

CITY OF MONTCLAIR
FINANCIAL STATEMENTS
Year Ended June 30, 2019

**CITY OF MONTCLAIR
FINANCIAL STATEMENTS
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Independent Auditor's Report

The Honorable City Council
City of Montclair, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Montclair (City), as of and for the year ended June 30, 2019, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Van Lant & Fankhanel, LLP
25901 Kellogg Street
Loma Linda, CA 92354

909.856.6879

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Montclair, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The schedules listed in the Supplementary Information section of the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules listed in the Supplementary Information section of the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of

America. In our opinion, the schedules listed in the Supplementary Information section of the table of contents are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 12, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Van Lant + Fankhaed, LLP

December 12, 2019



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BASIC FINANCIAL STATEMENTS

City of Montclair
Statement of Net Position
June 30, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Pooled Cash and Investments	\$ 51,683,510	\$ 4,328,114	\$ 56,011,624
Receivables:			
Accounts	2,668,644	501,623	3,170,267
Notes and Loans	2,604,908	-	2,604,908
Accrued Interest	170,931	-	170,931
Internal Balances	30,081	(30,081)	-
Prepaid Costs	253,676	-	253,676
Due From Other Governments	3,123,848	125,684	3,249,532
Restricted Assets:			
Cash with Fiscal Agent	360,194	-	360,194
Capital Assets Not Being Depreciated	22,577,235	-	22,577,235
Capital Assets, Net of Accumulated Depreciation	83,168,004	2,267,447	85,435,451
Total Assets	<u>166,641,031</u>	<u>7,192,787</u>	<u>173,833,818</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflow - Bond Refunding	248,625	-	248,625
Deferred Outflows Related to OPEB	530,093	23,470	553,563
Deferred Outflows Related to Pensions	12,923,973	449,245	13,373,218
Total Deferred Outflows of Resources	<u>13,702,691</u>	<u>472,715</u>	<u>14,175,406</u>
LIABILITIES			
Accounts Payable	2,118,907	597,108	2,716,015
Accrued Liabilities	295,144	14,656	309,800
Accrued Interest	433,248	-	433,248
Deposits Payable	321,244	-	321,244
Due to Other Governments	87,457	-	87,457
Noncurrent Liabilities:			
Due Within One Year	1,865,209	6,522	1,871,731
Due in More Than One Year	122,550,695	2,871,892	125,422,587
Total Liabilities	<u>127,671,904</u>	<u>3,490,178</u>	<u>131,162,082</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to OPEB	969,132	42,908	1,012,040
Deferred Inflows Related to Pensions	1,907,420	28,054	1,935,474
Total Deferred Inflows of Resources	<u>2,876,552</u>	<u>70,962</u>	<u>2,947,514</u>
NET POSITION			
Net Investment in Capital Assets	62,658,957	2,267,447	64,926,404
Restricted for:			
Housing	5,787,177	-	5,787,177
Public Safety	1,117,601	-	1,117,601
Transportation	3,356,244	-	3,356,244
Community Development	20,079,249	-	20,079,249
Debt Service	-	-	-
Unrestricted	(43,203,962)	1,836,915	(41,367,047)
Total Net Position	<u>\$ 49,795,266</u>	<u>\$ 4,104,362</u>	<u>\$ 53,899,628</u>

The accompanying notes are an integral part of this statement.

City of Montclair
Statement of Activities
Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ (14,187,833)	\$ 2,318,489	\$ 24,200	\$ -
Public Safety	(19,193,036)	900,757	480,546	-
Community Development	(4,621,770)	1,252,112	625,232	39,297
Public Works	(4,361,460)	3,468,293	19,967	9,644,341
Interest on Long-Term Debt	(1,726,462)	-	-	-
Total Governmental Activities	<u>(44,090,561)</u>	<u>7,939,651</u>	<u>1,149,945</u>	<u>9,683,638</u>
Business-type Activities:				
Sewer Maintenance	<u>(4,682,947)</u>	<u>5,069,108</u>	<u>-</u>	<u>-</u>
Total Business-type Activities	<u>(4,682,947)</u>	<u>5,069,108</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ (48,773,508)</u>	<u>\$ 13,008,759</u>	<u>\$ 1,149,945</u>	<u>\$ 9,683,638</u>

General Revenues:

Taxes:

- Property Taxes
- Transient Occupancy Taxes
- Sales Taxes
- Franchise Taxes
- Business Licenses Taxes
- Utility Users Tax
- Other Taxes

Miscellaneous Revenues

Interest Income

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (11,845,144)	\$ -	\$ (11,845,144)
(17,811,733)	-	(17,811,733)
(2,705,129)	-	(2,705,129)
8,771,141	-	8,771,141
<u>(1,726,462)</u>	<u>-</u>	<u>(1,726,462)</u>
<u>(25,317,327)</u>	<u>-</u>	<u>(25,317,327)</u>
<u>-</u>	<u>386,161</u>	<u>386,161</u>
<u>-</u>	<u>386,161</u>	<u>386,161</u>
<u>(25,317,327)</u>	<u>386,161</u>	<u>(24,931,166)</u>
7,919,911	-	7,919,911
71,803	-	71,803
16,943,285	-	16,943,285
769,813	-	769,813
802,854	-	802,854
1,693,823	-	1,693,823
18,877	-	18,877
465,410	-	465,410
1,077,756	24,682	1,102,438
<u>30,081</u>	<u>(30,081)</u>	<u>-</u>
<u>29,793,613</u>	<u>(5,399)</u>	<u>29,788,214</u>
4,476,286	380,762	4,857,048
<u>45,318,980</u>	<u>3,723,600</u>	<u>49,042,580</u>
<u>\$ 49,795,266</u>	<u>\$ 4,104,362</u>	<u>\$ 53,899,628</u>

The accompanying notes are an integral part of this statement.

City of Montclair
Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	Capital Projects		Infrastructure
		2014 Refunding Bonds	Successor Agency Bonds	
ASSETS				
Pooled Cash and Investments	\$ 10,552,368	\$ 8,116,990	\$ 13,899,034	\$ 142,583
Receivables:				
Accounts	2,368,061	-	-	7,734
Notes and Loans	5,000	-	-	-
Accrued Interest	54,609	17,073	88,660	-
Prepaid Costs	249,458	-	-	-
Due from Other Governments	2,795,342	-	-	-
Due from Other Funds	163,146	-	-	445,174
Advances to Other Funds	-	-	-	210,449
Restricted Assets:				
Cash and Investments with Fiscal Agents	-	360,194	-	-
Total Assets	\$ 16,187,984	\$ 8,494,257	\$ 13,987,694	\$ 805,940
LIABILITIES				
Accounts Payable	\$ 1,030,927	\$ 40,749	\$ 27,292	\$ 689,331
Accrued Liabilities	231,883	-	-	-
Deposits Payable	252,949	-	-	-
Due to Other Governments	83,453	-	-	-
Due to Other Funds	22,697	-	-	-
Advances from Other Funds	-	-	-	-
Total Liabilities	1,621,909	40,749	27,292	689,331
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Grants	163,800	-	-	-
Total Deferred Inflows of Resources	163,800	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	249,458	-	-	-
Restricted	-	8,453,508	13,960,402	-
Committed	-	-	-	-
Assigned	6,193,885	-	-	116,609
Unassigned	7,958,932	-	-	-
Total Fund Balances (Deficits)	14,402,275	8,453,508	13,960,402	116,609
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 16,187,984	\$ 8,494,257	\$ 13,987,694	\$ 805,940

The accompanying notes are an integral part of this statement.

<u>Capital Projects</u>			
<u>PUC</u>	<u>Development</u>	<u>Other</u>	<u>Total</u>
<u>Reimbursement</u>	<u>Impact Fee</u>	<u>Governmental</u>	<u>Governmental</u>
		<u>Funds</u>	<u>Funds</u>
\$ 2,104,979	\$ 978,285	\$ 15,889,271	\$ 51,683,510
-	-	292,849	2,668,644
-	-	2,599,908	2,604,908
-	-	10,589	170,931
-	-	4,218	253,676
-	-	328,506	3,123,848
-	-	22,697	631,017
-	-	411,622	622,071
-	-	-	360,194
<u>\$ 2,104,979</u>	<u>\$ 978,285</u>	<u>\$ 19,559,660</u>	<u>\$ 62,118,799</u>
\$ -	\$ -	\$ 330,608	\$ 2,118,907
-	-	63,261	295,144
-	-	68,295	321,244
-	-	4,004	87,457
414,998	-	163,241	600,936
-	622,071	-	622,071
<u>414,998</u>	<u>622,071</u>	<u>629,409</u>	<u>4,045,759</u>
-	-	-	163,800
-	-	-	163,800
-	-	4,218	253,676
1,689,981	356,214	18,952,537	43,412,642
-	-	-	-
-	-	-	6,310,494
-	-	(26,504)	7,932,428
<u>1,689,981</u>	<u>356,214</u>	<u>18,930,251</u>	<u>57,909,240</u>
<u>\$ 2,104,979</u>	<u>\$ 978,285</u>	<u>\$ 19,559,660</u>	<u>\$ 62,118,799</u>

The accompanying notes are an integral part of this statement.

City of Montclair
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2019

Fund Balances of Governmental Funds		\$ 57,909,240
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		105,745,239
Long-term debt and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds		(43,334,907)
Claims and Judgements		(2,049,706)
Compensated Absences		(1,749,400)
Net Pension Liability		(66,162,256)
Net OPEB Liability		(11,119,635)
Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.		(433,248)
Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability and Net OPEB Liability are not reported in the funds.		
Deferred Outflows Related to Pensions		12,923,973
Deferred Inflows Related to Pensions		(1,907,420)
Deferred Outflows Related to OPEB		530,093
Deferred Inflows Related to OPEB		(969,132)
Amounts for deferred outflows related to the City's defeasance of prior bonds are not reported in the funds.		248,625
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported as available revenues in the funds.		163,800
Net Position of Governmental Activities		<u>\$ 49,795,266</u>

The accompanying notes are an integral part of this statement.



