616	\$10,876,841	\$16,139,060	
	Fund \$ - 4,943,603	General Fund Infrastructure \$ - \$ -  4,943,603 318,616	Fund         Infrastructure         Funds           \$         -         \$         10,369,554           -         -         497,278           4,943,603         318,616         10,009	

The General Fund received \$4,943,603 from non-major funds in reimbursement for costs incurred applicable to grant funded programs including \$4,794,353 from ARPA. In addition, the General Fund transferred \$10,369,554 to non-major funds for debt service costs and to cover deficits in various funds. The remaining transfers were to reimburse various operating costs and project costs.

### 6) LONG-TERM DEBT

## A) Long-Term Debt Activity

Governmental Activities:	Beginning Balance		0 0		Deletions	Ending Balance		Due Within One Year	
Lease Revenue Bonds:	• • • • • • • •	~ ~		•	075 000	•	~~ ~~~ ~~~	•	4 005 000
2014 Refunding Bonds	\$ 39,225,0		₿ -	\$	975,000	\$	38,250,000	\$	1,025,000
Premium	1,278,1		-		55,573		1,222,615		55,573
2021A Bonds	44,770,0	0	-		900,000		43,870,000		930,000
Premium	3,455,3	4	-		119,150		3,336,214		119,150
2021 Pension Obligation Bonds	59,911,4	0	-		2,785,818		57,125,662		2,798,400
Claims and Judgments	2,747,7	0	2,312,101		397,346		4,662,465		1,263,947
Total OPEB Liability	11,734,1	4	-		2,852,559		8,881,545		-
Net Pension Liablity	53,155,4	2	-		22,343,072		30,812,400		-
Compensated Absences	1,595,7	8	775,000		640,628		1,730,080		825,000
Total	\$ 217,873,0	6	\$ 3,087,101	\$	31,069,146	\$	189,890,981	\$	7,017,070
Business-type Activities:									
2021 Pension Obligation Bonds	\$ 2,278,2	0 5	÷ -	\$	113,912	\$	2,164,338	\$	106,690
Compensated Absences	51,8	7	28,350		13,630		66,607		13,322
Total OPEB Liability	465,8	0	-		113,253		352,617		-
Net Pension Liability	2,040,2	1	-		881,511		1,158,710		-
Total	\$ 4,836,2	8 3	\$ 28,350	\$	1,122,306	\$	3,742,272	\$	120,012

#### 2014 Lease Revenue Refunding Bonds

During fiscal year 2014-15, the Montclair Public Financing Authority (Authority) issued \$45,000,000 of 2014 Lease Revenue Refunding Bonds. The Bonds were issued to refund the outstanding 2005 Lease Revenue Bonds, and provide funds for various public improvements and infrastructure projects. The City and the Authority have entered into a lease agreement, pursuant to which the City will make lease payments to the Authority. The Bonds are secured by these lease payments. Interest on the Bonds is payable semi-annually

#### 6) LONG-TERM DEBT – Continued

on April 1 and October 1 of each year, commencing April 1, 2015. The Bonds carry various interest rates ranging from 3% to 5%. Principal maturities commenced on October 1, 2015, and continue on October 1 of each year through 2049. The outstanding balance at June 30, 2023 is \$38,250,000. The annual requirements to amortize the outstanding indebtedness as of June 30, 2023, including interest, are as follows:

Fiscal Year Ending					
June 30,	Principal	Interest	Total		
2024	\$ 1,025,000	\$ 1,562,762	\$ 2,587,762		
2025	1,075,000	1,510,263	2,585,263		
2026	1,125,000	1,466,513	2,591,513		
2027	1,165,000	1,432,162	2,597,162		
2028	1,200,000	1,395,937	2,595,937		
2029 - 2033	6,675,000	6,254,469	12,929,469		
2034 - 2038	8,405,000	4,461,525	12,866,525		
2039 - 2043	10,335,000	2,515,300	12,850,300		
2044 - 2046	7,245,000	442,300	7,687,300		
Totals	\$ 38,250,000	\$ 21,041,231	\$ 59,291,231		

#### 2021A Lease Revenue Bonds

During fiscal year 2021-22, the Montclair Public Financing Authority (Authority) issued \$45,000,000 of 2021A Lease Revenue Bonds. The Bonds were issued to finance either all or a portion of various public improvements and infrastructure projects. The City and the Authority have entered into a lease agreement, pursuant to which the City will make lease payments to the Authority. The Bonds are secured by these lease payments. Interest is payable semi-annually on April 1 and October 1 of each year, commencing April 1, 2022. The Bonds carry various interest rates ranging from 2% to 4%. Principal maturities commenced on April 1, 2022 and continue each year through April 1, 2051. Future debt service requirements are as follows:

Fiscal Year Ending					
June 30,	Principal	Interest	Total		
2024	\$ 930,000	\$ 1,467,412	\$ 2,397,412		
2025	955,000	1,439,513	2,394,513		
2026	985,000	1,410,862	2,395,862		
2027	1,015,000	1,381,313	2,396,313		
2028	1,055,000	1,340,712	2,395,712		
2029 - 2033	5,940,000	6,036,363	11,976,363		
2034 - 2038	7,225,000	4,749,162	11,974,162		
2039 - 2043	8,770,000	3,206,175	11,976,175		
2044 - 2048	10,185,000	1,791,763	11,976,763		
2049 - 2051	6,810,000	377,850	7,187,850		
Totals	\$ 43,870,000	\$ 23,201,125	\$ 67,071,125		

Year Ended June 30, 2023

## 6) LONG-TERM DEBT – Continued

## 2021 Pension Obligation Bonds

On October 13, 2021, the City issued \$62,190,000 in 2021 Taxable Pension Obligation Bonds, to refund the City's unfunded accrued liability to the California Public Employees' Retirement System. The bonds are payable from any lawfully available City funds. No debt service reserve fund for the bonds will be established under the related Trust Agreement. Interest on the Bonds is payable semiannually on June 1 and December 1 of each year, commencing on June 1, 2022, with interest rates ranging from .534% to 3.149%. Principal is due on June 1 of each year, from 2023 through 2041. Future debt service requirements are as follows:

Fiscal Year Ending						
June 30,	Principal		Interest	Total		
2024	\$ 2,915,000	\$	1,522,327	\$	4,437,327	
2025	2,940,000		1,495,334		4,435,334	
2026	2,980,000		1,458,995		4,438,995	
2027	3,020,000		1,414,713		4,434,713	
2028	3,075,000		1,362,557		4,437,557	
2029 - 2033	16,425,000		5,760,895		22,185,895	
2034 - 2038	18,840,000		3,342,212		22,182,212	
2039 - 2041	9,095,000		483,586		9,578,586	
Totals	\$ 59,290,000	\$	16,840,619	\$	76,130,619	

#### **Claims and Judgments**

The City is self-insured to some extent for general liability and workers' compensation claims. For more detail, see Note 9. The balance of claims payable at June 30, 2023 is \$4,662,465.

## B) Fiduciary Fund Long-Term Debt Activity

	Beginning Balance		Additions Deletions		Deletions	Ending Balance		Due Within One Year	
Tax Allocation Bonds:									
2019A	\$ 17,495,000	\$	-	\$	1,105,000	\$	16,390,000	\$	1,140,000
2019B	12,120,000		-		445,000		11,675,000		450,000
Premium on Bonds	 2,745,029		-		196,074		2,548,955		-
Total	\$ 32,360,029	\$	-	\$	1,746,074	\$	30,613,955	\$	1,590,000

## Tax Allocation Bonds

#### 2019 A and B (Taxable) Tax Allocation Refunding Bonds

In December 2019, the Successor Agency to the City of Montclair Redevelopment Agency issued the 2019 Series A and B (Taxable) Tax Allocation Refunding Bonds in the amount of \$19,890,000 and \$12,660,000. Proceeds from 2019 Bonds were applied to: (i) refund bonds (2007A, 2007B, 2006A, 2006B, 2004, 2001 and 1997) incurred by the Former Agency, (ii) pay for the premium for a debt service reserve insurance policy to be issued by Build America Mutual Assurance Company and (iii) pay costs of issuance of the 2019 Bonds. The prior bonds were issued to finance and refinance the former Redevelopment Agency's undertakings with

Year Ended June 30, 2023

### 6) LONG-TERM DEBT – Continued

respect to four project areas known as Redevelopment Project Area No. 1, Montclair Redevelopment Project Area No. IV, and Redevelopment Project Area No. V.

