



City of Montclair
Annual Financial Report
For the Fiscal Year Ended
June 30, 2021

CITY OF MONTCLAIR
FINANCIAL STATEMENTS
Year Ended June 30, 2021

**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, 2021, 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

29970 Technology Drive, Suite 105 A
Murrieta, CA 92563
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, 2021, 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.

Change in Accounting Principle

As reported in the financial statements, in fiscal year 2020-21, the City adopted new accounting guidance, *GASBS No. 84, Fiduciary Activities*. Our opinion is not modified with respect to this matter.

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 March 8, 2022, 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 & Fankhaenel, LLP

March 8, 2022

BASIC FINANCIAL STATEMENTS

City of Montclair
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Pooled Cash and Investments	\$ 42,523,761	\$ 4,575,064	\$ 47,098,825
Receivables:			
Accounts	2,980,307	619,428	3,599,735
Notes and Loans	2,604,461	-	2,604,461
Accrued Interest	27,161	-	27,161
Prepaid Costs	10,123	-	10,123
Due From Other Governments	6,379,837	162,358	6,542,195
Internal Balances	6,865	(6,865)	-
Capital Assets Not Being Depreciated	33,694,862	-	33,694,862
Capital Assets, Net of Accumulated Depreciation	80,316,721	2,120,335	82,437,056
Total Assets	<u>168,544,098</u>	<u>7,470,320</u>	<u>176,014,418</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflow - Bond Refunding	229,499	-	229,499
Deferred Outflows Related to OPEB	2,348,903	94,646	2,443,549
Deferred Outflows Related to Pensions	14,317,307	457,279	14,774,586
Total Deferred Outflows of Resources	<u>16,895,709</u>	<u>551,925</u>	<u>17,447,634</u>
LIABILITIES			
Accounts Payable	1,596,377	626,772	2,223,149
Accrued Liabilities	498,601	21,743	520,344
Accrued Interest	409,285	-	409,285
Deposits Payable	242,019	-	242,019
Unearned Revenue	300,000	-	300,000
Due to Other Governments	24,397	-	24,397
Noncurrent Liabilities:			
Due Within One Year	2,352,832	13,512	2,366,344
Due in More Than One Year	130,004,890	3,125,790	133,130,680
Total Liabilities	<u>135,428,401</u>	<u>3,787,817</u>	<u>139,216,218</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to OPEB	1,555,209	62,665	1,617,874
Deferred Inflows Related to Pensions	2,256,580	61,498	2,318,078
Total Deferred Inflows of Resources	<u>3,811,789</u>	<u>124,163</u>	<u>3,935,952</u>
NET POSITION			
Net Investment in Capital Assets	72,752,321	2,120,335	74,872,656
Restricted for:			
Housing	5,410,711	-	5,410,711
Public Safety	1,483,768	-	1,483,768
Transportation	19,777,354	-	19,777,354
Community Development	2,571,646	-	2,571,646
Unrestricted	(55,796,183)	1,989,930	(53,806,253)
Total Net Position	<u>\$ 46,199,617</u>	<u>\$ 4,110,265</u>	<u>\$ 50,309,882</u>

The accompanying notes are an integral part of this statement.

City of Montclair
Statement of Activities
Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ (16,308,390)	\$ 2,281,637	\$ 1,051,566	\$ -
Public Safety	(19,065,476)	677,759	315,581	36,864
Community Development	(4,095,452)	888,734	1,078,387	187,980
Public Works	(4,166,599)	3,725,262	15,174	6,069,728
Interest on Long-Term Debt	(1,640,272)	-	-	-
Total Governmental Activities	<u>(45,276,189)</u>	<u>7,573,392</u>	<u>2,460,708</u>	<u>6,294,572</u>
Business-type Activities:				
Sewer Maintenance	<u>(5,169,839)</u>	<u>5,361,513</u>	<u>-</u>	<u>-</u>
Total Business-type Activities	<u>(5,169,839)</u>	<u>5,361,513</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ (50,446,028)</u>	<u>\$ 12,934,905</u>	<u>\$ 2,460,708</u>	<u>\$ 6,294,572</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