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City of Montclair
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2019

	General Fund	Capital Projects		Infrastructure
		2014 Refunding Bonds	Successor Agency Bonds	
REVENUES				
Taxes	\$ 27,660,116	\$ -	\$ -	\$ -
Licenses and Permits	640,316	-	-	-
Intergovernmental	156,169	-	-	21,990
Charges for Services	4,117,618	-	-	-
Use of Money and Property	526,094	195,289	402,048	-
Fines and Forfeitures	460,747	-	-	-
Miscellaneous	235,460	25,000	-	-
Total Revenues	33,796,520	220,289	402,048	21,990
EXPENDITURES				
Current:				
General Government	9,908,802	-	-	-
Public Safety	14,995,600	-	-	-
Community Development	2,224,199	-	-	-
Public Works	3,297,882	2,804,428	415,110	-
Capital Outlay	487,927	-	-	2,619,619
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	30,914,410	2,804,428	415,110	2,619,619
Excess (Deficiency) of Revenues Over Expenditures	2,882,110	(2,584,139)	(13,062)	(2,597,629)
OTHER FINANCING SOURCES (USES)				
Transfers In	159,997	-	-	3,408,731
Transfers Out	(2,702,991)	-	-	(116,007)
Total Other Financing Sources (Uses)	(2,542,994)	-	-	3,292,724
Net Change in Fund Balances	339,116	(2,584,139)	(13,062)	695,095
Fund Balance, Beginning of Year	14,063,159	11,037,647	13,973,464	(578,486)
Fund Balance, End of Year	\$ 14,402,275	\$ 8,453,508	\$ 13,960,402	\$ 116,609

The accompanying notes are an integral part of this statement.

Capital Projects			
PUC Reimbursement	Development Impact Fee	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 2,058,086	\$ 29,718,202
-	-	-	640,316
5,000,000	-	3,855,641	9,033,800
-	1,339,726	314,231	5,771,575
-	-	1,049,959	2,173,390
-	-	286,904	747,651
-	-	158,232	418,692
<u>5,000,000</u>	<u>1,339,726</u>	<u>7,723,053</u>	<u>48,503,626</u>
-	-	1,248,162	11,156,964
-	-	1,104,906	16,100,506
-	-	2,395,121	4,619,320
-	3,876	865,032	7,386,328
-	-	13,641	3,121,187
-	-	820,000	820,000
-	-	1,780,538	1,780,538
<u>-</u>	<u>3,876</u>	<u>8,227,400</u>	<u>44,984,843</u>
<u>5,000,000</u>	<u>1,335,850</u>	<u>(504,347)</u>	<u>3,518,783</u>
-	110,228	2,748,733	6,427,689
(3,310,019)	(7,446)	(261,145)	(6,397,608)
<u>(3,310,019)</u>	<u>102,782</u>	<u>2,487,588</u>	<u>30,081</u>
1,689,981	1,438,632	1,983,241	3,548,864
-	(1,082,418)	16,947,010	54,360,376
<u>\$ 1,689,981</u>	<u>\$ 356,214</u>	<u>\$ 18,930,251</u>	<u>\$ 57,909,240</u>

The accompanying notes are an integral part of this statement.

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, 2019

Net Change in Fund Balances - Total Governmental Funds	\$	3,548,864
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as an expenditures. However in the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense.		
Acquisition of Capital Assets		6,243,532
Depreciation Expense		(4,413,795)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the Statement of Activities.		
Debt Issuance		-
Amortization of Premium on Refunding Bond		55,573
Principal Repayments		820,000
Amortization of Deferred Outflow on Refunding		(9,563)
Claims and judgments expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.		
		625,451
Accrued interest payable is not reported in the governmental funds.		
		8,066
To record the net change in compensated absences in the Statement of Activities.		
		23,519
Some revenues reported in the Statement of Activities are not considered to be available to finance current expenditures and therefore are not reported as revenues in the governmental funds.		
		33,140
Some expenses reported in the Statement of Activities relating to pensions and OPEB do not require the use of current financial resources and are not reported as governmental fund expenditures.		
Net change in Deferred Outflows Related to Pensions		(1,152,565)
Net change in Deferred Inflows Related to Pensions		63,005
Net change in Net Pension Liability		(1,421,857)
Net change in Deferred Outflows Related to OPEB		20,999
Net change in Deferred Inflows Related to OPEB		(152,624)
Net change in Net OPEB Liability		184,541
Change in Net Position of Governmental Activities	\$	4,476,286

The accompanying notes are an integral part of this statement.

City of Montclair
Statement of Net Position
Proprietary Funds
June 30, 2019

	<u>Business-Type Activities - Enterprise Funds Sewer Maintenance Fund</u>
ASSETS	
Current:	
Pooled Cash and Investments	\$ 4,328,114
Receivables:	
Accounts (net of allowance)	501,623
Due from Other Governments	<u>125,684</u>
Total Current Assets	<u>4,955,421</u>
Noncurrent:	
Capital Assets Not Being Depreciated	-
Capital Assets - Net of Accumulated Depreciation	<u>2,267,447</u>
Total Noncurrent Assets	<u>2,267,447</u>
Total Assets	<u>7,222,868</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to OPEB	23,470
Deferred Outflows Related to Pensions	<u>449,245</u>
Total Deferred Outflows of Resources	<u>472,715</u>
LIABILITIES	
Current:	
Accounts Payable	597,108
Accrued Liabilities	14,656
Due to Other Funds	30,081
Accrued Compensated Absences	<u>6,522</u>
Total Current Liabilities	<u>648,367</u>
Noncurrent:	
Accrued Compensated Absences	68,427
OPEB Liability	492,323
Net Pension Liability	<u>2,311,142</u>
Total Noncurrent Liabilities	<u>2,871,892</u>
Total Liabilities	<u>3,520,259</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to OPEB	42,908
Deferred Inflows Related to Pensions	<u>28,054</u>
Total Deferred Inflows of Resources	<u>70,962</u>
NET POSITION	
Net Investment in Capital Assets	2,267,447
Unrestricted	<u>1,836,915</u>
Total Net Position	<u><u>\$ 4,104,362</u></u>

The accompanying notes are an integral part of this statement.

City of Montclair
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2019

	<u>Business-Type Activities - Enterprise Funds Sewer Maintenance Fund</u>
OPERATING REVENUES	
Sales and Service Charges	<u>\$ 5,069,108</u>
Total Operating Revenues	<u>5,069,108</u>
OPERATING EXPENSES	
Salaries and Benefits	1,061,076
Supplies and Services	260,251
Treatment	3,288,064
Depreciation Expense	<u>73,556</u>
Total Operating Expenses	<u>4,682,947</u>
Operating Income (Loss)	<u>386,161</u>
NONOPERATING REVENUES (EXPENSES)	
Interest Revenue	<u>24,682</u>
Total Nonoperating Revenues (Expenses)	<u>24,682</u>
Income Before Transfers	410,843
Transfers Out	<u>(30,081)</u>
Changes in Net Position	380,762
Net Position, Beginning of Year	<u>3,723,600</u>
Net Position, End of Fiscal Year	<u><u>\$ 4,104,362</u></u>

The accompanying notes are an integral part of this statement.

City of Montclair
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2019

	<u>Business-Type Activities - Enterprise Funds Sewer Maintenance Fund</u>
Cash Flows from Operating Activities	
Cash Received from Customers and Users	\$ 5,210,375
Cash Paid to Suppliers for Goods and Services	(3,524,216)
Cash Paid to Employees for Services	(997,137)
Net Cash Provided (Used) by Operating Activities	<u>689,022</u>
Cash Flows from Non-Capital Financing Activities	
Cash Received From (Paid to) Other Funds	25,035
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>25,035</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition of Capital Assets	(238,680)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(238,680)</u>
Cash Flows from Investing Activities	
Interest Received	24,682
Net Cash Provided (Used) by Investing Activities	<u>24,682</u>
Net Increase (Decrease) in Cash and Cash Equivalents	500,059
Cash and Cash Equivalents at Beginning of Year	<u>3,828,055</u>
Cash and Cash Equivalents at End of Year	<u>\$ 4,328,114</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ 386,161
Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:	
Depreciation	73,556
(Increase) Decrease in Accounts Receivable	29,202
(Increase) Decrease in Due from Other Governments	112,065
(Increase) Decrease in Deferred Outflows - OPEB	(930)
(Increase) Decrease in Deferred Outflows - Pensions	(42,564)
Increase (Decrease) in Accounts Payable	24,099
Increase (Decrease) in Accrued Liabilities	(444)
Increase (Decrease) in Compensated Absences	6,754
Increase (Decrease) in Deferred Inflows - OPEB	6,757
Increase (Decrease) in Deferred Inflows - Pension	9,089
Increase (Decrease) in Total OPEB Liability	(8,171)
Increase (Decrease) in Net Pension Liability	93,448
Total Adjustments	<u>302,861</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 689,022</u>

The accompanying notes are an integral part of this statement.

City of Montclair
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	Successor Agency Private-purpose Trust Fund	Agency Fund
ASSETS		
Pooled Cash and Investments	\$ 120,794	\$ 3,100,362
Restricted Cash with Fiscal Agent	6,906,668	-
Due from Governments	74,751	-
	7,102,213	3,100,362
Total Assets	7,102,213	\$ 3,100,362
LIABILITIES		
Accounts Payable	-	\$ -
Accrued Liabilities	3,402	-
Due to Other Governments	-	3,100,362
Interest Payable	594,679	-
Bonds Payable	40,160,000	-
	40,758,081	3,100,362
Total Liabilities	40,758,081	\$ 3,100,362
NET POSITION		
Net Position Held in Trust for Successor Agency	\$ (33,655,868)	

The accompanying notes are an integral part of this statement.

City of Montclair
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2019

	<u>Successor Agency Private-purpose Trust Fund</u>
ADDITIONS	
Taxes	\$ 18,070,783
Investment Income	108,013
Other Revenue	<u>88,552</u>
Total Additions	<u>18,267,348</u>
DEDUCTIONS	
Administrative Costs	384,236
Pass-through Payments	13,952,606
Interest on Bonds	<u>2,061,275</u>
Total Deductions	<u>16,398,117</u>
Change in Net Position	1,869,231
Net Position - Beginning of Year	<u>(35,525,099)</u>
Net Position - End of Year	<u><u>\$ (33,655,868)</u></u>

The accompanying notes are an integral part of this statement.

City of Montclair
Notes to Financial Statements
June 30, 2019

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Description of Entity

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

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

Blended Component Units

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

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

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

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

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

B) Government-Wide and Fund Financial Statements

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

City of Montclair
Notes to Financial Statements
June 30, 2019

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not 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 revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The City reports the following major governmental funds:

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

The *2014 Refunding Bonds Fund* accounts for the debt proceeds yet to be expended.

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

The *Infrastructure Capital Projects Fund* accounts for amounts committed by the City Council to be expended on various capital improvement projects, to be funded by multiple City funding sources, including federal grants.

City of Montclair
Notes to Financial Statements
June 30, 2019

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The *Development Impact Fee Capital Projects Fund* accounts for impact fees collected from to developers to be expended on various capital improvements.

