



CITY OF MONTCLAIR, CALIFORNIA
FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2010

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FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2010

Prepared By:
FINANCE DEPARTMENT

CITY OF MONTCLAIR
 FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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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, 2010, 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.

As described in note 8 to the financial statements, the City did not implement the provisions GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, in accordance with accounting principles generally accepted in the United States of America.

In our opinion, except for the effects of the City's determination of its liability for post employment benefits other than pension in accordance with GASB Statement No. 45, 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, 2010, 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.



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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2011, 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.

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.

Lane, Soll & Lughard, LLP

April 15, 2011

CITY OF MONTCLAIR

STATEMENT OF NET ASSETS
JUNE 30, 2010

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Pooled cash and investments	\$ 61,754,648	\$ 1,112,378	\$ 62,867,026
Receivables:			
Accounts	3,128,279	795,891	3,924,170
Taxes	327,818	-	327,818
Notes and loans	3,138,148	-	3,138,148
Accrued interest	114,928	-	114,928
Internal balances	218,466	(218,466)	-
Prepaid costs	30,571	-	30,571
Due from other governments	11,835,302	631	11,835,933
Deferred charges	2,282,755	-	2,282,755
Restricted assets:			
Cash with fiscal agent	9,599,874	-	9,599,874
Capital assets not being depreciated	47,084,934	106,985	47,191,919
Capital assets, net of depreciation	52,439,411	2,290,998	54,730,409
Total Assets	191,955,134	4,088,417	196,043,551
Liabilities:			
Accounts payable	3,804,365	16,062	3,820,427
Accrued liabilities	450,135	21,248	471,383
Accrued interest	1,110,237	-	1,110,237
Unearned revenue	1,248,991	-	1,248,991
Deposits payable	1,027,729	-	1,027,729
Due to other governments	11,874,439	149,112	12,023,551
Noncurrent liabilities:			
Due within one year	4,003,000	54,000	4,057,000
Due in more than one year	87,648,510	48,380	87,696,890
Total Liabilities	111,167,406	288,802	111,456,208
Net Assets:			
Invested in capital assets, net of related debt	70,683,821	2,397,983	73,081,804
Restricted for:			
Community development projects	45,116,283	-	45,116,283
Public safety	615,556	-	615,556
Public works	381,791	-	381,791
Capital projects	4,356,762	-	4,356,762
Debt service	14,138,652	-	14,138,652
Unrestricted	(54,505,137)	1,401,632	(53,103,505)
Total Net Assets	\$ 80,787,728	\$ 3,799,615	\$ 84,587,343

CITY OF MONTCLAIR

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 15,434,321	\$ 2,569,194	\$ 1,685,216	\$ -
Public safety	16,234,854	635,383	282,937	35,373
Community development	9,727,828	177,271	466,086	-
Public works	9,517,242	3,005,647	527,292	14,584,367
Interest on long-term debt	4,890,685	-	-	-
Total Governmental Activities	55,804,930	6,387,495	2,961,531	14,619,740
Business-Type Activities:				
Sewer Maintenance	2,426,554	2,545,676	-	-
Total Business-Type Activities	2,426,554	2,545,676	-	-
Total Primary Government	\$ 58,231,484	\$ 8,933,171	\$ 2,961,531	\$ 14,619,740

General Revenues:

Taxes:

- Property taxes, levied for general purpose
- Transient occupancy taxes
- Sales taxes
- Franchise taxes
- Business licenses taxes
- Utility users tax
- Other taxes
- Motor vehicle in lieu - unrestricted
- Use of money and property
- Other
- Gain on sale of capital assets

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
\$ (11,179,911)	\$ -	\$ (11,179,911)
(15,281,161)	-	(15,281,161)
(9,084,471)	-	(9,084,471)
8,600,064	-	8,600,064
(4,890,685)	-	(4,890,685)
(31,836,164)	-	(31,836,164)
-	119,122	119,122
-	119,122	119,122
(31,836,164)	119,122	(31,717,042)
14,835,068	-	14,835,068
86,806	-	86,806
11,197,637	-	11,197,637
633,053	-	633,053
647,996	-	647,996
1,936,649	-	1,936,649
73,470	-	73,470
2,925,394	-	2,925,394
1,642,658	(14,351)	1,628,307
1,066,821	-	1,066,821
6,155	-	6,155
35,051,707	(14,351)	35,037,356
3,215,543	104,771	3,320,314
77,166,018	3,756,824	80,922,842
406,167	(61,980)	344,187
\$ 80,787,728	\$ 3,799,615	\$ 84,587,343

CITY OF MONTCLAIR

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010**

	General	Special Revenue Funds	Capital Projects Funds	
		Montclair Housing Corporation	Monte Vista Grade Separation	Montclair Redevelopment Agency
Assets:				
Pooled cash and investments	\$ -	\$ 2,395,148	\$ -	\$ 40,803,735
Receivables:				
Accounts	2,819,210	96,263	-	8,772
Taxes	-	-	-	65,563
Notes and loans	8,418	-	-	3,129,730
Accrued interest	15,033	2,160	-	63,009
Prepaid costs	30,571	-	-	-
Due from other governments	6,006,230	1,525	-	114,129
Due from other funds	6,167,066	-	1,159,951	-
Advances to other funds	194,874	-	-	4,658,771
Restricted assets:				
Cash and investments with fiscal agents	30,900	31,061	-	57,963
Total Assets	\$ 15,272,302	\$ 2,526,157	\$ 1,159,951	\$ 48,901,672
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,280,183	\$ 116,611	\$ 19,262	\$ 116,122
Accrued liabilities	376,511	5,116	-	20,090
Deferred revenues	1,317,627	-	-	650
Unearned revenues	387,339	-	-	-
Deposits payable	990,526	33,302	-	2,676
Due to other governments	207,350	2,927	-	5,625,425
Due to other funds	253	-	2,126,842	3,013
Advances from other funds	-	4,658,771	-	194,874
Total Liabilities	4,559,789	4,816,727	2,146,104	5,962,850
Fund Balances:				
Reserved:				
Reserved for encumbrances	85,718	-	-	-
Reserved for projects	485,520	-	-	-
Reserved for prepaid costs	30,571	-	-	-
Reserved for notes and loans	8,418	-	-	3,129,730
Reserved for advances to other funds	194,874	-	-	4,658,771
Unreserved:				
Unreserved, reported in nonmajor:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Designated for capital improvement projects	-	-	-	35,150,321
Designated for debt service	-	-	-	-
Designated for self insurance	715,273	-	-	-
Designated for general liabilities	387,375	-	-	-
Designated for contingencies	5,526,229	-	-	-
Undesignated	3,278,535	(2,290,570)	(986,153)	-
Total Fund Balances	10,712,513	(2,290,570)	(986,153)	42,938,822
Total Liabilities and Fund Balances	\$ 15,272,302	\$ 2,526,157	\$ 1,159,951	\$ 48,901,672

CITY OF MONTCLAIR

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010**

	Debt Service Funds		
	Montclair Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
Assets:			
Pooled cash and investments	\$ 8,735,238	\$ 9,820,527	\$ 61,754,648
Receivables:			
Accounts	-	204,034	3,128,279
Taxes	262,255	-	327,818
Notes and loans	-	-	3,138,148
Accrued interest	28,962	5,764	114,928
Prepaid costs	-	-	30,571
Due from other governments	-	5,713,418	11,835,302
Due from other funds	3,013	4,514,341	11,844,371
Advances to other funds	-	-	4,853,645
Restricted assets:			
Cash and investments with fiscal agents	7,468,027	2,011,923	9,599,874
Total Assets	\$ 16,497,495	\$ 22,270,007	\$ 106,627,584
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 19,875	\$ 2,252,312	\$ 3,804,365
Accrued liabilities	-	48,418	450,135
Deferred revenues	-	1,409,784	2,728,061
Unearned revenues	-	861,652	1,248,991
Deposits payable	-	1,225	1,027,729
Due to other governments	4,269,548	1,769,189	11,874,439
Due to other funds	-	9,495,797	11,625,905
Advances from other funds	-	-	4,853,645
Total Liabilities	4,289,423	15,838,377	37,613,270
Fund Balances:			
Reserved:			
Reserved for encumbrances	-	61,310	147,028
Reserved for projects	-	-	485,520
Reserved for prepaid costs	-	-	30,571
Reserved for notes and loans	-	-	3,138,148
Reserved for advances to other funds	-	-	4,853,645
Unreserved:			
Unreserved, reported in nonmajor:			
Special revenue funds	-	5,502,046	5,502,046
Capital projects funds	-	(1,062,306)	(1,062,306)
Debt service funds	-	1,930,580	1,930,580
Designated for capital improvement projects	-	-	35,150,321
Designated for debt service	12,208,072	-	12,208,072
Designated for self insurance	-	-	715,273
Designated for general liabilities	-	-	387,375
Designated for contingencies	-	-	5,526,229
Undesignated	-	-	1,812
Total Fund Balances	12,208,072	6,431,630	69,014,314
Total Liabilities and Fund Balances	\$ 16,497,495	\$ 22,270,007	\$ 106,627,584

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CITY OF MONTCLAIR

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010**

Fund balances of governmental funds	\$ 69,014,314
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	99,524,345
Bond issuance cost is an expenditure in the governmental funds, but it is a deferred charge in the statement of net assets	2,282,755
Long-term debt and compensated absences that have not been included in the governmental fund activity:	
Long-term liabilities	(89,358,083)
Compensated Absences	(2,293,427)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds	(1,110,237)
Revenues reported as deferred revenue in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity.	<u>2,728,061</u>
Net assets of governmental activities	<u><u>\$ 80,787,728</u></u>

CITY OF MONTCLAIR

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

	General	Special Revenue Funds	Capital Projects Funds	
		Montclair Housing Corporation	Monte Vista Grade Separation Project	Montclair Redevelopment Agency
Revenues:				
Taxes	\$ 15,720,920	\$ -	\$ -	\$ 2,494,637
Licenses and permits	440,297	-	-	-
Intergovernmental	3,279,483	-	6,090,802	-
Charges for services	2,930,380	-	-	-
Use of money and property	545,610	583,347	-	448,550
Fines and forfeitures	369,866	-	-	-
Miscellaneous	281,076	5,139	-	36,338
Total Revenues	23,567,632	588,486	6,090,802	2,979,525
Expenditures:				
Current:				
General government	5,261,155	745,526	-	1,668,752
Public safety	14,767,186	-	-	-
Community development	2,242,041	-	-	5,316,661
Public works	3,062,767	-	-	3,467,923
Capital outlay	-	-	4,760,326	226,638
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	25,333,149	745,526	4,760,326	10,679,974
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,765,517)	(157,040)	1,330,476	(7,700,449)
Other Financing Sources (Uses):				
Transfers in	1,664,720	-	-	2,867,092
Transfers out	(1,920,424)	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total Other Financing Sources (Uses)	(255,704)	-	-	2,867,092
Net Change in Fund Balances	\$ (2,021,221)	\$ (157,040)	\$ 1,330,476	\$ (4,833,357)
Fund Balance:				
Beginning of year, as originally reported	\$ 12,733,734	\$ (2,133,530)	\$ (2,316,629)	\$ 47,366,012
Restatements	-	-	-	406,167
Beginning of year, as restated	12,733,734	(2,133,530)	(2,316,629)	47,772,179
Net Change in Fund Balances	(2,021,221)	(157,040)	1,330,476	(4,833,357)
End of Year	\$ 10,712,513	\$ (2,290,570)	\$ (986,153)	\$ 42,938,822