Restatement of Net Position

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>
\$ (12,975,187)	\$ -	\$ (12,975,187)
(18,035,272)	-	(18,035,272)
(1,940,351)	-	(1,940,351)
5,643,565	-	5,643,565
<u>(1,640,272)</u>	<u>-</u>	<u>(1,640,272)</u>
<u>(28,947,517)</u>	<u>-</u>	<u>(28,947,517)</u>
<u>-</u>	<u>191,674</u>	<u>191,674</u>
<u>-</u>	<u>191,674</u>	<u>191,674</u>
<u>(28,947,517)</u>	<u>191,674</u>	<u>(28,755,843)</u>
8,569,171	-	8,569,171
63,269	-	63,269
20,295,259	-	20,295,259
815,202	-	815,202
732,064	-	732,064
1,784,464	-	1,784,464
28,963	-	28,963
296,874	-	296,874
73,466	14,234	87,700
<u>83,189</u>	<u>(83,189)</u>	<u>-</u>
<u>32,741,921</u>	<u>(68,955)</u>	<u>32,672,966</u>
3,794,404	122,719	3,917,123
<u>42,405,213</u>	<u>3,987,546</u>	<u>46,392,759</u>
<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 46,199,617</u>	<u>\$ 4,110,265</u>	<u>\$ 50,309,882</u>

The accompanying notes are an integral part of this statement.

City of Montclair
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Special Revenue	Capital Projects	
		CARES Act	Successor Agency Bonds	Economic Development
ASSETS				
Pooled Cash and Investments	\$ 10,061,379	\$ 38,777	\$ 13,021,371	\$ 5,705,036
Receivables:				
Accounts	2,258,280	22,787	-	76
Notes and Loans	5,000	-	-	-
Accrued Interest	14,483	-	10,631	-
Prepaid Costs	9,191	-	-	-
Due from Other Governments	5,500,540	434,661	-	-
Due from Other Funds	602,835	-	-	-
Total Assets	\$ 18,451,708	\$ 496,225	\$ 13,032,002	\$ 5,705,112
LIABILITIES				
Accounts Payable	\$ 859,963	61,564	\$ 13,404	\$ 4,150
Accrued Liabilities	422,335	-	-	20,299
Deposits Payable	161,949	-	-	-
Unearned Revenue	-	-	-	-
Due to Other Governments	20,423	-	-	-
Due to Other Funds	36,615	434,661	-	-
Total Liabilities	1,501,285	496,225	13,404	24,449
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Grants	180,850	434,661	-	-
Total Deferred Inflows of Resources	180,850	434,661	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	9,191	-	-	-
Restricted	-	-	13,018,598	-
Committed	-	-	-	5,680,663
Assigned	7,558,101	-	-	-
Unassigned	9,202,281	(434,661)	-	-
Total Fund Balances (Deficits)	16,769,573	(434,661)	13,018,598	5,680,663
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 18,451,708	\$ 496,225	\$ 13,032,002	\$ 5,705,112

The accompanying notes are an integral part of this statement.

Other Governmental Funds	Total Governmental Funds
\$ 13,697,198	\$ 42,523,761
699,164	2,980,307
2,599,461	2,604,461
2,047	27,161
932	10,123
444,636	6,379,837
674,810	1,277,645
<u>\$ 18,118,248</u>	<u>\$ 55,803,295</u>
\$ 657,296	\$ 1,596,377
55,967	498,601
80,070	242,019
300,000	300,000
3,974	24,397
799,504	1,270,780
<u>1,896,811</u>	<u>3,932,174</u>
<u>180,634</u>	<u>796,145</u>
<u>180,634</u>	<u>796,145</u>
932	10,123
16,224,881	29,243,479
-	5,680,663
-	7,558,101
(185,010)	8,582,610
<u>16,040,803</u>	<u>51,074,976</u>
<u>\$ 18,118,248</u>	<u>\$ 55,803,295</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, 2021

Fund Balances of Governmental Funds	\$ 51,074,976
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.	114,011,583
Long-term debt and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds	(41,488,761)
Claims and Judgements	(2,146,065)
Compensated Absences	(1,549,587)
Net Pension Liability	(75,611,443)
Total OPEB Liability	(11,561,866)
Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.	(409,285)
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	14,317,307
Deferred Inflows Related to Pensions	(2,256,580)
Deferred Outflows Related to OPEB	2,348,903
Deferred Inflows Related to OPEB	(1,555,209)
Amounts for deferred outflows related to the City's defeasance of prior bonds are not reported in the funds.	229,499
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported as available revenues in the funds.	796,145
Net Position of Governmental Activities	\$ 46,199,617

The accompanying notes are an integral part of this statement.