The *PUC Reimbursement Capital Projects Fund* accounts for monies received from the Public Utilities Commission for reimbursement of right of way acquisitions of property for the Monte Vista Grade Separation Project. By agreement with the San Bernardino County Transportation Authority these have been restricted for use on that project as a buy down of the total construction costs.

The City reports the following major proprietary fund:

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

Additionally, the City reports the following fund types:

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

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

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

D) Assets, Liabilities and Net Position or Equity

Deposits and Investments

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

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

City of Montclair
Notes to Financial Statements
June 30, 2019

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

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

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

Property Tax Calendar

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

Functional Classifications

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

- General Government includes legislative activities which have a primary objective of providing legal and policy guidelines for the City. Also included in this classification are those activities which provide management or support services across more than one functional area.
- Public Safety includes those activities which involve the protection of people and property.
- Community Development includes those activities which involve the enhancing of the general quality of life.

City of Montclair
Notes to Financial Statements
June 30, 2019

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

- Public Works includes those activities which involve the maintenance and improvement of City streets, roads and park development and maintenance.
- Debt Service includes those activities that account for the payment of long-term principal, interest and fiscal charges.

Prepaid Items

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

Restricted Assets

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

Capital Assets

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

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

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

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

Compensated Absences

Compensated absences are the City's liabilities for future vacation, sick and other leave benefits. The 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.

City of Montclair
Notes to Financial Statements
June 30, 2019

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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 or her regular annual entitlement without approval of the City Manager.

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

Pensions

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

Other Postemployment Benefits

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used: June 30, 2018 Valuation Date, June 30, 2018 Measurement Date, July 1, 2017 through June 30, 2018 Measurement Period.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other 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, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

City of Montclair
Notes to Financial Statements
June 30, 2019

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City reports deferred outflows as a result of the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments, grant receivables, and other miscellaneous receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the City reports deferred inflows related to pensions as a result of the implementation of GASB Statement No. 68.

Net Position

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

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

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

Net Position Flow Assumption

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

Fund Balances

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

City of Montclair
Notes to Financial Statements
June 30, 2019

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

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

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

Committed Fund Balance - Amounts constrained for a specific purpose by City Council action. It would require the same action by City Council to remove the constraint. Currently, the City does not report any committed fund balance.

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

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

E) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

The Governmental Accounting Standards Board has issued the following Statements, which may affect the City's financial reporting requirements in the future:

GASB 84 - Fiduciary Activities: This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

GASB 87 – Leases: This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB 89 – Accounting for Interest Cost Incurred before the End of a Construction Period: This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

City of Montclair
Notes to Financial Statements
June 30, 2019

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

GASB 90 – Majority Equity Interests: The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

GASB 91 - Conduit Debt Obligations: The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balances

The following non-major funds have deficit fund balances at June 30, 2019:

Special Revenue Funds:		
CDBG	\$	1,642
Fire Department		24,862

These deficits will be funded with future years' revenues.

3) CASH AND INVESTMENTS

As of June 30, 2019, cash and investments were reported in the accompanying financial statements as follows:

Governmental Activities	\$	52,043,704
Business-Type Activities		4,328,114
Fiduciary Funds		10,127,824
Total Cash and Investments	\$	66,499,642

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

Deposits

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.

City of Montclair
Notes to Financial Statements
June 30, 2019

3) CASH AND INVESTMENTS – Continued

Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

Investments

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

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

Investments Authorized by Debt Agreements

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

Investment in State Investment Pool

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

GASB Statement No. 31

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

City of Montclair
Notes to Financial Statements
June 30, 2019

3) CASH AND INVESTMENTS – Continued

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, 2019, 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 "AA" by Moody's and by S&P. The City's investments in various State and local agency bonds are rated "A" or better 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, 2019, the City's investments in external investment pools and money market mutual funds are unrated.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. As of June 30, 2019, 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, 2019, 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 following investments exceed 5% of total investments: Federal Farm Credit Bank – 25.34%.

Interest Rate Risk

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy states that at least 15% of the City's portfolio shall mature in one year or less, and 50% in three years or less. The only exception to these maturity limits shall be the investment of the gross proceeds of tax-exempt bonds. As of June 30, 2019, 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 5 Years	5 to 8 Years	
Local Agency Investment Fund	\$ 18,572,594	\$ -	\$ -	\$ -	\$ 18,572,594
Federal Farm Credit Bank	2,990,970	-	5,937,500	-	8,928,470
Money Market Funds	470,313	-	-	-	470,313
Cash with Fiscal Agent:					
Money Market Mutual Funds	7,266,862	-	-	-	7,266,862
Total	\$ 29,300,739	\$ -	\$ 5,937,500	\$ -	\$ 35,238,239

City of Montclair
Notes to Financial Statements
June 30, 2019

3) CASH AND INVESTMENTS – Continued

Fair Value of Investments

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2019:

- U.S. Agency Securities of \$8,928,470 are valued using matrix pricing models (Level 2 inputs)

4) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019, was as follows:

	Beginning Balance*	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Depreciated:				
Land	\$ 10,807,072	\$ -	\$ -	\$ 10,807,072
Work in Progress	9,338,993	5,634,683	5,794,658	9,179,018
Land Improvements	2,591,145	-	-	2,591,145
Total Capital Assets Not Depreciated	<u>22,737,210</u>	<u>5,634,683</u>	<u>5,794,658</u>	<u>22,577,235</u>
Capital Assets, Being Depreciated:				
Structures and Improvements	21,311,229	126,075	-	21,437,304
Furniture and Equipment	6,324,778	739,664	-	7,064,442
Infrastructure	94,617,759	5,537,768	-	100,155,527
Total Capital Assets Being Depreciated	<u>122,253,766</u>	<u>6,403,507</u>	<u>-</u>	<u>128,657,273</u>
Less Accumulated Depreciation:				
Structures and Improvements	8,375,169	446,984	-	8,822,153
Furniture and Equipment	4,067,400	547,900	-	4,615,300
Infrastructure	28,632,905	3,418,911	-	32,051,816
Total Accumulated Depreciation	<u>41,075,474</u>	<u>4,413,795</u>	<u>-</u>	<u>45,489,269</u>
Total Capital Assets Being Depreciated, Net	<u>81,178,292</u>	<u>1,989,712</u>	<u>-</u>	<u>83,168,004</u>
Governmental Activities Capital Assets, Net	<u>\$ 103,915,502</u>	<u>\$ 7,624,395</u>	<u>\$ 5,794,658</u>	<u>\$ 105,745,239</u>

* The beginning balances of *Furniture and Equipment* and related accumulated depreciation were reduced by \$4,034,974. This has no effect on the net beginning balance of Governmental Activities Capital Assets.

City of Montclair
Notes to Financial Statements
June 30, 2019

4) CAPITAL ASSETS - Continued

Business-Type Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Depreciated:				
Work in Progress	\$ -	\$ -	\$ -	\$ -
Total Capital Assets Not Depreciated	-	-	-	-
Capital Assets, Being Depreciated:				
Sewer Lines	3,333,838	-	-	3,333,838
Infrastructure	106,985	-	-	106,985
Furniture and Equipment	905,179	238,680	-	1,143,859
Total Capital Assets Being Depreciated	4,346,002	238,680	-	4,584,682
Less Accumulated Depreciation:				
Sewer Lines	1,508,502	33,338	-	1,541,840
Infrastructure	3,566	3,566	-	7,132
Furniture and Equipment	731,611	36,652	-	768,263
Total Accumulated Depreciation	2,243,679	73,556	-	2,317,235
Total Capital Assets Being Depreciated, Net	2,102,323	165,124	-	2,267,447
Business-Type Activities Capital Assets, Net	<u>\$ 2,102,323</u>	<u>\$ 165,124</u>	<u>\$ -</u>	<u>\$ 2,267,447</u>

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

Governmental Activities:	
General Government	\$ 3,052,598
Public Safety	1,261,270
Community Development	2,450
Public Works	97,477
Total Governmental Activities	<u>\$ 4,413,795</u>
Business-Type Activities: Sewer	<u>\$ 73,556</u>

5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2019, was as follows:

		DUE FROM					Total
		2014 General Fund	Refunding Bonds	PUC Reimbursement	Non-Major Funds	Sewer Enterprise Fund	
DUE TO	General Fund	\$ -	\$ -	\$ -	\$ 163,146	\$ -	\$ 163,146
	Infrastructure Fund	22,697	-	414,998	95	7,384	445,174
	Non-Major Funds	-	-	-	-	22,697	22,697
	Total	<u>\$ 22,697</u>	<u>\$ -</u>	<u>\$ 414,998</u>	<u>\$ 163,241</u>	<u>\$ 30,081</u>	<u>\$ 631,017</u>

Interfund receivables and payables are used to loan amounts between funds to provide temporary funds for operations which will be reimbursed by tax and grant collections.

City of Montclair
Notes to Financial Statements
June 30, 2019

5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

		TRANSFERS IN				
		General	Infrastructure	Development Impact Fee	Non-Major	Total
		Fund	Fund	Fund	Funds	
TRANSFERS OUT	General Fund	\$ -	\$ -	\$ -	\$ 2,702,991	\$ 2,702,991
	Infrastructure Fund	-	-	110,228	5,779	116,007
	PUC Reimbursement	-	3,310,019	-	-	3,310,019
	Development Impact Fee	-	7,446	-	-	7,446
	Non-Major Funds	159,997	61,185	-	39,963	261,145
	Sewer Enterprise	-	30,081	-	-	30,081
	Total	\$ 159,997	\$ 3,408,731	\$ 110,228	\$ 2,748,733	\$ 6,427,689

The General Fund received \$159,997 from non-major funds in reimbursement for costs incurred applicable to grant funded programs. Non-major funds also transferred \$61,185 to the Infrastructure Fund for various capital projects. The General Fund made transfers of \$2,702,991 to non-major funds for debt service costs and to cover deficits in various funds. The PUC Reimbursement Fund transferred \$3,310,019 to the Infrastructure Fund for capital improvement projects.

Advances To/From Other Funds

Non-major governmental funds and the Infrastructure Fund advanced the Development Impact Fee Capital Projects Fund \$622,071 for costs incurred on the Monte Vista Grade Separation Project, as Measure I is providing the cash flow but the liability for project funding is borne by Regional Developer Impact Fees. These fees will repay the amount advanced over future years.

