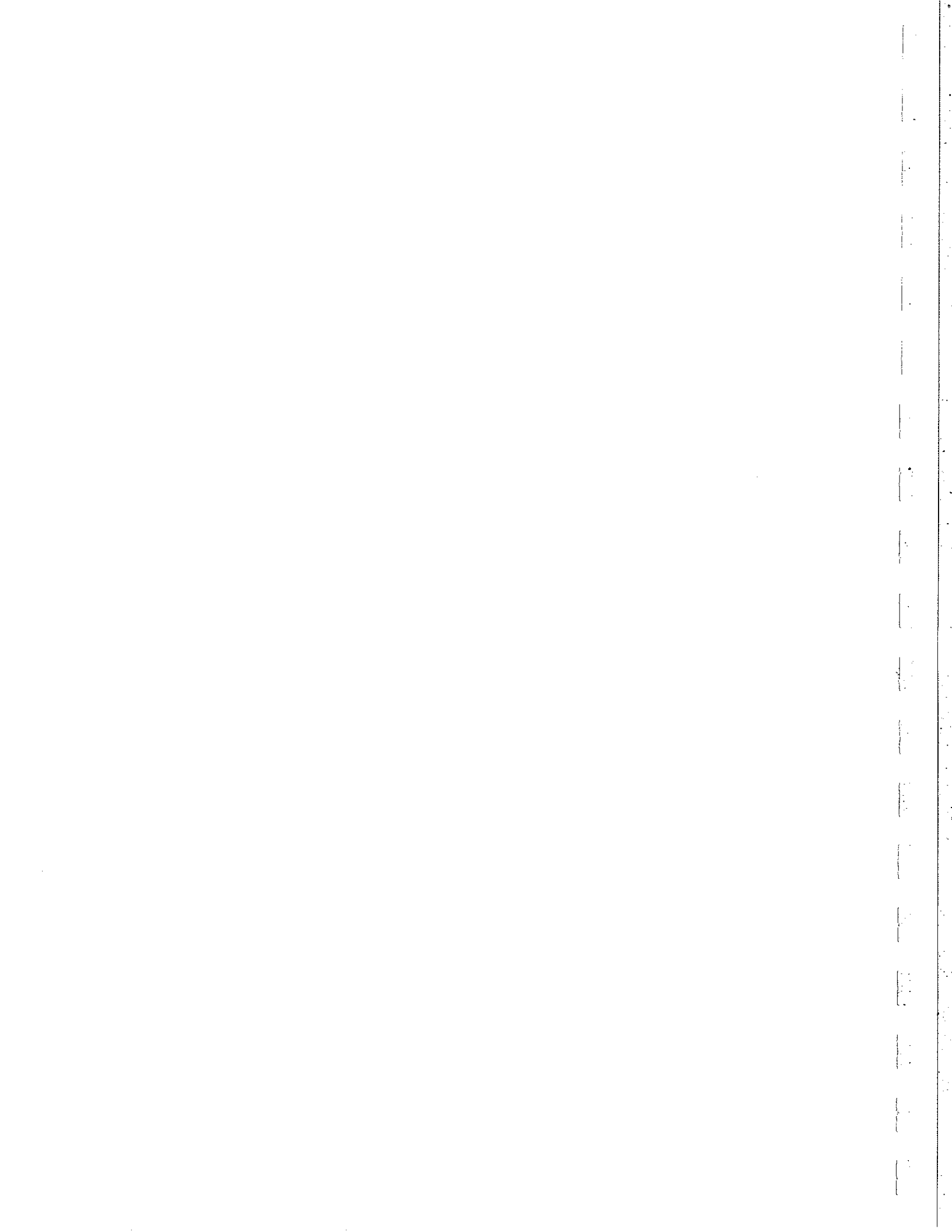


CITY OF MONTCLAIR, CALIFORNIA
FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2007

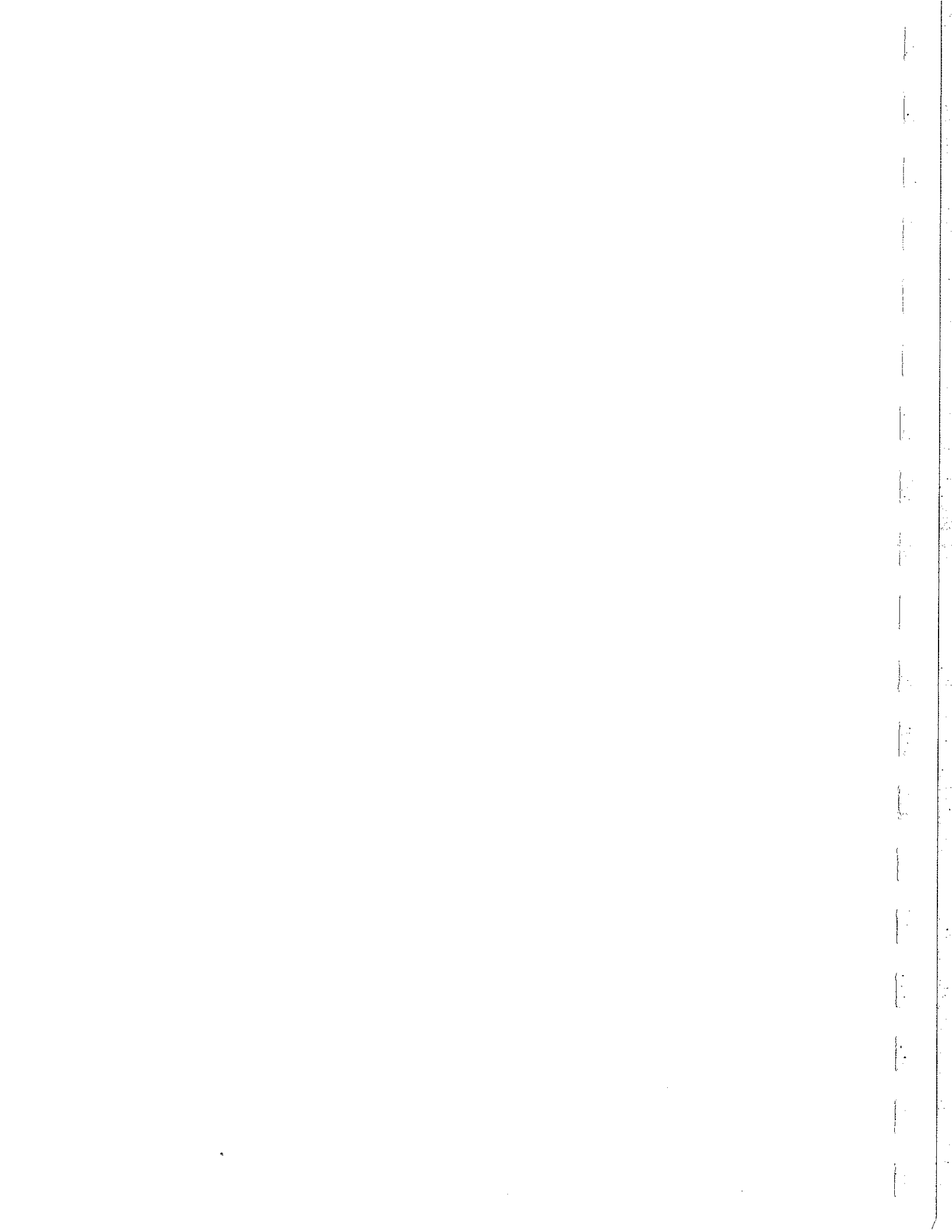
Prepared By:
FINANCE DEPARTMENT



CITY OF MONTCLAIR
 FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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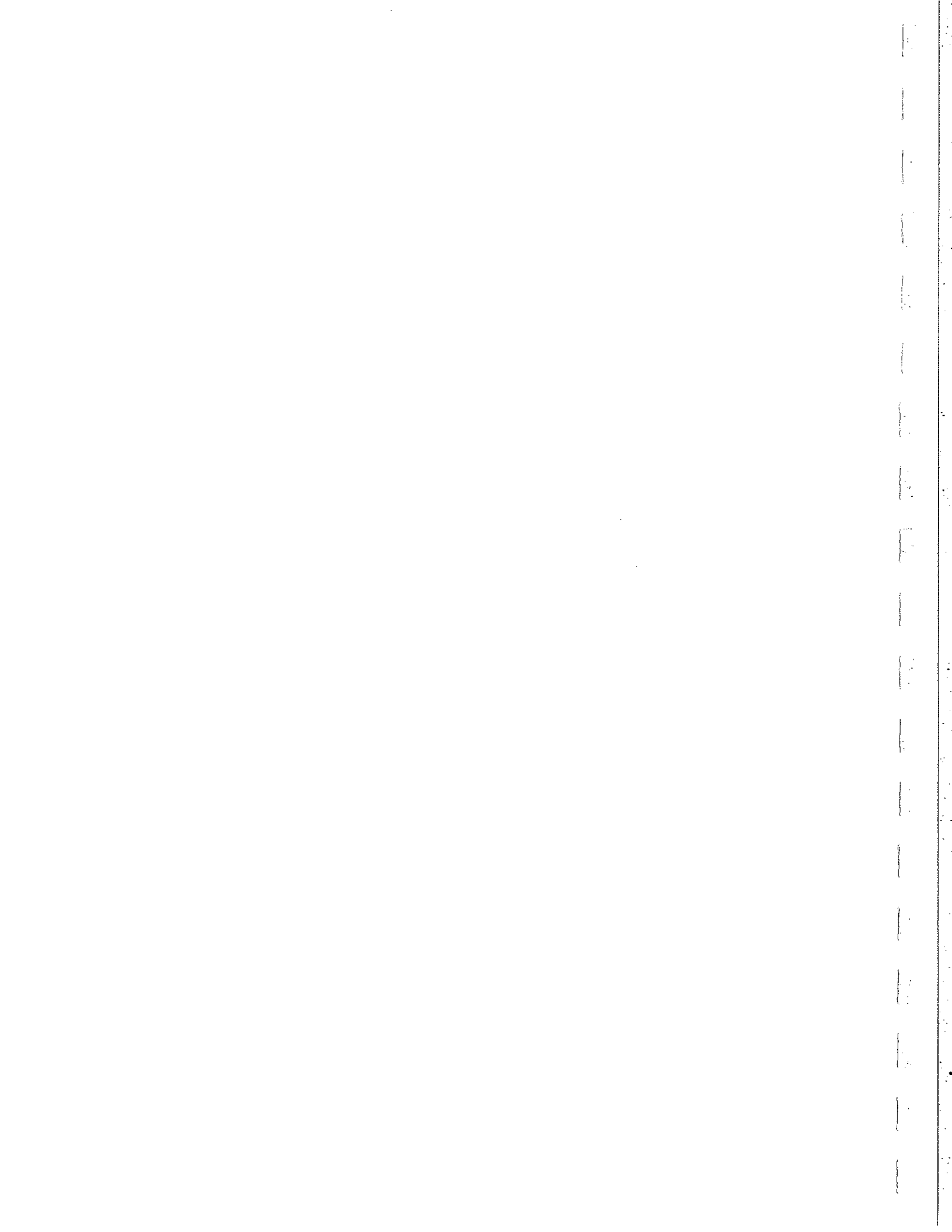
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CITY OF MONTCLAIR
 FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Montclair, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Montclair, California, as of and for the year ended June 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Montclair's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The City of Montclair has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Montclair as of June 30, 2007, and the respective changes in financial position and cash flows where applicable, and the respective budgetary comparison of the General Fund and the Montclair Housing Corporation for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2008, on our consideration of the City of Montclair's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts, 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* and should be considered in assessing the results of our audit.





To the Honorable Mayor and Members of the City Council
City of Montclair, California

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of Montclair. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Lance, Soll & Lunghard, LLP

March 21, 2008

CITY OF MONTCLAIR

STATEMENT OF NET ASSETS
JUNE 30, 2007

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets:			
Cash and investments	\$ 51,981,478	\$ 2,051,755	\$ 54,033,233
Receivables:			
Accounts	3,448,351	67,570	3,515,921
Taxes	523,467	-	523,467
Contract and notes	3,442,480	-	3,442,480
Accrued interest	623,773	14,406	638,179
Internal balances	222,637	(222,637)	-
Prepaid costs	11,061	-	11,061
Unamortized debt issuance costs	1,300,813	-	1,300,813
Due from other governments	6,499,750	631	6,500,381
Restricted assets:			
Cash with fiscal agent	37,051,517	-	37,051,517
Capital assets not being depreciated	35,437,396	100,277	35,537,673
Capital assets, net of depreciation	13,686,081	2,540,892	16,226,973
Total Assets	154,228,804	4,552,894	158,781,698
Liabilities:			
Accounts payable	3,999,351	299,445	4,298,796
Accrued liabilities	314,902	10,963	325,865
Accrued interest	772,808	-	772,808
Unearned revenue	561,176	-	561,176
Deposits payable	685,366	-	685,366
Due to other governments	4,472,165	179,453	4,651,618
Noncurrent liabilities:			
Due within one year	1,773,555	4,250	1,777,805
Due in more than one year	78,443,979	90,970	78,534,949
Total Liabilities	91,023,302	585,081	91,608,383
Net Assets:			
Invested in capital assets, net of related debt	18,388,477	2,641,169	21,029,646
Restricted for:			
Community development projects	2,590,164	-	2,590,164
Public safety	730,828	-	730,828
Capital projects	15,609,982	-	15,609,982
Debt service	34,915,859	-	34,915,859
Unrestricted	(9,029,808)	1,326,644	(7,703,164)
Total Net Assets	\$ 63,205,502	\$ 3,967,813	\$ 67,173,315

CITY OF MONTCLAIR

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2007

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 13,402,469	\$ 5,058,198	\$ 1,783,573	\$ -
Public safety	17,163,356	738,927	154,200	-
Community development	3,765,220	-	1,319,437	-
Parks and recreation	-	147,900	160,290	-
Public works	4,735,473	2,327,529	28,622	-
Interest on long-term debt	4,246,889	-	-	-
Total Governmental Activities	43,313,407	8,272,554	3,446,122	-
Business-Type Activities:				
Sewer maintenance fund	2,087,822	1,599,935	-	-
Total Business-Type Activities	2,087,822	1,599,935	-	-
Total Primary Government	\$ 45,401,229	\$ 9,872,489	\$ 3,446,122	\$ -

General Revenues:

Taxes:

- Property taxes, levied for general purpose
- Transient occupancy taxes
- Sales taxes
- Franchise taxes
- Business licenses taxes
- Other taxes

Intergovernmental, unrestricted:

- Motor vehicle in lieu
- Use of money and property
- Other

Total General Revenues

Change in Net Assets

Net Assets at Beginning of Year

Restatement of Net Assets

Net Assets at End of Year

Net (Expenses) Revenues and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (6,560,698)	\$ -	\$ (6,560,698)
(16,270,229)	-	(16,270,229)
(2,445,783)	-	(2,445,783)
308,190	-	308,190
(2,379,322)	-	(2,379,322)
(4,246,889)	-	(4,246,889)
(31,594,731)	-	(31,594,731)
-	(487,887)	(487,887)
-	(487,887)	(487,887)
(31,594,731)	(487,887)	(32,082,618)
11,915,389	-	11,915,389
24,544	-	24,544
16,544,410	-	16,544,410
555,213	-	555,213
788,272	-	788,272
2,104,128	-	2,104,128
2,682,753	-	2,682,753
5,045,311	124,527	5,169,838
659,986	-	659,986
40,320,006	124,527	40,444,533
8,725,275	(363,360)	8,361,915
58,708,380	4,628,440	63,336,820
(4,228,153)	(297,267)	(4,525,420)
\$ 63,205,502	\$ 3,967,813	\$ 67,173,315