City of Montclair
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2021

	General Fund	Special Revenue	Capital Projects	
		CARES Act	Successor Agency Bonds	Economic Development
REVENUES				
Taxes	\$ 31,684,474	\$ -	\$ -	\$ -
Licenses and Permits	510,377	-	-	-
Intergovernmental	192,342	997,963	-	998,654
Charges for Services	4,174,981	-	-	-
Use of Money and Property	179,347	-	2,646	-
Fines and Forfeitures	334,189	-	-	-
Miscellaneous	98,776	-	-	-
Total Revenues	37,174,486	997,963	2,646	998,654
EXPENDITURES				
Current:				
General Government	10,630,613	975,176	-	-
Public Safety	15,281,015	-	-	-
Community Development	1,614,674	-	-	652,239
Public Works	2,617,293	-	429,912	-
Capital Outlay	279	914,897	-	64,462
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	30,143,874	1,890,073	429,912	716,701
Excess (Deficiency) of Revenues Over Expenditures	7,030,612	(892,110)	(427,266)	281,953
OTHER FINANCING SOURCES (USES)				
Transfers In	100,000	457,449	-	-
Transfers Out	(2,937,950)	-	-	(457,449)
Total Other Financing Sources (Uses)	(2,837,950)	457,449	-	(457,449)
Net Change in Fund Balances	4,192,662	(434,661)	(427,266)	(175,496)
Fund Balance, Beginning of Year	12,576,911	-	13,445,864	5,856,159
Fund Balance, End of Year	\$ 16,769,573	\$ (434,661)	\$ 13,018,598	\$ 5,680,663

The accompanying notes are an integral part of this statement.

Other Governmental Funds	Total Governmental Funds
\$ 2,248,801	\$ 33,933,275
-	510,377
4,696,108	6,885,067
685,601	4,860,582
1,024,371	1,206,364
164,774	498,963
101,175	199,951
8,920,830	48,094,579
990,890	12,596,679
812,426	16,093,441
1,822,390	4,089,303
3,764,101	6,811,306
2,260,197	3,239,835
885,000	885,000
1,708,969	1,708,969
12,243,973	45,424,533
(3,323,143)	2,670,046
5,215,542	5,772,991
(2,294,403)	(5,689,802)
2,921,139	83,189
(402,004)	2,753,235
16,442,807	48,321,741
\$ 16,040,803	\$ 51,074,976

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, 2021

Net Change in Fund Balances - Total Governmental Funds	\$	2,753,235
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		5,975,393
Depreciation Expense		(4,555,834)
Donation of Capital Assets		271,680
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the Statement of Activities.		
Amortization of Premium on Refunding Bond		55,573
Principal Repayments		885,000
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.		
		(235,607)
Accrued interest payable is not reported in the governmental funds.		
		22,687
To record the net change in compensated absences in the Statement of Activities.		
		345,041
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.		
		621,145
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		1,030,060
Net change in Deferred Inflows Related to Pensions		707,705
Net change in Net Pension Liability		(4,919,151)
Net change in Deferred Outflows Related to OPEB		1,420,609
Net change in Deferred Inflows Related to OPEB		(778,269)
Net change in Total OPEB Liability		204,700
Change in Net Position of Governmental Activities	\$	3,794,404

The accompanying notes are an integral part of this statement.

City of Montclair
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-Type Activities - Enterprise Funds Sewer Maintenance Fund
ASSETS	
Current:	
Pooled Cash and Investments	\$ 4,575,064
Receivables:	
Accounts (net of allowance)	619,428
Due from Other Governments	<u>162,358</u>
Total Current Assets	<u>5,356,850</u>
Noncurrent:	
Capital Assets Not Being Depreciated	-
Capital Assets - Net of Accumulated Depreciation	<u>2,120,335</u>
Total Noncurrent Assets	<u>2,120,335</u>
Total Assets	<u>7,477,185</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to OPEB	94,646
Deferred Outflows Related to Pensions	<u>457,279</u>
Total Deferred Outflows of Resources	<u>551,925</u>
LIABILITIES	
Current:	
Accounts Payable	626,772
Accrued Liabilities	21,743
Due to Other Funds	6,865
Accrued Compensated Absences	<u>13,512</u>
Total Current Liabilities	<u>668,892</u>
Noncurrent:	
Accrued Compensated Absences	32,009
OPEB Liability	465,870
Net Pension Liability	<u>2,627,911</u>
Total Noncurrent Liabilities	<u>3,125,790</u>
Total Liabilities	<u>3,794,682</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to OPEB	62,665
Deferred Inflows Related to Pensions	<u>61,498</u>
Total Deferred Inflows of Resources	<u>124,163</u>
NET POSITION	
Net Investment in Capital Assets	2,120,335
Unrestricted	<u>1,989,930</u>
Total Net Position	<u>\$ 4,110,265</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, 2021