6) LONG-TERM DEBT

A) Long-Term Debt Activity

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
Lease Revenue Bonds:					
2014 Refunding Bonds	\$ 42,710,000	\$ -	\$ 820,000	\$ 41,890,000	\$ 850,000
Premium	1,500,480	-	55,573	1,444,907	55,573
Claims and Judgments	2,675,157	22,135	647,586	2,049,706	936,716
Net OPEB Liability	11,304,176	-	184,541	11,119,635	-
Net Pension Liability	64,740,399	1,421,857	-	66,162,256	-
Compensated Absences	1,772,919	1,498,651	1,522,170	1,749,400	22,920
Total	\$124,703,131	\$ 2,942,643	\$ 3,229,870	\$ 124,415,904	\$ 1,865,209
Business-type Activities:					
Compensated Absences	\$ 68,195	\$ 46,138	\$ 39,384	\$ 74,949	\$ 6,522
Net OPEB Liability	500,494	-	8,171	492,323	-
Net Pension Liability	2,217,694	93,448	-	2,311,142	-
Total	\$ 2,786,383	\$ 139,586	\$ 47,555	\$ 2,878,414	\$ 6,522

City of Montclair
Notes to Financial Statements
June 30, 2019

6) LONG-TERM DEBT – Continued

2014 Lease Revenue Refunding Bonds

During fiscal year 2014-15, the Montclair Public Financing Authority (Authority) issued \$45,000,000 of 2014 Lease Revenue Refunding Bonds. The Bonds were issued to refund the outstanding 2005 Lease Revenue Bonds, and provide funds for various public improvements and infrastructure projects. The City and the Authority have entered into a lease agreement, pursuant to which the City will make lease payments to the Authority. The Bonds are secured by these lease payments. Interest on the Bonds is payable semi-annually on April 1 and October 1 of each year, commencing April 1, 2015. The Bonds carry various interest rates ranging from 3% to 5%. Principal maturities commenced on October 1, 2015, and continue on October 1 of each year through 2049. The outstanding balance at June 30, 2019 is \$41,890,000. The annual requirements to amortize the outstanding indebtedness as of June 30, 2019, including interest, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ 850,000	\$ 1,744,887	\$ 2,594,887
2021	885,000	1,705,763	2,590,763
2022	930,000	1,660,388	2,590,388
2023	975,000	1,612,762	2,587,762
2024	1,025,000	1,562,762	2,587,762
2025 - 2029	5,800,000	7,161,994	12,961,994
2030 - 2034	6,965,000	5,946,675	12,911,675
2035 - 2039	8,785,000	4,077,300	12,862,300
2040 - 2044	10,750,000	2,093,600	12,843,600
2045 - 2046	4,925,000	198,900	5,123,900
Totals	<u>\$ 41,890,000</u>	<u>\$ 27,765,031</u>	<u>\$ 69,655,031</u>

Claims and Judgments

The City is self-insured to some extent for general liability and workers' compensation claims. For more detail, see Note 9. The balance of claims payable at June 30, 2019 is \$2,049,706.

B) Fiduciary Fund Long-Term Debt Activity

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Tax Allocation Bonds:					
2007A	\$ 20,165,000	\$ -	\$ 645,000	\$ 19,520,000	\$ 675,000
2007B	2,220,000	-	170,000	2,050,000	180,000
2006A	5,335,000	-	245,000	5,090,000	260,000
2006B	3,280,000	-	-	3,280,000	-
2004	3,655,000	-	185,000	3,470,000	195,000
2001	7,065,000	-	395,000	6,670,000	415,000
1997	105,000	-	25,000	80,000	25,000
Total	<u>\$ 41,825,000</u>	<u>\$ -</u>	<u>\$ 1,665,000</u>	<u>\$ 40,160,000</u>	<u>\$ 1,750,000</u>

City of Montclair
Notes to Financial Statements
June 30, 2019

6) LONG-TERM DEBT – Continued

Tax Allocation Bonds

2007A Taxable Allocation Refunding Bonds, Project Area III

On October 1, 2007, the former Redevelopment Agency (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 commencing on March 1, 2008. The bonds carry interest rates ranging from 3.4% to 5.00%. Serial bonds maturities begin September 1, 2008, and continue annually 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, 2019 is \$19,520,000. The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2019, including interest, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ 675,000	\$ 897,525	\$ 1,572,525
2021	705,000	869,484	1,574,484
2022	735,000	839,325	1,574,325
2023	765,000	806,494	1,571,494
2024	800,000	771,281	1,571,281
2025	835,000	734,494	1,569,494
2026	875,000	696,019	1,571,019
2027	910,000	655,856	1,565,856
2028	950,000	614,006	1,564,006
2029	1,300,000	562,569	1,862,569
2030	1,360,000	501,056	1,861,056
2031	1,420,000	436,769	1,856,769
2032	1,485,000	369,590	1,854,590
2033	1,555,000	296,375	1,851,375
2034	1,635,000	216,625	1,851,625
2035	1,715,000	132,875	1,847,875
2036	1,800,000	45,000	1,845,000
Totals	<u>\$ 19,520,000</u>	<u>\$ 9,445,343</u>	<u>\$ 28,965,343</u>

2007B Taxable Allocation Bonds, Project Area III

On October 1, 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 March 1, 2008. The bonds carry interest rates ranging from 5.17% to 6.00%.

City of Montclair
Notes to Financial Statements
June 30, 2019

6) LONG-TERM DEBT – Continued

The balance at June 30, 2019 is \$2,050,000. The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2019, including interest, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ 180,000	\$ 117,600	\$ 297,600
2021	190,000	106,500	296,500
2022	200,000	94,800	294,800
2023	210,000	82,500	292,500
2024	225,000	69,450	294,450
2025	240,000	55,500	295,500
2026	250,000	40,800	290,800
2027	270,000	25,200	295,200
2028	285,000	8,550	293,550
Totals	<u>\$ 2,050,000</u>	<u>\$ 600,900</u>	<u>\$ 2,650,900</u>

2006A Tax Allocation Refunding Bonds, Project Area V

On June 1, 2006, the Agency issued Taxable Allocation Refunding Bonds 2006A in the amount of \$8,235,000. The Bonds were issued to provide funds in accordance with a Disposition and Development Agreement, to advance refund the 1995 Tax Allocation Bonds, and 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%. The balance at June 30, 2019 is \$5,090,000. The annual requirements to amortize the outstanding bond indebtedness are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ 260,000	\$ 305,040	\$ 565,040
2021	275,000	288,589	563,589
2022	295,000	271,061	566,061
2023	310,000	252,458	562,458
2024	330,000	232,777	562,777
2025	350,000	211,868	561,868
2026	70,000	198,952	268,952
2027	75,000	194,494	269,494
2028	75,000	189,881	264,881
2029	85,000	184,961	269,961
2030	95,000	179,426	274,426
2031	100,000	173,430	273,430
2032	865,000	143,756	1,008,756
2033	925,000	88,714	1,013,714
2034	980,000	30,135	1,010,135
Totals	<u>\$ 5,090,000</u>	<u>\$ 2,945,542</u>	<u>\$ 8,035,542</u>

City of Montclair
Notes to Financial Statements
June 30, 2019

6) LONG-TERM DEBT – Continued

2006B Tax Allocation Bonds, Project Area V

On June 1, 2006, the Agency issued Tax Allocation Bonds 2006B in the amount of \$3,280,000. The bonds were issued 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%. The balance at June 30, 2019 is \$3,280,000.

The annual requirements to amortize the outstanding bond indebtedness are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ -	\$ 155,800	\$ 155,800
2021	-	155,800	155,800
2022	-	155,800	155,800
2023	-	155,800	155,800
2024	-	155,800	155,800
2025	-	155,800	155,800
2026	305,000	148,556	453,556
2027	315,000	133,831	448,831
2028	330,000	118,513	448,513
2029	345,000	102,481	447,481
2030	360,000	85,738	445,738
2031	380,000	68,163	448,163
2032	395,000	49,756	444,756
2033	415,000	30,518	445,518
2034	435,000	10,331	445,331
Totals	<u>\$ 3,280,000</u>	<u>\$ 1,682,687</u>	<u>\$ 4,962,687</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 April 1 and October 1 of each year, commencing on October 1, 2004. The bonds carry interest rates ranging from 2.00% to 5.00%. The outstanding balance at June 30, 2019 is \$3,470,000.

The annual requirements to amortize the outstanding bond indebtedness are as follows:

City of Montclair
Notes to Financial Statements
June 30, 2019

6) LONG-TERM DEBT – Continued

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ 195,000	\$ 168,625	\$ 363,625
2021	205,000	158,625	363,625
2022	215,000	148,125	363,125
2023	225,000	137,125	362,125
2024	240,000	125,500	365,500
2025	250,000	113,250	363,250
2026	265,000	100,375	365,375
2027	275,000	86,875	361,875
2028	290,000	72,750	362,750
2029	305,000	57,875	362,875
2030	320,000	42,250	362,250
2031	335,000	25,875	360,875
2032	350,000	8,750	358,750
Totals	<u>\$ 3,470,000</u>	<u>\$ 1,246,000</u>	<u>\$ 4,716,000</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 1992 Tax Allocation Bonds and the 1995 Tax Allocation Bonds. Interest on the bonds is payable semi-annually on April 1 and October 1 of each year, commencing October 1, 2001. The bonds carry interest rates ranging from 5.00% to 5.30%. The outstanding balance as of June 30, 2019 is \$6,670,000. The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2019, including interest, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ 415,000	\$ 340,585	\$ 755,585
2021	435,000	319,335	754,335
2022	455,000	296,403	751,403
2023	480,000	271,625	751,625
2024	505,000	245,522	750,522
2025	535,000	217,963	752,963
2026	560,000	188,945	748,945
2027	590,000	158,470	748,470
2028	625,000	126,272	751,272
2029	655,000	92,353	747,353
2030	690,000	56,710	746,710
2031	725,000	19,212	744,212
Totals	<u>\$ 6,670,000</u>	<u>\$ 2,333,395</u>	<u>\$ 9,003,395</u>

City of Montclair
Notes to Financial Statements
June 30, 2019

6) LONG-TERM DEBT – Continued

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, 2019 is \$80,000. The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2019, including interest, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ 25,000	\$ 5,670	\$ 30,670
2021	25,000	3,570	28,570
2022	30,000	1,260	31,260
Totals	\$ 80,000	\$ 10,500	\$ 90,500

Dissolution of the former Redevelopment Agency

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

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

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

The former Redevelopment Agency pledged, as security for bonds it issued, a portion of the tax increment revenue that it would have received. The Successor Agency currently receives distributions from the RPTTF, as described above, to pay the debt service on the outstanding bonds. The Successor Agency appropriates each year, from these resources, amounts sufficient to cover the principal and interest requirements on the debt. Total principal and interest remaining on the debt is \$62,166,103 with debt service requirements as indicated above.