CITY OF MONTCLAIR

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

	<u>Debt Service Funds</u>		
	<u>Montclair Redevelopment Agency</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Taxes	\$ 9,978,545	\$ 840,012	\$ 29,034,114
Licenses and permits	-	-	440,297
Intergovernmental	-	11,468,847	20,839,132
Charges for services	-	181,078	3,111,458
Use of money and property	126,651	478,023	2,182,181
Fines and forfeitures	-	202,344	572,210
Miscellaneous	316,785	777,407	1,416,745
Total Revenues	10,421,981	13,947,711	57,596,137
Expenditures:			
Current:			
General government	6,987,366	64,627	14,727,426
Public safety	-	1,131,523	15,898,709
Community development	-	1,953,153	9,511,855
Public works	-	1,166,610	7,697,300
Capital outlay	-	16,409,571	21,396,535
Debt service:			
Principal retirement	1,080,000	615,000	1,695,000
Interest and fiscal charges	3,467,956	1,305,427	4,773,383
Total Expenditures	11,535,322	22,645,911	75,700,208
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,113,341)	(8,698,200)	(18,104,071)
Other Financing Sources (Uses):			
Transfers in	-	8,702,406	13,234,218
Transfers out	(2,867,092)	(8,446,702)	(13,234,218)
Proceeds from sale of capital assets	-	6,155	6,155
Total Other Financing Sources (Uses)	(2,867,092)	261,859	6,155
Net Change in Fund Balances	\$ (3,980,433)	\$ (8,436,341)	\$ (18,097,916)
Fund Balance:			
Beginning of year, as originally reported	\$ 16,188,505	\$ 14,867,971	\$ 86,706,063
Restatements	-	-	406,167
Beginning of year, as restated	16,188,505	14,867,971	87,112,230
Net Change in Fund Balances	(3,980,433)	(8,436,341)	(18,097,916)
End of Year	\$ 12,208,072	\$ 6,431,630	\$ 69,014,314

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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, 2010**

Net change in fund balances - total governmental funds	\$ (18,097,916)
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	18,841,188
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets	1,558,915
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	(570,473)
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.	18,784
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	46,865
Revenues reported as deferred revenue in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity.	<u>1,418,180</u>
Change in net assets of governmental activities	<u><u>\$ 3,215,543</u></u>

CITY OF MONTCLAIR

**BUDGETARY COMPARISON STATEMENT BY DEPARTMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 12,733,734	\$ 12,733,734	\$ 12,733,734	\$ -
Resources (Inflows):				
Taxes	16,639,807	15,719,529	15,720,920	1,391
Licenses and permits	345,500	310,000	440,297	130,297
Intergovernmental	3,119,937	3,406,860	3,279,483	(127,377)
Charges for services	2,603,250	2,798,250	2,930,380	132,130
Use of money and property	671,440	621,440	545,610	(75,830)
Fines and forfeitures	418,000	438,000	369,866	(68,134)
Miscellaneous	204,200	207,700	281,076	73,376
Transfers in	391,000	391,000	1,664,720	1,273,720
Proceeds from sale of capital asset	10,000	10,000	-	(10,000)
Amounts Available for Appropriation	37,136,868	36,636,513	37,966,086	1,329,573
Charges to Appropriation (Outflow):				
General government				
City council	280,504	280,504	169,956	110,548
City manager	266,947	266,947	407,047	(140,100)
Administration	142,826	142,826	73,444	69,382
Financial services	572,119	572,119	583,166	(11,047)
Solid waste disposal	1,912,000	1,912,000	2,059,662	(147,662)
City clerk	172,146	172,146	153,825	18,321
Personnel/risk management	486,781	486,781	450,026	36,755
Information technology services	645,646	673,847	589,101	84,746
Central services	390,832	390,832	466,646	(75,814)
Records retention	77,250	77,250	64,656	12,594
City attorney	218,393	218,393	243,626	(25,233)
Public safety				
Police administration	530,363	531,113	646,382	(115,269)
Police support services	225,700	228,255	215,688	12,567
Technical services	413,310	415,244	400,435	14,809
Records bureau	792,106	795,394	659,428	135,966
Investigations	1,522,023	1,520,861	1,516,188	4,673
Uniform patrol	6,048,705	6,116,251	5,242,148	874,103
Communications	659,840	665,967	662,489	3,478
Volunteer services	148,764	148,764	118,961	29,803
Fire administration	413,055	413,055	451,475	(38,420)
Fire prevention	307,100	307,100	316,314	(9,214)
Emergency services	3,794,140	3,949,140	3,851,454	97,686
Personnel development	94,985	94,985	99,912	(4,927)
Equipment maintenance	45,850	60,350	54,443	5,907
Buildings and grounds	74,850	74,850	59,364	15,486
Emergency preparedness	58,841	58,841	53,237	5,604
Code enforcement	437,530	437,530	419,268	18,262
Community development				
Planning commission	16,053	16,053	16,160	(107)
Community development administration	220,369	220,719	234,824	(14,105)
Current planning	225,710	225,710	279,937	(54,227)
Advance planning	118,032	118,032	154,158	(36,126)
Field inspection	168,455	168,355	127,026	41,329
Plan check	120,292	120,242	60,535	59,707
Building operations	131,701	131,501	132,037	(536)
Recreation	873,876	873,876	885,737	(11,861)
Service center	167,336	167,336	155,751	11,585

CITY OF MONTCLAIR

**BUDGETARY COMPARISON STATEMENT BY DEPARTMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Community development (Continued)				
Senior citizens	133,508	133,508	117,713	15,795
Nutritional meals	43,944	43,944	49,129	(5,185)
Health education	17,204	17,204	14,920	2,284
Even start family literacy	13,939	13,939	14,114	(175)
Public works				
Management and construction	219,283	225,133	240,801	(15,668)
Public works inspection	122,968	121,018	108,947	12,071
Traffic safety engineering	53,239	52,459	37,652	14,807
Graffiti abatement	152,724	152,724	143,130	9,594
Street maintenance	556,050	556,050	518,820	37,230
Signing/painting	100,651	100,651	95,758	4,893
Street sweeping	176,560	176,560	160,815	15,745
Parks maintenance	890,643	891,818	802,256	89,562
Tree maintenance	25,478	25,478	20,609	4,869
Vehicle maintenance	442,358	442,358	375,898	66,460
Building maintenance services	190,178	190,178	164,652	25,526
Heating and air conditioning	108,329	108,329	99,385	8,944
Janitorial services	387,357	387,357	294,044	93,313
Transfers out	1,920,426	2,000,926	1,920,424	80,502
Total Charges to Appropriations	28,329,269	28,692,803	27,253,573	1,439,230
Budgetary Fund Balance, June 30	\$ 8,807,599	\$ 7,943,710	\$ 10,712,513	\$ 2,768,803

CITY OF MONTCLAIR

**BUDGETARY COMPARISON STATEMENT
MONTCLAIR HOUSING CORPORATION
YEAR ENDED JUNE 30, 2010**

	<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	\$ (2,133,530)	\$ (2,133,530)	\$ (2,133,530)	\$ -
Resources (Inflows):				
Use of money and property	(744,067)	744,067	583,347	(160,720)
Miscellaneous	(4,550)	4,550	5,139	589
Amounts Available for Appropriation	(2,882,147)	(1,384,913)	(1,545,044)	(160,131)
Charges to Appropriation (Outflow):				
General government	1,529,199	1,529,199	745,526	783,673
Total Charges to Appropriations	1,529,199	1,529,199	745,526	783,673
Budgetary Fund Balance, June 30	\$ (4,411,346)	\$ (2,914,112)	\$ (2,290,570)	\$ 623,542

CITY OF MONTCLAIR

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 JUNE 30, 2010

	Business-Type Activities - Enterprise Funds
	Sewer Maintenance Fund
Assets:	
Current:	
Pooled cash and investments	\$ 1,112,378
Receivables:	
Accounts	795,891
Due from other governments	631
Due from other funds	253
	<hr/>
Total Current Assets	1,909,153
	<hr/>
Noncurrent:	
Capital assets - net of accumulated depreciation	2,397,983
	<hr/>
Total Noncurrent Assets	2,397,983
	<hr/>
Total Assets	\$ 4,307,136
	<hr/> <hr/>
 Liabilities and Net Assets:	
Liabilities:	
Current:	
Accounts payable	\$ 16,062
Accrued liabilities	21,248
Due to other governments	149,112
Due to other funds	218,719
Accrued compensated absences	54,000
	<hr/>
Total Current Liabilities	459,141
	<hr/>
Noncurrent:	
Accrued compensated absences	48,380
	<hr/>
Total Noncurrent Liabilities	48,380
	<hr/>
Total Liabilities	507,521
	<hr/>
Net Assets:	
Invested in capital assets	2,397,983
Unrestricted	1,401,632
	<hr/>
Total Net Assets	3,799,615
	<hr/>
Total Liabilities and Net Assets	\$ 4,307,136
	<hr/> <hr/>

CITY OF MONTCLAIR

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2010

	Business-Type Activities - Enterprise Funds
	Sewer Maintenance Fund
Operating Revenues:	
Sales and service charges	\$ 2,545,676
Total Operating Revenues	2,545,676
Operating Expenses:	
Salaries and benefits	948,091
Supplies and services	129,333
Treatment	1,288,254
Depreciation expense	60,876
Total Operating Expenses	2,426,554
Operating Income (Loss)	119,122
Nonoperating Revenues (Expenses):	
Interest revenue	(14,351)
Total Nonoperating Revenues (Expenses)	(14,351)
Changes in Net Assets	\$ 104,771
Net Assets:	
Beginning of fiscal year, as original reported	\$ 3,756,824
Restatements	(61,980)
Beginning of fiscal year, as restated	3,694,844
Changes in net assets	104,771
End of Fiscal Year	\$ 3,799,615

CITY OF MONTCLAIR

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2010

	Business-Type Activities - Enterprise Funds Sewer Maintenance Fund
Cash Flows from Operating Activities:	
Cash received from customers and users	\$ 2,213,772
Cash paid to suppliers for goods and services	(1,475,828)
Cash paid to employees for services	(939,168)
Net Cash Provided (Used) by Operating Activities	<u>(201,224)</u>
Cash Flows from Non-Capital Financing Activities:	
Repayment received from other funds	(111)
Repayment made to other funds	(48,235)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(48,346)</u>
Cash Flows from Investing Activities:	
Interest received	(14,101)
Net Cash Provided (Used) by Investing Activities	<u>(14,101)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(263,671)
Cash and Cash Equivalents at Beginning of Year	1,376,049
Cash and Cash Equivalents at End of Year	<u>\$ 1,112,378</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ 119,122
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:	
Depreciation	60,876
(Increase) decrease in accounts receivable	(331,904)
Increase (decrease) in accounts payable	(96,005)
Increase (decrease) in accrued liabilities	3,670
Increase (decrease) in due to other governments	37,764
Increase (decrease) in compensated absences	5,253
Total Adjustments	<u>(320,346)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (201,224)</u>

Non-Cash Investing, Capital, and Financing Activities:

There was no non-cash investing, capital and financing activities during the fiscal year.

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CITY OF MONTCLAIR

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2010

	<u>Agency Funds</u>
Assets:	
Pooled cash and investments	\$ 1,180,120
Due from other governments	<u>19,714</u>
Total Assets	<u>\$ 1,199,834</u>
Liabilities:	
Accounts payable	\$ 547,997
Due to other governments	<u>651,837</u>
Total Liabilities	<u>\$ 1,199,834</u>

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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 except for state gas tax revenue which the City consider to be available if collected within 310 days. 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.