CITY OF MONTCLAIR

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2007

	General	Special Revenue Funds	Capital Projects Funds	
		Montclair Housing Corporation	Police Facility Capital Project	Montclair Redevelopment Agency
Assets:				
Pooled cash and investments	\$ 13,244,684	\$ 2,123,029	\$ -	\$ 20,433,113
Receivables:				
Accounts	2,143,297	69,864	-	48,438
Taxes	-	-	-	104,694
Contract and notes	918	-	-	3,441,562
Accrued interest	176,935	27,721	-	356,633
Prepaid costs	11,061	-	-	-
Due from other governments	5,853,592	-	-	121
Due from other funds	2,192,973	-	69,746	800,001
Advances to other funds	802,699	-	-	2,651,270
Restricted assets:				
Cash and investments with fiscal agents	16,650	30,045	467,150	5,972,330
Total Assets	\$ 24,442,809	\$ 2,250,659	\$ 536,896	\$ 33,808,162
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 704,950	\$ 24,022	\$ 1,811,743	\$ 463,872
Accrued liabilities	297,613	-	-	-
Due to other funds	719,522	-	267,583	47,306
Deferred revenues	817,777	-	-	650
Unearned revenue	383,398	-	-	-
Advances from other funds	-	2,651,270	-	802,699
Deposits payable	651,362	31,303	-	1,976
Due to other governments	630,693	22,261	-	323,780
Total Liabilities	4,205,315	2,728,856	2,079,326	1,640,283
Fund Balances:				
Reserved:				
Reserved for encumbrances	240,833	-	10,000	85,545
Reserved for projects	1,452,154	-	-	-
Reserved for prepaid costs	11,061	-	-	-
Reserved for long-term receivables	918	-	-	3,441,562
Reserved for advances to other funds	802,699	-	-	2,651,270
Unreserved:				
Unreserved, reported in nonmajor:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Designated for capital improvement projects	-	-	-	25,989,502
Designated for debt service	-	-	-	-
Undesignated	17,729,829	(478,197)	(1,552,430)	-
Total Fund Balances	20,237,494	(478,197)	(1,542,430)	32,167,879
Total Liabilities and Fund Balances	\$ 24,442,809	\$ 2,250,659	\$ 536,896	\$ 33,808,162

See Notes to Financial Statements

CITY OF MONTCLAIR

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2007

	Debt Service Funds			
	2005 Lease Revenue Bonds	Montclair Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
Assets:				
Pooled cash and investments	\$ -	\$ 7,095,157	\$ 9,085,495	\$ 51,981,478
Receivables:				
Accounts	-	-	1,186,752	3,448,351
Taxes	-	418,773	-	523,467
Contract and notes	-	-	-	3,442,480
Accrued interest	-	30,384	32,100	623,773
Prepaid costs	-	-	-	11,061
Due from other governments	-	5,379	640,658	6,499,750
Due from other funds	-	47,306	2,437,982	5,548,008
Advances to other funds	-	-	-	3,453,969
Restricted assets:				
Cash and investments with fiscal agents	22,828,313	7,474,574	262,455	37,051,517
Total Assets	\$ 22,828,313	\$ 15,071,573	\$ 13,645,442	\$ 112,583,854
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 41,350	\$ 953,414	\$ 3,999,351
Accrued liabilities	-	-	17,289	314,902
Due to other funds	-	-	4,290,960	5,325,371
Deferred revenues	-	-	574,074	1,392,501
Unearned revenue	-	-	177,778	561,176
Advances from other funds	-	-	-	3,453,969
Deposits payable	-	-	725	685,366
Due to other governments	-	2,942,677	552,754	4,472,165
Total Liabilities	-	2,984,027	6,566,994	20,204,801
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	-	323,126	659,504
Reserved for projects	-	-	-	1,452,154
Reserved for prepaid costs	-	-	-	11,061
Reserved for long-term receivables	-	-	-	3,442,480
Reserved for advances to other funds	-	-	-	3,453,969
Unreserved:				
Unreserved, reported in nonmajor:				
Special revenue funds	-	-	6,132,291	6,132,291
Capital projects funds	-	-	623,031	623,031
Designated for capital improvement projects	-	-	-	25,989,502
Designated for debt service	-	12,087,546	-	12,087,546
Undesignated	22,828,313	-	-	38,527,515
Total Fund Balances	22,828,313	12,087,546	7,078,448	92,379,053
Total Liabilities and Fund Balances	\$ 22,828,313	\$ 15,071,573	\$ 13,645,442	\$ 112,583,854

See Notes to Financial Statements

CITY OF MONTCLAIR

GOVERNMENTAL FUNDS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS

TO THE STATEMENT OF NET ASSETS

JUNE 30, 2007

Fund balances of governmental funds \$ 92,379,053

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets net of depreciation have not been included as financial resources in governmental fund activity. 49,123,477

Long-term debt, net of unamortized bond issuance cost and bond discount or premium, claims and judgment, and compensated absences that have not been included in the governmental fund activity. (78,916,721)

Accrued interest payable for the current portion of interest due on Tax Allocation Bonds and Lease Revenue Bonds have not been reported in the governmental funds. (772,808)

Governmental funds report deferred revenue for revenues not received within a certain amount of time, approximately 90 days, per GASB 33. However, in the statement of activities, these revenues are recognized under the full accrual. 1,392,501

Net assets of governmental activities **\$ 63,205,502**

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CITY OF MONTCLAIR

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2007

	General	Special Revenue Fund	Capital Projects Funds	
		Montclair Housing Corporation	Police Facility Capital Project	Montclair Redevelopment Agency
Revenues:				
Taxes	\$ 21,731,364	\$ -	\$ -	\$ 2,226,102
Licenses and permits	733,070	-	-	-
Intergovernmental	3,183,810	-	-	-
Charges for services	2,596,845	-	-	-
Use of money and property	981,719	684,555	-	1,476,443
Fines and forfeitures	444,933	-	-	-
Miscellaneous	397,997	3,474	-	31,638
Total Revenues	30,069,738	688,029	-	3,734,183
Expenditures:				
Current:				
General government	5,194,183	795,290	-	1,916,886
Public safety	15,876,820	-	-	-
Community development	2,298,638	-	-	407,613
Public works	4,057,489	-	-	-
Capital outlay	333,011	-	11,146,134	7,806,251
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	424,922
Total Expenditures	27,760,141	795,290	11,146,134	10,555,672
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,309,597	(107,261)	(11,146,134)	(6,821,489)
Other Financing Sources (Uses):				
Transfers in	313,153	-	9,790,830	2,102,915
Transfers out	(2,413,622)	-	-	-
Refunding bonds issued	-	-	-	11,515,000
Bond Discount	-	-	-	(127,798)
Payment to refunding bond escrow agent - current	-	-	-	-
Total Other Financing Sources (Uses)	(2,100,469)	-	9,790,830	13,490,117
Net Change in Fund Balances	209,128	(107,261)	(1,355,304)	6,668,628
Fund Balances, Beginning of Year, as originally reported	20,028,366	(370,936)	(187,126)	25,323,039
Restatements	-	-	-	176,212
Fund Balances, Beginning of Year, as restated	20,028,366	(370,936)	(187,126)	25,499,251
Fund Balances, End of Year	\$ 20,237,494	\$ (478,197)	\$ (1,542,430)	\$ 32,167,879

CITY OF MONTCLAIR

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2007

	Debt			Total Governmental Funds
	Service Funds		Other Governmental Funds	
	2005 Lease Revenue Bonds	Montclair Redevelopment Agency		
Revenues:				
Taxes	\$ -	\$ 7,289,024	\$ 955,608	\$ 32,202,098
Licenses and permits	-	-	-	733,070
Intergovernmental	-	-	5,235,118	8,418,928
Charges for services	-	-	173,655	2,770,500
Use of money and property	1,558,081	525,156	418,686	5,644,640
Fines and forfeitures	-	-	518,426	963,359
Miscellaneous	-	-	203,804	636,913
Total Revenues	1,558,081	7,814,180	7,505,297	51,369,508
Expenditures:				
Current:				
General government	-	157,207	150,932	8,214,498
Public safety	-	-	926,447	16,803,267
Community development	-	-	963,292	3,669,543
Public works	-	-	356,862	4,414,351
Capital outlay	-	-	5,411,121	24,696,517
Debt service:				
Principal retirement	565,000	615,000	-	1,180,000
Interest and fiscal charges	1,357,317	2,692,581	-	4,049,898
Bond issuance costs	-	-	-	424,922
Total Expenditures	1,922,317	3,464,788	7,808,654	63,452,996
Excess (Deficiency) of Revenues Over (Under) Expenditures	(364,236)	4,349,392	(303,357)	(12,083,488)
Other Financing Sources (Uses):				
Transfers in	1,810,198	-	639,049	14,656,145
Transfers out	(9,790,830)	(2,102,915)	(348,778)	(14,656,145)
Refunding bonds issued	-	-	-	11,515,000
Bond Discount	-	-	-	(127,798)
Payment to refunding bond escrow agent - current	-	(1,197,759)	-	(1,197,759)
Total Other Financing Sources (Uses)	(7,980,632)	(3,300,674)	290,271	10,189,443
Net Change in Fund Balances	(8,344,868)	1,048,718	(13,086)	(1,894,045)
Fund Balances, Beginning of Year, as originally reported	31,173,181	11,038,828	7,091,534	94,096,886
Restatements	-	-	-	176,212
Fund Balances, Beginning of Year, as restated	31,173,181	11,038,828	7,091,534	94,273,098
Fund Balances, End of Year	\$ 22,828,313	\$ 12,087,546	\$ 7,078,448	\$ 92,379,053

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, 2007

Net change in fund balances - total governmental funds	\$ (1,894,045)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	18,039,441
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	1,180,000
Bond issuance costs, loss or gain on defeasance, premiums or discounts on bonds issued are an expenditures or revenues in the governmental funds, but it is deferred and amortized over the life of the bond in the statement of net assets:	
Debt issuance costs on bonds issued in the current year	424,922
Current year original discount on bonds issued	127,798
Amortization of costs and discounts for the current fiscal year	(66,972)
Proceeds of debt is a revenue in the governmental funds, but recorded as a liability in the statement of net assets.	(11,515,000)
Defeasance of debt is an expenditure in the governmental funds, but are a recorded as a reduction to the long-term liability in the statement of net assets.	1,197,759
Accrued interest for Tax Allocation Bonds. This is the net change in accrued interest for the current period.	(130,019)
Compensated absences 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.	(58,277)
The 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.	750,494
Governmental funds report deferred revenue for revenues not received within a certain amount of time, approximately 90 days, per GASB 33. However, in the statement of activities, these revenues are recognized under the full accrual.	669,174
Change in net assets of governmental activities	<u>\$ 8,725,275</u>

CITY OF MONTCLAIR

**BUDGETARY COMPARISON STATEMENT BY DEPARTMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2007**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 20,028,366	\$ 20,028,366	\$ 20,028,366	\$ -
Resources (Inflows):				
Taxes	22,737,200	22,671,770	21,731,364	(940,406)
Assessments	-	-	-	-
Licenses and permits	609,075	609,075	733,070	123,995
Intergovernmental	2,932,070	3,048,758	3,183,810	135,052
Charges for services	2,620,750	2,714,750	2,596,845	(117,905)
Use of money and property	573,600	741,600	981,719	240,119
Fines and forfeitures	377,000	382,000	444,933	62,933
Other	170,520	386,920	397,997	11,077
Transfers from other funds	-	2,708,331	313,153	(2,395,178)
Amounts Available for Appropriation	50,048,581	53,291,570	50,411,257	(2,880,313)
Charges to Appropriation (Outflow):				
City council	394,306	394,306	395,375	(1,069)
City manager	311,114	311,114	277,419	33,695
City clerk	189,210	189,210	171,392	17,818
Solid waste disposal	1,934,151	1,934,151	1,897,253	36,898
Record retention/microfilm	58,442	58,442	62,279	(3,837)
Administration	185,305	185,305	164,351	20,954
Financial services	655,475	655,475	627,707	27,768
Personnel/risk	480,494	480,494	498,894	(18,400)
Info tech services	668,368	653,848	539,191	114,657
Central services	502,060	502,060	432,696	69,364
Redevelopment	-	-	(7)	7
Housing Corporation	-	-	731	(731)
Police administration	539,117	539,117	520,757	18,360
Police support services	474,693	474,693	273,590	201,103
Technical services	349,967	349,967	314,169	35,798
Records bureau	705,130	705,130	648,847	56,283
Investigations	1,347,370	1,347,370	1,270,822	76,548
Uniform patrol	5,839,702	5,834,602	5,759,135	75,467
Communications	896,068	896,068	707,931	188,137
Volunteer services	119,153	119,153	106,603	12,550
Fire administration	542,396	542,396	655,865	(113,469)
Fire prevention	244,452	244,452	190,898	53,554
Emergency services	4,407,051	4,407,051	4,548,736	(141,685)
Personnel development	84,448	84,448	80,451	3,997
Equipment maintenance	106,591	106,591	106,353	238
Buildings and grounds	66,250	66,250	272,860	(206,610)
Emergency preparedness	61,821	61,821	56,401	5,420
Code enforcement	480,399	480,399	363,320	117,079
Emergency medical services	-	-	82	(82)
Management and construction	295,554	295,554	333,628	(38,074)
Public works inspection	142,956	142,956	144,911	(1,955)
Traffic safety engineering	546,937	546,937	408,461	138,476
Graffiti abatement	154,761	154,761	117,666	37,095
Street maintenance	576,523	572,823	487,298	85,525
Signing/painting	158,578	158,578	136,181	22,397
Street sweeping	199,907	199,907	174,256	25,651
Park maintenance	1,012,015	1,012,015	965,403	46,612
Tree maintenance	113,869	113,869	97,990	15,879
Vehicle maintenance	615,002	615,002	570,963	44,039

See Notes to Financial Statements

CITY OF MONTCLAIR

BUDGETARY COMPARISON STATEMENT BY DEPARTMENT
 GENERAL FUND
 YEAR ENDED JUNE 30, 2007

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Building maintenance services	285,575	285,575	208,419	77,156
Heating and air conditioning	141,271	141,271	124,130	17,141
Janitorial services	314,719	314,719	288,183	26,536
Planning commission	16,487	16,487	16,477	10
Community development administration	254,013	258,013	247,950	10,063
Current planning	246,001	246,001	247,825	(1,824)
Advance planning	139,034	139,034	131,345	7,689
Field inspection	187,179	187,179	184,438	2,741
Plan check	149,904	149,904	142,049	7,855
Building operations	142,253	142,253	150,764	(8,511)
Recreation	807,441	807,441	802,551	4,890
Service center	170,563	170,563	148,934	21,629
Senior citizens	147,947	147,947	129,443	18,504
Nutritional meals	92,395	92,395	70,992	21,403
Health education	34,164	34,164	13,170	20,994
Even Start Family Literacy	32,666	32,666	12,700	19,966
City attorney	255,115	255,115	126,902	128,213
Contingency	262,700	262,700	-	262,700
Capital outlay	450,348	472,968	333,011	139,957
Transfers out	4,831,717	4,844,048	2,413,622	2,430,426
Total Charges to Appropriations	34,421,127	34,436,758	30,173,763	4,262,995
Budgetary Fund Balance, June 30	\$ 15,627,454	\$ 18,854,812	\$ 20,237,494	\$ 1,382,682