The 2019 Bonds are payable from and secured by a pledge of Tax Revenues derived from the Bond Project Areas. Interest on the bonds is payable semi-annually on April 1 and October 1 commencing on April 1, 2020. The bonds carry interest rates ranging from 3.00% to 4.00% on the Series A Bonds and 1.856% to 2.897% on the Series B Bonds. Bond maturities begin October 1, 2020, and continue annually through October 1, 2035, ranging from \$800,000 to \$1,705,000 on Series A Bonds and \$255,000 to \$1,740,000 on Series B Bonds. The future debt service requirements are as follows:

Fiscal Year Ending					
June 30,	 Principal	 Interest	Total		
2024	\$ 1,140,000	\$ 632,800	\$	1,772,800	
2025	1,195,000	586,100		1,781,100	
2026	1,240,000	537,400		1,777,400	
2027	1,285,000	486,900		1,771,900	
2028	1,340,000	434,400		1,774,400	
2029 - 2033	7,185,000	1,249,700		8,434,700	
2034 - 2036	 3,005,000	169,100		3,174,100	
Totals	\$ 16,390,000	\$ 4,096,400	\$	20,486,400	
			-		

#### 2019 A Tax Allocation Bonds

#### 2019 B Tax Allocation Bonds

Fiscal Year Ending					
June 30,	Principal	Interest		Total	
2024	\$ 450,000	\$	338,829	\$	788,829
2025	675,000		326,679		1,001,679
2026	610,000		312,062		922,062
2027	715,000		295,976		1,010,976
2028	1,010,000		273,714		1,283,714
2029 - 2033	5,860,000		944,378		6,804,378
2034 - 2036	2,355,000		70,139		2,425,139
Totals	\$ 11,675,000	\$	2,561,777	\$	14,236,777

Dissolution of the former Redevelopment Agency

On December 29, 2011, the California Supreme Court upheld Assembly Bill X126 (the Bill) that provided for the dissolution of all redevelopment agencies in the State of California. The Bill provided that upon dissolution of the City's former Redevelopment Agency, either the City or another unit of local government were to serve as the "Successor Agency" to hold the assets of the dissolved redevelopment agency until they are distributed to other units of state and local government. The City elected to become the Successor Agency for the former Redevelopment Agency with the Bill.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California were prohibited from entering into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution, including the completion of any unfinished projects that were subject to legally enforceable contractual commitments.

Year Ended June 30, 2023

## 6) LONG-TERM DEBT – Continued

A Redevelopment Property Tax Trust Fund (RPTTF) has been established, in accordance with State law, to allocate revenue to the Successor Agency in the amount that is necessary to pay the estimated annual payments on enforceable obligations of the former Redevelopment Agency until all enforceable obligations have been paid in full and all assets have been liquidated.

The former Redevelopment Agency pledged, as security for bonds it issued, a portion of the tax increment revenue that it would have received. The Successor Agency currently receives distributions from the RPTTF, as described above, to pay the debt service on the outstanding bonds. The Successor Agency appropriates each year, from these resources, amounts sufficient to cover the principal and interest requirements on the debt. Total principal and interest remaining on the debt is \$34,723,177 with debt service requirements as indicated above. Below is a summarization, by project area, which shows the gross amount of property taxes, and county and tax entity payments made for the fiscal year:

Items	<sup>p</sup> roject Area I	roject Area II	Project Area III	Project Area IV	Project Area V	Mission Blvd Project Area	Total
City of Montclair as Successor Agency for the City of Montclair Redevelopment Agency							
Allocations to Redevelopment Obligation Retirement Fund (RORF) Tax Increment Collections County Administration Charges Payments to Taxing Entities	\$ 216,691 (924) (199,045)	\$ - -	\$8,373,477 (34,590) (6,971,808)	\$4,095,926 (17,636) (3,780,377)	\$8,862,570 (37,762) (7,866,742)	\$2,667,084 (11,022) (2,646,096)	\$ 24,215,748 (101,934) (21,464,068)
Net Tax Increment Available for Debt Service	\$ 16,722	\$ -	\$1,367,079	\$ 297,913	\$ 958,066	\$ 9,966	\$ 2,649,746

# 7) PENSION PLANS

## **General Information about the Pension Plans**

**Plan Description** – All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-sharing Multiple-employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool. Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68.

Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors nine rate plans (three miscellaneous and six safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**Benefits Provided** – The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2021 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2020 actuarial valuation report. This report is a publicly available valuation report that can be obtained at CalPERS' website under Forms and Publications.

The rate plan provisions and benefits in effect at June 30, 2023, are summarized as follows:

### 7) PENSION PLANS – Continued

		Miscellaneous	
	Prior to	On or after	On or after
Hire date	June 21, 2010	June 21, 2010	January 1, 2013
Benefit formula	3% @ 60	2% @ 60	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	50
Monthly benefits, as a % of eligible compensation	(1)	(1)	(1)
Required employee contribution rates	7.80%	6.92%	6.75%
Required employer contribution rates	13.86% + \$476,686	10.06% + \$1,648	9.04% + \$3,124
		Safety - Police	
	Prior to	On or after	On or after
Hire date	June 27, 2005	June 27, 2005	January 1, 2013
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	50
Monthly benefits, as a % of eligible compensation	(1)	(1)	(1)
Required employee contribution rates	8.99%	8.99%	13%
Required employer contribution rates	23.75% + \$482,123	23.68 + \$23,026	12.78% + \$6,180

		Safety - Fire	
	Prior to	On or after	On or after
Hire date	June 27, 2005	June 27, 2005	January 1, 2013
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	50
Monthly benefits, as a % of eligible compensation	(1)	(1)	(1)
Required employee contribution rates	8.99%	8.99%	13.75%
Required employer contribution rates	25.64% + \$246,684	23.68% + \$13,131	13.66% + \$592

(1) - Depending on years of service

**Contributions** – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

### 7) **PENSION PLANS – Continued**

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. The City's required contribution for the unfunded liability was \$1,230,168 in fiscal year 2023.

The City's contributions to the Plan for the year ended June 30, 2023 were \$3,324,015.

#### Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2023, the City reported a liability of \$31,971,110 for its proportionate share of the net pension liability. The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the Plan's net pension liability as of June 30, 2021 and 2022 was as follows:

Proportion - June 30, 2021	1.02058%
Proportion - June 30, 2022	0.27679%
Change - Increase (Decrease)	-0.74379%

For the year ended June 30, 2023, the City recognized pension expense of \$22,124,832. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

		ferred Outflows of Resources	 ferred Inflows f Resources
Pension contributions subsequent to measurement date	e \$	3,324,015	\$ -
Differences between actual and expected experience		1,047,841	380,663
Changes in assumptions		3,244,858	-
Change in employer's proportion		273,252	59,758,845
Differences between the employer's contributions and			
the employer's proportionate share of contributions		40,629,705	1,194,048
Net differences between projected and actual			
earnings on plan investments		5,375,125	-
Total	\$	53,894,796	\$ 61,333,556

\$3,324,015 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

#### 7) PENSION PLANS – Continued

### 7) **PENSION PLANS – Continued**

Year Ending		
June 30,	_	
2024	\$	(5,241,947)
2025		(5,342,161)
2026		(3,461,400)
2027		3,282,733
2028		-
Thereafter		-

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Projected salary increase	(1)
Investment rate of return	6.90%
Mortality	(2)

(1) Depending on age, service and type of employment

(2) Derived using CalPERS' Membership Data for all Funds.

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

**Long-term Expected Rate of Return** - The long-term expected rate of return on pension plan investments 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. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows.

Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

### 7) PENSION PLANS – Continued

The expected real rates of return by asset class are as follows:

	New Strategic	
Asset Class	Allocation	Real Return (1,2)
Global Equity - Cap Weighted	30%	4.54%
Global Equity - Non-Cap Weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%

(1) An expected inflation of 2.3% used for this period.

(2) Figures are based on the 2021 Asset Liability Management study.

**Discount Rate** - The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. 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 periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1–percentage point lower or 1–percentage point higher than the current rate:

	19	% Decrease (5.90%)	Di	iscount Rate (6.90%)	1	% Increase (7.90%)
Net Pension Liability	\$	67,371,469	\$	31,971,110	\$	2,961,127

**Pension Plan Fiduciary Net Position** – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

#### Payable to the Pension Plan

At June 30, 2023, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

Year Ended June 30, 2023

## 8) OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS

**Plan Description** – The City's defined benefit OPEB plan, (the Plan), provides OPEB for all eligible miscellaneous and public safety employees of the City. The plan is a single-employer defined benefit OPEB plan administered by the City. The benefit terms are defined in the applicable Memorandum's of Understanding for each bargaining unit and may be amended by City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

**Benefits Provided** – Substantially all of the City's employees may become eligible for those benefits if they retire after 15 years of continuous service to the City under a normal service retirement. Those and similar benefits for active employees are provided through several insurance companies whose premiums are based on the benefits paid during the year. Benefits are provided as shown below:

	SBPEA	Management(1)	Police	Fire			
Eligibility	- Retire directly from City under CalPERS (age 50 and 5 years of						
	service or disability) (2)						
Age 50 and 15 Years	- Lesser of:	- Lesser of:	- Lesser of:	- n/a			
Service (3)	\$200/mo. If	\$551/mo.	\$200/mo. If				
	retired < 7/1/13		retired <				
	\$230/mo. If	Act Single Cap	\$230/mo. If				
	retired > 7/1/13		retired >				
	Act Single Cap		Act Single Cap				
Age 50 and 25 Years	- Lesser of:	- Lesser of: (4)	- Lesser of:	- Greater of:			
Service	\$532.16/mo.	\$551/mo.	\$532.16/mo.	\$300/mo.			
	Act Single Cap	Act Single Cap or 2-party Cap Dental & Vision if Single Medical	Act Single Cap	\$400/mo. at 30 years Max \$532.16/mo.			
Surviving Spouse Benefit							
	own cost						
Medicare Part A & B	<ul> <li>City Contributes toward Part B premiums subject to caps</li> <li>City also contributes toward Part A premiums if hired &lt; 4/1/86</li> </ul>						
Dental, Vision, & Life	- None other than management at 25 years service						

1) 48 consecutive months of City employment in a management position contiguous to retirement date.