	<u>Business-Type Activities - Enterprise Funds Sewer Maintenance Fund</u>
OPERATING REVENUES	
Sales and Service Charges	<u>\$ 5,361,513</u>
Total Operating Revenues	<u>5,361,513</u>
OPERATING EXPENSES	
Salaries and Benefits	1,326,977
Supplies and Services	226,287
Treatment	3,543,019
Depreciation Expense	<u>73,556</u>
Total Operating Expenses	<u>5,169,839</u>
Operating Income (Loss)	<u>191,674</u>
NONOPERATING REVENUES (EXPENSES)	
Interest Revenue	<u>14,234</u>
Total Nonoperating Revenues (Expenses)	<u>14,234</u>
Income Before Transfers	205,908
Transfers Out	<u>(83,189)</u>
Changes in Net Position	122,719
Net Position, Beginning of Year	<u>3,987,546</u>
Net Position, End of Fiscal Year	<u><u>\$ 4,110,265</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, 2021

	Business-Type Activities - Enterprise Funds Sewer Maintenance Fund
Cash Flows from Operating Activities	
Cash Received from Customers and Users	\$ 5,255,929
Cash Paid to Suppliers for Goods and Services	(3,874,164)
Cash Paid to Employees for Services	(1,282,228)
Net Cash Provided (Used) by Operating Activities	99,537
Cash Flows from Non-Capital Financing Activities	
Cash Received From (Paid to) Other Funds	(76,324)
Net Cash Provided (Used) by Non-Capital Financing Activities	(76,324)
Cash Flows from Capital and Related Financing Activities	
Acquisition of Capital Assets	-
Net Cash Provided (Used) by Capital and Related Financing Activities	-
Cash Flows from Investing Activities	
Interest Received	14,234
Net Cash Provided (Used) by Investing Activities	14,234
Net Increase (Decrease) in Cash and Cash Equivalents	37,447
Cash and Cash Equivalents at Beginning of Year	4,537,617
Cash and Cash Equivalents at End of Year	\$ 4,575,064
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ 191,674
Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:	
Depreciation	73,556
(Increase) Decrease in Accounts Receivable	(78,660)
(Increase) Decrease in Due from Other Governments	(26,924)
(Increase) Decrease in Deferred Outflows - OPEB	(57,242)
(Increase) Decrease in Deferred Outflows - Pensions	4,926
Increase (Decrease) in Accounts Payable	(104,858)
Increase (Decrease) in Accrued Liabilities	(6,171)
Increase (Decrease) in Compensated Absences	(45,008)
Increase (Decrease) in Deferred Inflows - OPEB	31,359
Increase (Decrease) in Deferred Inflows - Pension	(26,888)
Increase (Decrease) in Total OPEB Liability	(8,248)
Increase (Decrease) in Net Pension Liability	152,021
Total Adjustments	(92,137)
Net Cash Provided (Used) by Operating Activities	\$ 99,537

The accompanying notes are an integral part of this statement.

City of Montclair
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Successor Agency Private-purpose Trust Fund	Custodial Fund
ASSETS		
Pooled Cash and Investments	\$ 676,998	\$ 2,773,469
Restricted Cash with Fiscal Agent	1,895,374	-
Total Assets	2,572,372	2,773,469
LIABILITIES		
Accounts Payable	-	-
Accrued Liabilities	4,128	-
Due to Other Governments	5,000	-
Interest Payable	269,670	-
Bonds Payable	33,911,103	-
Total Liabilities	34,189,901	-
NET POSITION		
Net Position Held for the Benefit of Others	-	2,773,469
Net Position Held in Trust for Successor Agency	(31,617,529)	-
Total Net Position	\$ (31,617,529)	\$ 2,773,469

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, 2021

	Successor Agency Private-purpose Trust Fund	Custodial Fund
ADDITIONS		
Taxes and Assessments	\$ 20,484,379	\$ 129,775
Investment Income	32	-
Other Revenue	5	-
Total Additions	20,484,416	129,775
DEDUCTIONS		
Administrative Costs	238,495	-
Distributions to other governments	-	1,492,677
Pass-through Payments	18,550,405	-
Interest on Bonds	893,726	-
Total Deductions	19,682,626	1,492,677
Change in Net Position	801,790	(1,362,902)
Net Position - Beginning of Year	(32,419,319)	4,136,371
Net Position - End of Year	\$ (31,617,529)	\$ 2,773,469

The accompanying notes are an integral part of this statement.