CITY OF MONTCLAIR

**BUDGETARY COMPARISON STATEMENT
MONTCLAIR HOUSING CORPORATION
YEAR ENDED JUNE 30, 2007**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (370,936)	\$ (370,936)	\$ (370,936)	\$ -
Resources (Inflows):				
Investment income	684,258	684,258	684,555	297
Other	8,000	8,000	3,474	(4,526)
Transfers from other funds	950,000	950,000	-	(950,000)
Amounts Available for Appropriation	1,271,322	1,271,322	317,093	(954,229)
Charges to Appropriation (Outflow):				
General government	3,162,797	3,162,797	795,290	2,367,507
Total Charges to Appropriations	3,162,797	3,162,797	795,290	2,367,507
Budgetary Fund Balance, June 30	\$ (1,891,475)	\$ (1,891,475)	\$ (478,197)	\$ 1,413,278

CITY OF MONTCLAIR

STATEMENT OF NET ASSETS
 PROPRIETARY FUND
 JUNE 30, 2007

	<u>Business-Type Activities Sewer Maintenance Fund</u>
Assets:	
Current:	
Cash and investments	\$ 2,051,755
Receivables:	
Accounts	67,570
Accrued interest	14,406
Due from other funds	2,111
Due from other governments	631
Total Current Assets	<u>2,136,473</u>
Noncurrent:	
Capital assets - net of accumulated depreciation	2,641,169
Total Noncurrent Assets	<u>2,641,169</u>
Total Assets	<u>\$ 4,777,642</u>
Liabilities and Net Assets:	
Liabilities:	
Current:	
Accounts payable	\$ 299,445
Accrued payroll payable	10,963
Due to other governments	179,453
Due to other funds	224,748
Total Current Liabilities	<u>714,609</u>
Noncurrent:	
Compensated absences	95,220
Total Noncurrent Liabilities	<u>95,220</u>
Total Liabilities	<u>809,829</u>
Net Assets:	
Invested in capital assets, net of related debt	2,641,169
Unrestricted	1,326,644
Total Net Assets	<u>3,967,813</u>
Total Liabilities and Net Assets	<u>\$ 4,777,642</u>

CITY OF MONTCLAIR

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2007

	<u>Business-Type Activities Sewer Maintenance Fund</u>
Operating Revenues:	
Sales and Service Charges	\$ 1,599,935
Total Operating Revenues	<u>1,599,935</u>
Operating Expenses:	
Salaries and benefits	242,638
Supplies and services	212,304
Treatment	1,563,821
Depreciation	69,059
Total Operating Expenses	<u>2,087,822</u>
Operating Income (Loss)	<u>(487,887)</u>
Nonoperating Revenues (Expenses):	
Interest Revenue	<u>124,527</u>
Total Nonoperating Revenues (Expenses)	<u>124,527</u>
Changes in Net Assets	<u>(363,360)</u>
Net Assets	
Beginning of Fiscal Year, as originally reported	4,628,440
Restatements	<u>(297,267)</u>
Beginning of Fiscal Year	<u>4,331,173</u>
End of Fiscal Year	<u><u>\$ 3,967,813</u></u>

CITY OF MONTCLAIR

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 YEAR ENDED JUNE 30, 2007

	Business-Type Activities Sewer Maintenance Fund
Cash Flows From Operating Activities:	
Cash received from customers and users	\$ 1,541,857
Cash paid to suppliers for good and services	(1,639,556)
Cash paid to employees for services	(232,682)
Net Cash Provided (Used) by Operating Activities	<u>(330,381)</u>
Cash Flows From Noncapital Financing Activities:	
Financing Activities:	
Due from other funds	841
Due to other funds	125,628
Net Cash Provided (Used) by Noncapital Financing Activities	<u>126,469</u>
Cash Flows from Capital and Related Financing Activities:	
Purchases of capital assets	(76,899)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(76,899)</u>
Cash Flows From Investing Activities:	
Interest received	124,605
Net Cash Provided (Used) by Investing Activities	<u>124,605</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(156,206)
Cash and Cash Equivalents at Beginning of Year	2,207,961
Cash and Cash Equivalents at End of Year	<u>\$ 2,051,755</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ (487,887)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	69,059
(Increase) decrease in accounts receivable	(58,197)
(Increase) decrease in due from other governments	119
Increase (decrease) in accounts payable	218,935
Increase (decrease) in accrued liabilities	404
Increase (decrease) in due to other governments	(82,366)
Increase (decrease) in compensated absences	9,552
Total Adjustments	<u>157,506</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (330,381)</u>

CITY OF MONTCLAIR

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2007

	<u>Agency Fund</u>
Assets:	
Cash and investments	<u>\$ 401,577</u>
Total Assets	<u><u>\$ 401,577</u></u>
Liabilities:	
Due to other governments	<u>\$ 401,577</u>
Total Liabilities	<u><u>\$ 401,577</u></u>

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CITY OF MONTCLAIR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

I. SIGNIFICANT ACCOUNTING POLICIES

Note 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, California (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:

1. The members of the City Council also act as the governing body of the Montclair Redevelopment Agency and Montclair Housing Corporation.
2. The City, Agency and Housing Corporation are financially interdependent. The City makes loans to the Agency for use on redevelopment projects. Property tax revenues of the Agency are used to repay loans from the City.
3. The Agency and Housing Corporation are managed by employees of the City. A portion of the City's salary and overhead expenses are billed to the Agency and Housing Corporation 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 Redevelopment Agency (the Agency) was activated June 6, 1977, pursuant to the State of California Health and Safety Code, Section 33000, entitled "Community Development Law." The primary purpose of the Agency is to encourage private redevelopment of property and to rehabilitate areas suffering from economic disuse arising from poor and inadequate planning, inadequate street layout and street access, lack of open space, landscaping and other improvements and facilities necessary to establish and maintain the economic growth of the City.

The Montclair Housing Corporation (the Corporation) was established on September 1993. The primary purpose of the Corporation is to assist property owners in rejuvenating and improving substandard housing conditions within the City.

Since the governing body of the Agency and Corporation are the same, their data has been blended into that of the financial reporting entity. Complete financial statements for the individual blended component units can be obtained by writing to: City of Montclair, 5111 Benito Street, Montclair, CA 91763.

Note 1: Summary of Significant Accounting Policies (Continued)

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets 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.

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 properly 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 revenues 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 purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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.

City of Montclair
Notes to Financial Statements (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

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 Montclair Housing Corporation is presented as a special revenue fund and accounts for the activities associated with the maintenance of various rental housing properties within the City.
- Police Facility Capital Project accounts for the construction cost of capital projects related to the Police facility.
- The Montclair Redevelopment Agency's Capital Project Fund accounts for the financing, construction and administrative activities of the Agency's five project areas.
- The 2005 Lease Revenue Bonds Debt Service Fund accounts for bond proceeds from the 2005 Lease Revenue Bonds.
- The Montclair Redevelopment Agency's Debt Service Fund accounts for the accumulation of funds for the payment of principal and interest of various bond issues and loans to the City for the Agency's five project areas.

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:

- Agency funds are used to account for assets held by a governmental unit as an agent for individuals, private organizations and/or other governmental units.

Private-sector standards of accounting and financial reporting issued after November 30, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

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 function 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

Note 1: Summary of Significant Accounting Policies (Continued)

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 reported 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 resources, as they are needed.

d. Assets, Liabilities and Net Assets 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 cost. 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."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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 past due and receivable within the current period and collected

City of Montclair
Notes to Financial Statements (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

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 department development and maintenance.
- Debt Service includes those activities that account for the payment of long-term debt 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. The fund balances in the governmental fund types have been reserved for amounts equal to the prepaid items in the fund-level statements, since these amounts are not available for appropriation.

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 and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable

City of Montclair
Notes to Financial Statements (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,500 (amount not rounded). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

In accordance with GASB Statement No. 34, the City has reported general infrastructure assets acquired in the current year. As the City is still in the process of compiling the necessary data, and as permitted under GASB Statement No. 34, the City has not reported any infrastructure assets retroactively.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets 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:

<u>Assets</u>	<u>Years</u>
Sewer lines	100
Structures and improvements	20-99
Furniture and equipment	5-20
Infrastructure	5-30

Compensated Absences

Compensated absences are the City's liabilities for future vacation, sick and other leave benefits. The short-term 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, if matured, out of the general fund.

For Proprietary Funds, the total amount of the liability for compensated absences is segregated between short-term 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 regular annual entitlement without approval of the City Manager.

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

City of Montclair
Notes to Financial Statements (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

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.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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 uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

e. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets:

The governmental fund balance sheet includes reconciliation between fund balance, governmental funds, and net assets of governmental activities as reported in the government-wide statement of net assets. The detail of the \$(78,916,721) difference is as follows:

Long-term debt:	
Tax allocation bonds payable	\$ (45,980,000)
Lease revenue bonds	(30,735,000)
Debt issuance costs	1,300,813
Bond discount	265,237
Loss on defeasance	34,207
Accrued claims and judgments	(1,382,453)
Compensated absences	<u>(2,419,525)</u>
Net adjustment to reduce fund balance of total governmental funds to arrive at net assets of governmental activities	<u>\$ (78,916,721)</u>

City of Montclair
Notes to Financial Statements (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

All of these items are not present in the governmental funds because of differences in basis of accounting between the two financial statement presentation methods.

Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities:

The governmental fund statement of revenues, expenditures and changes in fund balances includes reconciliation between net changes in fund balances – of total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this \$18,039,441 difference are as follows:

Capital outlay	\$ 19,342,669
Depreciation expense	(1,198,095)
Loss from disposition of capital assets	<u>(105,133)</u>
Net adjustment to increase net changes in fund balances of total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 18,039,441</u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds." Neither transaction, however, has any effect on net assets. The details of this \$1,180,000 difference are as follows:

Principal repayments:	
Tax allocation bonds	\$ 615,000
Capital leases payable	<u>565,000</u>
Net adjustment to decrease net changes in fund balance of total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 1,180,000</u>

II. STEWARDSHIP

Note 2: Stewardship, Compliance and Accountability

a. 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 Federal Asset Forfeiture – Treasury, OCJP Grant and Office of Traffic Safety Grant Special Revenue Funds and the Ramona Grade Separation Project Capital Project Fund did not have legally adopted budgets.

b. Deficit Fund Balances

The following funds contained deficit fund balances at June 30, 2007:

Special Revenue Funds:

Montclair Housing Corporation	\$	478,197
Community Development Block Grant		283,352
School District Grant		921
Local Law Enforcement Block Grant		3,579
Recycling Block Grant		1,338
OCJP Grant		14,079
Automated Traffic Enforcement		576,404

Capital Projects Funds:

Police Facility Capital Project	1,542,430
Monte Vista Grade Separation Project	527,837
Ramona Grade Separation Project	1,100

These deficits will be funded with future years revenues.

City of Montclair
Notes to Financial Statements (Continued)

Note 2: Stewardship, Compliance and Accountability (Continued)

c. Excess of Expenditures over Appropriations

For the year ended June 30, 2007, the following funds had expenditures that exceeded the budget as follows:

Fund	Expenditures	Appropriations	Excess
General Fund:			
City council	\$ 395,375	\$ 394,306	\$ 1,069
Record retention/microfilm	62,279	58,442	3,837
Personnel/risk	498,894	480,494	18,400
Housing Corporation	731	-	731
Police administration	520,757	-	520,757
Fire administration	655,865	542,396	113,469
Emergency services	4,548,736	4,407,051	141,685
Buildings and grounds	272,860	66,250	206,610
Emergency medical services	82	-	82
Management and construction	333,628	295,554	38,074
Public works inspection	144,911	142,956	1,955
Current planning	247,825	246,001	1,824
Building operations	150,764	142,253	8,511

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

As of June 30, 2007, cash and investments were reported in the accompanying financial statements as follows:

Governmental activities	\$ 89,032,995
Business-type activities	2,051,755
Fiduciary funds	401,577
Total Cash and Investments	<u>\$ 91,486,327</u>

The City of Montclair maintains a cash and investment pool that is available for use for all funds. Each fund type'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.

Deposits

At June 30, 2007, the carrying amount of the City's deposits was \$8,940,342, and the bank balance was \$8,627,165. The \$313,177 difference represents outstanding checks and other reconciling items.

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 \$100,000 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

City of Montclair
Notes to Financial Statements (Continued)

Note 3: Cash and Investments (Continued)

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 Agency's investment policy, and in accordance with the California Government Code, the following investments are authorized:

- Bonds issues 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
- Commercial paper
- Negotiable certificates of deposit
- Repurchase Agreements
- 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 Agency's investment policy.

Investments in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by 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.

City of Montclair
Notes to Financial Statements (Continued)

Note 3: Cash and Investments (Continued)

GASB Statement No. 31

The City adopted GASB Statement of No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, as of July 1, 1997. GASB Statement No. 31 establishes 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, 2006, the City has no investment in medium-term notes. In addition, the City's investments in Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Home Loan Bank and Federal Farm Credit Banks were rated "AAA" by Moody's and by S&P. 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, 2007, the City's investments in external investment pools and money market mutual funds are unrated.

Custodial Credit Risk

The 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 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, 2007, 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, 2007, 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.

The City has invested more than 5% of the total investment value with the following issuers:

Federal Home Loan Bank	\$ 20,913,644	25.34%
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City of Montclair
Notes to Financial Statements (Continued)

Note 3: Cash and Investments (Continued)

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. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

As of June 30, 2007, the City had the following investments and original maturities:

Investment Type:	Remaining Investment Maturities				Fair Value
	6 months or less	6 months to 1 year	1 to 3 years	3 to 5 years	
Local Agency Investment Fund	\$ 27,049,364	\$ -	\$ -	\$ -	\$ 27,049,364
Federal National Mortgage Assoc.	-	399,000	1,995,625	1,485,155	3,879,780
Federal Home Loan Mortgage Corp.	-	-	2,241,630	994,865	3,236,495
Federal Home Loan Bank	3,479,508	7,962,662	6,960,790	2,510,684	20,913,644
Federal Farm Credit Banks	-	-	-	525,000	525,000
Money Market Mutual funds - held by fiscal agent	26,941,702	-	-	-	26,941,702
Total	\$ 57,470,574	\$ 8,361,662	\$ 11,198,045	\$ 5,515,704	\$ 82,545,985

City of Montclair
Notes to Financial Statements (Continued)

IV. OTHER INFORMATION

Note 4: Capital Assets

Capital asset activity for the year ended June 30, 2007 was as follows:

	Beginning Balance	Adjustments*	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:							
Capital assets, not being depreciated:							
Land	\$ 9,795,333	\$ -	\$ 9,795,333	\$ 48,862	\$ 7,960	\$ -	\$ 9,836,235
Work in progress	8,693,608	(3,270,904)	5,422,704	18,408,929	-	(703,862)	23,127,771
Land improvements	2,473,390	-	2,473,390	-	-	-	2,473,390
Total Capital Assets, Not Being Depreciated	20,962,331	(3,270,904)	17,691,427	18,457,791	7,960	(703,862)	35,437,396
Capital assets, being depreciated:							
Structures and improvements	9,637,569	-	9,637,569	382,987	-	-	10,020,556
Furniture and equipment	7,042,951	711,360	7,754,311	280,717	392,018	-	7,643,010
Infrastructure	7,759,101	-	7,759,101	221,174	-	703,862	8,684,137
Total Capital Assets, Being Depreciated	24,439,621	711,360	25,150,981	884,878	392,018	703,862	26,347,703
Less accumulated depreciation:							
Structures and improvements	4,058,186	-	4,058,186	237,639	-	-	4,295,825
Furniture and equipment	4,831,071	1,844,821	6,675,892	487,874	294,845	-	6,868,921
Infrastructure	1,024,294	-	1,024,294	472,582	-	-	1,496,876
Total Accumulated Depreciation	9,913,551	1,844,821	11,758,372	1,198,095	294,845	-	12,661,622
Total Capital Assets, Being Depreciated, Net	14,526,070	(1,133,461)	13,392,609	(313,217)	97,173	703,862	13,686,081
Governmental Activities Capital Assets, Net	\$ 35,488,401	\$ (4,404,365)	\$ 31,084,036	\$ 18,144,574	\$ 105,133	\$ -	\$ 49,123,477
Business-Type Activities:							
Capital assets, being depreciated:							
Work in progress	\$ 94,387	\$ -	\$ 94,387	\$ 5,890	\$ -	\$ -	\$ 100,277
Total Capital Assets, Not Being Depreciated	94,387	-	94,387	5,890	-	-	100,277
Capital assets, being depreciated:							
Sewer lines	3,333,838	-	3,333,838	-	-	-	3,333,838
Furniture and equipment	676,205	68,054	744,259	20,324	34,738	-	729,845
Total Capital Assets, Being Depreciated	4,010,043	68,054	4,078,097	20,324	34,738	-	4,063,683
Less accumulated depreciation:							
Sewer lines	1,075,107	-	1,075,107	33,338	-	-	1,108,445
Furniture and equipment	395,994	-	395,994	35,721	17,369	-	414,346
Total Accumulated Depreciation	1,471,101	-	1,471,101	69,059	17,369	-	1,522,791
Total Capital Assets, Being Depreciated, Net	2,538,942	68,054	2,606,996	(48,735)	17,369	-	2,540,892
Business-Type Activities Capital Assets, Net	\$ 2,633,329	\$ 68,054	\$ 2,701,383	\$ (42,845)	\$ 17,369	\$ -	\$ 2,641,169

* Adjustments were made to correct the capital asset balance and related accumulated depreciation at July 1, 2006.