- 2) PEPRA Employees must be age 52 to retire under CalPERS.
- 3) Hired < 7/1/04, retired < 7/1/20. Active single cap currently \$825 for SBPEA and Fire, \$875 for Management, and \$948.75 for Police (generally unchanged since 2008/09).
- 4) Cap can be used towards spouse premium. All other caps can only be used toward retiree premium.

**Employees Covered by Benefit Terms –** As of the June 30, 2022 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Year Ended June 30, 2023

### 8) OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS - Continued

Retirees or spouses of retirees currently receiving benefits	99
Inactives entitled to but not yet receviging benefits	-
Active employees	158
Total	257

**Contributions** - The contribution requirements of plan members and the City are established and may be amended by the City Council, and/or the employee associations. Currently, contributions are not required from plan members. The City is currently funding this OPEB liability on a pay-as-you-go basis. This obligation is typically liquidated from the General Fund and responsible Enterprise Funds.

**Total OPEB Liability -** The City's Total OPEB liability was measured as of June 30, 2022 and was determined by an actuarial valuation dated June 30, 2022, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Actuarial Cost
Contribution Policy	Pay-as-you-go
Mortality	Mortality projected fully generational with Scale MP-2021
	CalPERS 2000-2019 Experience Study
Age at Retirement	50 (52 for PEPRA)
Health Care Trend Rate	6.75% initial, 3.75% ultimate - Non-Medicare
	4.85% initial, 3.75% ultimate - Medicare
Inflation Rate	2.50%
Salary Changes	3.75%
Discount Rate	3.54% - Bond Buyer 20-year Bond index as of 6/30/22
	2.16% - Bond Buyer 20-year Bond index as of 6/30/21

## Changes in the Total OPEB Liability

		Total OPEB
	L	_iability (TOL)
Balance at June 30, 2022 (June 30, 2021 measurement date)	\$	12,199,974
Changes in the year:		
Service cost		325,254
Interest on the total OPEB liability		265,726
Assumption Changes		(1,455,289)
Actual vs. Expected Experience		(1,655,356)
Changes in benefit terms		-
Benefit payments, including refunds		(446,147)
Net changes		(2,965,812)
Balance at June 30, 2023 (June 30, 2022 measurement date)	\$	9,234,162

**Sensitivity of the Total OPEB Liability to changes in the Discount Rate -** The following presents the total OPEB liability of the City if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Year Ended June 30, 2023

### 8) OTHER POSTEMPLOYMENT BENEFITS - Continued

	1º	1% Decrease (2.54%)		scount Rate (3.54%)	1% Increase (4.54%)		
Total OPEB liability (asset)	\$	10,355,372	\$	9,234,162	\$	8,293,965	

Sensitivity of the Total OPEB Liability to changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the City, as well as what the City's total OPEB would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

			F	Current lealthcare		
	19	6 Decrease		Trend	19	% Increase
Total OPEB liability (asset)	\$	8,986,552	\$	9,234,162	\$	9,456,991

**OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB** - For the year ended June 30, 2023, the City recognized OPEB expense/(income) of \$187,283. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	rred Outflows Resources	 erred Inflows Resources
OPEB Contributions Subsequent to the Measurement Date	\$ 491,473	\$ -
Changes of Assumptions	1,350,263	1,474,679
Differences between expected and actual		
experience	-	2,139,995
Total	\$ 1,841,736	\$ 3,614,674

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

Year Ending	
June 30,	
2024	\$ (358,822)
2025	(237,848)
2026	(220,664)
2027	(269,114)
2028	(349,361)
Thereafter	(828,602)

The \$491,473 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2022 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ended June 30, 2024.

Year Ended June 30, 2023

## 9) SELF-INSURANCE PROGRAM

The City is self-insured for workers' compensation claims up to \$500,000 for each occurrence and for general liability claims up to \$200,000. Excess liability coverage above the self-insurance amounts is provided through the California Insurance Pool Authority (CIPA). CIPA, a public entity risk pool was established to pool resources, share risk, purchase excess insurance and share costs for professional risk management, and claims administration.

Workers' Compensation and Employers Liability Pool Contract is limited per accident at \$3,000,000 in excess of the City's self-insurance retention stated above. Portions of general liability exceeding the above-mentioned amounts are covered by CIPA up to a maximum \$40,000,000 each occurrence and in the aggregate by Everest National Insurance Company (up to \$10,000,000), and American Merchants Casualty Insurance Company (up to \$15,000,000), and by Arch Specialty Insurance Company (up to \$15,000,000), in that order.

Member cities make payments to CIPA based on underwriting estimates. Additional coverage for general liability claims is maintained through CIPA from a commercial insurer for claims in excess of per claim and annual aggregate amounts. Complete financial statements for CIPA may be obtained from their offices at the following address: CIPA, 240 Newport Center Drive, Suite 210, Newport Beach, CA 92660.

As of June 30, 2023, third party claims administrators estimated \$4,662,465 in necessary liability reserves for both general liability and workers' compensation claims. The City has not experienced a significant reduction in insurance coverage from the prior year. Additionally, the amount of settlements has not exceeded budgeted coverage for each of the past three fiscal years.

While the ultimate losses incurred through June 30, 2023 are dependent on future developments, based upon information from the City Attorney, outside counsel, service agents and others involved with the administration of the programs, City management believes that the estimated aggregate amount is adequate to cover such losses. Costs relating to the litigation of claims are charged to expenditures as incurred. Claims liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

Claims liabilities at June 30, 2023 represent the City's best estimate, based on available information, as follows:

	Fiscal Year	I	Beginning of Year Liability	С	urrent Year Claims	Claim Payments		End of Year Liability	
-	2022-23	\$	2,747,710	\$	2,312,101	\$	397,346	\$ 4,662,465	
	2021-22		2,146,065		1,309,611		707,966	2,747,710	

## **10) COMMITMENTS AND CONTINGENCIES**

The City participates in several federal and state programs. These programs are subject to examination by the grantors and the amount, if any, of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time.

The estimated amount of remaining construction obligations at year-end is \$5,500,829.

# **11) FUND BALANCES**

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The details of the fund balances as of June 30, 2023 are presented below:

Nonspendable:	General Fund	Successor Agency Bonds	Infrastructure	2021 Lease Revenue Bonds	Other Governmental Funds	Total Governmental Funds
Prepaids	\$ 6,524	\$ -	\$-	\$ -	\$ 5,255	\$ 11,779
Restricted for:						
Housing	-	-	-	-	5,528,781	5,528,781
Public Safety	-	-	-	-	1,757,070	1,757,070
Transportation	-	-	-	41,998,473	13,786,569	55,785,042
Comm. Development	-	12,807,364	-	-	2,506,106	15,313,470
Debt Service	-	-	-	-	13,123	13,123
Committed to:						
Comm. Development	-	-	222,610	-	-	222,610
Assigned to:						
Post-employ. Benefits	3,500,000	-	-	-	-	3,500,000
Retiree Medical Liab.	2,000,000	-	-	-	-	2,000,000
Technology	700,000	-	-	-	-	700,000
Self Insurance	1,600,000	-	-	-	-	1,600,000
Equip. Replacement	3,045,000	-	-	-	-	3,045,000
Unanticipated Pers.	1,000,000	-	-	-	-	1,000,000
Building Maintenance	2,000,000	-	-	-	-	2,000,000
Parking Facility	9,588,706	-	-	-	-	9,588,706
POB	3,100,000	-	-	-	-	3,100,000
Inflation Control	1,000,000	-	-	-	-	1,000,000
Contingencies	200,000	-	-	-	-	200,000
Unassigned	10,560,655				(306,272)	10,254,383
Total Fund Balance	\$ 38,300,885	\$ 12,807,364	\$ 222,610	\$ 41,998,473	\$ 23,290,632	\$116,619,964