Below is a summarization, by project area, which shows the gross amount of property taxes, and county and tax entity payments made for the fiscal year:

City of Montclair
Notes to Financial Statements
June 30, 2019

6) LONG-TERM DEBT – Continued

Items	Project Area I	Project Area II	Project Area III	Project Area IV	Project Area V	Mission Blvd Project Area	Total
City of Montclair as Successor Agency for the City of Montclair Redevelopment Agency							
<u>Allocations to Redevelopment Obligation</u>							
<u>Retirement Fund (RORF)</u>							
Tax Increment Collections	\$ 171,668	\$ -	\$ 6,834,644	\$ 2,916,609	\$ 6,512,615	\$ 1,635,246	\$ 18,070,782
County Administration Charges	(764)	-	(30,083)	(12,891)	(28,716)	(7,104)	(79,558)
Payments to Taxing Entities	(136,200)	-	(4,816,719)	(2,492,632)	(4,905,881)	(1,601,174)	(13,952,606)
Net Tax Increment Available for Debt Service	<u>\$ 34,704</u>	<u>\$ -</u>	<u>\$ 1,987,842</u>	<u>\$ 411,086</u>	<u>\$ 1,578,018</u>	<u>\$ 26,968</u>	<u>\$ 4,038,618</u>

7) PENSIONS PLANS

General Information about the Pension Plans

Plan Description – All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-sharing Multiple-employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees’ Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool. Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors nine rate plans (three miscellaneous and six safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2017 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2017 actuarial valuation report. This report is a publicly available valuation report that can be obtained at CalPERS’ website under Forms and Publications.

The rate plan provisions and benefits in effect at June 30, 2019, are summarized as follows:

	Miscellaneous		
	Prior to June 21, 2010	On or after June 21, 2010	On or after January 1, 2013
Hire date			
Benefit formula	3% @ 60	2% @ 60	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	50
Monthly benefits, as a % of eligible compensation	(1)	(1)	(1)
Required employee contribution rates	8%	7%	6.25%
Required employer contribution rates	9.802% + \$1,631,472	9.802%	9.802%

City of Montclair
Notes to Financial Statements
June 30, 2019

7) PENSIONS PLANS – Continued

	Safety - Police		
	Prior to June 27, 2005	On or after June 27, 2005	On or after January 1, 2013
Hire date			
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	50
Monthly benefits, as a % of eligible compensation	(1)	(1)	(1)
Required employee contribution rates	9%	9%	11.5%
Required employer contribution rates	20.556% + \$1,242,221	18.677% + \$28,970	12.141% + \$3,683

	Safety - Fire		
	Prior to June 27, 2005	On or after June 27, 2005	On or after January 1, 2013
Hire date			
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	50
Monthly benefits, as a % of eligible compensation	(1)	(1)	(1)
Required employee contribution rates	9%	9%	12.25%
Required employer contribution rates	22.346% + \$1,126,996	20.416% + \$13,591	12.965% + \$458

(1) - Depending on years of service

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

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. The City’s required contribution for the unfunded liability was \$4,047,391 in fiscal year 2019.

The City’s contributions to the Plan for the year ended June 30, 2019 were \$5,540,282.

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

As of June 30, 2019, the City reported a liability of \$68,473,398 for its proportionate share of the net pension liability. The City’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

City of Montclair
Notes to Financial Statements
June 30, 2019

7) PENSIONS PLANS – Continued

The City's proportionate share of the Plan's net pension liability as of June 30, 2017 and 2018 was as follows:

Proportion - June 30, 2017	0.40340%
Proportion - June 30, 2018	0.71058%
Change - Increase (Decrease)	0.30718%

For the year ended June 30, 2019, the City recognized pension expense of \$9,069,069. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 5,540,282	\$ -
Differences between actual and expected experience	1,575,411	-
Changes in assumptions	5,845,237	-
Change in employer's proportion	-	443,333
Differences between the employer's contributions and the employer's proportionate share of contributions	-	1,492,141
Net differences between projected and actual earnings on plan investments	412,288	-
Total	<u>\$ 13,373,218</u>	<u>\$ 1,935,474</u>

\$5,540,282 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	
2020	\$ 5,556,635
2021	3,075,073
2022	(2,201,881)
2023	(532,365)
2024	-
Thereafter	-

Actuarial Assumptions – The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

City of Montclair
Notes to Financial Statements
June 30, 2019

7) PENSIONS PLANS – Continued

Valuation date	June 30, 2017
Measurement date	June 30, 2018
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.75%
Payroll growth	3.00%
Projected salary increase	(1)
Investment rate of return	7.15%
Mortality	(2)

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

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

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Long-term Expected Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows.

Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund.

The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	50%	4.80%	5.98%
Global Fixed Income	28%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	-	-0.92%

(1) An expected inflation of 2.0% used for this period.

(2) An expected inflation of 2.92% used for this period.

City of Montclair
Notes to Financial Statements
June 30, 2019

7) PENSIONS PLANS – Continued

Discount Rate - The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

1% Decrease	6.15%
Net Pension Liability	\$ 99,216,880
Current Discount Rate	7.15%
Net Pension Liability	\$ 68,473,398
1% Increase	8.15%
Net Pension Liability	\$ 43,209,517

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

Payable to the Pension Plan

At June 30, 2019, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2019.

8) OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS

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

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

City of Montclair
Notes to Financial Statements
June 30, 2019

8) OTHER POSTEMPLOYMENT BENEFITS - Continued

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

- 1) 48 consecutive months of City employment in a management position contiguous to retirement date.
- 2) PEPRAs Employees must be age 52 to retire under CalPERS.
- 3) Hired < 7/1/04, retired < 7/1/20. Active single cap currently \$825 for SBPEA and Fire, \$875 for Management, and \$948.75 for Police (generally unchanged since 2008/09).
- 4) Cap can be used towards spouse premium. All other caps can only be used toward retiree premium.

Employees Covered by Benefit Terms – As of the June 30, 2018 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Retirees or spouses of retirees currently receiving benefits	100
Inactives entitled to but not yet receiving benefits	3
Active employees	151
Total	254

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

City of Montclair
Notes to Financial Statements
June 30, 2019

8) OTHER POSTEMPLOYMENT BENEFITS - Continued

Total OPEB Liability - The City's Total OPEB liability was measured as of June 30, 2018 and was determined by an actuarial valuation dated June 30, 2018, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Actuarial Cost
Contribution Policy	Pay-as-you-go
Mortality	Mortality projected fully generational with Scale MP-2017 CalPERS 1997-2015 Experience Study
Age at Retirement	50 (52 for PEPRA)
Health Care Trend Rate	7.50% initial, 4.00% ultimate - Non-Medicare 6.50% initial, 4.00% ultimate - Medicare
Inflation Rate	2.75%
Salary Changes	3.00%
Discount Rate	3.87% - Bond Buyer 20-year Bond index as of 6/30/18 3.58% - Bond Buyer 20-year Bond Index as of 6/30/17

Changes in the Total OPEB Liability

	Total OPEB Liability (TOL)
Balance at June 30, 2018 (July 1, 2017 measurement date)	\$ 11,804,670
Changes in the year:	
Service cost	279,017
Interest on the total OPEB liability	423,080
Assumption Changes	(363,175)
Employer Contributions	-
Employee Contributions	-
Net Investment Income	-
Administrative Expense	-
Benefit payments, including refunds	(531,634)
Net changes	(192,712)
Balance at June 30, 2019 (June 30, 2018 measurement date)	\$ 11,611,958

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

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB liability (asset)	\$ 12,941,667	\$ 11,611,958	\$ 10,481,860

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

City of Montclair
Notes to Financial Statements
June 30, 2019

8) OTHER POSTEMPLOYMENT BENEFITS - Continued

	1% Decrease	Current Healthcare Trend	1% Increase
Total OPEB liability (asset)	\$ 11,078,163	\$ 11,611,958	\$ 12,177,199

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB - For the year ended June 30, 2019, the City recognized OPEB expense of \$498,303. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to the Measurement Date	\$ 553,563	\$ -
Changes of Assumptions	-	1,012,040
Net differences between projected and actual earnings on plan investments	-	-
Total	\$ 553,563	\$ 1,012,040

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

Year Ending June 30,	
2020	\$ (203,794)
2021	(203,794)
2022	(203,794)
2023	(203,794)
2024	(158,919)
Thereafter	(37,945)

The \$553,563 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2018 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ended June 30, 2020.

9) SELF-INSURANCE PROGRAM

The City is self-insured for workers' compensation claims up to \$500,000 for each occurrence and for general liability claims up to \$200,000. Excess liability coverage above the self-insurance amounts is provided through the California Insurance Pool Authority (CIPA). CIPA, a public entity risk pool was established to pool resources, share risk, purchase excess insurance and share costs for professional risk management, and claims administration. Workers' Compensation and Employers Liability Pool Contract is limited per accident at \$3,000,000 in excess of the City's self-insurance retention stated above. Portions of general liability exceeding the above-mentioned amounts are covered by CIPA up to a maximum \$40,000,000 each occurrence and in the aggregate by Everest National Insurance Company (up to \$10,000,000), and American Merchants Casualty Insurance Company (up to \$15,000,000), and by Arch Specialty Insurance Company (up to \$15,000,000), in

City of Montclair
Notes to Financial Statements
June 30, 2019

9) SELF-INSURANCE PROGRAM - Continued

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, 2019, third party claims administrators estimated \$2,049,706 in necessary liability reserves for both general liability and workers' compensation claims. The City has not experienced a significant reduction in insurance coverage from the prior year. Additionally, the amount of settlements has not exceeded budgeted coverage for each of the past three fiscal years.

While the ultimate losses incurred through June 30, 2019 are dependent on future developments, based upon information from the City Attorney, outside counsel, service agents and others involved with the administration of the programs, City management believes that the estimated aggregate amount is adequate to cover such losses. Costs relating to the litigation of claims are charged to expenditures as incurred. Claims liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Claims liabilities at June 30, 2019 represent the City's best estimate, based on available information, as follows.