City of Montclair
Notes to Financial Statements (Continued)

Note 4: Capital Assets (Continued)

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

Governmental Activities:	
General government	\$ 453,353
Public safety	332,877
Community development	51,390
Public works	360,475
Total Governmental Activities	<u>\$ 1,198,095</u>
Business-Type Activities:	
Sewer	<u>\$ 69,059</u>

Note 5: Interfund Receivable, Payable and Transfers

The composition of interfund balances as of June 30, 2007 was as follows:

Due To/From Other Funds

Funds	Due to Other Funds:					Total
	General Fund	Police Facility Capital Projects	Redevelopment Agency Capital Projects	Sewer Maintenance	Nonmajor Governmental Funds	
Due From Other Funds:						
General	\$ -	\$ 267,583	\$ -	\$ 224,748	\$ 1,700,642	\$ 2,192,973
Police Facility	69,746	-	-	-	-	69,746
Redevelopment Agency Capital Projects	-	-	-	-	800,001	800,001
Redevelopment Agency Debt Service	-	-	47,306	-	-	47,306
Sewer Maintenance	2,111	-	-	-	-	2,111
Nonmajor Governmental	647,665	-	-	-	1,790,317	2,437,982
Total	<u>\$ 719,522</u>	<u>\$ 267,583</u>	<u>\$ 47,306</u>	<u>\$ 224,748</u>	<u>\$ 4,290,960</u>	<u>\$ 5,550,119</u>

Interfund receivables and payables are used to loan amounts between funds to provide temporary funds for operations.

Advances To/From Other Funds

Funds	Advances To Other Funds:		Total
	General Fund	Redevelopment Agency Capital Projects	
Advances From Other Funds:			
Montclair Housing Corporation	\$ -	\$ 2,651,270	\$ 2,651,270
Redevelopment Agency Capital Project	802,699	-	\$ 802,699
Total	<u>\$ 802,699</u>	<u>\$ 2,651,270</u>	<u>\$ 3,453,969</u>

City of Montclair
Notes to Financial Statements (Continued)

Note 5 Interfund Receivables, Payables, and Transfers (Continued)

The Redevelopment Agency advanced \$2,651,270 to the Montclair Housing Corporation for the purpose of carrying out the redevelopment and rehabilitation of multifamily and single-family housing leased by the Montclair Housing Corporation. The General Fund advance balance of \$802,699 represents several loans to the Redevelopment Agency for the purpose of carrying out redevelopment projects.

Interfund Transfers

<u>Transfers Out</u>	<u>Transfers In:</u>					<u>Total</u>
	<u>General Fund</u>	<u>Redevelopment Agency Capital Projects</u>	<u>Police Facility Capital Project</u>	<u>2005 Lease Revenue Bonds</u>	<u>Nonmajor Funds</u>	
General	\$ -	\$ -	\$ -	\$ 1,810,198	\$ 603,424	\$ 2,413,622
Redevelopment Agency	-	-	-	-	-	-
Debt Service	-	2,102,915	-	-	-	2,102,915
Nonmajor Funds	313,153	-	-	-	-	313,153
2005 Lease Revenue Bonds	-	-	9,790,830	-	35,625	9,790,830
Total	\$ 313,153	\$ 2,102,915	\$ 9,790,830	\$ 1,810,198	\$ 639,049	\$ 14,656,145

The General fund transferred \$603,424 to various nonmajor funds to meet funding requirements, to repair infrastructure within the City and for future City facility improvements. The General Fund transferred \$1,810,198 to the 2005 Lease Revenue Bond fund for the annual debt service funding requirement. The Traffic Safety fund transferred \$300,153 and the CDBG fund transferred \$7,000 to the General Fund to reimburse traffic safety enforcement costs. The Gas Tax fund transferred \$6,000 to the General Fund to reimburse administrative costs. The RDA Debt Service funds transferred \$2,102,915 to the RDA Capital Projects fund to fund capital projects. The 2005 Lease Revenue Bonds Fund transferred bond proceeds of \$9,790,830 to the Police Facility Capital Project Fund to pay capital expenditures.

Note 6: Long-Term Debt

a. Governmental Long-Term Debt

The following is a summary of changes in long-term debt of the City for the year ended June 30, 2007:

	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Refunded</u>	<u>Balance June 30, 2007</u>	<u>Due Within One Year</u>
Tax allocation bonds payable	\$ 36,235,000	\$ 11,515,000	\$ 615,000	\$ 1,155,000	\$ 45,980,000	\$ 995,000
Claims and judgments	2,132,947	-	750,494	-	1,382,453	66,491
Compensated absences	2,361,248	58,277	-	-	2,419,525	132,064
Lease Revenue Bonds	31,300,000	-	565,000	-	30,735,000	580,000
	<u>\$ 72,029,195</u>	<u>\$ 11,573,277</u>	<u>\$ 1,930,494</u>	<u>\$ 1,155,000</u>	<u>\$ 80,516,978</u>	<u>\$ 1,773,555</u>
					Less: unamortized loss on defeasance	(34,207)
					Less: unamortized discount	(265,237)
					Net Long-Term Debt	<u>\$ 80,217,534</u>

**City of Montclair
Notes to Financial Statements (Continued)**

Note 6: Long-Term Debt (Continued)

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

2005 Lease Revenue Bonds

During fiscal 2004-2005, the City issued \$31,300,000 of 2005 Lease Revenue Bonds. Interest on the bonds is payable semi-annually on April 1 and October 1 of each year, commencing October 1, 2005. The bonds carry various interest rates from 2.625% to 4.750%. Principal maturities begin on October 1, 2006, and continue on October 1 of each year through October 1, 2035. The bonds were used to finance police facilities and a senior/youth center and to pay certain costs of issuance in association therewith. The outstanding balance at June 30, 2007 was \$30,735,000.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2007, including interest, are as follows:

	2005 Lease Revenue Bonds	
	Principal	Interest
2007 - 2008	\$ 580,000	\$ 1,341,201
2008 - 2009	595,000	1,323,576
2009 - 2010	615,000	1,305,426
2010 - 2011	630,000	1,283,601
2011 - 2012	655,000	1,257,901
2012 - 2017	3,700,000	5,869,316
2017 - 2022	4,490,000	5,056,803
2022 - 2027	5,580,000	3,934,800
2027 - 2032	7,005,000	2,471,143
2032 - 2037	6,885,000	665,638
Totals	\$ 30,735,000	\$ 24,509,403

2006A Tax Allocation Refunding Bonds, Project Area V

On July 6, 2006, the Agency issued Taxable Allocation Refunding Bonds 2006A in the amount of \$8,235,000. The Bonds were issued with the purpose of paying monies in accordance with a Disposition and Development Agreement with Costco Wholesale Corporation in the amount of \$2,500,000, advance refunding the 1995 Tax Allocation Bonds in the amount of \$1,155,000, and to provide monies to finance the redevelopment project. Interest on the bonds is payable semi-annually on April 1 and October 1, in each year, commencing on October 1, 2006. The bonds carry interest rates ranging from 5.55% to 6.15%. Serial bonds maturities begin October 1, 2007, and continue annual through October 1, 2016, ranging from \$160,000 to \$420,000 and term bonds mature in the amount of \$2,365,000 on October 1, 2025, and \$3,200,000 on October 1, 2033. The balance at June 30, 2007, was \$8,235,000. The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2007, including interest, are as follows:

City of Montclair
Notes to Financial Statements (Continued)

Note 6: Long-Term Debt (Continued)

Project Area No. V, Taxable Tax Allocation Bonds, Issue of 2006A		
	Principal	Interest
2007 - 2008	\$ 355,000	\$ 483,556
2008 - 2009	375,000	463,223
2009 - 2010	395,000	441,702
2010 - 2011	420,000	418,860
2011 - 2012	160,000	402,514
2012 - 2017	965,000	1,857,280
2017 - 2022	1,305,000	1,520,434
2022 - 2027	1,135,000	1,090,549
2027 - 2032	1,220,000	871,455
2032 - 2037	1,905,000	118,849
Totals	<u>\$ 8,235,000</u>	<u>\$ 7,668,422</u>

2006B Tax Allocation Bonds, Project Area V

On July 6, 2006, the Agency issued Taxable Allocation Bonds 2006B in the amount of \$3,280,000. The bonds were issued to provide monies to finance the redevelopment project. Interest on the bonds is payable semi-annually on April 1 and October 1, in each year, commencing on October 1, 2006. The bonds carry an interest rate of 4.75%. Term bonds in the amount of \$3,280,000 mature October 1, 2033. The balance at June 30, 2007, was \$3,280,000. The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2007, including interest, are as follows:

Project Area No. V, Tax Allocation Bonds, Issue of 2006B		
	Principal	Interest
2007 - 2008	\$ -	\$ 155,800
2008 - 2009	-	155,800
2009 - 2010	-	155,800
2010 - 2011	-	155,800
2011 - 2012	-	155,800
2012 - 2017	-	779,000
2017 - 2022	-	779,000
2022 - 2027	620,000	749,788
2027 - 2032	1,810,000	424,650
2032 - 2037	850,000	40,850
Totals	<u>\$ 3,280,000</u>	<u>\$ 3,552,288</u>

City of Montclair
Notes to Financial Statements (Continued)

Note 6: Long-Term Debt (Continued)

2004 Tax Allocation Refunding Bonds, Project Area IV

On February 1, 2004, the Agency issued \$5,700,000 of the Redevelopment Project Area No. 4 2004 Tax Allocation Refunding Bonds. The bonds were issued to refund the Agency's 1992 Tax Allocation Bonds outstanding in the amount of \$1,605,000. Interest on the bonds is payable semi-annually on April 1 and October 1 in each year, commencing on October 1, 2004. The bonds carry an interest rate of 5.07%. Principal maturities begin on October 1, 2004, and continue on October 1 of each year through October 1, 2031. The outstanding balance at June 30, 2007 was \$5,250,000. The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2007, including interest, are as follows:

	2004 Tax Allocation Refunding Bonds, Project Area IV	
	Principal	Interest
2007 - 2008	\$ 120,000	\$ 247,063
2008 - 2009	125,000	243,688
2009 - 2010	130,000	239,700
2010 - 2011	130,000	235,313
2011 - 2012	135,000	230,506
2012 - 2017	775,000	1,056,738
2017 - 2022	980,000	840,750
2022 - 2027	1,255,000	563,125
2027 - 2032	1,600,000	207,500
Totals	<u>\$ 5,250,000</u>	<u>\$ 3,864,383</u>

2001 Tax Allocation Refunding Bonds, Project Area V

On July 1, 2001, the Agency issued \$9,350,000 of 2001 Tax Allocation Refunding Bonds. The bonds were issued to refund the Agency's 1992 Tax Allocation Bonds outstanding in the amount of \$4,435,000 and the 1995 Tax Allocation Bonds outstanding in the amount of \$1,945,000. Interest on the bonds is payable semi-annually on April 1 and October 1 in each year commencing on October 1, 2001. Principal maturities on the term bonds are October 1, 2020 and October 1, 2030, and carry interest rates of 5.17% and 5.37%, respectively. The outstanding balance as of June 30, 2007 was \$9,350,000.

City of Montclair
Notes to Financial Statements (Continued)

Note 6: Long-Term Debt (Continued)

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2007, including interest, are as follows:

	2001 Tax Allocation Refunding Bonds, Project Area V	
	Principal	Interest
2007 - 2008	\$ -	\$ 484,960
2008 - 2009	-	484,960
2009 - 2010	-	484,960
2010 - 2011	-	484,960
2011 - 2012	280,000	477,960
2012 - 2017	1,630,000	2,159,050
2017 - 2022	2,075,000	1,697,243
2022 - 2027	2,670,000	1,082,525
2027 - 2032	2,695,000	294,548
Totals	<u>\$ 9,350,000</u>	<u>\$ 7,651,166</u>

1998 Taxable Tax Allocation Bonds, Project Area III

On January 1, 1998, the Agency issued \$5,900,000 of 1998 Taxable Tax Allocation Bonds for the purpose of financing the project area's capital projects. The bonds carry various interest rates from 6.50% to 6.90%. Interest on the bonds is payable semi-annually on June 1 and December 1 in each year, commencing on June 1, 1998. Principal maturities began on December 1, 1998, and continue on December 1 of each year through 2027. The outstanding balance as of June 30, 2007 was \$5,115,000.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2007, including interest, are as follows:

	1998 Taxable Tax Allocation Bonds, Project Area III	
	Principal	Interest
2007 - 2008	\$ 120,000	\$ 345,715
2008 - 2009	125,000	337,753
2009 - 2010	135,000	329,303
2010 - 2011	140,000	320,365
2011 - 2012	150,000	310,940
2012 - 2017	920,000	1,383,130
2017 - 2022	1,290,000	1,005,675
2022 - 2027	1,800,000	476,790
2027 - 2032	435,000	15,008
Totals	<u>\$ 5,115,000</u>	<u>\$ 4,524,679</u>

City of Montclair
Notes to Financial Statements (Continued)

Note 6: Long-Term Debt (Continued)

1997 Tax Allocation Refunding Bonds, Project Area III

On October 15, 1997, the Agency issued \$17,220,000 of 1997 Tax Allocation Refunding Bonds. The bonds were issued to refund the Agency's 1987 Tax allocation Refunding bonds outstanding in the amount of \$10,670,000 and to repay other obligations of the Agency. Interest on the bonds is payable semi-annually on June 1 and December 1 in each year, commencing on June 1, 1998. The bonds carry various interest rates varying from 3.85% to 5.50%. Principal maturities began December 1, 1998, and continue on December 1 of each year through 2027. The balance outstanding as of June 30, 2007 was \$14,485,000.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2007, including interest, are as follows:

	1997 Tax Allocation Refunding Bonds, Project Area III	
	Principal	Interest
2007 - 2008	\$ 390,000	\$ 774,830
2008 - 2009	415,000	755,504
2009 - 2010	430,000	734,905
2010 - 2011	455,000	712,085
2011 - 2012	475,000	686,975
2012 - 2017	2,795,000	3,009,895
2017 - 2022	3,640,000	2,139,998
2022 - 2027	4,770,000	990,825
2027 - 2032	1,115,000	30,663
Totals	\$ 14,485,000	\$ 9,835,680

1997 Taxable Tax Allocation Bonds, Project Area 1

On November 1, 1997, the Agency issued \$325,000 of Redevelopment Project Area No. 1 1997 Taxable Tax Allocation Bonds for the purpose of financing the project area's capital projects. Interest is payable semi-annually on April and October 1 in each year, commencing on April 1, 1998 and through October 1, 2021. The bonds carry an interest rate of 8.4%. The outstanding balance as of June 30, 2007 was \$265,000.