**REQUIRED SUPPLEMENTARY INFORMATION** 

# City of Montclair Budgetary Comparison Schedule General Fund

Year Ended June 30, 2023

				Variance with Final Budget
		d Amounts	Actual	Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	\$ 31,219,364	\$ 31,219,364	\$ 31,219,364	\$-
Resources (Inflows):				
Taxes	32,863,403	36,112,476	42,356,236	6,243,760
Licenses and Permits	509,425	506,375	698,118	191,743
Intergovernmental	126,600	140,900	236,318	95,418
Charges for Services	4,047,625	3,807,725	4,755,747	948,022
Use of Money and Property	493,000	505,010	532,310	27,300
Fines and Forfeitures	348,800	332,200	329,352	(2,848)
Miscellaneous	223,010	134,500	326,042	191,542
Transfers In			4,943,603	4,943,603
Amounts Available for Appropriation	69,831,227	72,758,550	85,397,090	12,638,540
Charges to Appropriation (Outflow):				
General Government				
City Council	422,967	422,967	363,284	59,683
City Manager	500,637	542,035	598,609	(56,574)
Administration	518,088	518,088	471,265	46,823
Financial Services	770,568	749,768	764,136	(14,368)
Solid Waste Disposal	3,000,655	3,000,655	3,216,006	(215,351)
City Clerk	451,742	451,742	267,030	184,712
Personnel/Risk Assessment	453,467	503,467	343,242	160,225
Information Technology Services	1,333,350	1,403,196	1,187,945	215,251
Central Services	413,882	428,882	443,316	(14,434)
City Attorney	321,236	376,236	375,985	251
Non-Departmental	2,284,477	3,665,935	4,811,699	(1,145,764)
Public Safety				
Police Administration	281,649	294,299	308,844	(14,545)
Police Support Services	748,388	748,758	789,177	(40,419)
Technical Services	404,676	400,086	393,262	6,824
Records Bureau	678,217	671,717	647,841	23,876
Investigations	1,215,712	1,255,212	1,218,313	36,899
Uniform Patrol	5,821,534	6,269,883	6,373,831	(103,948)
Communications	944,790	999,790	855,748	144,042
Volunteer Services	61,918	61,918	58,078	3,840
Fire Administration	489,507	490,507	531,098	(40,591)
Fire Prevention	107,100	107,100	169,259	(62,159)
Emergency Services	3,668,451	5,228,111	4,516,629	711,482
Personnel Development	39,248	26,831	23,889	2,942
Buildings and Grounds	27,800	54,480	54,446	34
Emergency Preparedness	95,237	95,237	121,447	(26,210)
Code Enforcement	648,211	641,768	512,684	129,084

# City of Montclair Budgetary Comparison Schedule - Continued General Fund Year Ended June 30, 2023

						Variance with Final Budget		
	Budgeted				Actual		Positive	
		Original		Final		Amounts	(N	legative)
Charges to Appropriation (Outflow): - Continue	ed							
Community Development								
Planning Commission	\$	8,075	\$	8,075	\$	6,390	\$	1,685
Community Development Administration		105,246		105,246		92,556		12,690
Current Planning		382,654		382,654		291,634		91,020
Advance Planning		134,732		134,732		100,820		33,912
Field Inspection		94,395		94,395		90,671		3,724
Plan Check		122,115		157,115		170,771		(13,656)
Building Operations		176,508		176,508		183,155		(6,647)
Recreation		1,596,633		1,626,433		1,286,109		340,324
Clinic		77,274		74,474		52,016		22,458
Senior Citizens		143,444		143,444		72,242		71,202
Nutritional Meals		7,000		7,000		86,256		(79,256)
Family and Health Education		64,966		62,966		4,225		58,741
Public Works								
Management and Construction		459,684		459,684		491,866		(32,182)
Public Works Inspection		111,691		111,691		119,259		(7,568)
Traffic Safety Engineering		11,458		11,458		14,155		(2,697)
Graffiti Abatement		65,797		65,797		(4,695)		70,492
Street Maintenance		876,012		891,012		1,196,368		(305,356)
Signing/Painting		94,830		96,455		106,148		(9,693)
Street Sweeping		172,271		173,271		176,245		(2,974)
Parks Maintenance		523,393		538,393		310,759		227,634
Tree Maintenance		94,873		94,873		14,258		80,615
Irrigation Maintenance		82,543		85,319		42,286		43,033
Vehicle Maintenance		441,223		554,958		580,600		(25,642)
Building Maintenance Services		373,063		899,721		914,342		(14,621)
Heating and Air Conditioning		157,598		181,278		181,338		(60)
Janitorial Services		417,898		417,898		443,814		(25,916)
Capital Outlay		92,940		352,309		286,000		66,309
Transfers Out		-		_	1	10,369,554	(10	0,369,554)
Total Charges to Appropriations		32,591,823	;	37,315,827		17,096,205	(9	9,780,378)
Budgetary Fund Balance, June 30	\$	37,239,404	\$ 3	35,442,723	\$3	38,300,885	\$ 2	2,858,162

#### **General Budget Policies**

The City Council approves each year's budget submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the Council. Supplemental appropriations, where required during the period, are also approved by the Council. Intradepartmental budget changes are approved by the City Manager. In most cases, expenditures may not exceed appropriations at the department level. At fiscal year-end, all operating budget appropriations lapse. Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

The following funds did not have an adopted budget:

Justice Assistance Grant Montclair Community Foundation Montclair Housing Authority Homeless Housing Assistance

#### CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS Last 10 Years\*

	Measurement Period					
		2022	2021			2020
Total OPEB Liability						
Service cost	\$	325,254	\$	312,347	\$	301,328
Interest on total OPEB liability		265,726		267,379		428,974
Changes in assumptions		(1,455,289)		75,471		722,177
Changes in benefits		-		-		(1,094,234)
Actual vs. expected experience		(1,655,356)		-		-
Benefit payments, including refunds		(446,147)		(482,959)		(571,193)
Net change in total OPEB liability		(2,965,812)		172,238		(212,948)
Total OPEB liability - beginning		12,199,974		12,027,736		12,240,684
Total OPEB liability - ending (a)	\$	9,234,162	\$	12,199,974	\$	12,027,736
Covered - employee payroll	\$	16,599,416	\$	11,990,558	\$	12,337,306
Total OPEB liability as a percentage of covered-employee payroll		55.63%		101.75%		97.49%

\*Fiscal year 2018 was the first year of implementation; therefore, 10 years of information are not yet available

#### Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in GASBS No. 75, paragraph 4, to pay related benefits

#### **Benefit Changes:**

As of the June 2020 measurement date, non-management actives who retired from the City will not be able to elect a City medical plann at retirement. Additionally, the City reimbursed cap amount was decreased until the eligible employee reaches the age CalPERS retirement formula.

#### **Changes in Assumptions:**

As of the June 30, 2022 measurement date, the discount rate was increased from 2.16% to 3.54%. As of the June 30, 2021 measurement date, the discount rate was decreased from 2.21% to 2.16%, the mortality improvement scale was updated to Scale MP-2021, and general inflation decreased from 2.75% to 2.5%

Measurement Period										
2019		2018		2017						
\$ 269,472	\$	279,017	\$	318,968						
449,101		423,080		363,789						
463,716		(363,175)		(1,002,248)						
-				-						
-		-	-							
(553,563)		(531,634)		(642,745)						
 628,726		(192,712)		(962,236)						
11,611,958		11,804,670		12,766,906						
\$ 12,240,684	\$	11,611,958	\$	11,804,670						
\$ 12,201,903	\$	11,361,672	\$	11,850,580						
100.32%		102.20%		99.61%						

## Schedule of Changes in the Net Pension Liability And Related Ratios – Last 10 Years\* Agent Multiple-employer Plan

		Measurem	nent	Period	
•	 2017	 2016		2015	2014
Total Pension Liability					
Service cost	\$ 1,116,309	\$ 1,034,296	\$	1,051,926	\$ 1,111,086
Interest on total pension liability	5,776,058	5,661,587		5,487,626	5,293,536
Differences between expected and actual experience	(422,026)	(408,943)		(299,514)	-
Changes in assumptions	4,515,966	-		(1,247,901)	-
Changes in benefits	-	-		-	-
Benefit payments, including refunds	 (4,197,477)	 (3,911,463)		(3,784,153)	 (3,564,687)
Net change in total pension liability	6,788,830	2,375,477		1,207,984	2,839,935
Total pension liability - beginning	 78,230,670	75,855,193		74,647,209	 71,807,274
Total pension liability - ending (a)	\$ 85,019,500	\$ 78,230,670	\$	75,855,193	\$ 74,647,209
Plan Fiduciary Net Position					
Contributions - employer	\$ 1,693,037	\$ 1,526,904	\$	1,316,337	\$ 1,139,453
Contributions - employee	511,740	615,134		560,336	471,260
Net investment income	5,990,392	263,579		1,262,238	8,533,869
Benefit payments	(4,197,477)	(3,911,463)		(3,784,153)	(3,564,687)
Administrative Expense	 (79,948)	 (33,940)		(62,571)	 -
Net change in plan fiduciary net position	3,917,744	(1,539,786)		(707,813)	6,579,895
Plan fiduciary net position - beginning	 54,149,399	 55,689,185		56,396,998	 49,817,103
Plan fiduciary net position - ending (b)	\$ 58,067,143	\$ 54,149,399	\$	55,689,185	\$ 56,396,998
Net pension liability - ending (a) - (b)	\$ 26,952,357	\$ 24,081,271	\$	20,166,008	\$ 18,250,211
Plan fiduciary net position as a percentage of the total pension liability	68.30%	69.22%		73.42%	75.55%
Covered payroll	\$ 6,106,387	\$ 6,138,986	\$	6,056,685	\$ 5,950,546
Net pension liability as percentage of covered payroll	441.38%	392.27%		332.95%	306.70%

\*Fiscal Year 2015 was the first year of implementation; therefore, only four years are reported. In addition, the plan was converted to the cost-sharing pool for the measurement period ended June 30, 2018.

#### Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

**Benefit Changes:** The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2016 valuation date. This applies to voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

**Changes in Assumptions:** In 2017, the accounting discount rate changed from 7.65% to 7.15%. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.165 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 discount rate. In 2018, the Agent multiple-employer miscellaneous pension plan was converted to the cost-sharing pool with CalPERS.

# Schedule of Contributions – Last 10 Years\* Agent Multiple-employer Plan

Fiscal Year	l	ontractually Required ontributions	Re	ntributions in elation to the Actuarially Determined ontributions	De	ntribution ficiency/ Excess)	 Covered Payroll	as a Co	ibutions a % of vered ıyroll
2018	\$	1,898,964	\$	(1,898,964)	\$	-	\$ 6,106,387		31.10%
2017		1,693,037		(1,693,037)		-	6,138,986		27.58%
2016		1,526,904		(1,526,904)		-	6,056,685		25.21%
2015		1,164,198		(1,164,198)		-	5,950,546		19.56%

\*Fiscal year 2015 was the first year of implementation, therefore, only four years are reported. In addition, the plan was converted to the cost-sharing pool for the measurement period ended June 30, 2018.

Valuation Date: 6/30/13, 6/30/14, 6/30/15, and 6/30/16

# Schedule of the City's Proportionate Share of the Net Pension Liability – Last 10 Years\* Cost-sharing Plan

					Proportionate	Plan Fiduciary
	Proportion of	Р	roportionate		Share of the Net	Net Position as
	the Net Pension	S	hare of Net	Covered	Pension Liability	a % of the Total
Measurement Date	Liability	Pe	nsion Liability	Payroll	as a % of Payroll	Pension Liability
2022	0.27679%	\$	31,971,110	\$ 12,824,490	249.30%	87.59%
2021	1.02058%		55,195,693	11,990,558	460.33%	77.39%
2020	0.71908%		78,239,354	12,337,306	634.17%	75.10%
2019	0.71404%		73,168,182	11,799,285	620.11%	68.61%
2018	0.71058%		68,473,398	12,111,468	565.36%	69.53%
2017	0.40340%		40,005,736	5,742,193	696.70%	69.71%
2016	0.40861%		35,357,128	5,706,922	619.55%	70.87%
2015	0.41915%		28,770,251	5,523,210	520.90%	75.56%
2014	0.40976%		25,497,439	5,309,711	480.20%	78.20%

\*Fiscal year 2015 was the first year of implementation; therefore, ten years of information are not yet available.

## Notes to Schedule of the City's Proportionate Share of the Net Pension Liability:

**Benefit Changes:** The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2016 valuation date. This applies to voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

**Changes in Assumptions:** In 2022, the accounting discount rate changed from 7.15% to 6.90%. In 2018, the City's miscellaneous Agent multiple-employer plan was converted to the risk pools and is now included as part of the risk pool reporting. In 2017, the accounting discount rate changed from 7.65% to 7.15%. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 discount rate.

# Schedule of Pension Contributions – Last 10 Years\* Cost-sharing Plan

Fiscal Year	ontractually Required ontributions	Re	ontributions in elation to the Actuarially Determined contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2023	\$ 3,324,015	\$	(3,324,015)	\$-	\$ 14,615,000	22.74%
2022	7,699,512		(69,374,294)	(61,674,782)	12,824,490	60.04%
2021	7,002,204		(7,002,204)	-	11,990,558	58.40%
2020	6,528,038		(6,528,038)	-	12,337,506	52.91%
2019	5,540,282		(5,540,282)	-	11,799,285	46.95%
2018	2,870,221		(2,870,221)	-	6,005,081	47.80%
2017	2,687,316		(2,687,316)	-	5,742,193	46.80%
2016	2,418,705		(2,418,705)	-	5,706,922	42.38%
2015	1,960,293		(1,960,293)	-	5,523,210	35.49%

\*Fiscal year 2015 was the first year of implementation; therefore, ten years of information are not yet available.

Valuation Date: 6/30/13, 6/30/14, 6/30/15, 6/30/16, 6/30/17, 6/30/18, 6/30/19, 6/30/20 and 6/30/21

SUPPLEMENTARY INFORMATION

# City of Montclair Combining Balance Sheet Non-major Funds June 30, 2023

		Spe	ecial F	Revenue Fi	unds		
					Park		ommunity /elopment
	Gas Tax	Measure I	Tra	ffic Safety	Development	Blo	ock Grant
ASSETS							
Pooled Cash and Investments	\$ 2,188,061	\$ 5,681,124	\$	103,365	\$ 1,156,907	\$	1,065
Restricted Cash with Fiscal Agent	-	-		-	-		-
Receivables:							
Accounts	13,912	-		-	-		32,744
Notes and Loans	-	-		-	-		-
Accrued Interest	-	-		-	-		-
Prepaid Costs	-	-		-	-		-
Due from Other Governments	233,495	170,057		2,012	-		-
Due from Other Funds		442,941		31,244			-
Total Assets	\$ 2,435,468	\$ 6,294,122	\$	136,621	\$ 1,156,907	\$	33,809
LIABILITIES							
Accounts Payable	\$ 164,199	\$-	\$	-	\$-	\$	3,450
Accrued Liabilities	-	-		-	-		-
Deposits Payable	-	-		-	-		-
Due to Other Governments	-	-		6,529	-		-
Due to Other Funds							32,695
Total Liabilities	164,199			6,529			36,145
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenues - Grants				-			-
Total Deferred Inflows of Resources							
FUND BALANCES (DEFICITS)							
Nonspendable	-	-		-	-		-
Restricted	2,271,269	6,294,122		130,092	1,156,907		-
Unassigned				-			(2,336)
Total Fund Balances (Deficits)	2,271,269	6,294,122		130,092	1,156,907		(2,336)
Total Liabilities, Deferred Inflows of							
Resources, and Fund Balances	\$ 2,435,468	\$ 6,294,122	\$	136,621	\$ 1,156,907	\$	33,809

				Special Rev	venu	e Funds						
ir Quality provement	Older erican Act		ate Asset orfeiture	Public Safety	F	orfeiture DOJ	F	ate Asset orfeiture tion 11489	F	deral Asset <sup>F</sup> orfeiture Treasury		School trict Grant
 	 <u></u>	<u> </u>	<u></u>	 <u> </u>								
\$ 131,316	\$ 5,911	\$	103,003	\$ 340,847	\$	595,800	\$	36,453	\$	126,282	\$	-
-	-		-	-		-		-		-		-
15,238	65,694		-	-		-		-		-		71,496
-	-		-	-		-		-		-		-
-	-		-	-		-		-		-		-
- 12,622	-		-	- 43,581		-		-		-		-
-	 			 		-						
\$ 159,176	\$ 71,605	\$	103,003	\$ 384,428	\$	595,800	\$	36,453	\$	126,282	\$	71,496
\$ -	\$ 5,911	\$	-	\$ 157,508	\$	1,671	\$	-	\$	5,832	\$	-
-	3,823		-	-		-		-		-		-
-	-		-	-		-		2		-		-
-	-		-	-		-		-		-		-
	 65,693			 		-						-
	 75,427		-	 157,508		1,671		2		5,832		-
15,238	 _		-	 -		-		_		-		-
15,238	 			 		-						-
- 143,938	-		- 103,003	- 226,920		- 594,129		- 36,451		- 120,450		- 71,496
	 - (3,822)			 		- 129				- 20,430		
 143,938	 (3,822)		103,003	 226,920		594,129		36,451		120,450		71,496
\$ 159,176	\$ 71,605	\$	103,003	\$ 384,428	\$	595,800	\$	36,453	\$	126,282	\$	71,496
											C	ontinued