City of Montclair
Notes to Financial Statements
June 30, 2021

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, 2021

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 *CARES Act Special Revenue Fund* accounts for grant monies to fund COVID-19 related services and activities.

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

City of Montclair
Notes to Financial Statements
June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

The City reports the following major proprietary fund:

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

Additionally, the City reports the following fund types:

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

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

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

D) Assets, Liabilities and Net Position or Equity

Deposits and Investments

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

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

City of Montclair
Notes to Financial Statements
June 30, 2021

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, 2021

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, 2021

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, 2019 Valuation Date, June 30, 2020 Measurement Date, July 1, 2019 through June 30, 2020 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, 2021

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 relating to the Total OPEB Liability as well as the Net Pension Liability.

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

Net Position

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

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

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

Net Position Flow Assumption

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

Fund Balances

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

City of Montclair
Notes to Financial Statements
June 30, 2021

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.

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 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 June 15, 2021.

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, 2021.

GASB 92 – Omnibus 2020: The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. More comparable reporting will improve the usefulness of information for users of state and local government financial statements. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2022.

City of Montclair
Notes to Financial Statements
June 30, 2021

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

GASB 96 – Subscription-Based Information Technology Arrangements (SBITAs): The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023.

2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The following deficits in non-major funds at June 30, 2021 will be funded by future revenues:

Special Revenue Funds:		
CDBG	\$	1,544
Safety Department Grants		2,832
Statewide Park Development		180,634

3) CASH AND INVESTMENTS

As of June 30, 2021, cash and investments were reported in the accompanying financial statements as follows:

Governmental Activities	\$	42,523,761
Business-Type Activities		4,575,064
Fiduciary Funds		5,345,841
Total Cash and Investments	\$	52,444,666

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

City of Montclair
Notes to Financial Statements
June 30, 2021

3) CASH AND INVESTMENTS – Continued

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.

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, 2021, the City has no investment in medium-term notes. All securities were investment grade and were legal under State law. Investments in U.S. treasuries are not considered to have credit risk and, therefore, their credit quality is not disclosed. As of June 30, 2021, the

City of Montclair
Notes to Financial Statements
June 30, 2021

3) CASH AND INVESTMENTS – Continued

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, 2021, 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, 2021, the City is in compliance with the investment policy restrictions. Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement. In accordance with GASB Statement No. 40, if the City has invested more than 5% of its investments in any one issuer, then they are exposed to credit risk. The City had no investments in any one issuer that exceeded 5% of total investments.

Interest Rate Risk

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy states that at least 15% of the City's portfolio shall mature in one year or less, and 50% in three years or less. The only exception to these maturity limits shall be the investment of the gross proceeds of tax-exempt bonds. As of June 30, 2021, 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	
Local Agency Investment Fund	\$ 32,472,328	\$ -	\$ -	\$ 32,472,328
Money Market Mutual Funds	4,505,582	-	-	4,505,582
Total	<u>\$ 36,977,910</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,977,910</u>