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.
- Monte Vista Grade Separation Project accounts for the construction costs of capital projects related to the Monte Vista Avenue street reconstruction.
- The Montclair Redevelopment Agency's Capital Project Fund accounts for the financing, construction and administrative activities of the Agency's five project areas.
- 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.

Note 1: Summary of Significant Accounting Policies (Continued)

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 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, intangible assets and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable 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.

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, when 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.

Note 1: Summary of Significant Accounting Policies (Continued)

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

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 \$89,358,083 difference is as follows:

CITY OF MONTCLAIR

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 1: Summary of Significant Accounting Policies (Continued)

Long-term debt:	
Lease revenue bonds	\$ 28,945,000
Tax allocation notes payable	7,800,000
Tax allocation bonds payable	52,585,000
Bond discount	(291,872)
Loss on defeasance	(1,229,190)
Accrued claims and judgments	<u>1,549,145</u>
Net adjustment to reduce fund balance of total governmental funds to arrive at net assets of governmental activities	<u>\$ 89,358,083</u>

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 \$18,841,188 difference are as follows:

Capital outlay	\$ 21,396,123
Depreciation expense	<u>(2,554,935)</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>\$ 18,841,188</u>

Another element of that reconciliation states that "repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets" Neither transaction, however, has any effect on net assets. The details of this \$1,558,915 difference are as follows:

Principal repayments:	
Tax allocation bonds	\$ 1,080,000
Lease revenue bonds	615,000
Amortization:	
Loss on defeasance	(31,583)
Premium/discount	(13,051)
Debt issuance costs	<u>(91,451)</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>\$ 1,558,915</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 following funds did not have an adopted budget:

State Asset Forfeiture
Federal Asset Forfeiture Fund - Treasury
OCJP Grant Fund
Office of Traffic Safety Grant
Police Facility Capital Project Fund

b. Deficit Fund Balances

The following funds have deficit fund balances at June 30, 2010:

Special Revenue Funds:	
Montclair Housing Corporation	\$ (2,290,570)
Measure I	(73,757)
Community Development Block Grant	(195,236)
School District Grant	(514,230)
Recycling Block Grant	(21,967)
California Nutrition Grant	(60,349)
E.M.S. Paramedic	(113,429)
OCJP Grant	(76,718)
Automated Traffic Enforcement	(438,837)
Capital Projects Funds:	
Monte Vista Grade Separation Project	(986,153)
Ramona Grade Separation Project	(16,287)
Police Facility Capital Project	(1,017,864)
Senior/ Youth Centers Capital Project	(2,222,388)
Parking Lot Expansion	(1,361)

These deficits will be funded with future years revenues.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Note 2: Stewardship, Compliance and Accountability (Continued)

c. Excess of Expenditures over Appropriations

For the year ended June 30, 2010, the following funds had expenditures that exceeded the budget as follows:

Fund	Expenditures	Appropriations	Excess
General Fund:			
General Government:			
City manager	\$ 407,047	\$ 266,947	\$ 140,100
Financial services	583,166	572,119	11,047
Solid waste disposal	2,059,662	1,912,000	147,662
Central services	466,646	390,832	75,814
City attorney	243,626	218,393	25,233
Public Safety:			
Police administration	646,382	531,113	115,269
Fire administration	451,475	413,055	38,420
Fire prevention	316,314	307,100	9,214
Personnel development	99,912	94,985	4,927
Community Development:			
Planning commission	16,160	16,053	107
Community development admin.	234,824	220,719	14,105
Current planning	279,937	225,710	54,227
Advance planning	154,158	118,032	36,126
Building operations	132,037	131,501	536
Recreation	885,737	873,876	11,861
Nutritional meals	49,129	43,944	5,185
Even start family literacy	14,114	13,939	175
Public works:			
Management and construction	240,801	225,133	15,668
Nonmajor funds			
Gax Tax			
Public works	\$ 1,157,315	\$ 783,768	\$ 373,547
Air Quality Improvement			
Community development	14,945	6,841	8,104
Older American Act			
Community development	199,285	188,256	11,029
Human Services Grant			
Community development	1,671,164	1,168,080	503,084
Redevelopment Agency - Capital Project			
Community development	5,316,661	4,797,840	518,821

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

As of June 30, 2010, cash and investments were reported in the accompanying financial statements as follows:

Governmental activities	\$ 71,354,522
Business-type activities	1,112,378
Fiduciary funds	<u>1,180,120</u>
Total Cash and Investments	<u>\$ 73,647,020</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, 2010, the carrying amount of the City's deposits was \$8,170,024, and the bank balance was \$8,557,795. The \$387,771 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 \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local government agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

Investments

Under provisions of the 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

Note 3: Cash and Investments (Continued)

- Bankers Acceptances
- Commercial papers
- 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.

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, 2010, 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, 2010, the City's investments in external investment pools and money market mutual funds are unrated.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Note 3: Cash and Investments (Continued)

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, 2010, 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, 2010, the City is in compliance with the investment policy restrictions. Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement. In accordance with GASB Statement No. 40, if the city has invested more than 5% of its investments in any one issuer, then they are exposed to credit risk. The City has 14% of its investments in Federal Home Loan Bank and these investments are exposed to credit risk.

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, 2010, 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	\$ 38,948,707	\$ -	\$ -	\$ -	\$ 38,948,707
Federal Home Loan Mortgage Corp.	-	-	1,515,950	1,015,090	2,531,040
Federal Home Loan Bank	-	510,780	7,299,379	2,701,500	10,511,659
Federal Farm Credit Banks	-	-	1,101,034	-	1,101,034
Federal National Mortgage Assoc.	-	-	2,212,541	-	2,212,541
Money Market Mutual funds	374,141	-	-	-	374,141
Certificates of Deposit	-	-	198,000	-	198,000
Cash with Fiscal Agent:					
Money Market Mutual funds	9,599,874	-	-	-	9,599,874
Total	\$ 48,922,722	\$ 510,780	\$ 12,326,904	\$ 3,716,590	\$ 65,476,996

CITY OF MONTCLAIR

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 4: Capital Assets

Capital asset activity for the year ended June 30, 2010, was as follows:

	Beginning Balance	Adjustments	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:							
Capital assets, not being depreciated:							
Land	\$ 10,146,591	\$ -	\$ 10,146,591	\$ 80,000	\$ -	\$ -	\$ 10,226,591
Work in progress	41,828,274	-	41,828,274	21,021,711	-	(28,465,032)	34,384,953
Land improvements	2,473,390	-	2,473,390	-	-	-	2,473,390
Total Capital Assets, Not Being Depreciated	54,448,255	-	54,448,255	21,101,711	-	(28,465,032)	47,084,934
Capital assets, being depreciated:							
Structures and improvements	9,986,290	-	9,986,290	145,797	-	-	10,132,087
Furniture and equipment	7,707,902	-	7,707,902	148,615	254,043	-	7,602,474
Infrastructure	22,286,011	-	22,286,011	-	-	28,465,032	50,751,043
Total Capital Assets, Being Depreciated	39,980,203	-	39,980,203	294,412	254,043	28,465,032	68,485,604
Less accumulated depreciation:							
Structures and improvements	4,578,626	-	4,578,626	223,786	-	-	4,802,412
Furniture and equipment	5,808,219	-	5,808,219	429,156	254,043	-	5,983,332
Infrastructure	3,358,456	-	3,358,456	1,901,993	-	-	5,260,449
Total Accumulated Depreciation	13,745,301	-	13,745,301	2,554,935	254,043	-	16,046,193
Total Capital Assets, Being Depreciated, Net	26,234,902	-	26,234,902	(2,260,523)	-	28,465,032	52,439,411
Governmental Activities Capital Assets, Net	\$ 80,683,157	\$ -	\$ 80,683,157	\$ 18,841,188	\$ -	\$ -	\$ 99,524,345
Business-Type Activities:							
Capital assets, being depreciated:							
Work in progress	\$ 106,985	\$ -	\$ 106,985	\$ -	\$ -	\$ -	\$ 106,985
Total Capital Assets, Not Being Depreciated	106,985	-	106,985	-	-	-	106,985
Capital assets, being depreciated:							
Sewer lines	3,333,838	-	3,333,838	-	-	-	3,333,838
Furniture and equipment	729,845	-	729,845	-	-	-	729,845
Total Capital Assets, Being Depreciated	4,063,683	-	4,063,683	-	-	-	4,063,683
Less accumulated depreciation:							
Sewer lines	1,175,121	33,339	1,208,460	33,338	-	-	1,241,798
Furniture and equipment	474,708	28,641	503,349	27,538	-	-	530,887
Total Accumulated Depreciation	1,649,829	61,980	1,711,809	60,876	-	-	1,772,685
Total Capital Assets, Being Depreciated, Net	2,413,854	(61,980)	2,351,874	(60,876)	-	-	2,290,998
Business-Type Activities Capital Assets, Net	\$ 2,520,839	\$ (61,980)	\$ 2,458,859	\$ (60,876)	\$ -	\$ -	\$ 2,397,983

CITY OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010**

Note 4: Capital Assets (Continued)

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

Governmental Activities:	
General government	\$ 218,644
Public safety	293,488
Community development	216,922
Public works	<u>1,825,881</u>
Total Governmental Activities	<u>\$ 2,554,935</u>
Business-Type Activities:	
Sewer	<u>\$ 60,876</u>

Note 5: Interfund Receivable, Payable and Transfers

The composition of interfund balances as of June 30, 2010, was as follows:

Due To/From Other Funds

Funds	Due to Other Funds:					Total
	General Fund	Monte Vista Grade Separation	Redevelopment Agency - Capital Projects	Sewer Maintenance	Nonmajor Governmental Funds	
Due From Other Funds:						
General Fund	\$ -	\$ 2,126,842	\$ -	\$ 218,719	\$ 3,821,505	\$ 6,167,066
Monte Vista Grade Separation	-	-	-	-	1,159,951	1,159,951
Redevelopment Agency - Debt Service	-	-	3,013	-	-	3,013
Sewer Maintenance	253	-	-	-	-	253
Nonmajor Governmental Funds	-	-	-	-	4,514,341	4,514,341
Total	<u>\$ 253</u>	<u>\$ 2,126,842</u>	<u>\$ 3,013</u>	<u>\$ 218,719</u>	<u>\$ 9,495,797</u>	<u>\$ 11,844,624</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	\$ -	\$ 4,658,771	\$ 4,658,771
Redevelopment Agency - Capital Project	<u>194,874</u>	<u>-</u>	<u>194,874</u>
Total	<u>\$ 194,874</u>	<u>\$ 4,658,771</u>	<u>\$ 4,853,645</u>

CITY OF MONTCLAIR

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 5: Interfund Receivable, Payable and Transfers (Continued)

The Redevelopment Agency advanced \$4,658,771 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 advances of \$194,874 represents several loans to the Redevelopment Agency for the purpose of carrying out redevelopment projects.

Interfund Transfers

	Transfers In:			Total
	General Fund	Redevelopment Agency - Capital Projects	Nonmajor Funds	
Transfers Out:				
General	\$ -	\$ -	\$ 1,920,424	\$ 1,920,424
Redevelopment Agency - Debt Service	-	2,867,092	-	2,867,092
Nonmajor Funds	1,664,720	-	6,781,982	8,446,702
Total	\$ 1,664,720	\$ 2,867,092	\$ 8,702,406	\$ 13,234,218

The General Fund transferred \$1,920,424 to the 2005 Lease Revenue Bond fund for the annual debt service funding requirement. The RDA Debt Service funds transferred \$2,867,092 to the RDA Capital Projects fund to fund capital projects.