# City of Montclair Combining Balance Sheet Non-major Funds - Continued

June 30, 2023

			Spe	ecial R	Revenue Fi	unds			
			Justice	(	Crime	F	Recycling		After
		As	ssistance	Pre	evention		Block		School
	 SSLEF		Grant	PC	1202.5		Grant	F	Program
ASSETS									
Pooled Cash and Investments	\$ 283,342	\$	30,145	\$	2,428	\$	125,103	\$	-
Restricted Cash with Fiscal Agent	-		-		-		-		-
Receivables:									
Accounts	-		-		-		-		159,217
Notes and Loans	-		-		-		-		-
Accrued Interest	-		-		-		-		-
Prepaid Costs	-		-		-		-		-
Due from Other Governments	-		-		27		-		-
Due from Other Funds	 -	·	-				-		48,439
Total Assets	\$ 283,342	\$	30,145	\$	2,455	\$	125,103	\$	207,656
LIABILITIES									
Accounts Payable	\$ -	\$	-	\$	-	\$	-	\$	15,523
Accrued Liabilities	-		-		-		-		44,694
Deposits Payable	-		-		-		-		225
Due to Other Governments	-		-		-		-		-
Due to Other Funds	 -				-				190,842
Total Liabilities	 								251,284
DEFERRED INFLOWS OF RESOURCES									
Unavailable Revenues - Grants	 -		-		-				-
Total Deferred Inflows of Resources	 								
FUND BALANCES (DEFICITS)									
Nonspendable	-		-		-		-		-
Restricted	283,342		30,145		2,455		125,103		-
Unassigned	 -		-				-		(43,628)
Total Fund Balances (Deficits)	 283,342		30,145		2,455		125,103		(43,628)
Total Liabilities, Deferred Inflows of									
Resources, and Fund Balances	\$ 283,342	\$	30,145	\$	2,455	\$	125,103	\$	207,656

$\begin{array}{cccccccccccccccccccccccccccccccccccc$	CARES	S Act	nunization Grant	E.M.S. aramedic	F	Special Rev Prop 30 SB 109	D	visability Access- s. License	Unit	Baldy ed Way Grant	Н	lontclair lousing rporation	Per	Kaiser manente Grant
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	\$	-	\$ 1,371	\$ 13,618	\$	85,332	\$	53,521	\$	-	\$1	,883,993	\$	2,684
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		-	-	-		-		-		-		-		-
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		-	-	7,540		-		-		-		46,188		-
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		-	-	-		-		-		-		-		-
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		-	-	-		-		-		-				-
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		-	-	-		-		-		-		5,255		-
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		-	-	-		-				-		-		-
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	\$	-	\$ 1,371	\$ 21,158	\$	85,332	\$	56,622	\$	-	\$ 1	,949,136	\$	2,684
$\begin{array}{cccccccccccccccccccccccccccccccccccc$														
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	\$	-	\$ -	\$ 25,908	\$	1,648	\$	470	\$	-	\$	68,631	\$	-
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		-	-	-		-		-		-		-		-
-       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -		-	-	-		-		-		-		- 04,702		-
-       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -		-	 -	 -		-		-		-		-		-
-       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -       -		-	-	25,908		1,648		470		-		153,393		-
-       1,371       -       83,684       56,152       -       1,790,488       2,68         -       -       (4,750)       -       -       -       -       -         -       1,371       (4,750)       83,684       56,152       -       1,795,743       2,68				 										
-       1,371       -       83,684       56,152       -       1,790,488       2,68         -       -       (4,750)       -       -       -       -       -         -       1,371       (4,750)       83,684       56,152       -       1,795,743       2,68		-	 -	 -		-		-		-	·	-		-
-       1,371       -       83,684       56,152       -       1,790,488       2,68         -       -       (4,750)       -       -       -       -       -         -       1,371       (4,750)       83,684       56,152       -       1,795,743       2,68		-	 -	 -		-		-		-	. <u> </u>			-
-       1,371       -       83,684       56,152       -       1,790,488       2,68         -       -       (4,750)       -       -       -       -       -         -       1,371       (4,750)       83,684       56,152       -       1,795,743       2,68														
<u> (4,750)</u> <u>- 1,371 (4,750) 83,684 56,152 - 1,795,743 2,68</u>		-	-	-		-		-		-				-
- 1,371 (4,750) 83,684 56,152 - 1,795,743 2,68		-	1,371	-		83,684		56,152		-	1	,790,488		2,684
		-	 -	 (4,750)		-		-		-		-		-
<u>\$ - \$ 1,371 \$ 21,158 \$ 85,332 \$ 56,622 \$ - \$ 1,949,136 \$ 2,68</u>		-	 1,371	 (4,750)		83,684		56,152		-	1	,795,743		2,684
<u>\$ - \$ 1,371 \$ 21,158 \$ 85,332 \$ 56,622 \$ - \$ 1,949,136 \$ 2,68</u>														
	\$	-	\$ 1,371	\$ 21,158	\$	85,332	\$	56,622	\$	-	\$ 1	,949,136	\$	2,684

# City of Montclair Combining Balance Sheet Non-major Funds - Continued

June 30, 2023

				Spe	ecial	Revenue Fi	unds			
	R	esource	Т	itle IIIB				ASES	Нор	e Thru
		Center	Sr. S	Supportive	С	ommunity	Sup	plemental	Ho	using
		Grant	S	ervices	Fo	oundation		Grant	G	rant
ASSETS										
Pooled Cash and Investments	\$	19,553	\$	1,579	\$	184,431	\$	-	\$	-
Prepaid Costs		-		-		-		-		-
Receivables:										
Accounts		-		8,703		-		48,439		-
Notes and Loans		-		-		-		-		-
Accrued Interest		-		-		-		-		-
Prepaid Costs		-		-		-		-		-
Due from Other Governments		-		-		-		-		-
Due from Other Funds		-		-		-		-		
Total Assets	\$	19,553	\$	10,282	\$	184,431	\$	48,439	\$	-
LIABILITIES										
Accounts Payable	\$	356	\$	1,579	\$	75	\$	-	\$	-
Accrued Liabilities		-	•	1,527	•	-	•	-		-
Deposits Payable		-		· -		-		-		-
Due to Other Governments		-		-		-		-		-
Due to Other Funds		-		8,703		-		48,439		-
Total Liabilities		356		11,809		75		48,439		
DEFERRED INFLOWS OF RESOURCES										
Unavailable Revenues - Grants		-								
Total Deferred Inflows of Resources		-		-				-		-
FUND BALANCES (DEFICITS)										
Nonspendable		-		-		-		-		-
Restricted		19,197		-		184,356		-		-
Unassigned		-		(1,527)		-		-		
Total Fund Balances (Deficits)		19,197		(1,527)		184,356				
Total Liabilities, Deferred Inflows of										
Resources, and Fund Balances	\$	19,553	\$	10,282	\$	184,431	\$	48,439	\$	_

Ма	Park intenance		D 2011-1 Paseos		D 2011-2 ow Station		Montclair Housing Authority	E	Public ducation ovt. PEG	Emer	eless gency ogram	Cor	lealthy mmunity tegic Plan		Planning Grant
\$	16,373	\$	150,692	\$	98,540	\$	3,179,582	\$	122,059	\$	-	\$	7,824	\$	-
	-		-		-		-		- 7,852		-		-		- 55,425
	-		-		-		-		-		-		-		-
	-		-		-		-		-		-		-		-
	-		-		- 491		-		-		-		-		-
\$	- 16,373	¢	- 150,692	¢	- 99,031	¢	3,179,582	¢	- 129,911	¢	-	¢	- 7,824	¢	55 425
φ	10,373	\$	150,692	\$	99,031	\$	3,179,302	\$	129,911	\$		\$	7,024	\$	55,425
\$	4,013 -	\$	3,549 319	\$	1,894 -	\$	446	\$	-	\$	-	\$	38	\$	-
	-		-		-		-		-		-		-		-
	-		-		- 7,500		-		-		-		-		- 55,425
					7,500										55,425
	4,013		3,868		9,394		446		-				38		55,425
	-		-		-		-		-				-		-
	- 12,360		- 146,824		- 89,637		- 3,179,136		- 129,911		-		- 7,786		-
	-		-		-				-		-		-		-
	12,360		146,824		89,637		3,179,136		129,911		-		7,786		-
\$	16,373	\$	150,692	\$	99,031	\$	3,179,582	\$	129,911	\$	_	\$	7,824	\$	55,425