Fair Value of Investments

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

City of Montclair
Notes to Financial Statements
June 30, 2021

4) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Depreciated:				
Land	\$ 10,917,565	\$ -	\$ -	\$ 10,917,565
Work in Progress	18,025,954	4,830,498	2,670,300	20,186,152
Land Improvements	2,591,145	-	-	2,591,145
Total Capital Assets Not Depreciated	<u>31,534,664</u>	<u>4,830,498</u>	<u>2,670,300</u>	<u>33,694,862</u>
Capital Assets, Being Depreciated:				
Structures and Improvements	21,768,784	227,218	-	21,996,002
Furniture and Equipment	7,952,980	917,677	-	8,870,657
Infrastructure	101,078,585	2,941,980	-	104,020,565
Total Capital Assets Being Depreciated	<u>130,800,349</u>	<u>4,086,875</u>	<u>-</u>	<u>134,887,224</u>
Less Accumulated Depreciation:				
Structures and Improvements	9,277,424	470,962	-	9,748,386
Furniture and Equipment	5,235,749	796,946	-	6,032,695
Infrastructure	35,501,496	3,287,926	-	38,789,422
Total Accumulated Depreciation	<u>50,014,669</u>	<u>4,555,834</u>	<u>-</u>	<u>54,570,503</u>
Total Capital Assets Being Depreciated, Net	<u>80,785,680</u>	<u>(468,959)</u>	<u>-</u>	<u>80,316,721</u>
Governmental Activities Capital Assets, Net	<u>\$ 112,320,344</u>	<u>\$ 4,361,539</u>	<u>\$ 2,670,300</u>	<u>\$ 114,011,583</u>
Business-Type Activities:				
Capital Assets, Not Depreciated:				
Work in Progress	\$ -	\$ -	\$ -	\$ -
Total Capital Assets Not Depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Assets, Being Depreciated:				
Sewer Lines	3,333,838	-	-	3,333,838
Infrastructure	106,985	-	-	106,985
Furniture and Equipment	1,143,859	-	-	1,143,859
Total Capital Assets Being Depreciated	<u>4,584,682</u>	<u>-</u>	<u>-</u>	<u>4,584,682</u>
Less Accumulated Depreciation:				
Sewer Lines	1,575,178	33,338	-	1,608,516
Infrastructure	10,698	36,652	-	47,350
Furniture and Equipment	804,915	3,566	-	808,481
Total Accumulated Depreciation	<u>2,390,791</u>	<u>73,556</u>	<u>-</u>	<u>2,464,347</u>
Total Capital Assets Being Depreciated, Net	<u>2,193,891</u>	<u>(73,556)</u>	<u>-</u>	<u>2,120,335</u>
Business-Type Activities Capital Assets, Net	<u>\$ 2,193,891</u>	<u>\$ (73,556)</u>	<u>\$ -</u>	<u>\$ 2,120,335</u>

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

City of Montclair
Notes to Financial Statements
June 30, 2021

4) CAPITAL ASSETS – Continued

Governmental Activities:	
General Government	\$ 3,147,022
Public Safety	1,311,812
Community Development	6,149
Public Works	<u>90,851</u>
Total Governmental Activities	<u>\$ 4,555,834</u>
Business-Type Activities: Sewer	<u>\$ 73,556</u>

5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2021, was as follows:

DUE TO	DUE FROM				Total
	General Fund	CARES Act Fund	Sewer Maintenance	Non-Major Funds	
General Fund	\$ -	\$ 434,661	\$ 6,865	\$ 161,309	\$ 602,835
Non-Major Funds	36,615	-	-	638,195	674,810
Total	\$ 36,615	\$ 434,661	\$ 6,865	\$ 799,504	\$ 1,277,645

Interfund receivables and payables are used for temporary loans between funds, which will be repaid through future tax and grant collections. Interfund transfers for the 2020-21 fiscal year were as follows:

TRANSFERS OUT	TRANSFERS IN			Total
	General Fund	CARES Act Fund	Non-Major Funds	
General Fund	\$ -	\$ -	\$ 2,937,950	\$ 2,937,950
Economic Development	-	457,449	-	457,449
Sewer Maintenance	-	-	83,189	83,189
Non-Major Funds	100,000	-	2,194,403	2,294,403
Total	\$ 100,000	\$ 457,449	\$ 5,215,542	\$ 5,772,991

The General Fund received \$100,000 from non-major funds in reimbursement for costs incurred applicable to grant funded programs. The Economic Development fund transferred \$457,449 to the CARES Act Fund to fund a grant-required matching contribution. The General Fund made transfers of \$2,937,950 to non-major funds for debt service costs and to cover deficits in various funds. Significant transfer activity in the non-major funds includes transfers of \$1,667,208 and \$576,199 into the non-major Infrastructure Capital Projects and the non-major 2014 Refunding Bonds Capital Projects fund to fund capital expenditures.