City of Montclair
Notes to Financial Statements (Continued)

Note 6: Long-Term Debt (Continued)

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2007, including interest, are as follows:

	1997 Taxable Tax Allocation Bonds, Project Area 1	
	Principal	Interest
2007 - 2008	\$ 10,000	\$ 21,840
2008 - 2009	10,000	21,000
2009 - 2010	10,000	20,160
2010 - 2011	10,000	19,320
2011 - 2012	15,000	18,270
2012 - 2017	85,000	71,610
2017 - 2022	125,000	27,930
Totals	<u>\$ 265,000</u>	<u>\$ 200,130</u>

1995 Tax Allocation Bonds, Project Area V

During 1994-1995, the Agency issued \$435,000 of Redevelopment Project Area No. 2, 1995 Tax Allocation Bonds and \$2,500,000 of Redevelopment Project Area No. 5 1995 Tax Allocation Bonds for the purpose of financing the Agency's capital projects. The Project Area No. 2 Bonds carry an interest rate of 6.25%. Interest and principal on the bonds is payable semi-annually on April 1 and October 1 of each year, commencing October 1, 1995 and continuing through April 1, 1999. The Project Area No. 5 Bonds carry various interest rates from 7.25% to 8.20%. Interest is payable annually beginning October 1, 1995. Principal maturities begin on October 1, 1996, and continue through October 1, 2010. During the year, the bond was defeased with the issuance of the 2006 Tax Allocation Bond Series A. The balance at June 30, 2007 was \$0.

Claims and Judgments

The City is self-insured for general liability and workers' compensation. For more detail, see Note 9. The balance of the long-term portion at June 30, 2007 was \$1,448,944.

Compensated Absences

There is no fixed repayment schedule for compensated absences. For more information, see Note 1.d. The long-term portion of compensated absences at June 30, 2007 was \$2,419,525.

b. Proprietary Fund Long-Term Debt

The following is a summary of changes in Proprietary Fund long-term debt for the year ended June 30, 2007:

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007	Due Within One Year
Compensated Absences	<u>\$ 85,668</u>	<u>\$ 9,552</u>	<u>\$ -</u>	<u>\$ 95,220</u>	<u>\$ 4,250</u>

**City of Montclair
Notes to Financial Statements (Continued)**

Note 6: Long-Term Debt (Continued)

Compensated Absences

There is no fixed repayment schedule for compensated absences. For more information, see Note 1.d.

c. Residential Mortgage Revenue Bonds

The following issues of Residential Mortgage Revenue Bonds were not reflected in the financial statements because these bonds are special obligations payable solely from, and secured by, specific revenue sources described in the bond resolutions and official statements of the respective issues. Neither the faith and credit nor the taxing power of the City, the Redevelopment Agency, the State of California or any political subdivision thereof, is pledged for the payment of these bonds:

On October 2, 1979, the Agency issued \$14,855,000 of Residential Mortgage Revenue Bonds, Issue of 1979 for the purpose of providing long-term, low interest mortgage loans to finance residential construction in Redevelopment Project Area No. 2. On December 1, 1990, the Agency issued \$4,400,000 of Taxable Collateralized Mortgage Bonds, Series 1990 for the purpose of advance refunding to maturity the outstanding Residential Mortgage Revenue Bonds, Issue of 1979.

In fiscal year 1982-1983, the Agency entered into a joint exercise of powers agreement with the Redevelopment Agency of the City of Pomona. This agreement created the Montclair-Pomona Housing Finance Agency, a public entity separate from the Redevelopment Agency of Montclair and Pomona, pursuant to Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California. During April 1983, the Montclair-Pomona Housing Finance Agency issued \$33,025,000 of Residential Mortgage Revenue Bonds for the purpose of providing long-term, low interest mortgage loans to finance residential construction in redevelopment project areas of the Redevelopment Agency of the Cities of Montclair and Pomona.

d. Mobile Home Park Revenue Bonds

The following issues of Mobile Home Park Revenue Bonds were not reported in the Agency's financial statements since the use and disposition of the bond proceeds is controlled by an outside trustee rather than the Agency, and since neither the faith and credit nor the taxing power of the Agency has been pledged to the payment of the bonds. The Bonds are payable solely by pledged revenues from residential rental income and certain other funds and accounts held by the Trustee, and interest earned thereon:

On July 1, 1999, the Agency approved the issuance of \$3,645,000 in Mobile Home Park Revenue Bonds, Series 1999 to finance the acquisition by Augusta Homes Villa Montclair (the Borrower), of certain real property constituting the Villa Montclair Mobile Home Park. These bonds bear interest of 4.200% to 6.155% per annum and are subject to mandatory and/or optional redemption prior to maturity.

In addition, the Agency issued a loan in the amount of \$350,000 to the Borrower to facilitate the Mobile Home Park acquisition. Repayment of the loan will commence on July 1, 2006, at which time the unpaid principal amount including the accrued interest added thereto will be amortized over a period of 24 years.

On December 15, 2000, the Agency approved the issuance of \$6,100,000 in Mobile Home Park Revenue Bonds, Series 2000 to finance the acquisition by Augusta Homes

Note 6: Long-Term Debt (Continued)

Villa Montclair (the Borrower), of certain real property constituting the Monterey Manor Mobile Home Estates. These bonds bear interest of 4.6% to 6.5% per annum and are subject to mandatory and/or optional redemption prior to maturity.

In addition, the Agency issued a loan in the amount of \$750,000 to the Borrower to facilitate the Mobile Home Park acquisition. Repayment of the loan will commence on December 20, 2007, at which time the unpaid principal amount, including the accrued interest added thereto, will be amortized over a period of 24 years.

On November 15, 2002, the Agency issued \$10,750,000 of Mobile Home Park Revenue Bonds, Series 2002. The bonds were issued to finance the acquisition and rehabilitation of the Hacienda Mobile Home Park by Augusta Homes. Interest on the bonds is payable semi-annually on May 15 and November 15 commencing on May 15, 2003. Principal maturities on the term bonds are November 15, 2002, November 15, 2029, and November 15, 2037, and carry interest rates of 6.12%, 6.20% and 6.30%, respectively. In addition, the Agency issued a loan in the amount of \$1,000,000 to the Borrower to facilitate the Mobile Home Park acquisition. Repayment of the loan commenced on December 13, 2002.

e. Prior Year Defeasances

On July 1, 2001, the Agency issued \$9,350,000 of Redevelopment Project Area No. 5, 2001 Tax Allocation Refunding Bonds to refund \$4,435,000 of outstanding 1992 Tax Allocation Bonds. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements.

On April 1, 1987, the Agency issued \$10,930,000 principal amount of Project Area No. 3, 1987 Tax Allocation Refunding Bonds to accomplish an advance refunding of \$10,230,000 of outstanding Project Area No. 3, 1985 Tax Allocation Refunding Bonds. The proceeds of new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the Agency's financial statements.

On October 15, 1997, the Agency issued \$17,220,000 in Project Area No. 3, Tax Allocation Refunding Bonds to refund \$10,670,000 of outstanding 1987 Tax Allocation Refunding Bonds. Of these proceeds, \$9,249,727 and \$1,962,047 from the 1987 issue was invested in government securities and deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1987 bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the Agency's financial statements.

f. Current Year Defeasance

In July 2006, the Agency issued \$8,235,000 Tax Allocation Refunding Bonds 2006A and used a portion of the proceeds to advance refund \$1,155,000 of outstanding 1995 Tax Allocation Bonds. Proceeds of \$1,197,759 were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide all future debt service payments on the 1995 Tax Allocation Bonds. As a result, \$1,155,000 of the 1995 Tax Allocation Bonds are considered defeased and the liability for these bonds has been removed from the statement of net assets. As a result of the advance refunding, the transaction resulted in a difference in cash flow of (\$1,005,604) and an economic gain of \$39,240.

City of Montclair
Notes to Financial Statements (Continued)

Note 7: City Employees Retirement Plan (Defined Benefit Pension Plan)

Miscellaneous Plan

Plan Description

The City of Montclair contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. Copies of PERS' annual financial report may be obtained from their executive office located at 400 P Street, Sacramento, California 95814.

Funding Policy

Participants are required to contribute 8% of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate; the current rate is 13,713% for non-safety employees of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS.

Annual Pension Cost

For 2007, the City's annual pension cost of \$934,715 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2006, actuarial valuation using the entry age normal actuarial cost method.

(Amounts in Thousands)

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2005	\$ 447	100%	\$ -
6/30/2006	933	100%	-
6/30/2007	935	100%	-

City of Montclair
Notes to Financial Statements (Continued)

Note 7: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)

The summary of principal assumptions and methods used to determine the annual required contribution is shown below:

Valuation Date	June 30, 2006
Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level Percent of Payroll
Average Remaining Period	26 Years as of the Valuation Date for the miscellaneous plans
Asset Valuation Method	15 Year Smoothed Market
Actuarial	
Investment Rate of Return	7.75% (net of administrative expenses)
Projected Salary Increases	3.25% to 14.45% depending on Age, Service, and Type of employment
Inflation	3.00%
Payroll Growth	3.25%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 3.00% and an annual production growth of 0.25%

Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percent of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a 30 year rolling period, which results in an amortization of 6% of unamortized gains and losses each year. If the plan's accrued liability exceeds the actuarial value of plan assets, the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30-year amortization period.

Schedule of Funding Progress For PERS Miscellaneous Plan
 Most Recent Available
 (Amounts in Thousands)

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) Entry Age	Actuarial Value of Assets	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
6/30/2004	\$ 37,498	\$ 34,159	\$ 3,339	91.1%	\$ 6,168	54.1%
6/30/2005	40,467	36,607	3,860	90.5%	6,156	62.7%
6/30/2006	44,267	39,715	4,552	89.7%	6,699	68.0%

Safety Plan

Plan Description

The City of Montclair contributes to the California Public Employees Retirement System (PERS), a cost-sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. Copies of PERS' annual financial report may be obtained from their executive office located at 400 P Street, Sacramento, California 95814.

City of Montclair
Notes to Financial Statements (Continued)

Note 7: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)

Funding Policy

Participants are required to contribute 9% of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate of annual covered payroll; the current rate is 28.366% for police safety first tier employees, 14.37% for police safety second tier employees, 32.747% for fire safety first tier employees and 16.129% for fire safety second tier employees. The contribution requirements of plan members and the City are established and may be amended by PERS.

Annual Pension Cost

For 2007, the City's annual pension cost of \$1,747,881 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2006, actuarial valuation using the entry age normal actuarial cost method.

Three-Year Trend Information For PERS			
(Amounts in Thousands)			
<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2005	\$ 1,237	100%	\$ -
6/30/2006	1,696	100%	-
6/30/2007	1,748	100%	-

For fiscal year 2006-2007, the City of Montclair participated in risk pooling. Risk pooling consists of combining assets and liabilities across employers to produce large groups where the impact of a catastrophic demographic event is shared among all employers of the same risk pool. Participation in risk pools is mandatory for all rate plans with less than 100 active members. Mandated participation in risk pools was initially based on the active membership of each rate plan as of June 30, 2003. The implementation of risk pools was done in a way that minimizes the impact on employer contribution rates. The first year in risk pools, the employer contribution rates are almost identical to what the rates would have been outside pools. Future rates will be based on the experience of each pool. Pooling will reduce the volatility of future employer rates. Mandated participation will occur on an annual basis. If on any valuation date starting with the June 30, 2003 valuation, a rate plan has less than 100 active members, it will be mandated in one of the risk pools effective on that valuation date.

Note 8: Other Post-Employment Employee Benefits

The City provides certain post-employment health care benefits. 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. The expenditure is accounted for within the general government funds and is funded on a pay-as-you-go (cash) basis. The total post-employment health insurance expenditures for fiscal year 2006-2007 were \$202,765. There are currently 56 participants receiving benefits.

City of Montclair
Notes to Financial Statements (Continued)

Note 9: Self-Insurance Program

The City has a self-insurance program for workers' compensation liability claims administered by Colen & Lee. The City is self-insured up to \$200,000 for each occurrence. The City is also self-insured for general liability claims up to \$2,000,000, except Employment Practices Liability which is \$1,000,000.

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 risks, 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 in the above paragraph. Portions of general liability exceeding the above mentioned amounts are covered by CIPA up to a maximum \$50,000,000 each occurrence and in the aggregate by Everest National Insurance Company (up to \$10,000,000), and Endurance American Specialty Insurance Company (up to \$15,000,000), 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, 2007, Colen & Lee and Carl Warren & Co., indicated a need for potential liability reserves of approximately \$1,382,453 for general liability and workers' compensation claims representing estimates of amounts to be paid for reported claims, based upon past experience, modified for current trends and information. The City has not experienced a significant reduction in insurance coverage from coverage in the prior year. Additionally, the amount of settlements has not exceeded budgeted coverage for each of the past three fiscal years.

While the ultimate amount of losses incurred through June 30, 2007, are dependent on future developments, based upon information from the City Attorney, outside counsel, service agent and others involved with the administration of the programs, City management believes that the aggregate amount is adequate to cover such losses. Costs relating to the litigation of claims are charged to expenditures as incurred. There are other claims pending for which it is not probable that a loss has been incurred or where the amount cannot be determined.

Claims expenditures and 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 has been incurred but not reported. At June 30, 2007, the amount of these liabilities was \$1,382,453. The amount represents an estimate of \$1,261,104 for reported claims through June 30, 2007, and \$121,349 of estimated incurred but not reported claims. This liability is the City's best estimate based on available information.

The following is a summary of the changes in the claims liability over the past two fiscal years:

<u>Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes In Estimates</u>	<u>Claim Payments for Current and Prior Years</u>	<u>End of Year Liability</u>
2005-2006	\$ 2,346,862	\$ 577,939	\$ (717,298)	\$ 2,207,503
2006-2007	2,207,503	(339,651)	(485,399)	1,382,453

City of Montclair
Notes to Financial Statements (Continued)

Note 10: Joint Ventures

I.R.N.E.T.