Continued

# City of Montclair Combining Balance Sheet Non-major Funds - Continued

June 30, 2023

				Spe	ecial	Revenue Fi	unds			
	Ho	meless	S	tatewide						Safety
	He	ousing		Park		LEAP			De	epartment
	Ass	sistance	De	velopment		Grant		ARPA		Grants
ASSETS										
Pooled Cash and Investments	\$	8,024	\$	-	\$	630	\$	-	\$	330,338
Restricted Cash with Fiscal Agent		-		-		-		-		-
Receivables:										
Accounts		-		18,837		65,364		-		31,492
Notes and Loans		-		-		-		-		-
Accrued Interest		-		-		-		-		-
Prepaid Costs		-		-		-		-		-
Due from Other Governments		-		-		-		-		-
Due from Other Funds		-		-		-		-		-
Total Assets	\$	8,024	\$	18,837	\$	65,994	\$	-	\$	361,830
LIABILITIES										
Accounts Payable	\$	4,575	\$	-	\$	630	\$	-	\$	302,624
Accrued Liabilities		-		-		-		-		-
Deposits Payable		-		-		-		-		-
Due to Other Governments		-		-		-		-		-
Due to Other Funds		-		254,099		80,311		-		-
Total Liabilities		4,575	. <u> </u>	254,099		80,941		-		302,624
DEFERRED INFLOWS OF RESOURCES										
Unavailable Revenues - Grants				-		-		-		-
Total Deferred Inflows of Resources		-		-		-				
FUND BALANCES (DEFICITS)										
Nonspendable		-		-		-		-		-
Restricted		3,449		-		-		-		59,206
Unassigned				(235,262)		(14,947)		-		
Total Fund Balances (Deficits)		3,449		(235,262)		(14,947)		-		59,206
Total Liabilities, Deferred Inflows of										
Resources, and Fund Balances	\$	8,024	\$	18,837	\$	65,994	\$	-	\$	361,830

							Capital Pr	ojec	ts Funds						
Р	avement	Un	derground	Ge	eneral Plan	F	2014 Refunding	I	Economic		PUC	I	Housing	De	evelopment
Im	pact Fees		In-lieu		Update		Bonds			Rei	mbursement		Fund	Ir	npact Fee
\$	242,122	\$	383,397	\$	112,544	\$	-	\$	3,609,581	\$	219,720	\$	555,708	\$	1,558,354
	-		-		-		-		-		-		-		-
	-		-		-		-		76		-		-		-
	-		-		-		-		-		-		-		-
	-		-		-		651		-		-		-		-
	- 25,924		-		-		-		- 57		-		-		-
	- 20,02		-		-		-		-		-		-		-
\$	268,046	\$	383,397	\$	112,544	\$	651	\$	3,609,714	\$	219,720	\$	555,708	\$	1,558,354
\$	-	\$	-	\$	-	\$	-	\$	42,730	\$	-	\$	-	\$	-
	-		-		-		-		-		-		-		-
	-		-		-		-		-		-		-		-
	-		-		-		-		-		-		-		442,941
	-		-		-		-		42,730		-		-		442,941
	-		-		-				-		-				-
	-		-		-		-		-		-		-		-
	- 268,046		- 383,397		- 112,544		- 651		- 3,566,984		- 219,720		- 555,708		- 1,115,413
	-		-				-		-,,,		-		-		-
	268,046		383,397		112,544		651		3,566,984		219,720		555,708		1,115,413
\$	268,046	\$	383,397	\$	112,544	\$	651	\$	3,609,714	\$	219,720	\$	555,708	\$	1,558,354

# City of Montclair Combining Balance Sheet Non-major Funds - Continued

June 30, 2023

		D	ebt Serv	vice Fun	ds			
		2014 efunding Bonds	Reve	Lease enue nds	0	Pension bligation nds Fund		lon-Major vernmental Total
400570								
ASSETS Pooled Cash and Investments	\$		¢		\$		\$	23,752,722
	φ	- 2	\$	-	φ	- 13,121	φ	
Restricted Cash with Fiscal Agent Receivables:		Z		-		13,121		13,123
Accounts								649 217
Notes and Loans		-		-		-		648,217
Accrued Interest		-		-		-		-
		-		-		-		14,351
Prepaid Costs		-		-		-		5,255
Due from Other Governments		257,290		-		-		748,657
Due from Other Funds		-		-		-		522,624
Total Assets	\$	257,292	\$	-	\$	13,121	\$	25,704,949
LIABILITIES								
Accounts Payable	\$	-	\$	-	\$	-	\$	813,260
Accrued Liabilities		-		-		-		50,363
Deposits Payable		-		-		-		84,989
Due to Other Governments		-		-		-		6,529
Due to Other Funds		257,290		-		-		1,443,938
Total Liabilities		257,290		-		-		2,399,079
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenues - Grants		-		-		-		15,238
Total Deferred Inflows of Resources		-		-		-		15,238
FUND BALANCES (DEFICITS)								
Nonspendable		-		-		-		5,255
Restricted		2		-		13,121		23,591,649
Unassigned				-		-		(306,272)
Total Fund Balances (Deficits)		2		-		13,121		23,290,632
Total Liabilities, Deferred Inflows of								
Resources, and Fund Balances	\$	257,292	\$	-	\$	13,121	\$	25,704,949

# City of Montclair Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-major Funds

Year Ended June 30, 2023

		Spe	ecial Revenue Fu	Inds	
	Gas Tax	Measure I	Traffic Safety	Park Development	Community Development Block Grant
REVENUES					
Taxes	\$ 1,875,295	\$-	\$ -	\$ -	\$ -
Intergovernmental	-	1,001,846	-	-	1,001,275
Charges for Services Use of Money and Property	- 16,520	- 45,576	-	2,100	-
Fines and Forfeitures	10,520	45,570	77,385	-	-
Miscellaneous					
Total Revenues	1,891,815	1,047,422	77,385	2,100	1,001,275
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Community Development Public Works	- 872,867	-	-	-	152,627
Capital Outlay	888	-	-	-	- 996,055
Debt Service:	000				000,000
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges					
Total Expenditures	873,755				1,148,682
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,018,060	1,047,422	77,385	2,100	(147,407)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	146,615
Transfers Out	(30,082)				
Total Other Financing Sources (Uses)	(30,082)				146,615
Net Change in Fund Balances	987,978	1,047,422	77,385	2,100	(792)
Fund Balance, Beginning of Year	1,283,291	5,246,700	52,707	1,154,807	(1,544)
Fund Balance, End of Year	\$ 2,271,269	\$ 6,294,122	\$ 130,092	\$ 1,156,907	\$ (2,336)

					Special Rev	/enue	e Funds						
ir Quality provement	Older American Act	State Asset ct Forfeiture		Public Safety		Forfeiture DOJ		State Asset Forfeiture Section 11489		Federal Asset Forfeiture Treasury		School District Grant	
\$ - 49,959	\$ - 166,759	\$	-	\$	582,959 -	\$	-	\$	-	\$	-	\$	- 71,496
- 1,053 - -	- - - 32,775	82 5,93					- 4,780 316,413 -		- 291 1,048 -		- 1,013 11,718 -		-
51,012	199,534	6,70	63		582,959		321,193		1,339		12,731		71,496
-	-	19.00	-		-		-		-		-		-
- 49,486	- 227,722	18,00	-		619,283 -		36,782 -		7,190 -		13,641 -		-
-	-	4,4	4		-		-		-		- 4,252		-
-	-		-		-		-	_	-		-		-
49,486	227,722	22,4	'9		619,283		36,782		7,190		17,893		-
1,526	(28,188)	(15,7	6)		(36,324)		284,411		(5,851)		(5,162)		71,496
-	24,366		-		15,005 -		-		-		-		-
-	24,366		<u> </u>		15,005		-		-		-		-
1,526	(3,822)	(15,7 <sup>-</sup>	6)		(21,319)		284,411		(5,851)		(5,162)		71,496
142,412		118,7	9		248,239		309,718		42,302		125,612		-
\$ 143,938	\$ (3,822)	\$ 103,00	)3	\$	226,920	\$	594,129	\$	36,451	\$	120,450	\$	71,496

Continued

# City of Montclair Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-major Funds - Continued

Year Ended June 30, 2023

		Sp	becial Revenue Fi	unds	
	SSLEF	Justice Assistance Grant	Crime Prevention PC 1202.5	Recycling Block Grant	After School Program
REVENUES					
Taxes	\$ -	\$-	\$-	\$ -	\$-
Intergovernmental	165,306	29,884	-	53,909	1,592,169
Charges for Services	-	-	-	-	-
Use of Money and Property	2,273	242	20	1,004	-
Fines and Forfeitures	-	-	127	-	-
Miscellaneous	-			-	
Total Revenues	167,579	30,126	147	54,913	1,592,169
EXPENDITURES					
Current:					
General Government	-	-	-	-	114,862
Public Safety	294,969	-	-	-	-
Community Development	-	-	-	6,123	1,631,644
Public Works	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges					
Total Expenditures	294,969			6,123	1,746,506
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(127,390)	30,126	147	48,790	(154,337)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	160,175
Transfers Out		(15,005)		-	
Total Other Financing Sources (Uses)		(15,005)			160,175
Net Change in Fund Balances	(127,390)	15,121	147	48,790	5,838
Fund Balance, Beginning of Year	410,732	15,024	2,308	76,313	(49,466)
Fund Balance, End of Year	\$ 283,342	\$ 30,145	\$ 2,455	\$ 125,103	\$ (43,628)