City of Montclair
Notes to Financial Statements
June 30, 2021

6) LONG-TERM DEBT

A) Long-Term Debt Activity

Governmental Activities:	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Lease Revenue Bonds:					
2014 Refunding Bonds	\$ 41,040,000	\$ -	\$ 885,000	\$ 40,155,000	\$ 930,000
Premium	1,389,334	-	55,573	1,333,761	55,573
Claims and Judgments	1,910,458	533,053	297,446	2,146,065	987,190
Total OPEB Liability	11,766,566	-	204,700	11,561,866	-
Net Pension Liability	70,692,292	4,919,151	-	75,611,443	-
Compensated Absences	1,894,628	1,212,562	1,557,603	1,549,587	380,069
Total	<u>\$128,693,278</u>	<u>\$ 6,664,766</u>	<u>\$ 3,000,322</u>	<u>\$ 132,357,722</u>	<u>\$ 2,352,832</u>
Business-type Activities:					
Compensated Absences	\$ 90,529	\$ 57,939	\$ 102,947	\$ 45,521	\$ 13,512
Total OPEB Liability	474,118	-	8,248	465,870	-
Net Pension Liability	2,475,890	152,021	-	2,627,911	-
Total	<u>\$ 3,040,537</u>	<u>\$ 209,960</u>	<u>\$ 111,195</u>	<u>\$ 3,139,302</u>	<u>\$ 13,512</u>

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, 2021 is \$40,155,000. The annual requirements to amortize the outstanding indebtedness as of June 30, 2021, including interest, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
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	1,075,000	1,510,263	2,585,263
2026	1,125,000	1,466,513	2,591,513
2027 - 2031	6,200,000	6,763,918	12,963,918
2032 - 2036	7,645,000	5,228,375	12,873,375
2037 - 2041	9,555,000	3,310,500	12,865,500
2043 - 2046	11,625,000	1,198,900	12,823,900
Totals	<u>\$ 40,155,000</u>	<u>\$ 24,314,381</u>	<u>\$ 64,469,381</u>

City of Montclair
Notes to Financial Statements
June 30, 2021

6) LONG-TERM DEBT – Continued

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, 2021 is \$2,146,065.

B) Fiduciary Fund Long-Term Debt Activity

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Tax Allocation Bonds:					
2019A	\$ 19,890,000	\$ -	\$ 1,325,000	\$ 18,565,000	\$ 1,070,000
2019B	12,660,000	-	255,000	12,405,000	285,000
Premium on Bonds	3,137,177	-	196,074	2,941,103	-
Total	\$ 35,687,177	\$ -	\$ 1,776,074	\$ 33,911,103	\$ 1,355,000

Tax Allocation Bonds

2019 A and B (Taxable) Tax Allocation Refunding Bonds

In December 2019, the Successor Agency to the City of Montclair Redevelopment Agency issued the 2019 Series A and B (Taxable) Tax Allocation Refunding Bonds in the amount of \$19,890,000 and \$12,660,000. Proceeds from 2019 Bonds will be applied to: (i) refund bonds (2007A, 2007B, 2006A, 2006B, 2004, 2001 and 1997) incurred by the Former Agency, (ii) pay for the premium for a debt service reserve insurance policy to be issued by Build America Mutual Assurance Company and (iii) pay costs of issuance of the 2019 Bonds. The prior bonds were issued to finance and refinance the former Redevelopment Agency's undertakings with respect to four project areas known as Redevelopment Project Area No. 1, Montclair Redevelopment Project Area No. III, Redevelopment Project Area No. IV, and Redevelopment Project Area No. V.

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

2019 A Tax Allocation Bonds			
Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 1,070,000	\$ 704,800	\$ 1,774,800
2023	1,105,000	672,175	1,777,175
2024	1,140,000	632,800	1,772,800
2025	1,195,000	586,100	1,781,100
2026	1,240,000	537,400	1,777,400
2027 - 2031	7,585,000	1,844,700	9,429,700
2032 - 2036	5,230,000	495,400	5,725,400
Totals	\$ 18,565,000	\$ 5,473,375	\$ 24,038,375

City of Montclair
Notes to Financial Statements
June 30, 2021

6) LONG-TERM DEBT – Continued

2019 B Tax Allocation Bonds

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 285,000	\$ 355,112	\$ 640,112
2023	445,000	347,975	792,975
2024	450,000	338,829	788,829
2025	675,000	326,679	1,001,679
2026	610,000	312,062	922,062
2027 - 2031	4,270,000	1,246,080	5,516,080
2032 - 2036	5,670,000	338,127	6,008,127
Totals	<u>\$ 12,405,000</u>	<u>\$ 3,264,864</u>	<u>\$ 15,669,864</u>