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, 2010:

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010	Due Within One Year
Lease revenue bonds	\$ 29,560,000	\$ -	\$ 615,000	\$ 28,945,000	\$ 630,000
Tax allocation notes payable	7,800,000	-	-	7,800,000	-
Tax allocation bonds payable	53,665,000	-	1,080,000	52,585,000	1,130,000
Claims and judgments	978,672	1,230,949	660,476	1,549,145	1,045,000
Compensated absences	2,340,292	1,176,050	1,222,915	2,293,427	1,198,000
	<u>\$ 94,343,964</u>	<u>\$ 2,406,999</u>	<u>\$ 3,578,391</u>	93,172,572	<u>\$ 4,003,000</u>
				Less: unamortized loss on defeasance	(1,229,190)
				Less: unamortized discount	(291,872)
				Net Long-Term Debt	<u>\$ 91,651,510</u>

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010
Note 6: Long-Term Debt (Continued)**Lease Revenue Bonds**

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, 2010, is \$28,945,000. The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2010, including interest, are as follows:

	2005 Lease Revenue Bonds	
	Principal	Interest
2010-2011	\$ 630,000	\$ 1,283,601
2011-2012	655,000	1,257,901
2012-2013	685,000	1,231,101
2013-2014	710,000	1,202,314
2014-2015	740,000	1,173,814
2015-2020	4,145,000	5,410,286
2020-2025	5,105,000	4,424,939
2025-2030	6,395,000	3,100,125
2030-2035	8,040,000	1,411,880
2035-2040	1,840,000	43,240
Totals	<u>\$ 28,945,000</u>	<u>\$ 20,539,201</u>

Tax Allocation Notes

2008 Tax Allocation Notes

On July 25, 2008, the Agency issued Tax Allocation Notes Issue of 2008 in the amount of \$7,800,000 as a joint project with the County of San Bernardino. The 2008 Bonds were issued to finance a portion of the costs of the Redevelopment Project, pay the costs in connection with the issuance of the notes and make certain other deposits as required. Interest on the note is payable semi-annually on June 1 and December 1, in each year, commencing on December 1, 2008. The note carries an interest rate of 5.00%. The balance at June 30, 2010, was \$7,800,000. The annual requirements to amortize the outstanding notes as of June 30, 2010, including interest, are as follows:

	2008 Tax Allocation Note	
	Principal	Interest
2010-2011	\$ -	\$ 390,000
2011-2012	7,800,000	390,000
Totals	<u>\$ 7,800,000</u>	<u>\$ 780,000</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Note 6: Long-Term Debt (Continued)**Tax Allocation Bonds**

2007A Taxable Allocation Refunding Bonds, Project Area III

On September 27, 2007, the Agency issued Taxable Allocation Refunding Bonds 2007A in the amount of \$25,450,000. The Bonds were issued with the purpose of refunding the 1997 Tax Allocation Bonds in the amount of \$14,485,000, refunding a portion of the 1998 Taxable Allocation bonds and to provide monies to finance the redevelopment project. Interest on the bonds is payable semi-annually on March 1 and September 1 of each year, commencing on September 1, 2008. The bonds carry interest rates ranging from 3.4% to 4.5%. Serial bonds maturities begin September 1, 2008, and continue annual through September 1, 2021, ranging from \$440,000 to \$735,000 and term bonds mature in the amount of \$5,135,000 on September 1, 2027, \$5,565,000 on September 1, 2031 and \$6,705,000 on September 1, 2035. The balance at June 30, 2010 is \$24,460,000. The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2010, including interest, are as follows:

	2007A Taxable Tax Allocation Bonds, Project Area III	
	Principal	Interest
2010-2011	\$ 460,000	\$ 1,119,388
2011-2012	480,000	1,099,988
2012-2013	495,000	1,079,269
2013-2014	525,000	1,056,938
2014-2015	545,000	1,032,863
2015-2020	3,110,000	4,766,288
2020-2025	3,840,000	4,021,078
2025-2030	5,395,000	3,029,506
2030-2035	7,810,000	1,452,234
2035-2036	1,800,000	45,000
Totals	<u>\$ 24,460,000</u>	<u>\$ 18,702,552</u>

2007B Taxable Allocation Bonds, Project Area III

On September 27, 2007, the Agency issued Taxable Allocation Bonds 2007B in the amount of \$3,500,000. The bonds were issued to provide monies to advance refund the 1998 Tax Allocation Bonds. Interest on the bonds is payable semi-annually on March 1 and September 1, in each year, commencing on September 1, 2008. The bonds carry interest rate ranging from 5.170 to 6.00%. Term bonds in the amount of \$3,280,000 mature October 1, 2027. The balance at June 30, 2010 is \$3,275,000. The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2010, including interest, are as follows:

CITY OF MONTCLAIR

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 6: Long-Term Debt (Continued)

	2007B Taxable Tax Allocation Bonds, Project Area III	
	Principal	Interest
2010-2011	\$ 110,000	\$ 188,073
2011-2012	115,000	182,256
2012-2013	125,000	176,052
2013-2014	125,000	169,309
2014-2015	135,000	162,003
2015-2020	795,000	683,938
2020-2025	1,065,000	408,750
2025-2028	805,000	74,550
Totals	<u>\$ 3,275,000</u>	<u>\$ 2,044,931</u>

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 to pay monies in accordance with a Disposition and Development Agreement with Costco Wholesale Corporation in the amount of \$2,500,000, to advance refund 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, 2010 is \$7,110,000. The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2010, including interest, are as follows:

	Project Area No. V, Taxable Tax Allocation Bonds, Issue of 2006A	
	Principal	Interest
2010-2011	\$ 420,000	\$ 418,860
2011-2012	160,000	402,514
2012-2013	170,000	393,099
2013-2014	185,000	382,901
2014-2015	190,000	372,091
2015-2020	1,155,000	1,669,973
2020-2025	1,560,000	1,256,753
2025-2030	400,000	947,715
2030-2034	2,870,000	436,035
Totals	<u>\$ 7,110,000</u>	<u>\$ 6,279,941</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

CITY OF MONTCLAIR

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 6: Long-Term Debt (Continued)

bonds in the amount of \$3,280,000 mature October 1, 2033. The balance at June 30, 2010 is \$3,280,000. The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2010, including interest, are as follows:

	Project Area No. V, Tax Allocation Bonds, Issue of 2006B	
	Principal	Interest
2010-2011	\$ -	\$ 155,800
2011-2012	-	155,800
2012-2013	-	155,800
2013-2014	-	155,800
2014-2015	-	155,800
2015-2020	-	779,000
2020-2025	-	779,000
2025-2030	1,655,000	589,119
2030-2034	1,625,000	158,769
Totals	<u>\$ 3,280,000</u>	<u>\$ 3,084,888</u>

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 of 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, 2010 is \$4,875,000. The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2010, including interest, are as follows:

	2004 Tax Allocation Refunding Bonds, Project Area IV	
	Principal	Interest
2010-2011	\$ 130,000	\$ 235,313
2011-2012	135,000	230,506
2012-2013	140,000	225,175
2013-2014	150,000	219,188
2014-2015	155,000	212,125
2015-2020	890,000	934,250
2020-2025	1,135,000	682,625
2025-2030	1,455,000	360,125
2030-2032	685,000	34,625
Totals	<u>\$ 4,875,000</u>	<u>\$ 3,133,932</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

CITY OF MONTCLAIR

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 6: Long-Term Debt (Continued)

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 of 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, 2010 is \$9,350,000. The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2010, including interest, are as follows:

	2001 Tax Allocation Refunding Bonds, Project Area V	
	Principal	Interest
2010-2011	\$ -	\$ 484,960
2011-2012	280,000	477,960
2012-2013	295,000	463,585
2013-2014	310,000	448,460
2014-2015	325,000	432,585
2015-2020	1,885,000	1,895,925
2020-2025	2,410,000	1,350,848
2025-2030	3,120,000	622,750
2030-2031	725,000	19,213
Totals	<u>\$ 9,350,000</u>	<u>\$ 6,196,286</u>

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, 2010 is \$235,000. The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2010, including interest, are as follows:

	1997 Taxable Tax Allocation Bonds, Project Area 1	
	Principal	Interest
2010-2011	\$ 10,000	\$ 19,320
2011-2012	15,000	18,270
2012-2013	15,000	17,010
2013-2014	15,000	15,750
2014-2015	15,000	14,490
2015-2020	110,000	47,460
2020-2022	55,000	4,830
Totals	<u>\$ 235,000</u>	<u>\$ 137,130</u>

The Agency has pledged, as security for bonds it has issued, a portion of the tax increment revenue, including Low and Moderate Income Housing set-aside that it receives. These bonds were to provide financing for various capital projects, accomplish Low and Moderate

CITY OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010**

Note 6: Long-Term Debt (Continued)

Income Housing projects and to defease previously issued bonds. The Agency has committed to appropriate each year, from these resources amounts sufficient to cover the principal and interest requirements on the debt. Total principal and interest remaining on the debt is \$100,744,660 with debt service requirements as indicated below. For the current year, the total tax increment revenue, net of pass through payments, was \$9,815,102 and the debt service on the bonds was \$4,143,340.

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, 2010 is \$1,549,145.

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, 2010 is \$2,293,427.

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, 2010:

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>	<u>Due Within One Year</u>
Compensated Absences	<u>\$ 97,127</u>	<u>\$ 56,455</u>	<u>\$ 51,202</u>	<u>\$ 102,380</u>	<u>\$ 54,000</u>

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.

Note 6: Long-Term Debt (Continued)

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 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.

IV. OTHER INFORMATION

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 17.557% 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 2010, the City's annual pension cost of \$1,417,534 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>
6/30/2008	\$ 1,037	100%	\$ -
6/30/2009	1,648	100%	-
6/30/2010	1,417	100%	-

CITY OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010**

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, 2009
Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level Percent of Payroll
Average Remaining Period	24 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
6/30/2007	\$ 48,336	\$ 43,342	\$ 4,994	89.7%	\$ 7,107	70.3%
6/30/2008	51,871	46,436	5,435	89.5%	7,560	71.9%
6/30/2009	57,205	48,716	8,489	85.2%	7,335	115.7%

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

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 38.308% for police safety first tier employees, 21.252% for police safety second tier employees, 47.844% for fire safety first tier employees, and 2% 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 2010, the City's annual pension cost of \$2,256,527 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.

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2008	1,752	100%	-
6/30/2009	2,504	100%	-
6/30/2010	2,257	100%	-

For fiscal year 2009-2010, 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 has not implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, since it is still compiling data to determine its liability at June 30, 2010, for postemployment benefits other than pensions.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Note 8: Other Post-Employment Employee Benefits (Continued)

government funds and is funded on a pay-as-you-go (cash) basis. The total post-employment health insurance expenditures for fiscal year 2009-2010 were \$289,368. There are currently 72 participants receiving benefits.

Note 9: Self-Insurance Program

The City is self-insured for workers' compensation claims up to \$200,000 for each occurrence and for general liability claims up to \$2,000,000, except for 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 \$40,000,000 each occurrence and in the aggregate by Everest National Insurance Company (up to \$10,000,000), and American Merchants Casualty Insurance Company (up to \$15,000,000), 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, 2010, Admisure and Carl Warren & Co., indicated a need for potential liability reserves of approximately \$1,549,145 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, 2010, 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, 2010, the amount of these liabilities was \$1,549,145. The amount represents an estimate of \$1,384,025 for reported claims through June 30, 2010, and \$165,120 of estimated incurred but not reported claims. This liability is the City's best estimate based on available information.