The City of Montclair is a member of Inland Regional Narcotics Enforcement Team (I.R.N.E.T.), a joint powers authority of the police departments of 10 cities in San Bernardino and Riverside Counties, and participating county, federal and state law enforcement agencies. The Organization was formed September 18, 1989, with the mission to promote coordinated law enforcement efforts and to address emerging criminal justice issues, mainly in the areas of drug trafficking and money laundering. The executive council consists of police chiefs of the cities and resident agents in charge of the federal and state law enforcement agencies. All financial decisions were made by the executive council. The members received monetary distributions from the asset seizures based on their respective contribution to the effort. The City of Montclair's percentage of participation is 3.57%. Financial information for I.R.N.E.T. is not available.

SBWESTNET

The City of Montclair is a member of San Bernardino County West End Narcotic Enforcement Team (SBWESTNET). SBWESTNET is a narcotics task force comprised of the Chino Police Department, Montclair Police Department and the State Department of Justice (DOJ)/Bureau of Narcotic Enforcement (BNE). The task force falls under the guidelines of DOJ/BNE and is supervised by a DOJ/BNE Special Agent Supervisor.

The mission of SBWESTNET is to ensure public safety by significantly diminishing the availability, use and manufacturing of illegal drugs in the cities of Chino, Montclair, and in the unincorporated west county areas of San Bernardino County, and to apprehend the responsible offenders, thereby increasing public safety.

SBWESTNET was established in August 1997, and allows for local control over task force operations while being able to draw upon resources from the State. SBWESTNET derives its authority from a formal agreement (Memorandum of Understanding) between the Chief Executive Officers of Montclair Police Department, Chino Police Department, and the Bureau of Narcotic Enforcement/Riverside regional office. The CEO's constitute the governing body/Executive Board of SBWESTNET. All financial decisions are made and approved by the task force Executive Board.

City of Montclair
Notes to Financial Statements (Continued)

Note 11: Fund Equity and Net Assets Restatements

Beginning fund equity has been restated as follows:

Major governmental funds:	
Montclair Redevelopment Agency - Capital Project	
Expenditures incurred in prior years but not recorded	\$ 176,212
	<u>176,212</u>
Subtotal Governmental Funds	<u>\$ 176,212</u>
Sewer Fund	
To correct the prior year utility billing accruals	\$ (365,321)
To record capital assets purchased in prior years	68,054
	<u>68,054</u>
Subtotal Proprietary Funds	<u>\$ (297,267)</u>
Net assets have been restated as follows:	
Governmental Activities:	
Expenditures incurred in prior years but not recorded	\$ 176,212
Capital assets overstated in prior years	(4,404,365)
	<u>(4,404,365)</u>
Total fund equity and net asset restatements	<u>\$ (4,228,153)</u>
Business-Type Activities:	
To correct the prior year utility billing accruals	\$ (365,321)
To record capital assets purchased in prior years	68,054
	<u>68,054</u>
Subtotal Proprietary Funds	<u>\$ (297,267)</u>

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CITY OF MONTCLAIR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007

Special Revenue Funds

	Gas Tax	Measure I	Traffic Safety	Park Development
Assets:				
Pooled cash and investments	\$ 1,981,052	\$ 2,195,737	\$ 278,690	\$ 1,018,548
Receivables:				
Accounts	-	-	-	4,094
Accrued interest	6,476	15,294	-	-
Due from other governments	64,345	53,528	40,896	20
Due from other funds	1,429,901	334,697	27,256	1,991
Restricted assets:				
Cash and investments with fiscal agents	170,000	-	-	500
Total Assets	\$ 3,651,774	\$ 2,599,256	\$ 346,842	\$ 1,025,153
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 170,000	\$ 265,091	\$ -	\$ 6,763
Accrued liabilities	-	-	-	-
Due to other funds	1,134,697	1,425,621	300,153	590
Deferred revenues	-	-	-	-
Unearned revenue	177,778	-	-	-
Advances from other funds	-	-	-	-
Deposits payable	-	-	-	500
Due to other governments	206,626	321,304	6,438	-
Total Liabilities	1,689,101	2,012,016	306,591	7,853
Fund Balances:				
Reserved:				
Reserved for encumbrances	260,055	-	-	1,655
Unreserved:				
Designated for special revenue	-	-	-	-
Designated for capital projects	-	-	-	-
Undesignated	1,702,618	587,240	40,251	1,015,645
Total Fund Balances	1,962,673	587,240	40,251	1,017,300
Total Liabilities and Fund Balances	\$ 3,651,774	\$ 2,599,256	\$ 346,842	\$ 1,025,153

CITY OF MONTCLAIR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007

Continued

	Special Revenue Funds			
	Community Development Block Grant	Air Quality Improvement	Older American Act	State Asset Forfeiture
Assets:				
Pooled cash and investments	\$ 113,027	\$ -	\$ -	\$ 2,929
Receivables:				
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Due from other governments	304,552	11,129	47,486	-
Due from other funds	-	-	-	6
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 417,579	\$ 11,129	\$ 47,486	\$ 2,935
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 283,185	\$ -	\$ 2,095	\$ -
Accrued liabilities	-	-	373	-
Due to other funds	94,808	6,768	22,620	-
Deferred revenues	304,552	-	17,002	-
Unearned revenue	-	-	-	-
Advances from other funds	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	18,386	-	-	-
Total Liabilities	700,931	6,768	42,090	-
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	-	5,709	-
Unreserved:				
Designated for special revenue	-	-	-	-
Designated for capital projects	-	-	-	-
Undesignated	(283,352)	4,361	(313)	2,935
Total Fund Balances	(283,352)	4,361	5,396	2,935
Total Liabilities and Fund Balances	\$ 417,579	\$ 11,129	\$ 47,486	\$ 2,935

CITY OF MONTCLAIR

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2007

	Special Revenue Funds			
	Public Safety	Federal Asset Forfeiture-DOJ	State Asset Forfeiture Section 11489	Federal Asset Forfeiture-Treasury
Assets:				
Pooled cash and investments	\$ 476,735	\$ -	\$ 21,992	\$ 230
Receivables:				
Accounts	500	-	-	-
Accrued interest	-	-	-	-
Due from other governments	77,146	-	-	-
Due from other funds	989	3,424	48	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 555,370	\$ 3,424	\$ 22,040	\$ 230
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 18,566	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	30,798	3,424	-	-
Deferred revenues	-	-	-	-
Unearned revenue	-	-	-	-
Advances from other funds	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	49,364	3,424	-	-
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	-	-	-
Unreserved:				
Designated for special revenue	-	-	-	-
Designated for capital projects	-	-	-	-
Undesignated	506,006	-	22,040	230
Total Fund Balances	506,006	-	22,040	230
Total Liabilities and Fund Balances	\$ 555,370	\$ 3,424	\$ 22,040	\$ 230

CITY OF MONTCLAIR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007

Continued

	Special Revenue Funds			
	School District Grant	State Supplemental Law Enforcement	Local Law Enforcement Block Grant	Crime Prevention PC 1202.5
Assets:				
Pooled cash and investments	\$ -	\$ 112,663	\$ -	\$ 7,563
Receivables:				
Accounts	30,000	-	-	-
Accrued interest	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	77
Restricted assets:				
Cash and investments with fiscal agents	-	273	18	16
Total Assets	\$ 30,000	\$ 112,936	\$ 18	\$ 7,656
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 21,193	\$ 13,284	\$ -	\$ -
Accrued liabilities	2,807	-	-	-
Due to other funds	6,921	-	-	-
Deferred revenues	-	-	3,597	-
Unearned revenue	-	-	-	-
Advances from other funds	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	30,921	13,284	3,597	-
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	1,105	-	-
Unreserved:				
Designated for special revenue	-	-	-	-
Designated for capital projects	-	-	-	-
Undesignated	(921)	98,547	(3,579)	7,656
Total Fund Balances	(921)	99,652	(3,579)	7,656
Total Liabilities and Fund Balances	\$ 30,000	\$ 112,936	\$ 18	\$ 7,656

CITY OF MONTCLAIR

 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2007

	Special Revenue Funds			
	Recycling Block Grant	Human Services Grant	California Nutrition Grant	E.M.S. Paramedic
Assets:				
Pooled cash and investments	\$ 12,560	\$ 321,080	\$ 14,920	\$ 21,940
Receivables:				
Accounts	-	830,846	-	91,760
Accrued interest	-	-	-	-
Due from other governments	-	7,090	10,468	-
Due from other funds	30	439	-	39
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 12,590	\$ 1,159,455	\$ 25,388	\$ 113,739
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 13,928	\$ 70,670	\$ 6,519	\$ 16,323
Accrued liabilities	-	9,640	553	1,290
Due to other funds	-	50,649	1,172	6,735
Deferred revenues	-	23,000	-	-
Unearned revenue	-	-	-	-
Advances from other funds	-	-	-	-
Deposits payable	-	225	-	-
Due to other governments	-	-	-	-
Total Liabilities	13,928	154,184	8,244	24,348
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	-	-	-
Unreserved:				
Designated for special revenue	-	150,878	-	-
Designated for capital projects	-	-	-	-
Undesignated	(1,338)	854,393	17,144	89,391
Total Fund Balances	(1,338)	1,005,271	17,144	89,391
Total Liabilities and Fund Balances	\$ 12,590	\$ 1,159,455	\$ 25,388	\$ 113,739

CITY OF MONTCLAIR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007

Continued

	Special Revenue Funds			
	OCJP Grant	Automated Traffic Enforcement	Office of Traffic Safety Grant	Equipment Replacement
Assets:				
Pooled cash and investments	\$ 102,439	\$ -	\$ 2,918	\$ 1,210,412
Receivables:				
Accounts	-	229,520	-	-
Accrued interest	-	-	-	486
Due from other governments	-	23,921	-	-
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	388,061
Total Assets	\$ 102,439	\$ 253,441	\$ 2,918	\$ 1,598,959
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 19,176	\$ 28,602	\$ -	\$ -
Accrued liabilities	1,641	-	-	-
Due to other funds	95,701	571,723	-	-
Deferred revenues	-	229,520	-	-
Unearned revenue	-	-	-	-
Advances from other funds	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	116,518	829,845	-	-
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	-	-	54,602
Unreserved:				
Designated for special revenue	-	-	-	-
Designated for capital projects	-	-	-	-
Undesignated	(14,079)	(576,404)	2,918	1,544,357
Total Fund Balances	(14,079)	(576,404)	2,918	1,598,959
Total Liabilities and Fund Balances	\$ 102,439	\$ 253,441	\$ 2,918	\$ 1,598,959

CITY OF MONTCLAIR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007

	Special Revenue Funds			Capital Projects Funds
	Infrastructure	Refuse Fee Impound	Montclair Youth Sponsorship	Monte Vista Grade Separation Project
Assets:				
Pooled cash and investments	\$ 3,232	\$ 45,229	\$ -	\$ -
Receivables:				
Accounts	-	-	-	32
Accrued interest	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	250,147	122	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	91,955	-
Total Assets	\$ 253,379	\$ 45,351	\$ 91,955	\$ 32
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 18,019	\$ -	\$ -
Accrued liabilities	-	985	-	-
Due to other funds	-	6,014	-	527,869
Deferred revenues	-	-	-	-
Unearned revenue	-	-	-	-
Advances from other funds	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Total Liabilities	-	25,018	-	527,869
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	-	-	-
Unreserved:				
Designated for special revenue	-	-	-	-
Designated for capital projects	-	-	-	-
Undesignated	253,379	20,333	91,955	(527,837)
Total Fund Balances	253,379	20,333	91,955	(527,837)
Total Liabilities and Fund Balances	\$ 253,379	\$ 45,351	\$ 91,955	\$ 32

CITY OF MONTCLAIR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007

	Capital Projects Funds		Total Governmental Funds
	Ramona Grade Separation Project	City Facility Improvement	
Assets:			
Pooled cash and investments	\$ -	\$ 1,141,599	\$ 9,085,495
Receivables:			
Accounts	-	-	1,186,752
Accrued interest	-	9,844	32,100
Due from other governments	-	-	640,658
Due from other funds	-	525	2,437,982
Restricted assets:			
Cash and investments with fiscal agents	-	-	262,455
Total Assets	\$ -	\$ 1,151,968	\$ 13,645,442
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 953,414
Accrued liabilities	-	-	17,289
Due to other funds	1,100	-	4,290,960
Deferred revenues	-	-	574,074
Unearned revenue	-	-	177,778
Advances from other funds	-	-	-
Deposits payable	-	-	725
Due to other governments	-	-	552,754
Total Liabilities	1,100	-	6,566,994
Fund Balances:			
Reserved:			
Reserved for encumbrances	-	-	323,126
Unreserved:			
Designated for special revenue	-	-	150,878
Designated for capital projects	-	-	-
Undesignated	(1,100)	1,151,968	6,604,444
Total Fund Balances	(1,100)	1,151,968	7,078,448
Total Liabilities and Fund Balances	\$ -	\$ 1,151,968	\$ 13,645,442

CITY OF MONTCLAIR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2007

	Special Revenue Funds			
	Gas Tax	Measure I	Traffic Safety	Park Development
Revenues:				
Taxes	\$ 655,868	\$ -	\$ -	\$ -
Intergovernmental	246,319	528,105	-	48,117
Charges for services	-	-	-	-
Use of money and property	129,281	119,084	569	30,934
Fines and forfeitures	-	-	336,790	-
Miscellaneous	-	-	-	143,500
Total Revenues	1,031,468	647,189	337,359	222,551
Expenditures:				
Current:				
General government	729	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	-	-	-	27,211
Capital outlay	1,145,351	2,389,665	-	-
Total Expenditures	1,146,080	2,389,665	-	27,211
Excess (Deficiency) of Revenues Over (Under) Expenditures	(114,612)	(1,742,476)	337,359	195,340
Other Financing Sources (Uses):				
Transfers in	-	-	-	5,625
Transfers out	(6,000)	-	(300,153)	-
Total Other Financing Sources (Uses)	(6,000)	-	(300,153)	5,625
Net Change in Fund Balances	(120,612)	(1,742,476)	37,206	200,965
Fund Balances, Beginning of Year, as originally reported	2,083,285	2,329,716	3,045	816,335
Restatements	-	-	-	-
Fund Balances, Beginning of Year	2,083,285	2,329,716	3,045	816,335
Fund Balances, End of Year	\$ 1,962,673	\$ 587,240	\$ 40,251	\$ 1,017,300

CITY OF MONTCLAIR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2007

Continued

	Special Revenue Funds			
	Community Development Block Grant	Air Quality Improvement	Older American Act	State Asset Forfeiture
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,014,885	80,698	75,993	-
Charges for services	-	-	-	-
Use of money and property	-	99	-	24
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	28,748	-
Total Revenues	1,014,885	80,797	104,741	24
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	24,718	-	-	-
Community development	-	7,129	92,980	-
Public works	68,966	-	-	-
Capital outlay	1,212,136	103,438	-	-
Total Expenditures	1,305,820	110,567	92,980	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(290,935)	(29,770)	11,761	24
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(12,625)	-	-	-
Total Other Financing Sources (Uses)	(12,625)	-	-	-
Net Change in Fund Balances	(303,560)	(29,770)	11,761	24
Fund Balances, Beginning of Year, as originally reported	20,208	34,131	(6,365)	2,911
Restatements	-	-	-	-
Fund Balances, Beginning of Year	20,208	34,131	(6,365)	2,911
Fund Balances, End of Year	\$ (283,352)	\$ 4,361	\$ 5,396	\$ 2,935