Fiscal Year	Beginning of Year Liability	Current Year Claims	Claim Payments	End of Year Liability
2018-19	\$ 2,675,157	\$ 22,135	\$ 647,586	\$ 2,049,706
2017-18	3,486,603	270,082	1,081,528	2,675,157

10) FUND BALANCES

The details of the fund balances as of June 30, 2019 are presented below:

	General Fund	2014 Refunding Bonds	Successor Agency Bonds	Infrastructure	PUC Reimbursement	Developer Impact Fee	Other Governmental Funds	Total Governmental Funds
Nonspendable:								
Prepays	\$ 249,458	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,218	\$ 253,676
Restricted for:								
Housing	-	-	-	-	-	-	5,787,177	5,787,177
Public Safety	-	-	-	-	-	-	1,187,329	1,187,329
Transportation	-	-	-	-	1,689,981	-	5,372,490	7,062,471
Comm. Development	-	8,453,508	13,960,402	-	-	356,214	6,605,541	29,375,665
Assigned to:								
Capital Projects	-	-	-	116,609	-	-	-	116,609
Post-employ. Benefits	2,500,000	-	-	-	-	-	-	2,500,000
Retiree Medical Liab.	600,000	-	-	-	-	-	-	600,000
Technology	120,750	-	-	-	-	-	-	120,750
Self Insurance	750,000	-	-	-	-	-	-	750,000
Equip. Replacement	923,135	-	-	-	-	-	-	923,135
Unanticipated Pers.	600,000	-	-	-	-	-	-	600,000
Building Maintenance	600,000	-	-	-	-	-	-	600,000
Contingencies	100,000	-	-	-	-	-	-	100,000
Unassigned	7,958,932	-	-	-	-	-	(26,504)	7,932,428
Total Fund Balance	\$ 14,402,275	\$ 8,453,508	\$ 13,960,402	\$ 116,609	\$ 1,689,981	\$ 356,214	\$ 18,930,251	\$ 57,909,240

City of Montclair
Notes to Financial Statements
June 30, 2019

11) COMMITMENTS AND CONTINGENCIES

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

The estimated amount of remaining construction obligations at year-end is \$2,325,470.

12) SUBSEQUENT EVENT

In August of 2019 the Successor Agency's Board of Directors approved the issuance of the Tax Allocation Refunding Bonds Series A and B. The 2019 Series A and B Bonds will be issued to refund bonds incurred by the Former Agency (the "Prior Bonds"), pay for a debt reserve insurance policy to be established under the Indenture and pay costs of issuance. This issuance will achieve substantial debt service savings over the remaining life of the Prior Bonds. The refunding bond plan has also been approved by the County Oversight Board and is pending approval from the California Department of Finance. It is in the opinion of the Former Agency's management that the California Department of Finance will approve the issuance.

REQUIRED SUPPLEMENTARY INFORMATION

City of Montclair
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 14,063,159	\$ 14,063,159	\$ 14,063,159	\$ -
Resources (Inflows):				
Taxes	23,805,000	26,821,788	27,660,116	838,328
Licenses and Permits	623,545	628,735	640,316	11,581
Intergovernmental	190,700	5,205,000	156,169	(5,048,831)
Charges for Services	3,998,100	4,002,825	4,117,618	114,793
Use of Money and Property	210,684	321,872	526,094	204,222
Fines and Forfeitures	530,400	494,200	460,747	(33,453)
Miscellaneous	445,900	283,000	235,460	(47,540)
Transfers In	230,000	230,000	159,997	(70,003)
Amounts Available for Appropriation	<u>44,097,488</u>	<u>52,050,579</u>	<u>48,019,676</u>	<u>(4,030,903)</u>
Charges to Appropriation (Outflow):				
General Government				
City Council	331,804	329,804	346,690	(16,886)
City Manager	316,735	316,735	312,133	4,602
Administration	210,887	210,887	220,039	(9,152)
Financial Services	706,326	706,326	669,364	36,962
Solid Waste Disposal	2,387,455	2,387,455	2,578,296	(190,841)
City Clerk	160,427	160,427	165,665	(5,238)
Personnel/Risk Assessment	340,620	340,620	365,677	(25,057)
Information Technology Services	764,878	864,365	810,424	53,941
Central Services	350,417	350,417	345,463	4,954
City Attorney	281,235	320,235	520,688	(200,453)
Non-Departmental	3,705,330	3,581,415	3,574,363	7,052
Public Safety				
Police Administration	284,274	284,274	241,243	43,031
Police Support Services	469,035	469,035	498,524	(29,489)
Technical Services	323,444	323,444	322,218	1,226
Records Bureau	583,292	611,292	569,570	41,722
Investigations	930,602	991,402	726,351	265,051
Uniform Patrol	6,929,046	6,777,489	6,554,558	222,931
Communications	657,794	712,794	667,014	45,780
Volunteer Services	51,772	51,772	58,715	(6,943)
Fire Administration	454,658	454,658	521,221	(66,563)
Fire Prevention	112,830	112,830	129,528	(16,698)
Emergency Services	4,012,412	4,392,939	4,230,548	162,391
Personnel Development	23,600	23,600	14,790	8,810
Buildings and Grounds	6,250	6,250	1,796	4,454
Emergency Preparedness	62,263	62,263	70,772	(8,509)
Code Enforcement	289,435	292,935	388,752	(95,817)

City of Montclair
Budgetary Comparison Schedule by Department - Continued
General Fund
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Charges to Appropriation (Outflow): - Continued				
Community Development				
Planning Commission	\$ 16,150	\$ 16,150	\$ 6,190	\$ 9,960
Community Development Administration	147,809	148,809	159,176	(10,367)
Current Planning	258,464	258,464	262,801	(4,337)
Advance Planning	91,586	91,586	94,011	(2,425)
Field Inspection	120,435	120,435	133,803	(13,368)
Plan Check	110,601	113,601	110,772	2,829
Building Operations	150,988	150,988	152,484	(1,496)
Recreation	1,007,812	1,066,448	1,066,476	(28)
Clinic	115,387	115,887	55,040	60,847
Senior Citizens	100,801	96,347	98,754	(2,407)
Nutritional Meals	13,699	20,699	24,023	(3,324)
Family and Health Education	68,210	68,210	60,669	7,541
Public Works				
Management and Construction	477,660	527,485	559,281	(31,796)
Public Works Inspection	117,852	117,852	113,627	4,225
Traffic Safety Engineering	50,398	65,398	126,398	(61,000)
Graffiti Abatement	57,205	57,205	26,534	30,671
Street Maintenance	736,871	737,171	767,849	(30,678)
Signing/Painting	26,609	26,309	33,782	(7,473)
Street Sweeping	21,785	21,785	25,005	(3,220)
Parks Maintenance	474,241	492,241	513,139	(20,898)
Tree Maintenance	24,941	24,941	25,417	(476)
Vehicle Maintenance	399,576	399,576	423,801	(24,225)
Building Maintenance Services	263,122	283,122	279,298	3,824
Heating and Air Conditioning	122,406	122,406	127,950	(5,544)
Janitorial Services	292,206	292,206	275,801	16,405
Capital Outlay	-	890,577	487,927	402,650
Transfers Out	-	2,598,288	2,702,991	(104,703)
	30,013,635	34,059,849	33,617,401	442,448
Budgetary Fund Balance, June 30	\$ 14,083,853	\$ 17,990,730	\$ 14,402,275	\$ (3,588,455)

City of Montclair
Notes to Required Supplementary Information
June 30, 2019

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:

Montclair Housing Authority
State Asset Forfeiture
Federal Asset Forfeiture Fund - Treasury
OCJP Grant Fund
Office of Traffic Safety Grant

City of Montclair
Required Supplementary Information
June 30, 2019

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

	Measurement Period	
	2018	2017
Total OPEB Liability		
Service cost	\$ 279,017	\$ 318,968
Interest on total OPEB liability	423,080	363,789
Changes in assumptions	(363,175)	(1,002,248)
Changes in benefits	-	-
Benefit payments, including refunds	(531,634)	(642,745)
Net change in total OPEB liability	(192,712)	(962,236)
Total OPEB liability - beginning	11,804,670	12,766,906
Total OPEB liability - ending (a)	<u>\$ 11,611,958</u>	<u>\$ 11,804,670</u>
Covered - employee payroll	\$ 11,361,672	\$ 11,850,580
Total OPEB liability as a percentage of covered-employee payroll	102.20%	99.61%

*Fiscal year 2018 was the first year of implementation; therefore, not all 10 years of information is available.

Notes to Schedule:

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

Benefit Changes: None

Changes in Assumptions: None

City of Montclair
Required Supplementary Information
June 30, 2019

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

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

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

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

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

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

City of Montclair
Required Supplementary Information
June 30, 2019

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

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2018	\$ 1,898,964	\$ (1,898,964)	\$ -	\$ 6,106,387	31.10%
2017	1,693,037	(1,693,037)	-	6,138,986	27.58%
2016	1,526,904	(1,526,904)	-	6,056,685	25.21%
2015	1,164,198	(1,164,198)	-	5,950,546	19.56%

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

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

City of Montclair
Required Supplementary Information
June 30, 2019

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

Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a % of Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
2018	0.71058%	\$ 68,473,398	\$ 12,111,468	565.36%	69.53%
2017	0.40340%	40,005,736	5,742,193	696.70%	69.71%
2016	0.40861%	35,357,128	5,706,922	619.55%	70.87%
2015	0.41915%	28,770,251	5,523,210	520.90%	75.56%
2014	0.40976%	25,497,439	5,309,711	480.20%	78.20%

*Fiscal year 2015 was the first year of implementation; therefore, only four years are shown.

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

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

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

City of Montclair
Required Supplementary Information
June 30, 2019

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

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2019	\$ 5,540,282	\$ (5,540,282)	\$ -	\$ 11,799,285	46.95%
2018	2,870,221	(2,870,221)	-	6,005,081	47.80%
2017	2,687,316	(2,687,316)	-	5,742,193	46.80%
2016	2,418,705	(2,418,705)	-	5,706,922	42.38%
2015	1,960,293	(1,960,293)	-	5,523,210	35.49%

*Fiscal year 2015 was the first year of implementation; therefore, only four years are shown.