CITY OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010**

Note 9: Self-Insurance Program (Continued)

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

Year	Beginning of Year Liability	Current Year Claims and Changes In Estimates	Claim Payments for Current and Prior Years	End of Year Liability
2008-2009	\$ 1,348,377	\$ 52,182	\$ (421,887)	\$ 978,672
2009-2010	978,672	1,230,949	(660,476)	1,549,145

Note 10: Joint Ventures

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.

Note 11: Fund Balances and Net Assets Restatements

Beginning fund balance in the Montclair Redevelopment Agency capital project fund has been restated by \$406,167 to correct prior year accounts payable overstated. As a result, governmental activities beginning net assets have also been restated by a total of \$406,167.

The Sewer Maintenance fund beginning net assets have been restated by \$(61,980) to correct prior year accumulated depreciation understated. As a result, business-type activities beginning net assets have also been restated by \$61,980.

Note 12: Transactions with the State of California

Proposition 1A Borrowing by the State of California

Under the provisions of Proposition 1A and as part of the 2009-10 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in lieu sales tax, and supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The state is required to repay this borrowing plus interest by June 30, 2013.

Note 12: Transactions with the State of California (Continued)

After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the City of Montclair was \$647,742. Authorized with the 2009-10 State budget package, the Proposition 1A Securitization Program was instituted by the California Statewide Communities Development Authority ("California Communities"), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities, to enable local governments to sell their Proposition 1A receivables to California Communities. Under the Securitization Program, California Communities simultaneously purchased the Proposition 1A receivables and issued bonds ("Prop 1A Bonds") to provide local agencies with cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010. The purchase price paid to the local agencies equaled 100% of the amount of the property tax reduction. All transaction costs of issuance and interest were paid by the State of California. Participating local agencies have no obligation on the bonds and no credit exposure to the State. The City participated in the securitization program and accordingly property taxes have been recorded in the same manner as if the State had not exercised its rights under Proposition 1A. The receivable sale proceeds were equal to the book value and, as a result, no gain or loss was recorded.

Delay of State Gas Tax Payments

In March 2010, the State Legislature passed legislation delaying a variety of State payments to local agencies in response to anticipated State cash flow problems in fiscal year 2010-2011. AB5 8x contains provisions to delay a portion (approximately 60%) of the payments of State Gas Tax monies for the first nine months of 2010-2011 (July 2010 through March 2011) to be paid no later than April 28, 2011.

SERAF Shift for fiscal year 2009-2010 and 2010-2011

On July 23, 2009, the State adopted legislation, requiring a shift of monies during fiscal years 2009-2010 and 2010-2011 to be deposited into the County "Supplemental" Educational Revenue Augmentation Fund (SERAF). These monies were to be distributed to meet the State's Prop 98 obligations to schools. The California Redevelopment Association (CRA) and its member agencies filed a legal action in an attempt to stop these amounts from having to be paid; however, in May 2010 the Sacramento Superior Court upheld the legislation. This decision is in the process of being appealed by CRA and its member agencies. Additionally, the question as to the ability of the State to take resources for these purposes will be considered by the voters in November 2010.

The payment of the SERAF was due on May 10, 2010 for fiscal year 2009-2010 and it was made in the amount of \$4,199,812. The legislation allowed this payment to be made from any available monies present in any project area(s). Subsequent legislation was passed which even allowed the funding for this payment to be borrowed from the Low and Moderate Income Housing Fund with appropriate findings from its legislative body. Any amounts borrowed from Low and Moderate Income Housing (including any suspended set-aside amounts) is to be repaid by June 30, 2015. If those amounts are not repaid, by that date, then the set-aside percentage to Low and Moderate Income Housing will increase from 20% to 25% for the remainder of the life of the Agency.

To accomplish the payment, the Agency utilized available resources from the Project Area 3 Tax Increment Fund, Project Area 4 Tax Increment Fund, and Project Area 5 Tax Increment Fund totaling \$1,558,693, 1,082,426, and \$1,558,693, respectively.

CITY OF MONTCLAIR

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010**

Note 12: Transactions with the State of California (Continued)

It is estimated that the Agency's share of the SERAF shift for fiscal year 2010-2011 will amount to approximately \$863,835 and this amount will be payable in May 2011 if the appeal and/or the voter question above is not successful.

Note 19: Subsequent Events

ERAF Shift of Redevelopment Agency Funds

For many years, the State shifted money from redevelopment agencies to the Educational Revenue Augmentation Fund (ERAF). The money taken from redevelopment agencies was counted toward the State requirement to fund schools under Proposition 98. In May 2009, the courts held that the ERAF shift was not constitutional. In June 2009, the State developed the Supplemental Educational Revenue Augmentation Fund that attempted to fix the constitutional flaws with ERAF. In November 2010, the voters approved Proposition 22 that prohibits the State from redirecting monies from redevelopment agencies. Proposition 22 did not explicitly state that redevelopment agencies could not be dissolved by the State. On January 10, 2011, the Governor of California proposed the elimination of California Redevelopment Agencies by June 30, 2011. The details of the proposed plan have not been disclosed. The financial statements include the City of Montclair Redevelopment Agency as a blended component unit.

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CITY OF MONTCLAIR

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2010

	Special Revenue Funds			
	Gas Tax	Measure I	Traffic Safety	Park Development
Assets:				
Pooled cash and investments	\$ 700,155	\$ -	\$ 217,047	\$ 1,036,032
Receivables:				
Accounts	305	28,624	-	4,813
Accrued interest	5,764	-	-	-
Due from other governments	152,964	2,917,401	14,233	20
Due from other funds	2,633,341	273,513	-	117
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	1,000
Total Assets	\$ 3,492,529	\$ 3,219,538	\$ 231,280	\$ 1,041,982
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 181,454	\$ 349,570	\$ -	\$ 68,731
Accrued liabilities	-	-	-	-
Deferred revenues	-	-	-	-
Unearned revenues	861,652	-	-	-
Deposits payable	-	-	-	1,000
Due to other governments	-	-	22,665	-
Due to other funds	284,429	2,943,725	208,532	308
Total Liabilities	1,327,535	3,293,295	231,197	70,039
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	-	-	-
Unreserved:				
Undesignated	2,164,994	(73,757)	83	971,943
Total Fund Balances	2,164,994	(73,757)	83	971,943
Total Liabilities and Fund Balances	\$ 3,492,529	\$ 3,219,538	\$ 231,280	\$ 1,041,982

CITY OF MONTCLAIR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

(Continued)

	Special Revenue Funds			
	Community Development Block Grant	Air Quality Improvement	Older American Act	State Asset Forfeiture
Assets:				
Pooled cash and investments	\$ 251,293	\$ 95,975	\$ -	\$ 4,044
Receivables:				
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Due from other governments	193,245	11,240	87,912	-
Due from other funds	12,598	10	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 457,136	\$ 107,225	\$ 87,912	\$ 4,044
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 11,170	\$ 1,277	\$ 16,729	\$ -
Accrued liabilities	-	-	3,506	-
Deferred revenues	93,058	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	299,169	-	-	-
Due to other funds	248,975	-	55,293	-
Total Liabilities	652,372	1,277	75,528	-
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	-	64	-
Unreserved:				
Undesignated	(195,236)	105,948	12,320	4,044
Total Fund Balances	(195,236)	105,948	12,384	4,044
Total Liabilities and Fund Balances	\$ 457,136	\$ 107,225	\$ 87,912	\$ 4,044

CITY OF MONTCLAIR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	Special Revenue Funds			
	Public Safety	State Asset Forfeiture Section 11489	Federal Asset Forfeiture- Treasury	School District Grant
Assets:				
Pooled cash and investments	\$ 203,659	\$ 20,396	\$ 230	\$ -
Receivables:				
Accounts	-	337	-	2,500
Accrued interest	-	-	-	-
Due from other governments	59,096	-	-	-
Due from other funds	34	2	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 262,789	\$ 20,735	\$ 230	\$ 2,500
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 19,496	\$ -	\$ -	\$ -
Accrued liabilities	2,014	-	-	4,137
Deferred revenues	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	30,798	-	-	512,593
Total Liabilities	52,308	-	-	516,730
Fund Balances:				
Reserved:				
Reserved for encumbrances	41,132	-	-	-
Unreserved:				
Undesignated	169,349	20,735	230	(514,230)
Total Fund Balances	210,481	20,735	230	(514,230)
Total Liabilities and Fund Balances	\$ 262,789	\$ 20,735	\$ 230	\$ 2,500

CITY OF MONTCLAIR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

(Continued)

	Special Revenue Funds			
	State Supplemental Law Enforcement	Local Law Enforcement Block Grant	Crime Prevention PC 1202.5	Recycling Block Grant
Assets:				
Pooled cash and investments	\$ 160,834	\$ 108,042	\$ 9,807	\$ 911
Receivables:				
Accounts	8,976	-	-	3,545
Accrued interest	-	-	-	-
Due from other governments	-	-	40	-
Due from other funds	17	13	1	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 169,827	\$ 108,055	\$ 9,848	\$ 4,456
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 5,161	\$ -	\$ -	\$ 22,878
Accrued liabilities	585	1,039	-	-
Deferred revenues	29,358	-	-	3,545
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	40,892	-	-	-
Total Liabilities	75,996	1,039	-	26,423
Fund Balances:				
Reserved:				
Reserved for encumbrances	2,584	-	-	-
Unreserved:				
Undesignated	91,247	107,016	9,848	(21,967)
Total Fund Balances	93,831	107,016	9,848	(21,967)
Total Liabilities and Fund Balances	\$ 169,827	\$ 108,055	\$ 9,848	\$ 4,456

CITY OF MONTCLAIR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	<u>Special Revenue Funds</u>			
	<u>Human Services Grant</u>	<u>California Nutrition Grant</u>	<u>E.M.S Paramedic</u>	<u>OCJP Grant</u>
Assets:				
Pooled cash and investments	\$ 821,099	\$ -	\$ -	\$ -
Receivables:				
Accounts	13,886	-	28,188	-
Accrued interest	-	-	-	-
Due from other governments	427,361	-	-	-
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	<u>\$ 1,262,346</u>	<u>\$ -</u>	<u>\$ 28,188</u>	<u>\$ -</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 74,215	\$ 117	\$ 5,922	\$ -
Accrued liabilities	34,566	1,229	772	-
Deferred revenues	108,020	23,657	-	-
Unearned revenues	-	-	-	-
Deposits payable	225	-	-	-
Due to other governments	-	-	-	-
Due to other funds	42,386	35,346	134,923	76,718
Total Liabilities	<u>259,412</u>	<u>60,349</u>	<u>141,617</u>	<u>76,718</u>
Fund Balances:				
Reserved:				
Reserved for encumbrances	14,980	2,550	-	-
Unreserved:				
Undesignated	987,954	(62,899)	(113,429)	(76,718)
Total Fund Balances	<u>1,002,934</u>	<u>(60,349)</u>	<u>(113,429)</u>	<u>(76,718)</u>
Total Liabilities and Fund Balances	<u>\$ 1,262,346</u>	<u>\$ -</u>	<u>\$ 28,188</u>	<u>\$ -</u>

CITY OF MONTCLAIR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

(Continued)

	<u>Special Revenue Funds</u>			
	<u>Automated Traffic Enforcement</u>	<u>Office of Traffic Safety Grant</u>	<u>Equipment Replacement</u>	<u>Infrastructure</u>
Assets:				
Pooled cash and investments	\$ -	\$ 2,918	\$ 1,691,719	\$ 1,558,503
Receivables:				
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Due from other governments	-	-	-	318,062
Due from other funds	-	-	30,184	167
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 2,918</u>	<u>\$ 1,721,903</u>	<u>\$ 1,876,732</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deferred revenues	-	-	-	25,000
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	438,837	-	-	1,469,941
Total Liabilities	<u>438,837</u>	<u>-</u>	<u>-</u>	<u>1,494,941</u>
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	-	-	-
Unreserved:				
Undesignated	(438,837)	2,918	1,721,903	381,791
Total Fund Balances	<u>(438,837)</u>	<u>2,918</u>	<u>1,721,903</u>	<u>381,791</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 2,918</u>	<u>\$ 1,721,903</u>	<u>\$ 1,876,732</u>