CITY OF MONTCLAIR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2007

	Special Revenue Funds			
	Public Safety	Federal Asset Forfeiture-DOJ	State Asset Forfeiture Section 11489	Federal Asset Forfeiture-Treasury
Revenues:				
Taxes	\$ 299,740	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	3,807	-	194	2
Fines and forfeitures	-	-	-	-
Miscellaneous	1,000	-	-	-
Total Revenues	304,547	-	194	2
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	55,141	-	-	-
Community development	-	-	-	-
Public works	-	-	-	-
Capital outlay	60,386	-	-	-
Total Expenditures	115,527	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	189,020	-	194	2
Other Financing Sources (Uses):				
Transfers in	-	3,424	-	-
Transfers out	(30,000)	-	-	-
Total Other Financing Sources (Uses)	(30,000)	3,424	-	-
Net Change in Fund Balances	159,020	3,424	194	2
Fund Balances, Beginning of Year, as originally reported	346,986	(3,424)	21,846	228
Restatements	-	-	-	-
Fund Balances, Beginning of Year	346,986	(3,424)	21,846	228
Fund Balances, End of Year	\$ 506,006	\$ -	\$ 22,040	\$ 230

CITY OF MONTCLAIR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2007

Continued

	Special Revenue Funds			
	School District Grant	State Supplemental Law Enforcement	Local Law Enforcement Block Grant	Crime Prevention PC 1202.5
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	176,500	101,455	14,302	-
Charges for services	-	-	-	-
Use of money and property	-	939	129	66
Fines and forfeitures	-	-	-	253
Miscellaneous	-	-	-	-
Total Revenues	176,500	102,394	14,431	319
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	178,022	11,031	819	-
Community development	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	93,515	13,309	-
Total Expenditures	178,022	104,546	14,128	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,522)	(2,152)	303	319
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(1,522)	(2,152)	303	319
Fund Balances, Beginning of Year, as originally reported	601	101,804	(3,882)	7,337
Restatements	-	-	-	-
Fund Balances, Beginning of Year	601	101,804	(3,882)	7,337
Fund Balances, End of Year	\$ (921)	\$ 99,652	\$ (3,579)	\$ 7,656

CITY OF MONTCLAIR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2007

	Special Revenue Funds			
	Recycling Block Grant	Human Services Grant	California Nutrition Grant	E.M.S. Paramedic
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	28,421	1,627,907	67,295	-
Charges for services	-	5,000	-	168,655
Use of money and property	72	1,580	-	39
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	150
Total Revenues	28,493	1,634,487	67,295	168,844
Expenditures:				
Current:				
General government	28,033	5,254	-	-
Public safety	-	-	-	189,758
Community development	-	797,840	59,857	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	28,033	803,094	59,857	189,758
Excess (Deficiency) of Revenues Over (Under) Expenditures	460	831,393	7,438	(20,914)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	460	831,393	7,438	(20,914)
Fund Balances, Beginning of Year, as originally reported	(1,798)	173,878	9,706	110,305
Restatements	-	-	-	-
Fund Balances, Beginning of Year	(1,798)	173,878	9,706	110,305
Fund Balances, End of Year	\$ (1,338)	\$ 1,005,271	\$ 17,144	\$ 89,391

CITY OF MONTCLAIR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2007

Continued

	Special Revenue Funds			
	OCJP Grant	Automated Traffic Enforcement	Office of Traffic Safety Grant	Equipment Replacement
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	-	-	56,865
Fines and forfeitures	-	181,383	-	-
Miscellaneous	-	-	-	18,226
Total Revenues	-	181,383	-	75,091
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	317,114	-	127,729
Community development	-	-	-	-
Public works	-	-	-	59,270
Capital outlay	-	-	-	-
Total Expenditures	-	317,114	-	186,999
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(135,731)	-	(111,908)
Other Financing Sources (Uses):				
Transfers in	-	-	-	380,000
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	380,000
Net Change in Fund Balances	-	(135,731)	-	268,092
Fund Balances, Beginning of Year, as originally reported	(14,079)	(440,673)	2,918	1,330,867
Restatements	-	-	-	-
Fund Balances, Beginning of Year	(14,079)	(440,673)	2,918	1,330,867
Fund Balances, End of Year	\$ (14,079)	\$ (576,404)	\$ 2,918	\$ 1,598,959

CITY OF MONTCLAIR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2007

	Special Revenue Funds			Capital Project Funds
	Infrastructure	Refuse Fee Impound	Montclair Youth Sponsorship	Monte Vista Grade Separation Project
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	1,225,121
Charges for services	-	-	-	-
Use of money and property	1,409	999	13,145	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	12,180	-
Total Revenues	1,409	999	25,325	1,225,121
Expenditures:				
Current:				
General government	-	116,916	-	-
Public safety	-	22,115	-	-
Community development	-	-	5,486	-
Public works	201,415	-	-	-
Capital outlay	-	-	-	393,321
Total Expenditures	201,415	139,031	5,486	393,321
Excess (Deficiency) of Revenues Over (Under) Expenditures	(200,006)	(138,032)	19,839	831,800
Other Financing Sources (Uses):				
Transfers in	250,000	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	250,000	-	-	-
Net Change in Fund Balances	49,994	(138,032)	19,839	831,800
Fund Balances, Beginning of Year, as originally reported	203,385	158,365	72,116	(1,359,637)
Restatements	-	-	-	-
Fund Balances, Beginning of Year	203,385	158,365	72,116	(1,359,637)
Fund Balances, End of Year	\$ 253,379	\$ 20,333	\$ 91,955	\$ (527,837)

CITY OF MONTCLAIR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2007

	Capital Project Funds		Total Governmental Funds
	Ramona Grade Separation Project	City Facility Improvement	
Revenues:			
Taxes	\$ -	\$ -	\$ 955,608
Intergovernmental	-	-	5,235,118
Charges for services	-	-	173,655
Use of money and property	-	59,449	418,686
Fines and forfeitures	-	-	518,426
Miscellaneous	-	-	203,804
Total Revenues	-	59,449	7,505,297
Expenditures:			
Current:			
General government	-	-	150,932
Public safety	-	-	926,447
Community development	-	-	963,292
Public works	-	-	356,862
Capital outlay	-	-	5,411,121
Total Expenditures	-	-	7,808,654
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	59,449	(303,357)
Other Financing Sources (Uses):			
Transfers in	-	-	639,049
Transfers out	-	-	(348,778)
Total Other Financing Sources (Uses)	-	-	290,271
Net Change in Fund Balances	-	59,449	(13,086)
Fund Balances, Beginning of Year, as originally reported	(1,100)	1,092,519	7,091,534
Restatements	-	-	-
Fund Balances, Beginning of Year	(1,100)	1,092,519	7,091,534
Fund Balances, End of Year	\$ (1,100)	\$ 1,151,968	\$ 7,078,448

CITY OF MONTCLAIR

BUDGETARY COMPARISON SCHEDULE
 GAS TAX
 YEAR ENDED JUNE 30, 2007

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,083,285	\$ 2,083,285	\$ 2,083,285	\$ -
Resources (Inflows):				
Taxes	643,000	643,000	655,868	12,868
Intergovernmental	310,000	447,000	246,319	(200,681)
Use of money and property	77,000	77,000	129,281	52,281
Amounts Available for Appropriation	3,113,285	3,250,285	3,114,753	(135,532)
Charges to Appropriation (Outflow):				
General government	3,900	3,900	729	3,171
Capital outlay	2,839,874	2,839,874	1,145,351	1,694,523
Transfers to other funds	6,000	6,000	6,000	-
Total Charges to Appropriations	2,849,774	2,849,774	1,152,080	1,697,694
Budgetary Fund Balance, June 30	\$ 263,511	\$ 400,511	\$ 1,962,673	\$ 1,562,162

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
MEASURE I
YEAR ENDED JUNE 30, 2007**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,329,716	\$ 2,329,716	\$ 2,329,716	\$ -
Resources (Inflows):				
Intergovernmental	540,000	540,000	528,105	(11,895)
Use of money and property	77,800	77,800	119,084	41,284
Amounts Available for Appropriation	<u>2,947,516</u>	<u>2,947,516</u>	<u>2,976,905</u>	<u>29,389</u>
Charges to Appropriation (Outflow):				
Capital outlay	2,842,601	2,693,776	2,389,665	304,111
Total Charges to Appropriations	<u>2,842,601</u>	<u>2,693,776</u>	<u>2,389,665</u>	<u>304,111</u>
Budgetary Fund Balance, June 30	<u>\$ 104,915</u>	<u>\$ 253,740</u>	<u>\$ 587,240</u>	<u>\$ 333,500</u>

CITY OF MONTCLAIR

BUDGETARY COMPARISON SCHEDULE
 TRAFFIC SAFETY
 YEAR ENDED JUNE 30, 2007

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,045	\$ 3,045	\$ 3,045	\$ -
Resources (Inflows):				
Fines and forfeitures	385,000	385,000	336,790	(48,210)
Amounts Available for Appropriation	388,045	388,045	340,404	(47,641)
Charges to Appropriation (Outflow):				
Transfers to other funds	385,000	385,000	300,153	84,847
Total Charges to Appropriations	385,000	385,000	300,153	84,847
Budgetary Fund Balance, June 30	\$ 3,045	\$ 3,045	\$ 40,251	\$ 37,206

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
PARK DEVELOPMENT
YEAR ENDED JUNE 30, 2007**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 816,335	\$ 816,335	\$ 816,335	\$ -
Resources (Inflows):				
Intergovernmental	243,500	243,500	48,117	(195,383)
Use of money and property	28,400	28,400	30,934	2,534
Other	1,000,000	1,000,000	143,500	(856,500)
Transfers from other funds	-	-	5,625	5,625
Amounts Available for Appropriation	2,088,235	2,088,235	1,044,511	(1,043,724)
Charges to Appropriation (Outflow):				
Public works	650,623	650,623	27,211	623,412
Total Charges to Appropriations	650,623	650,623	27,211	623,412
Budgetary Fund Balance, June 30	\$ 1,437,612	\$ 1,437,612	\$ 1,017,300	\$ (420,312)

CITY OF MONTCLAIR

BUDGETARY COMPARISON SCHEDULE
 COMMUNITY DEVELOPMENT BLOCK GRANT
 YEAR ENDED JUNE 30, 2007

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 20,208	\$ 20,208	\$ 20,208	\$ -
Resources (Inflows):				
Intergovernmental	-	47,000	1,014,885	967,885
Amounts Available for Appropriation	20,208	67,208	1,035,093	967,885
Charges to Appropriation (Outflow):				
Public safety	-	-	24,718	(24,718)
Community development	7,000	7,000	-	7,000
Public works	40,000	40,000	68,966	(28,966)
Capital outlay	255,632	255,632	1,212,136	(956,504)
Transfers to other funds	-	-	12,625	(12,625)
Total Charges to Appropriations	302,632	302,632	1,318,445	(1,015,813)
Budgetary Fund Balance, June 30	\$ (282,424)	\$ (235,424)	\$ (283,352)	\$ (47,928)

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
AIR QUALITY IMPROVEMENT
YEAR ENDED JUNE 30, 2007**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 34,131	\$ 34,131	\$ 34,131	\$ -
Resources (Inflows):				
Intergovernmental	-	40,000	80,698	40,698
Use of money and property	200	200	99	(101)
Amounts Available for Appropriation	34,331	74,331	114,928	40,597
Charges to Appropriation (Outflow):				
Community development	4,849	4,849	7,129	(2,280)
Capital outlay	112,572	112,572	103,438	9,134
Total Charges to Appropriations	117,421	117,421	110,567	6,854
Budgetary Fund Balance, June 30	\$ (83,090)	\$ (43,090)	\$ 4,361	\$ 47,451

CITY OF MONTCLAIR

BUDGETARY COMPARISON SCHEDULE
 OLDER AMERICAN ACT
 YEAR ENDED JUNE 30, 2007

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (6,365)	\$ (6,365)	\$ (6,365)	\$ -
Resources (Inflows):				
Intergovernmental	189,025	82,051	75,993	(6,058)
Other	44,163	44,163	28,748	(15,415)
Amounts Available for Appropriation	226,823	119,849	98,376	(21,473)
Charges to Appropriation (Outflow):				
Community development	127,982	127,982	92,980	35,002
Total Charges to Appropriations	127,982	127,982	92,980	35,002
Budgetary Fund Balance, June 30	\$ 98,841	\$ (8,133)	\$ 5,396	\$ 13,529

CITY OF MONTCLAIR

BUDGETARY COMPARISON SCHEDULE
 STATE ASSET FORFEITURE
 YEAR ENDED JUNE 30, 2007

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,911	\$ 2,911	\$ 2,911	\$ -
Resources (Inflows):				
Use of money and property	50	50	24	(26)
Amounts Available for Appropriation	2,961	2,961	2,935	(26)
Budgetary Fund Balance, June 30	\$ 2,961	\$ 2,961	\$ 2,935	\$ (26)

CITY OF MONTCLAIR

BUDGETARY COMPARISON SCHEDULE
 PUBLIC SAFETY
 YEAR ENDED JUNE 30, 2007

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 346,986	\$ 346,986	\$ 346,986	\$ -
Resources (Inflows):				
Taxes	245,000	245,000	299,740	54,740
Use of money and property	2,000	2,000	3,807	1,807
Other	-	1,000	1,000	-
Amounts Available for Appropriation	593,986	594,986	651,533	56,547
Charges to Appropriation (Outflow):				
Public safety	118,782	112,762	55,141	57,621
Capital outlay	60,000	66,020	60,386	5,634
Transfers to other funds	30,000	30,000	30,000	-
Total Charges to Appropriations	208,782	208,782	145,527	63,255
Budgetary Fund Balance, June 30	\$ 385,204	\$ 386,204	\$ 506,006	\$ 119,802

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
STATE ASSET FORFEITURE SECTION 11489
YEAR ENDED JUNE 30, 2007**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 21,846	\$ 21,846	\$ 21,846	\$ -
Resources (Inflows):				
Use of money and property	150	150	194	44
Amounts Available for Appropriation	21,996	21,996	22,040	44
Budgetary Fund Balance, June 30	\$ 21,996	\$ 21,996	\$ 22,040	\$ 44

CITY OF MONTCLAIR

BUDGETARY COMPARISON SCHEDULE
 SCHOOL DISTRICT GRANT
 YEAR ENDED JUNE 30, 2007

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 601	\$ 601	\$ 601	\$ -
Resources (Inflows):				
Intergovernmental	174,000	284,000	176,500	(107,500)
Amounts Available for Appropriation	174,601	284,601	177,101	(107,500)
Charges to Appropriation (Outflow):				
Public safety	107,130	107,130	178,022	(70,892)
Total Charges to Appropriations	107,130	107,130	178,022	(70,892)
Budgetary Fund Balance, June 30	\$ 67,471	\$ 177,471	\$ (921)	\$ (178,392)

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
STATE SUPPLEMENTAL LOCAL LAW ENFORCEMENT
YEAR ENDED JUNE 30, 2007**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 101,804	\$ 101,804	\$ 101,804	\$ -
Resources (Inflows):				
Intergovernmental	-	100,000	101,455	1,455
Use of money and property	-	-	939	939
Amounts Available for Appropriation	101,804	201,804	204,198	2,394
Charges to Appropriation (Outflow):				
Public safety	43,514	43,514	11,031	32,483
Capital outlay	82,371	82,371	93,515	(11,144)
Total Charges to Appropriations	125,885	125,885	104,546	21,339
Budgetary Fund Balance, June 30	\$ (24,081)	\$ 75,919	\$ 99,652	\$ 23,733