						Special Re								
		Incre	unization	E.M.S.		Drop 20		ability	Mt. B United		Montcla			aiser
CARE	S Act		Grant	Paramedic		Prop 30 SB 109		Access- Bus. License		nt	Housin Corporati		Permanente Grant	
UARE	S ACL		Jian			30 109	Bus.				Corporati		Ċ	Jan
\$	-	\$	-	\$	- 9	\$-	\$	-	\$	-	\$	-	\$	-
	-		-	39,0	- 035	-		- 8,654		-		-		-
	-		-		-	685		-		-	1,029,2	258		-
	-		-		-	-		-		-		-		-
	-		-			-	·	-		-		-		-
	-		-	39,0	)35	685		8,654		-	1,029,2	258		
	-		-		-	-		-		-	1,246,2	210		-
	-		-	53,2	286	-		-		-		-		
	-		-		-	45.000		-		-		-		1,138
	-		-		-	15,866 -		-		-		-		
	-		-		-	-		-		-		-		-
			-			-		-		-		-		
			-	53,2	286	15,866	·	-		-	1,246,2	210		1,138
			-	(14,2	251)	(15,181)	·	8,654		-	(216,9	952)		(1,138
	-		-		-	-		-		-		-		-
	-		_		_			_		-		_		
	-		-	(14,2	251)	(15,181)		8,654		-	(216,9	952)		(1,138
	-		1,371	9,5	501	98,865		47,498		-	2,012,6	895		3,822
\$	-	\$	1,371	\$ (4,7	750) \$	\$ 83,684	\$	56,152	\$	-	\$ 1,795,7	743	\$	2,684

Continued

# City of Montclair Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-major Funds - Continued

Year Ended June 30, 2023

		Spe	ecial Revenue Fi	unds		
	Resource Center Grant	Title IIIB Sr. Supportive Services	Community Foundation	ASES Supplemental Grant	Hope Thru Housing Grant	Park Maintenance
REVENUES Taxes	\$-	\$-	\$ -	\$ -	\$ -	\$-
Intergovernmental	φ -	φ -	<b>р</b> –	ء - 204,056	ф -	ф -
Charges for Services		34,870	-	204,030		37,957
Use of Money and Property	-	-	_	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	28,500		49,674			
Total Revenues	28,500	34,870	49,674	204,056		37,957
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Community Development	27,805	43,867	35,263	204,056	-	56,952
Public Works	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal Retirement	-	-	-	-	-	-
Interest and Fiscal Charges						-
Total Expenditures	27,805	43,867	35,263	204,056		56,952
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	695	(8,997)	14,411			(18,995)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	7,470	_	_	_	_
Transfers Out						
Total Other Financing Sources (Uses)		7,470				-
Net Change in Fund Balances	695	(1,527)	14,411	-	-	(18,995)
Fund Balance, Beginning of Year	18,502		169,945			31,355
Fund Balance, End of Year	\$ 19,197	\$ (1,527)	\$ 184,356	\$-	\$-	\$ 12,360

					nue Funds				
D 2011-1 Paseos		Montclair FD 2011-2 Housing row Station Authority			Public Education Govt. PEG	Homeles Emergen Aid Progra	су	Healthy Community Strategic Plan	Planning Grant
	<u></u>			<u> </u>		<u></u>			 
\$ 154,631	\$	44,489	\$	-	\$ -	\$	-	\$-	\$ -
-		-		-	- 42,583		-	-	55,426 -
1,967		1,015	6	22			-	-	-
-		-		-	-		-	-	-
					-				-
156,598		45,504	6	22	42,583		-		 55,426
-		2,063		-	-		-	-	-
57,956		10,761 -		-	-		-	- 7,321	- 53,658
78,580		24,583		-	-		-	-	-
-		-		-	-		-	-	-
-		-		-	-		-	-	-
-		-			-		-		 -
136,536		37,407			-		-	7,321	 53,658
20,062		8,097	6	22	42,583		-	(7,321)	 1,768
_		_		_	_		_	_	1,450
					_	<u> </u>	_		 -
-		-			-		-		 1,450
20,062		8,097	6	22	42,583		-	(7,321)	3,218
126,762		81,540	3,178,5	14	87,328	<u>-</u>	-	15,107	 (3,218)
\$ 146,824	\$	89,637	\$ 3,179,1	36	\$ 129,911	\$	-	\$ 7,786	\$ -

Continued

# City of Montclair Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-major Funds - Continued

Year Ended June 30, 2023

				Spe	ecial F	Revenue Fu	inds		
	Н	omeless lousing sistance		tatewide Park velopment		LEAP Grant	ARPA	De	Safety epartment Grants
REVENUES									
Taxes	\$	-	\$	-	\$	-	\$ -	\$	-
Intergovernmental		45,879		18,838		65,364	4,794,353		930,018
Charges for Services		-		-		-	-		-
Use of Money and Property Fines and Forfeitures		-		-		-	-		-
Miscellaneous		-		-		-	-		-
Miscellaneous		-		-		-			-
Total Revenues		45,879		18,838		65,364	4,794,353		930,018
EXPENDITURES									
Current:									
General Government		-		-		-	-		-
Public Safety		-		-		62,095	-		671,011
Community Development Public Works		74,980		-		-	-		-
Capital Outlay		_		-		_	-		-
Debt Service:		-		-		-	-		-
Principal Retirement		-		-		-	-		-
Interest and Fiscal Charges		-		-		-			-
Total Expenditures		74,980		-		62,095			671,011
Excess (Deficiency) of Revenues Over (Under) Expenditures		(29,101)		18,838		3,269	4,794,353		259,007
	·	(, )				-,			
OTHER FINANCING SOURCES (USES)									
Transfers In		-		-		-	-		76,929
Transfers Out		-	·	(237,263)		-	(4,794,353)		
Total Other Financing Sources (Uses)				(237,263)			(4,794,353)		76,929
Net Change in Fund Balances		(29,101)		(218,425)		3,269	-		335,936
Fund Balance, Beginning of Year		32,550		(16,837)		(18,216)			(276,730)
Fund Balance, End of Year	\$	3,449	\$	(235,262)	\$	(14,947)	\$-	\$	59,206

								jects Funds						
Pavement Impact Fees		Underground In-lieu				R	2014 Refunding Econom Bonds Developm		PUC t <u>Reimbursement</u>			Housing Fund	Development Impact Fee	
\$	-	\$	-	\$	-	\$	-	\$-	\$	-	\$	-	\$	-
	- 90,249		- 42,880		- 12,422		-	1,926,085 -		-		-		- 358,185
	-		-		-		-	113		-		-		-
	-		-		-		-			-		-		-
	90,249		42,880		12,422			1,926,198						358,185
	-		-		-		-	_		-		-		-
	-		-		-		-	-		-		-		-
	-		-		-		-	700,280 -		-		-		-
	-		-		-		-	3,981,538		-		-		-
	-		-		-		-	-		-		-		-
					-			4,681,818						-
	90,249		42,880		12,422			(2,755,620)				-		358,185
	-		-		-		-	1,500,000		- (42,782)		-		- (2,787)
	-		-	_	-		-	1,500,000		(42,782)		-		(2,787)
	90,249		42,880		12,422		-	(1,255,620)		(42,782)		-		355,398
	177,797		340,517		100,122		651	4,822,604		262,502		555,708		760,015
\$	268,046	\$	383,397	\$	112,544	\$	651	\$ 3,566,984	\$	219,720	\$	555,708	\$	1,115,413

# City of Montclair Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-major Funds - Continued

Year Ended June 30, 2023

	C	Debt Service Fund	ds	
	2014 Refunding	2021 Lease Revenue	Pension Obligation	Non-Major Governmental
	Bonds	Bonds	Bonds Fund	Total
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 2,657,374
Intergovernmental Charges for Services	-	-	-	12,172,622 668,935
Use of Money and Property	- 11	-	- 8,821	1,116,090
Fines and Forfeitures	-	-		412,628
Miscellaneous				110,949
Total Revenues	11		8,821	17,138,598
EXPENDITURES				
Current: General Government		6,250	4,500	1,373,885
Public Safety	-	0,230	4,500	1,845,039
Community Development	-	-	-	3,272,922
Public Works	-	-	-	991,896
Capital Outlay	-	-	-	4,987,147
Debt Service:	075 000	000.000	0 705 040	4 000 040
Principal Retirement Interest and Fiscal Charges	975,000 1,616,263	900,000	2,785,818 1,502,745	4,660,818
Interest and Fiscal Charges	1,010,203	1,494,413	1,502,745	4,613,421
Total Expenditures	2,591,263	2,400,663	4,293,063	21,745,128
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(2,591,252)	(2,400,663)	(4,284,242)	(4,606,530)
OTHER FINANCING SOURCES (USES)				
Transfers In	2,094,855	2,404,163	4,445,813	10,876,841
Transfers Out			(149,956)	(5,272,228)
Total Other Financing Sources (Uses)	2,094,855	2,404,163	4,295,857	5,604,613
Net Change in Fund Balances	(496,397)	3,500	11,615	998,083
Fund Balance, Beginning of Year	496,399	(3,500)	1,506	22,292,549
Fund Balance, End of Year	\$2	<u>\$ -</u>	\$ 13,121	\$ 23,290,632