CITY OF MONTCLAIR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	Special Revenue Funds		Capital Projects Funds	
	Refuse Fee Impound	Montclair Youth Sponsorship	Ramona Grade Separation Project	City Facility Improvement
Assets:				
Pooled cash and investments	\$ 131,566	\$ -	\$ 610,869	\$ 2,195,428
Receivables:				
Accounts	112,860	-	-	-
Accrued interest	-	-	-	-
Due from other governments	-	-	1,531,844	-
Due from other funds	9	-	1,457,487	166
Restricted assets:				
Cash and investments with fiscal agents	-	80,343	-	-
Total Assets	\$ 244,435	\$ 80,343	\$ 3,600,200	\$ 2,195,594
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 3,368	\$ -	\$ 19,174	\$ -
Accrued liabilities	570	-	-	-
Deferred revenues	70,916	-	1,056,230	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	1,381,132	-
Due to other funds	3,128	-	1,159,951	-
Total Liabilities	77,982	-	3,616,487	-
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	-	-	-
Unreserved:				
Undesignated	166,453	80,343	(16,287)	2,195,594
Total Fund Balances	166,453	80,343	(16,287)	2,195,594
Total Liabilities and Fund Balances	\$ 244,435	\$ 80,343	\$ 3,600,200	\$ 2,195,594

CITY OF MONTCLAIR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

(Continued)

	Capital Projects Funds			Debt Service Funds
	Police Facility Capital Project	Senior/Youth Centers Capital Project	Parking Lot Expansion	2005 Lease Revenue Bonds
Assets:				
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -
Receivables:				
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	69,747	36,935	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	1,930,580
Total Assets	\$ 69,747	\$ 36,935	\$ -	\$ 1,930,580
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 821	\$ 1,472,132	\$ 97	\$ -
Accrued liabilities	-	-	-	-
Deferred revenues	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	66,223	-	-	-
Due to other funds	1,020,567	787,191	1,264	-
Total Liabilities	1,087,611	2,259,323	1,361	-
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	-	-	-
Unreserved:				
Undesignated	(1,017,864)	(2,222,388)	(1,361)	1,930,580
Total Fund Balances	(1,017,864)	(2,222,388)	(1,361)	1,930,580
Total Liabilities and Fund Balances	\$ 69,747	\$ 36,935	\$ -	\$ 1,930,580

CITY OF MONTCLAIR

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2010

	Total Nonmajor Governmental Funds
Assets:	
Pooled cash and investments	\$ 9,820,527
Receivables:	
Accounts	204,034
Accrued interest	5,764
Due from other governments	5,713,418
Due from other funds	4,514,341
Restricted assets:	
Cash and investments with fiscal agents	2,011,923
	<u>2,011,923</u>
Total Assets	<u>\$ 22,270,007</u>
Liabilities and Fund Balances:	
Liabilities:	
Accounts payable	\$ 2,252,312
Accrued liabilities	48,418
Deferred revenues	1,409,784
Unearned revenues	861,652
Deposits payable	1,225
Due to other governments	1,769,189
Due to other funds	9,495,797
	<u>9,495,797</u>
Total Liabilities	<u>15,838,377</u>
Fund Balances:	
Reserved:	
Reserved for encumbrances	61,310
Unreserved:	
Undesignated	6,370,320
	<u>6,370,320</u>
Total Fund Balances	<u>6,431,630</u>
Total Liabilities and Fund Balances	<u>\$ 22,270,007</u>

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CITY OF MONTCLAIR

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010**

	Special Revenue Funds			
	Gas Tax	Measure I	Traffic Safety	Park Development
Revenues:				
Taxes	\$ 606,763	\$ -	\$ -	\$ -
Intergovernmental	335,699	3,139,422	-	75,000
Charges for services	-	-	-	-
Use of money and property	51,568	(51)	110	30,828
Fines and forfeitures	-	-	201,333	-
Miscellaneous	206,626	-	-	501,275
Total Revenues	1,200,656	3,139,371	201,443	607,103
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	1,157,315	-	-	9,295
Capital outlay	145,371	1,127,570	-	717,797
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	1,302,686	1,127,570	-	727,092
Excess (Deficiency) of Revenues Over (Under) Expenditures	(102,030)	2,011,801	201,443	(119,989)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(451,601)	-	(201,360)	-
Proceeds from sale of capital assets	-	-	-	-
Total Other Financing Sources (Uses)	(451,601)	-	(201,360)	-
Net Change in Fund Balances	(553,631)	2,011,801	83	(119,989)
Fund Balance, Beginning of year	2,718,625	(2,085,558)	-	1,091,932
Fund Balance, End of year	\$ 2,164,994	\$ (73,757)	\$ 83	\$ 971,943

CITY OF MONTCLAIR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

(Continued)

	Special Revenue Funds			
	Community Development Block Grant	Air Quality Improvement	Older American Act	State Asset Forfeiture
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	208,943	41,853	206,924	-
Charges for services	-	-	-	-
Use of money and property	-	60	-	2
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	208,943	41,913	206,924	2
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	14,945	199,285	-
Public works	-	-	-	-
Capital outlay	289,402	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	289,402	14,945	199,285	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(80,459)	26,968	7,639	2
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(80,459)	26,968	7,639	2
Fund Balance, Beginning of year	(114,777)	78,980	4,745	4,042
Fund Balance, End of year	\$ (195,236)	\$ 105,948	\$ 12,384	\$ 4,044

CITY OF MONTCLAIR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

	Special Revenue Funds			
	Public Safety	State Asset Forfeiture Section 11489	Federal Asset Forfeiture- Treasury	School District Grant
Revenues:				
Taxes	\$ 233,249	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	89,000
Charges for services	-	-	-	-
Use of money and property	202	12	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	233,451	12	-	89,000
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	468,979	1,749	-	320,441
Community development	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	468,979	1,749	-	320,441
Excess (Deficiency) of Revenues Over (Under) Expenditures	(235,528)	(1,737)	-	(231,441)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(260,000)	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total Other Financing Sources (Uses)	(260,000)	-	-	-
Net Change in Fund Balances	(495,528)	(1,737)	-	(231,441)
Fund Balance, Beginning of year	706,009	22,472	230	(282,789)
Fund Balance, End of year	\$ 210,481	\$ 20,735	\$ 230	\$ (514,230)

CITY OF MONTCLAIR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

(Continued)

	Special Revenue Funds			
	State Supplemental Law Enforcement	Local Law Enforcement Block Grant	Crime Prevention PC 1202.5	Recycling Block Grant
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	93,019	133,277	-	15,432
Charges for services	-	-	-	-
Use of money and property	97	71	7	-
Fines and forfeitures	-	-	1,011	-
Miscellaneous	-	-	-	-
Total Revenues	93,116	133,348	1,018	15,432
Expenditures:				
Current:				
General government	-	-	-	8,545
Public safety	93,020	22,571	-	-
Community development	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	93,020	22,571	-	8,545
Excess (Deficiency) of Revenues Over (Under) Expenditures	96	110,777	1,018	6,887
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	96	110,777	1,018	6,887
Fund Balance, Beginning of year	93,735	(3,761)	8,830	(28,854)
Fund Balance, End of year	\$ 93,831	\$ 107,016	\$ 9,848	\$ (21,967)

CITY OF MONTCLAIR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

	Special Revenue Funds			
	Human Services Grant	California Nutrition Grant	E.M.S Paramedic	OCJP Grant
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,554,829	58,954	-	-
Charges for services	-	-	181,078	-
Use of money and property	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	45,000	-	16,315	-
Total Revenues	1,599,829	58,954	197,393	-
Expenditures:				
Current:				
General government	4,112	-	-	-
Public safety	-	-	194,823	-
Community development	1,671,164	58,954	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	1,675,276	58,954	194,823	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(75,447)	-	2,570	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(75,447)	-	2,570	-
Fund Balance, Beginning of year	1,078,381	(60,349)	(115,999)	(76,718)
Fund Balance, End of year	\$ 1,002,934	\$ (60,349)	\$ (113,429)	\$ (76,718)

CITY OF MONTCLAIR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

(Continued)

	Special Revenue Funds			
	Automated Traffic Enforcement	Office of Traffic Safety Grant	Equipment Replacement	Infrastructure
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	293,476
Charges for services	-	-	-	-
Use of money and property	-	-	16,992	7,669
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	-	16,992	301,145
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	178	-	-	-
Community development	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	12,598
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	178	-	-	12,598
Excess (Deficiency) of Revenues Over (Under) Expenditures	(178)	-	16,992	288,547
Other Financing Sources (Uses):				
Transfers in	-	-	260,000	-
Transfers out	-	-	-	(146,646)
Proceeds from sale of capital assets	-	-	6,155	-
Total Other Financing Sources (Uses)	-	-	266,155	(146,646)
Net Change in Fund Balances	(178)	-	283,147	141,901
Fund Balance, Beginning of year	(438,659)	2,918	1,438,756	239,890
Fund Balance, End of year	\$ (438,837)	\$ 2,918	\$ 1,721,903	\$ 381,791

CITY OF MONTCLAIR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

	Special Revenue Funds		Capital Projects Funds	
	Refuse Fee Impound	Montclair Youth Sponsorship	Ramona Grade Separation Project	City Facility Improvement
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	5,039,646	148,000
Charges for services	-	-	-	-
Use of money and property	351,022	8,496	871	10,066
Fines and forfeitures	-	-	-	-
Miscellaneous	-	8,191	-	-
Total Revenues	351,022	16,687	5,040,517	158,066
Expenditures:				
Current:				
General government	51,970	-	-	-
Public safety	3,358	-	-	26,404
Community development	-	8,805	-	-
Public works	-	-	-	-
Capital outlay	-	-	6,916,406	167,796
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	55,328	8,805	6,916,406	194,200
Excess (Deficiency) of Revenues Over (Under) Expenditures	295,694	7,882	(1,875,889)	(36,134)
Other Financing Sources (Uses):				
Transfers in	-	-	-	2,213,704
Transfers out	-	-	-	(865,113)
Proceeds from sale of capital assets	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	1,348,591
Net Change in Fund Balances	295,694	7,882	(1,875,889)	1,312,457
Fund Balance, Beginning of year	(129,241)	72,461	1,859,602	883,137
Fund Balance, End of year	\$ 166,453	\$ 80,343	\$ (16,287)	\$ 2,195,594

CITY OF MONTCLAIR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

(Continued)

	Capital Projects Funds			Debt Service Funds
	Police Facility Capital Project	Senior/Youth Centers Capital Project	Parking Lot Expansion	2005 Lease Revenue Bonds
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	35,373	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	-	-	1
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	35,373	-	-	1
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	-	-	-	-
Capital outlay	949,163	6,083,371	97	-
Debt service:				
Principal retirement	-	-	-	615,000
Interest and fiscal charges	-	-	-	1,305,427
Total Expenditures	949,163	6,083,371	97	1,920,427
Excess (Deficiency) of Revenues Over (Under) Expenditures	(913,790)	(6,083,371)	(97)	(1,920,426)
Other Financing Sources (Uses):				
Transfers in	40,622	4,267,656	-	1,920,424
Transfers out	-	-	-	(6,521,982)
Proceeds from sale of capital assets	-	-	-	-
Total Other Financing Sources (Uses)	40,622	4,267,656	-	(4,601,558)
Net Change in Fund Balances	(873,168)	(1,815,715)	(97)	(6,521,984)
Fund Balance, Beginning of year	(144,696)	(406,673)	(1,264)	8,452,564
Fund Balance, End of year	\$ (1,017,864)	\$ (2,222,388)	\$ (1,361)	\$ 1,930,580