CITY OF MONTCLAIR

BUDGETARY COMPARISON SCHEDULE
 LOCAL LAW ENFORCEMENT BLOCK GRANT
 YEAR ENDED JUNE 30, 2007

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (3,882)	\$ (3,882)	\$ (3,882)	\$ -
Resources (Inflows):				
Intergovernmental	-	-	14,302	14,302
Investment income	-	-	129	129
Amounts Available for Appropriation	(3,882)	(3,882)	10,549	14,431
Charges to Appropriation (Outflow):				
Public safety	24,657	-	819	(819)
Capital outlay	-	-	13,309	(13,309)
Total Charges to Appropriations	24,657	-	14,128	(14,128)
Budgetary Fund Balance, June 30	\$ (28,539)	\$ (3,882)	\$ (3,579)	\$ 303

CITY OF MONTCLAIR

BUDGETARY COMPARISON SCHEDULE
 CRIME PREVENTION PC 1202.5
 YEAR ENDED JUNE 30, 2007

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 7,337	\$ 7,337	\$ 7,337	\$ -
Resources (Inflows):				
Investment income	50	50	66	16
Use of money and property	-	-	253	253
Amounts Available for Appropriation	<u>7,387</u>	<u>7,387</u>	<u>7,656</u>	<u>269</u>
Budgetary Fund Balance, June 30	<u>\$ 7,387</u>	<u>\$ 7,387</u>	<u>\$ 7,656</u>	<u>\$ 269</u>

CITY OF MONTCLAIR

BUDGETARY COMPARISON SCHEDULE
 RECYCLING BLOCK GRANT
 YEAR ENDED JUNE 30, 2007

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (1,798)	\$ (1,798)	\$ (1,798)	\$ -
Resources (Inflows):				
Intergovernmental	20,575	20,575	28,421	7,846
Investment income	250	250	72	(178)
Amounts Available for Appropriation	19,027	19,027	26,695	7,668
Charges to Appropriation (Outflow):				
General government	-	24,657	28,033	(3,376)
Total Charges to Appropriations	-	24,657	28,033	(3,376)
Budgetary Fund Balance, June 30	\$ 19,027	\$ (5,630)	\$ (1,338)	\$ 4,292

CITY OF MONTCLAIR

BUDGETARY COMPARISON SCHEDULE
HUMAN SERVICES GRANT
YEAR ENDED JUNE 30, 2007

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 173,878	\$ 173,878	\$ 173,878	\$ -
Resources (Inflows):				
Intergovernmental	643,352	1,493,740	1,627,907	134,167
Charges for services	-	-	5,000	5,000
Investment income	500	500	1,580	1,080
Amounts Available for Appropriation	817,730	1,668,118	1,808,365	140,247
Charges to Appropriation (Outflow):				
General government	-	-	5,254	(5,254)
Public services	874,009	874,009	797,840	76,169
Total Charges to Appropriations	874,009	874,009	803,094	70,915
Budgetary Fund Balance, June 30	\$ (56,279)	\$ 794,109	\$ 1,005,271	\$ 211,162

CITY OF MONTCLAIR

BUDGETARY COMPARISON SCHEDULE
 CALIFORNIA NUTRITION GRANT
 YEAR ENDED JUNE 30, 2007

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 9,706	\$ 9,706	\$ 9,706	\$ -
Resources (Inflows):				
Intergovernmental	92,184	92,184	67,295	(24,889)
Amounts Available for Appropriation	101,890	101,890	77,001	(24,889)
Charges to Appropriation (Outflow):				
Public services	92,784	92,784	59,857	32,927
Total Charges to Appropriations	92,784	92,784	59,857	32,927
Budgetary Fund Balance, June 30	\$ 9,106	\$ 9,106	\$ 17,144	\$ 8,038

CITY OF MONTCLAIR

BUDGETARY COMPARISON SCHEDULE
 E.M.S. PARAMEDIC
 YEAR ENDED JUNE 30, 2007

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 110,305	\$ 110,305	\$ 110,305	\$ -
Resources (Inflows):				
Charges for services	155,850	179,850	168,655	(11,195)
Investment income	-	-	39	39
Other	1,000	1,000	150	(850)
Amounts Available for Appropriation	291,155	291,155	279,149	(12,006)
Charges to Appropriation (Outflow):				
Public safety	189,553	189,553	189,758	(205)
Total Charges to Appropriations	189,553	189,553	189,758	(205)
Budgetary Fund Balance, June 30	\$ 101,602	\$ 101,602	\$ 89,391	\$ (12,211)

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
 AUTOMATED TRAFFIC ENFORCEMENT
 YEAR ENDED JUNE 30, 2006**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ (440,673)	\$ (440,673)	\$ (440,673)	\$ -
Resources (Inflows):				
Use of money and property	290,000	290,000	181,383	(108,617)
Amounts Available for Appropriation	<u>(150,673)</u>	<u>(150,673)</u>	<u>(259,290)</u>	<u>(108,617)</u>
Charges to Appropriation (Outflow):				
Public safety	343,035	-	317,114	(317,114)
Total Charges to Appropriations	<u>343,035</u>	<u>343,035</u>	<u>317,114</u>	<u>25,921</u>
Budgetary Fund Balance, June 30	<u>\$ (493,708)</u>	<u>\$ (493,708)</u>	<u>\$ (576,404)</u>	<u>\$ (82,696)</u>

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
EQUIPMENT REPLACEMENT
YEAR ENDED JUNE 30, 2007**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,330,867	\$ 1,330,867	\$ 1,330,867	\$ -
Resources (inflows):				
Invest Income	-	23,000	56,865	33,865
Other	-	-	18,226	18,226
Transfers from other funds	-	380,000	380,000	-
Amounts Available for Appropriation	1,330,867	1,733,867	1,785,958	52,091
Charges to Appropriation (outflow):				
Public safety	20,049	128,049	127,729	320
Parks and Recreation	-	124,272	59,270	65,002
Total Charges to Appropriations	252,321	252,321	186,999	65,322
Budgetary Fund Balance, June 30	\$ 1,078,546	\$ 1,481,546	\$ 1,598,959	\$ 117,413

CITY OF MONTCLAIR

BUDGETARY COMPARISON SCHEDULE
 INFRASTRUCTURE
 YEAR ENDED JUNE 30, 2007

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 203,385	\$ 203,385	\$ 203,385	\$ -
Resources (inflows):				
Invest income	-	2,000	1,409	(591)
Transfers from other funds	-	250,000	250,000	-
Amounts Available for Appropriation	203,385	455,385	454,794	(591)
Charges to Appropriation (outflow):				
Parks and recreation	-	1,007,303	201,415	805,888
Total Charges to Appropriations	858,478	1,007,303	201,415	805,888
Budgetary Fund Balance, June 30	\$ (655,093)	\$ (551,918)	\$ 253,379	\$ 805,297

CITY OF MONTCLAIR

BUDGETARY COMPARISON SCHEDULE
 REFUSE FEE IMPOUND
 YEAR ENDED JUNE 30, 2007

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 158,365	\$ 158,365	\$ 158,365	\$ -
Resources (inflows):				
Invest Income	30,000	22,000	999	(21,001)
Amounts Available for Appropriation	203,365	180,365	159,364	(21,001)
Charges to Appropriation (outflow):				
General government	139,403	139,403	116,916	22,487
Public safety	21,700	21,700	22,115	(415)
Total Charges to Appropriations	161,103	161,103	139,031	22,072
Budgetary Fund Balance, June 30	\$ 42,262	\$ 19,262	\$ 20,333	\$ 1,071

CITY OF MONTCLAIR

BUDGETARY COMPARISON SCHEDULE
 MONTCLAIR YOUTH SPONSORSHIP
 YEAR ENDED JUNE 30, 2007

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 72,116	\$ 72,116	\$ 72,116	\$ -
Resources (inflows):				
Invest income	-	8,000	13,145	5,145
Other	-	15,000	12,180	(2,820)
Amounts Available for Appropriation	72,116	95,116	97,441	2,325
Charges to Appropriation (outflow):				
Public services	-	-	5,486	(5,486)
Total Charges to Appropriations	-	-	5,486	(5,486)
Budgetary Fund Balance, June 30	\$ 72,116	\$ 95,116	\$ 91,955	\$ (3,161)

CITY OF MONTCLAIR

BUDGETARY COMPARISON SCHEDULE
 MONTE VISTA GRADE SEPARATION PROJECT
 YEAR ENDED JUNE 30, 2007

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (1,359,637)	\$ (1,359,637)	\$(1,359,637)	\$ -
Resources (Inflows):				
Intergovernmental	-	-	1,225,121	1,225,121
Amounts Available for Appropriation	<u>(1,359,637)</u>	<u>(1,359,637)</u>	<u>(134,516)</u>	<u>1,225,121</u>
Charges to Appropriation (Outflow):				
Capital outlay	19,486,735	19,486,735	393,321	19,093,414
Total Charges to Appropriations	<u>19,486,735</u>	<u>19,486,735</u>	<u>393,321</u>	<u>19,093,414</u>
Budgetary Fund Balance, June 30	<u><u>\$ (20,846,372)</u></u>	<u><u>\$ (20,846,372)</u></u>	<u><u>\$ (527,837)</u></u>	<u><u>\$ 20,318,535</u></u>

CITY OF MONTCLAIR

BUDGETARY COMPARISON SCHEDULE
 CITY FACILITY IMPROVEMENT
 YEAR ENDED JUNE 30, 2007

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,092,519	\$ 1,092,519	\$ 1,092,519	\$ -
Resources (Inflows):				
Use of money and property	-	26,000	59,449	33,449
Amounts Available for Appropriation	1,092,519	1,118,519	1,151,968	33,449
Charges to Appropriation (Outflow):				
Public safety	-	427,485	-	427,485
Public works	-	488,000	-	488,000
Total Charges to Appropriations	915,485	915,485	-	915,485
Budgetary Fund Balance, June 30	\$ 177,034	\$ 203,034	\$ 1,151,968	\$ 948,934

CITY OF MONTCLAIR

BUDGETARY COMPARISON SCHEDULE
 POLICE FACILITY CAPITAL PROJECT
 YEAR ENDED JUNE 30, 2007

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (187,126)	\$ (187,126)	\$ (187,126)	\$ -
Resources (Inflows):				
Transfers from other funds	-	-	9,790,830	9,790,830
Amounts Available for Appropriation	<u>(187,126)</u>	<u>(187,126)</u>	<u>9,603,704</u>	<u>9,790,830</u>
Charges to Appropriation (Outflow):				
Capital Outlay	23,150,434	23,150,434	11,146,134	12,004,300
Total Charges to Appropriations	<u>23,150,434</u>	<u>23,150,434</u>	<u>11,146,134</u>	<u>12,004,300</u>
Budgetary Fund Balance, June 30	<u><u>\$(23,337,560)</u></u>	<u><u>\$(23,337,560)</u></u>	<u><u>\$ (1,542,430)</u></u>	<u><u>\$ 21,795,130</u></u>

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
MONTCLAIR REDEVELOPMENT AGENCY
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2007**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 25,499,251	\$ 25,499,251	\$ 25,499,251	\$ -
Resources (Inflows):				
Taxes	1,775,460	1,775,460	2,226,102	450,642
Intergovernmental	35,000	35,000	-	(35,000)
Use of money and property	811,002	825,275	1,476,443	651,168
Other	-	-	31,638	31,638
Refunding bonds issued	-	-	11,515,000	11,515,000
Other financing sources	(29,000)	(29,000)	-	29,000
Transfers from other funds	2,444,856	2,444,886	2,102,915	(341,971)
Amounts Available for Appropriation	30,536,569	30,550,872	42,851,349	12,300,477
Charges to Appropriation (Outflow):				
General government	5,614,192	5,614,192	1,916,886	3,697,306
Public safety	14,444,636	14,380,608	-	14,380,608
Community development	-	64,028	407,613	(343,585)
Capital outlay	-	-	7,806,251	(7,806,251)
Debt service:				
Principal	35,770	35,770	-	35,770
Interest and fiscal charges	15,227	15,227	-	15,227
Refunding costs	-	-	424,922	(424,922)
Payment to refunded bond escrow	-	21,250	127,798	(106,548)
Total Charges to Appropriations	20,109,825	20,131,075	10,683,470	9,447,605
Budgetary Fund Balance, June 30	\$ 10,426,744	\$ 10,419,797	\$ 32,167,879	\$ 21,748,082

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
2005 LEASE REVENUE BONDS
YEAR ENDED JUNE 30, 2007**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 31,173,181	\$ 31,173,181	\$ 31,173,181	\$ -
Resources (Inflows):				
Use of money and property	850,000	850,000	1,558,081	708,081
Transfers from other funds	-	1,922,317	1,810,198	(112,119)
Amounts Available for Appropriation	32,023,181	33,945,498	34,541,460	595,962
Charges to Appropriation (Outflow):				
Debt service:				
Principal	-	-	565,000	(565,000)
Interest and fiscal charges	-	-	1,357,317	(1,357,317)
Transfers to other funds	-	-	9,790,830	(9,790,830)
Total Charges to Appropriations	-	-	11,713,147	(11,713,147)
Budgetary Fund Balance, June 30	\$ 32,023,181	\$ 33,945,498	\$ 22,828,313	\$ (11,117,185)

CITY OF MONTCLAIR

BUDGETARY COMPARISON SCHEDULE
 MONTCLAIR REDEVELOPMENT AGENCY
 DEBT SERVICE FUND
 YEAR ENDED JUNE 30, 2007

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 11,038,828	\$ 11,038,828	\$ 11,038,828	\$ -
Resources (Inflows):				
Taxes	5,633,258	5,633,258	7,289,024	1,655,766
Use of money and property	306,500	306,500	525,156	218,656
Other	-	-	-	-
Transfers from other funds	2,598,561	2,598,561	-	(2,598,561)
Amounts Available for Appropriation	19,577,147	19,577,147	18,853,008	(724,139)
Charges to Appropriations (Outflow):				
General government	109,514	109,514	157,207	(47,693)
Debt service:				
Principal	810,000	810,000	615,000	195,000
Interest and fiscal charges	1,989,456	1,989,456	2,692,581	(703,125)
Payment to refunded bond escrow	-	-	1,197,759	(1,197,759)
Transfers to other funds	5,043,447	(5,043,447)	2,102,915	(7,146,362)
Total Charges to Appropriations	7,952,417	(2,134,477)	6,765,462	(8,899,939)
Budgetary Fund Balance, June 30	\$ 11,624,730	\$ 21,711,624	\$ 12,087,546	\$ (9,624,078)

CITY OF MONTCLAIR

COMBINING BALANCE SHEET
AGENCY FUND
JUNE 30, 2007

	<u>Agency Fund</u>
	<u>Sewer Plant</u>
Assets:	
Cash and investments	\$ 401,577
Total Assets	<u>\$ 401,577</u>
Liabilities:	
Due to other governments	\$ 401,577
Total Liabilities	<u>\$ 401,577</u>

CITY OF MONTCLAIR

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2007</u>
<u>Sewer Plant</u>				
Assets:				
Cash and investments	\$ 746,006	\$ 465,123	\$ 809,552	\$ 401,577
Total Assets	<u>\$ 746,006</u>	<u>\$ 465,123</u>	<u>\$ 809,552</u>	<u>\$ 401,577</u>
Liabilities:				
Due to other governments	\$ 746,006	\$ 465,123	\$ 809,552	\$ 401,577
Total Liabilities	<u>\$ 746,006</u>	<u>\$ 465,123</u>	<u>\$ 809,552</u>	<u>\$ 401,577</u>