Valuation Date: 6/30/13, 6/30/14, 6/30/15, 6/30/16 and 6/30/17

SUPPLEMENTARY INFORMATION

City of Montclair
Combining Balance Sheet
Non-major Funds
June 30, 2019

	Special Revenue Funds				
	Gas Tax	Measure I	Traffic Safety	Park Development	Community Development Block Grant
ASSETS					
Pooled Cash and Investments	\$ 885,140	\$ 2,345,015	\$ 21	\$ 1,438,569	\$ -
Receivables:					
Accounts	16,027	-	-	-	22,596
Notes and Loans	-	-	-	-	-
Accrued Interest	-	-	-	-	-
Prepaid Costs	-	-	-	-	-
Due from Other Governments	128,707	121,839	16,140	-	-
Due from Other Funds	223	-	22,474	-	-
Advances to Other Funds	-	411,622	-	-	-
Restricted Assets:					
Cash and Investments with Fiscal Agents	-	-	-	-	-
Total Assets	\$ 1,030,097	\$ 2,878,476	\$ 38,635	\$ 1,438,569	\$ 22,596
LIABILITIES					
Accounts Payable	\$ 68,464	\$ 1,605	\$ 2,655	\$ -	\$ 1,569
Accrued Liabilities	8,071	-	-	-	-
Deposits Payable	-	-	-	-	-
Due to Other Governments	-	-	2,168	-	-
Due to Other Funds	277	-	29,799	-	22,669
Total Liabilities	76,812	1,605	34,622	-	24,238
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues - Grants	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	953,285	2,876,871	4,013	1,438,569	-
Unassigned	-	-	-	-	(1,642)
Total Fund Balances (Deficits)	953,285	2,876,871	4,013	1,438,569	(1,642)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,030,097	\$ 2,878,476	\$ 38,635	\$ 1,438,569	\$ 22,596

Special Revenue Funds

Air Quality Improvement	Older American Act	State Asset Forfeiture	Public Safety	Forfeiture DOJ	State Asset Forfeiture Section 11489	Federal Asset Forfeiture Treasury
\$ 138,258	\$ -	\$ 101,701	\$ 140,846	\$ 379,250	\$ 69,165	\$ 71,023
-	19,035	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
13,224	-	-	30,824	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 151,482</u>	<u>\$ 19,035</u>	<u>\$ 101,701</u>	<u>\$ 171,670</u>	<u>\$ 379,250</u>	<u>\$ 69,165</u>	<u>\$ 71,023</u>
\$ 15,596	\$ 9,628	\$ 4,584	\$ 26,399	\$ 9,463	\$ 799	\$ -
-	794	-	-	-	24,837	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	8,613	-	-	-	-	-
<u>15,596</u>	<u>19,035</u>	<u>4,584</u>	<u>26,399</u>	<u>9,463</u>	<u>25,636</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
135,886	-	97,117	145,271	369,787	43,529	71,023
-	-	-	-	-	-	-
<u>135,886</u>	<u>-</u>	<u>97,117</u>	<u>145,271</u>	<u>369,787</u>	<u>43,529</u>	<u>71,023</u>
<u>\$ 151,482</u>	<u>\$ 19,035</u>	<u>\$ 101,701</u>	<u>\$ 171,670</u>	<u>\$ 379,250</u>	<u>\$ 69,165</u>	<u>\$ 71,023</u>

Continued

City of Montclair
Combining Balance Sheet
Non-major Funds - Continued
June 30, 2019

	Special Revenue Funds				
	School District Grant	SSLEF	Local Law Enforcement Block Grant	Crime Prevention PC 1202.5	Recycling Block Grant
ASSETS					
Pooled Cash and Investments	\$ -	\$ 230,804	\$ -	\$ 1,626	\$ 53,980
Receivables:					
Accounts	-	-	-	-	-
Notes and Loans	-	-	-	-	-
Accrued Interest	-	-	-	-	-
Prepaid Costs	-	-	-	-	-
Due from Other Governments	-	-	-	76	-
Due from Other Funds	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-
Restricted Assets:					
Cash and Investments with Fiscal Agents	-	-	-	-	-
Total Assets	\$ -	\$ 230,804	\$ -	\$ 1,702	\$ 53,980
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-
Deposits Payable	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Total Liabilities	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues - Grants	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	-	230,804	-	1,702	53,980
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	-	230,804	-	1,702	53,980
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 230,804	\$ -	\$ 1,702	\$ 53,980

Special Revenue Funds

After School Program	Fire Department Grant	Immunization Grant	E.M.S. Paramedic	Prop 30 SB 109	Disability Access- Bus. License	Mt. Baldy United Way Grant
\$ 841	\$ -	\$ 15,724	\$ -	\$ 157,840	\$ 22,005	\$ 40
135,095	24,533	2,000	6,721	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 135,936</u>	<u>\$ 24,533</u>	<u>\$ 17,724</u>	<u>\$ 6,721</u>	<u>\$ 157,840</u>	<u>\$ 22,005</u>	<u>\$ 40</u>
\$ 43,514	\$ 31,885	\$ 8,013	\$ 4,941	\$ 3,485	\$ 437	\$ -
19,143	-	-	1,150	-	-	-
225	-	-	-	-	-	-
-	-	-	-	-	272	-
72,464	17,510	-	630	-	-	-
<u>135,346</u>	<u>49,395</u>	<u>8,013</u>	<u>6,721</u>	<u>3,485</u>	<u>709</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
590	-	9,711	-	154,355	21,296	40
-	(24,862)	-	-	-	-	-
<u>590</u>	<u>(24,862)</u>	<u>9,711</u>	<u>-</u>	<u>154,355</u>	<u>21,296</u>	<u>40</u>
<u>\$ 135,936</u>	<u>\$ 24,533</u>	<u>\$ 17,724</u>	<u>\$ 6,721</u>	<u>\$ 157,840</u>	<u>\$ 22,005</u>	<u>\$ 40</u>

Continued

City of Montclair
Combining Balance Sheet
Non-major Funds - Continued
June 30, 2019

	Special Revenue Funds				
	Montclair Housing Corporation	Kaiser Permanente Grant	Resource Center Grant	Title IIIB Sr. Supportive Services	Community Foundation
ASSETS					
Pooled Cash and Investments	\$ 2,058,633	\$ 8,330	\$ 9,888	\$ 23,147	\$ 141,989
Receivables:					
Accounts	52,838	-	-	1,307	-
Notes and Loans	-	-	-	-	-
Accrued Interest	10,589	-	-	-	-
Prepaid Costs	4,218	-	-	-	-
Due from Other Governments	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-
Restricted Assets:					
Cash and Investments with Fiscal Agents	-	-	-	-	-
Total Assets	<u>\$ 2,126,278</u>	<u>\$ 8,330</u>	<u>\$ 9,888</u>	<u>\$ 24,454</u>	<u>\$ 141,989</u>
LIABILITIES					
Accounts Payable	\$ 22,168	\$ 8,330	\$ 204	\$ -	\$ 1,831
Accrued Liabilities	5,878	-	-	-	-
Deposits Payable	68,070	-	-	-	-
Due to Other Governments	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Total Liabilities	<u>96,116</u>	<u>8,330</u>	<u>204</u>	<u>-</u>	<u>1,831</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues - Grants	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Nonspendable	4,218	-	-	-	-
Restricted	2,025,944	-	9,684	24,454	140,158
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	<u>2,030,162</u>	<u>-</u>	<u>9,684</u>	<u>24,454</u>	<u>140,158</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 2,126,278</u>	<u>\$ 8,330</u>	<u>\$ 9,888</u>	<u>\$ 24,454</u>	<u>\$ 141,989</u>

Special Revenue Funds

ASES Supplemental Grant	Hope Thru Housing Grant	Park Maintenance	CFD 2011-1 Paseos	CFD 2011-2 Arrow Station	Montclair Housing Authority	Public Education Govt. PEG
\$ 6,624	\$ -	\$ 85,095	\$ 118,429	\$ 60,417	\$ 164,025	\$ 137,648
-	4,182	-	-	537	-	7,902
-	-	-	-	-	2,599,908	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 6,624</u>	<u>\$ 4,182</u>	<u>\$ 85,095</u>	<u>\$ 118,429</u>	<u>\$ 60,954</u>	<u>\$ 2,763,933</u>	<u>\$ 145,550</u>
\$ 6,624	\$ 403	\$ 1,355	\$ 43,031	\$ 1,049	\$ -	\$ -
-	-	-	100	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	3,779	-	-	7,500	-	-
<u>6,624</u>	<u>4,182</u>	<u>1,355</u>	<u>43,131</u>	<u>8,549</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	83,740	75,298	52,405	2,763,933	145,550
-	-	-	-	-	-	-
-	-	83,740	75,298	52,405	2,763,933	145,550
<u>\$ 6,624</u>	<u>\$ 4,182</u>	<u>\$ 85,095</u>	<u>\$ 118,429</u>	<u>\$ 60,954</u>	<u>\$ 2,763,933</u>	<u>\$ 145,550</u>

Continued

City of Montclair
Combining Balance Sheet
Non-major Funds - Continued
June 30, 2019

	Special Revenue Funds		Capital Project Funds		
	Homeless Emergency Aid Program	Healthy Community Strategic Plan	Pavement Impact Fees	Underground In-lieu	General Plan Update
ASSETS					
Pooled Cash and Investments	\$ 29,125	\$ 20,959	\$ 325,791	\$ 66,187	\$ 71,875
Receivables:					
Accounts	-	-	-	-	-
Notes and Loans	-	-	-	-	-
Accrued Interest	-	-	-	-	-
Prepaid Costs	-	-	-	-	-
Due from Other Governments	-	-	17,696	-	-
Due from Other Funds	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-
Restricted Assets:					
Cash and Investments with Fiscal Agents	-	-	-	-	-
Total Assets	<u>\$ 29,125</u>	<u>\$ 20,959</u>	<u>\$ 343,487</u>	<u>\$ 66,187</u>	<u>\$ 71,875</u>
LIABILITIES					
Accounts Payable	\$ -	\$ 699	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-
Deposits Payable	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>699</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues - Grants	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	29,125	20,260	343,487	66,187	71,875
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	<u>29,125</u>	<u>20,260</u>	<u>343,487</u>	<u>66,187</u>	<u>71,875</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 29,125</u>	<u>\$ 20,959</u>	<u>\$ 343,487</u>	<u>\$ 66,187</u>	<u>\$ 71,875</u>

Capital Project Funds		Debt Service Fund	Non-Major Governmental Total
Housing Fund	Economic Development	2014 Refunding Bonds	
\$ 997,300	\$ 5,511,961	\$ -	\$ 15,889,271
-	76	-	292,849
-	-	-	2,599,908
-	-	-	10,589
-	-	-	4,218
-	-	-	328,506
-	-	-	22,697
-	-	-	411,622
-	-	-	-
<u>\$ 997,300</u>	<u>\$ 5,512,037</u>	<u>\$ -</u>	<u>\$ 19,559,660</u>
\$ -	\$ 11,877	\$ -	\$ 330,608
-	3,288	-	63,261
-	-	-	68,295
-	1,564	-	4,004
-	-	-	163,241
-	16,729	-	629,409
-	-	-	-
-	-	-	-
-	-	-	4,218
997,300	5,495,308	-	18,952,537
-	-	-	(26,504)
<u>997,300</u>	<u>5,495,308</u>	<u>-</u>	<u>18,930,251</u>
<u>\$ 997,300</u>	<u>\$ 5,512,037</u>	<u>\$ -</u>	<u>\$ 19,559,660</u>

City of Montclair
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Funds
Year Ended June 30, 2019