CITY OF MONTCLAIR

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010**

	Total Nonmajor Governmental Funds
Revenues:	
Taxes	\$ 840,012
Intergovernmental	11,468,847
Charges for services	181,078
Use of money and property	478,023
Fines and forfeitures	202,344
Miscellaneous	777,407
	<u>13,947,711</u>
Total Revenues	13,947,711
Expenditures:	
Current:	
General government	64,627
Public safety	1,131,523
Community development	1,953,153
Public works	1,166,610
Capital outlay	16,409,571
Debt service:	
Principal retirement	615,000
Interest and fiscal charges	1,305,427
	<u>22,645,911</u>
Total Expenditures	22,645,911
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,698,200)</u>
Other Financing Sources (Uses):	
Transfers in	8,702,406
Transfers out	(8,446,702)
Proceeds from sale of capital assets	6,155
	<u>261,859</u>
Total Other Financing Sources (Uses)	261,859
Net Change in Fund Balances	(8,436,341)
Fund Balance, Beginning of year	<u>14,867,971</u>
Fund Balance, End of year	\$ 6,431,630

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CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
GAS TAX
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,718,625	\$ 2,718,625	\$ 2,718,625	\$ -
Resources (Inflows):				
Taxes	659,200	659,200	606,763	(52,437)
Intergovernmental	-	-	335,699	335,699
Use of money and property	40,000	40,000	51,568	11,568
Miscellaneous	-	-	206,626	206,626
Amounts Available for Appropriation	3,417,825	3,417,825	3,919,281	501,456
Charges to Appropriation (Outflow):				
Public works	753,768	783,768	1,157,315	(373,547)
Capital outlay	-	-	145,371	(145,371)
Transfers out	6,000	6,000	451,601	(445,601)
Total Charges to Appropriations	759,768	789,768	1,754,287	(964,519)
Budgetary Fund Balance, June 30	\$ 2,658,057	\$ 2,628,057	\$ 2,164,994	\$ (463,063)

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
MEASURE I
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (2,085,558)	\$ (2,085,558)	\$ (2,085,558)	\$ -
Resources (Inflows):				
Intergovernmental	480,000	480,000	3,139,422	2,659,422
Use of money and property	2,500	2,500	(51)	(2,551)
Miscellaneous	-	-	-	-
Amounts Available for Appropriation	(1,603,058)	(1,603,058)	1,053,813	2,656,871
Charges to Appropriation (Outflow):				
Capital outlay	-	-	1,127,570	(1,127,570)
Total Charges to Appropriations	-	-	1,127,570	(1,127,570)
Budgetary Fund Balance, June 30	\$ (1,603,058)	\$ (1,603,058)	\$ (73,757)	\$ 1,529,301

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
TRAFFIC SAFETY
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Use of money and property	1,000	1,000	110	(890)
Fines and forfeitures	384,000	384,000	201,333	(182,667)
Amounts Available for Appropriation	385,000	385,000	201,443	(183,557)
Charges to Appropriation (Outflow):				
Transfers out	385,000	385,000	201,360	183,640
Total Charges to Appropriations	385,000	385,000	201,360	183,640
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ 83	\$ 83

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
PARK DEVELOPMENT
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,091,932	\$ 1,091,932	\$ 1,091,932	\$ -
Resources (Inflows):				
Intergovernmental	-	-	75,000	75,000
Use of money and property	38,000	38,000	30,828	(7,172)
Miscellaneous	56,000	56,000	501,275	445,275
Amounts Available for Appropriation	1,185,932	1,185,932	1,699,035	513,103
Charges to Appropriation (Outflow):				
Public works	13,200	13,200	9,295	3,905
Capital outlay	-	394,269	717,797	(323,528)
Total Charges to Appropriations	13,200	407,469	727,092	(319,623)
Budgetary Fund Balance, June 30	\$ 1,172,732	\$ 778,463	\$ 971,943	\$ 193,480

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED JUNE 30, 2010**

	<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	\$ (114,777)	\$ (114,777)	\$ (114,777)	\$ -
Resources (Inflows):				
Intergovernmental	43,150	135,150	208,943	73,793
Amounts Available for Appropriation	(71,627)	20,373	94,166	73,793
Charges to Appropriation (Outflow):				
Capital outlay	43,150	135,150	289,402	(154,252)
Total Charges to Appropriations	43,150	135,150	289,402	(154,252)
Budgetary Fund Balance, June 30	\$ (114,777)	\$ (114,777)	\$ (195,236)	\$ (80,459)

CITY OF MONTCLAIR

BUDGETARY COMPARISON SCHEDULE
 OLDER AMERICAN ACT
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,745	\$ 4,745	\$ 4,745	\$ -
Resources (Inflows):				
Intergovernmental	188,256	188,256	206,924	18,668
Amounts Available for Appropriation	193,001	193,001	211,669	18,668
Charges to Appropriation (Outflow):				
Community development	188,256	188,256	199,285	(11,029)
Total Charges to Appropriations	188,256	188,256	199,285	(11,029)
Budgetary Fund Balance, June 30	\$ 4,745	\$ 4,745	\$ 12,384	\$ 7,639

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
AIR QUALITY IMPROVEMENT
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 78,980	\$ 78,980	\$ 78,980	\$ -
Resources (Inflows):				
Intergovernmental	56,700	56,700	41,853	(14,847)
Use of money and property	200	200	60	(140)
Amounts Available for Appropriation	135,880	135,880	120,893	(14,987)
Charges to Appropriation (Outflow):				
Community development	6,841	6,841	14,945	(8,104)
Public works	50,000	50,000	-	50,000
Total Charges to Appropriations	56,841	56,841	14,945	41,896
Budgetary Fund Balance, June 30	\$ 79,039	\$ 79,039	\$ 105,948	\$ 26,909

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
PUBLIC SAFETY
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 706,009	\$ 706,009	\$ 706,009	\$ -
Resources (Inflows):				
Taxes	273,600	273,600	233,249	(40,351)
Use of money and property	1,000	1,000	202	(798)
Amounts Available for Appropriation	980,609	980,609	939,460	(41,149)
Charges to Appropriation (Outflow):				
Public safety	468,781	476,713	468,979	7,734
Transfers out	100,000	100,000	260,000	(160,000)
Total Charges to Appropriations	568,781	576,713	728,979	(152,266)
Budgetary Fund Balance, June 30	\$ 411,828	\$ 403,896	\$ 210,481	\$ (193,415)

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
STATE ASSET FORFEITURE SECTION 11489
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 22,472	\$ 22,472	\$ 22,472	\$ -
Resources (Inflows):				
Use of money and property	150	150	12	(138)
Amounts Available for Appropriation	22,622	22,622	22,484	(138)
Charges to Appropriation (Outflow):				
Public safety	-	-	1,749	(1,749)
Total Charges to Appropriations	-	-	1,749	(1,749)
Budgetary Fund Balance, June 30	\$ 22,622	\$ 22,622	\$ 20,735	\$ (1,887)

CITY OF MONTCLAIR

BUDGETARY COMPARISON SCHEDULE
 SCHOOL DISTRICT GRANT
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (282,789)	\$ (282,789)	\$ (282,789)	\$ -
Resources (Inflows):				
Intergovernmental	326,543	326,543	89,000	(237,543)
Amounts Available for Appropriation	43,754	43,754	(193,789)	(237,543)
Charges to Appropriation (Outflow):				
Public safety	326,543	326,543	320,441	6,102
Total Charges to Appropriations	326,543	326,543	320,441	6,102
Budgetary Fund Balance, June 30	\$ (282,789)	\$ (282,789)	\$ (514,230)	\$ (231,441)

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
STATE SUPPLEMENTAL LAW ENFORCEMENT
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 93,735	\$ 93,735	\$ 93,735	\$ -
Resources (Inflows):				
Intergovernmental	-	100,000	93,019	(6,981)
Use of money and property	-	-	97	97
Amounts Available for Appropriation	93,735	193,735	186,851	(6,884)
Charges to Appropriation (Outflow):				
Public safety	-	100,400	93,020	7,380
Total Charges to Appropriations	-	100,400	93,020	7,380
Budgetary Fund Balance, June 30	\$ 93,735	\$ 93,335	\$ 93,831	\$ 496

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
LOCAL LAW ENFORCEMENT BLOCK GRANT
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (3,761)	\$ (3,761)	\$ (3,761)	\$ -
Resources (Inflows):				
Intergovernmental	-	-	133,277	133,277
Use of money and property	-	-	71	71
Amounts Available for Appropriation	(3,761)	(3,761)	129,587	133,348
Charges to Appropriation (Outflow):				
Public safety	-	115,277	22,571	92,706
Capital outlay	-	18,000	-	18,000
Total Charges to Appropriations	-	133,277	22,571	110,706
Budgetary Fund Balance, June 30	\$ (3,761)	\$ (137,038)	\$ 107,016	\$ 244,054

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
CRIME PREVENTION PC 1202.5
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 8,830	\$ 8,830	\$ 8,830	\$ -
Resources (Inflows):				
Use of money and property	30	30	7	(23)
Fines and forfeitures	400	400	1,011	611
Amounts Available for Appropriation	9,260	9,260	9,848	588
Budgetary Fund Balance, June 30	\$ 9,260	\$ 9,260	\$ 9,848	\$ 588

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
 RECYCLING BLOCK GRANT
 YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (28,854)	\$ (28,854)	\$ (28,854)	\$ -
Resources (Inflows):				
Intergovernmental	20,100	20,100	15,432	(4,668)
Use of money and property	100	100	-	(100)
Amounts Available for Appropriation	(8,654)	(8,654)	(13,422)	(4,768)
Charges to Appropriation (Outflow):				
General government	20,200	20,200	8,545	11,655
Total Charges to Appropriations	20,200	20,200	8,545	11,655
Budgetary Fund Balance, June 30	\$ (28,854)	\$ (28,854)	\$ (21,967)	\$ 6,887

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
HUMAN SERVICES GRANT
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,078,381	\$ 1,078,381	\$ 1,078,381	\$ -
Resources (Inflows):				
Intergovernmental	1,167,780	1,167,780	1,554,829	387,049
Miscellaneous	-	-	45,000	45,000
Amounts Available for Appropriation	2,246,161	2,246,161	2,678,210	432,049
Charges to Appropriation (Outflow):				
Community development	1,167,780	1,168,080	1,671,164	(503,084)
Total Charges to Appropriations	1,167,780	1,168,080	1,675,276	(507,196)
Budgetary Fund Balance, June 30	\$ 1,078,381	\$ 1,078,081	\$ 1,002,934	\$ (75,147)

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
CALIFORNIA NUTRITION GRANT
YEAR ENDED JUNE 30, 2010**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ (60,349)	\$ (60,349)	\$ (60,349)	\$ -
Resources (Inflows):				
Intergovernmental	73,742	73,742	58,954	(14,788)
Amounts Available for Appropriation	13,393	13,393	(1,395)	(14,788)
Charges to Appropriation (Outflow):				
Community development	73,742	73,742	58,954	14,788
Total Charges to Appropriations	73,742	73,742	58,954	14,788
Budgetary Fund Balance, June 30	\$ (60,349)	\$ (60,349)	\$ (60,349)	\$ -