	Special Revenue Funds				
	Gas Tax	Measure I	Traffic Safety	Park Development	Community Development Block Grant
REVENUES					
Taxes	\$ 1,530,976	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	737,065	1,809	-	202,293
Charges for Services	-	-	-	89,600	-
Use of Money and Property	4,588	7,910	-	-	-
Fines and Forfeitures	-	-	157,961	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	1,535,564	744,975	159,770	89,600	202,293
EXPENDITURES					
Current:					
General Government	49,688	-	-	-	-
Public Safety	-	-	-	-	-
Community Development	-	-	7,989	-	203,840
Public Works	760,120	-	-	-	-
Capital Outlay	-	3,577	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	809,808	3,577	7,989	-	203,840
Excess (Deficiency) of Revenues Over (Under) Expenditures	725,756	741,398	151,781	89,600	(1,547)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	(2,665)	(51,515)	(153,968)	-	-
Total Other Financing Sources (Uses)	(2,665)	(51,515)	(153,968)	-	-
Net Change in Fund Balances	723,091	689,883	(2,187)	89,600	(1,547)
Fund Balance, Beginning of Year	230,194	2,186,988	6,200	1,348,969	(95)
Fund Balance, End of Year	\$ 953,285	\$ 2,876,871	\$ 4,013	\$ 1,438,569	\$ (1,642)

Special Revenue Funds

Air Quality Improvement	Older American Act	State Asset Forfeiture	Public Safety	Forfeiture DOJ	State Asset Forfeiture Section 11489	Federal Asset Forfeiture Treasury
\$ -	\$ -	\$ -	\$ 357,835	\$ -	\$ -	\$ -
51,008	123,541	-	-	-	-	-
-	-	-	-	-	-	-
767	-	563	-	2,103	246	394
-	-	25,858	-	27,633	4,563	70,628
-	41,065	-	-	-	-	-
51,775	164,606	26,421	357,835	29,736	4,809	71,022
-	-	-	-	-	-	-
-	-	-	377,670	308,308	2,023	23,520
46,718	170,906	-	-	-	-	-
-	-	-	-	-	-	-
-	-	10,064	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
46,718	170,906	10,064	377,670	308,308	2,023	23,520
5,057	(6,300)	16,357	(19,835)	(278,572)	2,786	47,502
-	6,300	-	-	-	-	-
-	-	-	-	-	-	-
-	6,300	-	-	-	-	-
5,057	-	16,357	(19,835)	(278,572)	2,786	47,502
130,829	-	80,760	165,106	648,359	40,743	23,521
<u>\$ 135,886</u>	<u>\$ -</u>	<u>\$ 97,117</u>	<u>\$ 145,271</u>	<u>\$ 369,787</u>	<u>\$ 43,529</u>	<u>\$ 71,023</u>

Continued

City of Montclair
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Funds - Continued
Year Ended June 30, 2019

	Special Revenue Funds				
	School District Grant	SSLEF	Local Law Enforcement Block Grant	Crime Prevention PC 1202.5	
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	151,200	149,154	-	-	19,967
Charges for Services	-	-	-	-	-
Use of Money and Property	-	1,280	-	8	299
Fines and Forfeitures	-	-	-	261	-
Miscellaneous	-	-	-	-	-
Total Revenues	151,200	150,434	-	269	20,266
EXPENDITURES					
Current:					
General Government	-	-	-	-	20,631
Public Safety	151,200	-	-	-	-
Community Development	-	-	-	-	-
Public Works	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	151,200	-	-	-	20,631
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	150,434	-	269	(365)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	-	150,434	-	269	(365)
Fund Balance, Beginning of Year	-	80,370	-	1,433	54,345
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 230,804</u>	<u>\$ -</u>	<u>\$ 1,702</u>	<u>\$ 53,980</u>

Special Revenue Funds

After School Program	Fire Department Grant	Immunization Grant	E.M.S. Paramedic	Prop 30 SB 109	Disability Access- Bus. License	Mt. Baldy United Way Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,352,096	74,281	20,000	-	-	9,474	-
-	-	-	54,840	-	-	-
-	-	-	-	875	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,352,096</u>	<u>74,281</u>	<u>20,000</u>	<u>54,840</u>	<u>875</u>	<u>9,474</u>	<u>-</u>
102,858	-	-	-	-	-	-
-	92,782	-	87,305	-	-	-
1,358,281	-	20,096	-	-	-	-
-	-	-	-	29,129	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,461,139</u>	<u>92,782</u>	<u>20,096</u>	<u>87,305</u>	<u>29,129</u>	<u>-</u>	<u>-</u>
(109,043)	(18,501)	(96)	(32,465)	(28,254)	9,474	-
109,633	-	-	32,465	-	-	-
-	-	-	-	-	-	-
<u>109,633</u>	<u>-</u>	<u>-</u>	<u>32,465</u>	<u>-</u>	<u>-</u>	<u>-</u>
590	(18,501)	(96)	-	(28,254)	9,474	-
-	(6,361)	9,807	-	182,609	11,822	40
<u>\$ 590</u>	<u>\$ (24,862)</u>	<u>\$ 9,711</u>	<u>\$ -</u>	<u>\$ 154,355</u>	<u>\$ 21,296</u>	<u>\$ 40</u>

Continued

City of Montclair
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Funds - Continued
Year Ended June 30, 2019

	Special Revenue Funds				
	Montclair Housing Corporation	Kaiser Permanente Grant	Resource Center Grant	Title IIIB Sr. Supportive Services	Community Foundation
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	14,454	-
Use of Money and Property	1,004,220	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	-	10,000	14,200	-	40,551
Total Revenues	1,004,220	10,000	14,200	14,454	40,551
EXPENDITURES					
Current:					
General Government	1,073,110	-	-	-	-
Public Safety	-	-	-	-	-
Community Development	-	10,106	11,310	-	35,289
Public Works	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	1,073,110	10,106	11,310	-	35,289
Excess (Deficiency) of Revenues Over (Under) Expenditures	(68,890)	(106)	2,890	14,454	5,262
OTHER FINANCING SOURCES (USES)					
Transfers In	-	106	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	106	-	-	-
Net Change in Fund Balances	(68,890)	-	2,890	14,454	5,262
Fund Balance, Beginning of Year	2,099,052	-	6,794	10,000	134,896
Fund Balance, End of Year	<u>\$ 2,030,162</u>	<u>\$ -</u>	<u>\$ 9,684</u>	<u>\$ 24,454</u>	<u>\$ 140,158</u>

Special Revenue Funds

ASES Supplemental Grant	Hope Thru Housing Grant	Park Maintenance	CFD 2011-1 Paseos	CFD 2011-2 Arrow Station	Montclair Housing Authority	Public Education Govt. PEG
\$ -	\$ -	\$ -	\$ 113,073	\$ 56,202	\$ -	\$ -
106,496	46,002	-	-	-	-	-
-	-	32,445	-	-	-	31,047
-	-	-	861	398	138	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>106,496</u>	<u>46,002</u>	<u>32,445</u>	<u>113,934</u>	<u>56,600</u>	<u>138</u>	<u>31,047</u>
-	-	-	-	1,875	-	-
-	-	-	52,316	9,782	-	-
102,223	4,534	24,273	-	-	-	5,000
-	-	-	68,214	6,487	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>102,223</u>	<u>4,534</u>	<u>24,273</u>	<u>120,530</u>	<u>18,144</u>	<u>-</u>	<u>5,000</u>
<u>4,273</u>	<u>41,468</u>	<u>8,172</u>	<u>(6,596)</u>	<u>38,456</u>	<u>138</u>	<u>26,047</u>
-	-	-	-	-	-	-
(4,273)	(41,468)	-	-	-	-	-
<u>(4,273)</u>	<u>(41,468)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	8,172	(6,596)	38,456	138	26,047
-	-	75,568	81,894	13,949	2,763,795	119,503
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,740</u>	<u>\$ 75,298</u>	<u>\$ 52,405</u>	<u>\$ 2,763,933</u>	<u>\$ 145,550</u>

Continued

City of Montclair
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Funds - Continued
Year Ended June 30, 2019

	Special Revenue Funds		Capital Project Funds		
	Homeless Emergency Aid Program	Healthy Community Strategic Plan	Pavement Impact Fees	Underground In-lieu	General Plan Update
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	29,125	-	-	-	-
Charges for Services	-	-	70,437	-	11,934
Use of Money and Property	-	25,000	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	-	-	-	52,416	-
Total Revenues	29,125	25,000	70,437	52,416	11,934
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Community Development	-	4,740	-	-	-
Public Works	-	-	-	-	1,082
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	-	4,740	-	-	1,082
Excess (Deficiency) of Revenues Over (Under) Expenditures	29,125	20,260	70,437	52,416	10,852
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	(1,226)	-	-
Total Other Financing Sources (Uses)	-	-	(1,226)	-	-
Net Change in Fund Balances	29,125	20,260	69,211	52,416	10,852
Fund Balance, Beginning of Year	-	-	274,276	13,771	61,023
Fund Balance, End of Year	\$ 29,125	\$ 20,260	\$ 343,487	\$ 66,187	\$ 71,875

Capital Project Funds		Debt Service Fund	Non-Major Governmental Total
Housing Fund	Economic Development	2014 Refunding Bonds	
\$ -	\$ -	\$ -	\$ 2,058,086
-	791,604	-	3,855,641
-	-	-	314,231
-	-	309	1,049,959
-	-	-	286,904
-	-	-	158,232
-	791,604	309	7,723,053
-	-	-	1,248,162
-	-	-	1,104,906
-	389,816	-	2,395,121
-	-	-	865,032
-	-	-	13,641
-	-	820,000	820,000
-	-	1,780,538	1,780,538
-	389,816	2,600,538	8,227,400
-	401,788	(2,600,229)	(504,347)
-	-	2,600,229	2,748,733
-	(6,030)	-	(261,145)
-	(6,030)	2,600,229	2,487,588
-	395,758	-	1,983,241
997,300	5,099,550	-	16,947,010
\$ 997,300	\$ 5,495,308	\$ -	\$ 18,930,251

City of Montclair
Combining Statement of Changes in Assets and Liabilities
Agency Fund
Year Ended June 30, 2019

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>Sewer Plant</u>				
Assets:				
Pooled cash and investments	<u>\$ 2,287,904</u>	<u>\$ 1,284,085</u>	<u>\$ 471,627</u>	<u>\$ 3,100,362</u>
Total Assets	<u><u>\$ 2,287,904</u></u>	<u><u>\$ 1,284,085</u></u>	<u><u>\$ 471,627</u></u>	<u><u>\$ 3,100,362</u></u>
Liabilities				
Due to other governments	<u>\$ 2,287,904</u>	<u>\$ 943,254</u>	<u>\$ 1,755,712</u>	<u>\$ 3,100,362</u>
Total Liabilities	<u><u>\$ 2,287,904</u></u>	<u><u>\$ 943,254</u></u>	<u><u>\$ 1,755,712</u></u>	<u><u>\$ 3,100,362</u></u>