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
E.M.S. PARAMEDIC
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (115,999)	\$ (115,999)	\$ (115,999)	\$ -
Resources (Inflows):				
Charges for services	226,500	226,500	181,078	(45,422)
Use of money and property	300	300	-	(300)
Miscellaneous	10,000	10,000	16,315	6,315
Amounts Available for Appropriation	120,801	120,801	81,394	(39,407)
Charges to Appropriation (Outflow):				
Public safety	236,544	236,544	194,823	41,721
Total Charges to Appropriations	236,544	236,544	194,823	41,721
Budgetary Fund Balance, June 30	\$ (115,743)	\$ (115,743)	\$ (113,429)	\$ 2,314

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
 AUTOMATED TRAFFIC ENFORCEMENT
 YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (438,659)	\$ (438,659)	\$ (438,659)	\$ -
Resources (Inflows):				
Fines and forfeitures	125,000	125,000	-	(125,000)
Amounts Available for Appropriation	(313,659)	(313,659)	(438,659)	(125,000)
Charges to Appropriation (Outflow):				
Public safety	252,000	252,000	178	251,822
Total Charges to Appropriations	252,000	252,000	178	251,822
Budgetary Fund Balance, June 30	\$ (565,659)	\$ (565,659)	\$ (438,837)	\$ 126,822

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
EQUIPMENT REPLACEMENT
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,438,756	\$ 1,438,756	\$ 1,438,756	\$ -
Resources (Inflows):				
Use of money and property	20,500	20,000	16,992	(3,008)
Transfers in	100,000	100,000	260,000	160,000
Proceeds from sale of capital asset	-	-	6,155	6,155
Amounts Available for Appropriation	1,559,256	1,558,756	1,721,903	163,147
Charges to Appropriation (Outflow):				
Public works	225,000	225,000	-	225,000
Total Charges to Appropriations	225,000	225,000	-	225,000
Budgetary Fund Balance, June 30	\$ 1,334,256	\$ 1,333,756	\$ 1,721,903	\$ 388,147

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
INFRASTRUCTURE
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 239,890	\$ 239,890	\$ 239,890	\$ -
Resources (Inflows):				
Intergovernmental	-	-	293,476	293,476
Use of money and property	-	500	7,669	7,169
Amounts Available for Appropriation	239,890	240,390	541,035	300,645
Charges to Appropriation (Outflow):				
Capital outlay	-	279,008	12,598	266,410
Transfers out	-	-	146,646	(146,646)
Total Charges to Appropriations	-	279,008	159,244	119,764
Budgetary Fund Balance, June 30	\$ 239,890	\$ (38,618)	\$ 381,791	\$ 420,409

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
REFUSE FEE IMPOUND
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (129,241)	\$ (129,241)	\$ (129,241)	\$ -
Resources (Inflows):				
Use of money and property	10,000	10,000	351,022	341,022
Developer participation	105,500	105,500	-	(105,500)
Amounts Available for Appropriation	(13,741)	(13,741)	221,781	235,522
Charges to Appropriation (Outflow):				
General government	111,901	111,901	51,970	59,931
Public safety	3,500	3,500	3,358	142
Total Charges to Appropriations	115,401	115,401	55,328	60,073
Budgetary Fund Balance, June 30	\$ (129,142)	\$ (129,142)	\$ 166,453	\$ 295,595

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
MONTCLAIR YOUTH SPONSORSHIP
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 72,461	\$ 72,461	\$ 72,461	\$ -
Resources (Inflows):				
Use of money and property	1,800	1,800	8,496	6,696
Miscellaneous	10,000	10,000	8,191	(1,809)
Amounts Available for Appropriation	84,261	84,261	89,148	4,887
Charges to Appropriation (Outflow):				
Community development	-	-	8,805	(8,805)
Total Charges to Appropriations	-	-	8,805	(8,805)
Budgetary Fund Balance, June 30	\$ 84,261	\$ 84,261	\$ 80,343	\$ (3,918)

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
MONTE VISTA GRADE SEPARATION PROJECT
YEAR ENDED JUNE 30, 2010**

	<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	\$ (2,316,629)	\$ (2,316,629)	\$ (2,316,629)	\$ -
Resources (Inflows):				
Intergovernmental	-	-	6,090,802	6,090,802
Amounts Available for Appropriation	(2,316,629)	(2,316,629)	3,774,173	6,090,802
Charges to Appropriation (Outflow):				
Capital outlay	-	16,451,510	4,760,326	11,691,184
Total Charges to Appropriations	-	16,451,510	4,760,326	11,691,184
Budgetary Fund Balance, June 30	\$ (2,316,629)	\$ (18,768,139)	\$ (986,153)	\$ 17,781,986

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
RAMONA GRADE SEPARATION PROJECT
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,859,602	\$ 1,859,602	\$ 1,859,602	\$ -
Resources (Inflows):				
Intergovernmental	-	-	5,039,646	5,039,646
Use of money and property	-	-	871	871
Amounts Available for Appropriation	1,859,602	1,859,602	6,900,119	5,040,517
Charges to Appropriation (Outflow):				
Capital outlay	-	1,964,662	6,916,406	(4,951,744)
Total Charges to Appropriations	-	1,964,662	6,916,406	(4,951,744)
Budgetary Fund Balance, June 30	\$ 1,859,602	\$ (105,060)	\$ (16,287)	\$ 88,773

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
CITY FACILITY IMPROVEMENT
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 883,137	\$ 883,137	\$ 883,137	\$ -
Resources (Inflows):				
Intergovernmental	-	-	148,000	148,000
Use of money and property	30,000	30,000	10,066	(19,934)
Transfers in	-	-	2,213,704	2,213,704
Amounts Available for Appropriation	913,137	913,137	3,254,907	2,341,770
Charges to Appropriation (Outflow):				
Public safety	-	165,900	26,404	139,496
Capital outlay	-	856,773	167,796	688,977
Transfers out	-	-	865,113	(865,113)
Total Charges to Appropriations	-	1,022,673	1,059,313	(36,640)
Budgetary Fund Balance, June 30	\$ 913,137	\$ (109,536)	\$ 2,195,594	\$ 2,305,130

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
SENIOR/YOUTH CENTERS CAPITAL PROJECT
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (406,673)	\$ (406,673)	\$ (406,673)	\$ -
Resources (Inflows):				
Transfers in	-	-	4,267,656	4,267,656
Amounts Available for Appropriation	(406,673)	(406,673)	3,860,983	4,267,656
Charges to Appropriation (Outflow):				
Capital outlay	-	9,317,464	6,083,371	3,234,093
Total Charges to Appropriations	-	9,317,464	6,083,371	3,234,093
Budgetary Fund Balance, June 30	\$ (406,673)	\$ (9,724,137)	\$ (2,222,388)	\$ 7,501,749

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
PARKING LOT EXPANSION
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (1,264)	\$ (1,264)	\$ (1,264)	\$ -
Charges to Appropriation (Outflow):				
Capital outlay	-	1,973,994	97	1,973,897
Total Charges to Appropriations	-	1,973,994	97	1,973,897
Budgetary Fund Balance, June 30	\$ (1,264)	\$ (1,975,258)	\$ (1,361)	\$ 1,973,897

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
MONTCLAIR REDEVELOPMENT AGENCY - CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1 as restated	\$ 47,772,179	\$ 47,772,179	\$ 47,772,179	\$ -
Resources (Inflows):				
Taxes	2,264,400	2,264,400	2,494,637	230,237
Intergovernmental	35,000	35,000	-	(35,000)
Use of money and property	334,177	334,177	448,550	114,373
Miscellaneous	-	-	36,338	36,338
Transfers in	-	-	2,867,092	2,867,092
Other debts issued	200,000	200,000	-	(200,000)
Amounts Available for Appropriation	50,605,756	50,605,756	53,618,796	3,013,040
Charges to Appropriation (Outflow):				
General government	10,643,764	10,643,764	1,668,752	8,975,012
Community development	4,797,840	4,797,840	5,316,661	(518,821)
Public works	7,400,000	7,400,000	3,467,923	3,932,077
Capital outlay	12,681,000	12,681,000	226,638	12,454,362
Total Charges to Appropriations	35,522,604	35,522,604	10,679,974	24,842,630
Budgetary Fund Balance, June 30	\$ 15,083,152	\$ 15,083,152	\$ 42,938,822	\$ 27,855,670

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
2005 LEASE REVENUE BONDS
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 8,452,564	\$ 8,452,564	\$ 8,452,564	\$ -
Resources (Inflows):				
Use of money and property	1,000	1,000	1	(999)
Transfers in	1,920,426	1,920,426	1,920,424	(2)
Amounts Available for Appropriation	10,373,990	10,373,990	10,372,989	(1,001)
Charges to Appropriation (Outflow):				
Debt service:				
Principal retirement	-	-	615,000	(615,000)
Interest and fiscal charges	-	-	1,305,427	(1,305,427)
Transfers out	-	-	6,521,982	(6,521,982)
Total Charges to Appropriations	-	-	8,442,409	(8,442,409)
Budgetary Fund Balance, June 30	\$ 10,373,990	\$ 10,373,990	\$ 1,930,580	\$ (8,443,410)

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
MONTCLAIR REDEVELOPMENT AGENCY - DEBT SERVICE
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 16,188,504	\$ 16,188,504	\$ 16,188,504	\$ -
Resources (Inflows):				
Taxes	9,241,000	9,241,000	9,978,545	737,545
Use of money and property	175,400	175,400	126,652	(48,748)
Miscellaneous	-	-	316,785	316,785
Transfers in	4,215,165	4,215,165	-	(4,215,165)
Amounts Available for Appropriation	29,820,069	29,820,069	26,610,486	(3,209,583)
Charges to Appropriation (Outflow):				
General government	2,450,784	2,450,784	6,987,366	(4,536,582)
Debt service:				
Principal retirement	3,831,665	4,031,665	1,080,000	2,951,665
Interest and fiscal charges	3,423,067	3,423,067	3,467,956	(44,889)
Transfers out	4,215,165	4,215,165	2,867,092	1,348,073
Total Charges to Appropriations	13,920,681	14,120,681	14,402,414	(281,733)
Budgetary Fund Balance, June 30	\$ 15,899,388	\$ 15,699,388	\$ 12,208,072	\$ (3,491,316)

CITY OF MONTCLAIR

COMBINING BALANCE SHEET
AGENCY FUND
JUNE 30, 2010

	<u>Sewer Plant</u>
Assets:	
Pooled cash and investments	\$ 1,180,120
Due from other governments	<u>19,714</u>
Total Assets	<u><u>\$ 1,199,834</u></u>
Liabilities:	
Accounts payable	\$ 547,997
Due to other governments	<u>651,837</u>
Total Liabilities	<u><u>\$ 1,199,834</u></u>

CITY OF MONTCLAIR

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND
 YEAR ENDED JUNE 30, 2010

	<u>Balance 7/1/2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2010</u>
<u>Sewer Plant</u>				
Assets:				
Pooled cash and investments	\$ 372,384	\$ 807,736	\$ -	\$ 1,180,120
Due from other governments	-	19,714		19,714
Total Assets	<u>\$ 372,384</u>	<u>\$ 827,450</u>	<u>\$ -</u>	<u>\$ 1,199,834</u>
Liabilities:				
Accounts payable	\$ -	\$ 547,997	\$ -	\$ 547,997
Due to other governments	372,384	279,453	-	651,837
Total Liabilities	<u>\$ 372,384</u>	<u>\$ 827,450</u>	<u>\$ -</u>	<u>\$ 1,199,834</u>

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