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 \$39,708,239 with debt service requirements as indicated above. Below is a summarization, by project area, which shows the gross amount of property taxes, and county and tax entity payments made for the fiscal year:

Items	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	\$ 178,321	\$ -	\$ 7,212,912	\$ 3,264,888	\$ 7,620,055	\$ 2,208,203	\$ 20,484,379
County Administration Charges	(869)	-	(34,530)	(15,712)	(36,938)	(10,582)	(98,631)
Payments to Taxing Entities	(167,578)	-	(6,190,882)	(3,028,760)	(6,975,467)	(2,187,719)	(18,550,406)
Net Tax Increment Available for Debt Service	<u>\$ 9,874</u>	<u>\$ -</u>	<u>\$ 987,500</u>	<u>\$ 220,416</u>	<u>\$ 607,650</u>	<u>\$ 9,902</u>	<u>\$ 1,835,342</u>

City of Montclair
Notes to Financial Statements
June 30, 2021

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, 2019 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2019 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, 2021, 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	7.79%	6.92%	6.75%
Required employer contribution rates	12.66% + \$2,044,019	11.164% + \$17,666	10.878% + \$10,142
		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	8.99%	8.99%	13%
Required employer contribution rates	23.674% + \$1,663,342	21.746% + \$57,440	13.044% + \$7,872

City of Montclair
Notes to Financial Statements
June 30, 2021

7) PENSIONS PLANS – Continued

	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	8.99%	8.99%	13.75%
Required employer contribution rates	25.540% + \$1,481,915	23.558% + \$26,450	13.884% + \$1,496

(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 \$5,270,342 in fiscal year 2021.

The City’s contributions to the Plan for the year ended June 30, 2021 were \$7,002,204.

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

As of June 30, 2021, the City reported a liability of \$78,239,354 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, 2020, 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, 2019 rolled forward to June 30, 2020 using standard update procedures. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The City’s proportionate share of the Plan’s net pension liability as of June 30, 2019 and 2020 was as follows:

Proportion - June 30, 2019	0.71404%
Proportion - June 30, 2020	0.71908%
Change - Increase (Decrease)	0.00504%

For the year ended June 30, 2021, the City recognized pension expense of \$16,399,213. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

City of Montclair
Notes to Financial Statements
June 30, 2021

7) PENSIONS PLANS – Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 7,002,204	\$ -
Differences between actual and expected experience	5,236,299	-
Changes in assumptions	-	382,025
Change in employer's proportion	580,992	-
Differences between the employer's contributions and the employer's proportionate share of contributions	-	1,936,053
Net differences between projected and actual earnings on plan investments	1,955,091	-
Total	\$ 14,774,586	\$ 2,318,078

\$7,002,204 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, 2021. 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,	
2022	\$ 651,033
2023	2,140,698
2024	1,703,293
2025	959,280
2026	-
Thereafter	-

Actuarial Assumptions – The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.75%
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.

City of Montclair
Notes to Financial Statements
June 30, 2021

7) PENSIONS PLANS – Continued

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.

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:

City of Montclair
Notes to Financial Statements
June 30, 2021

7) PENSIONS PLANS – Continued

	1% Decrease (6.15%)	Discount Rate (7.15%)	1% Increase (8.15%)
Net Pension Liability	\$ 110,434,947	\$ 78,239,354	\$ 51,746,436

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, 2021, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

8) OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS

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

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

	SBPEA	Management(1)	Police	Fire
Eligibility	- Retire directly from City under CalPERS (age 50 and 5 years of service or disability) (2)			
Age 50 and 15 Years 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			

City of Montclair
Notes to Financial Statements
June 30, 2021

8) OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS

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

Employees Covered by Benefit Terms – As of the June 30, 2020 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	101
Inactives entitled to but not yet receiving benefits	-
Active employees	152
Total	253

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

Total OPEB Liability - The City's Total OPEB liability was measured as of June 30, 2020 and was determined by an actuarial valuation dated June 30, 2020, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Actuarial Cost
Contribution Policy	Pay-as-you-go
Mortality	Mortality projected fully generational with Scale MP-2021 CalPERS 1997-2015 Experience Study
Age at Retirement	50 (52 for PEPRA)
Health Care Trend Rate	6.75% initial, 3.75% ultimate - Non-Medicare 5.85% initial, 3.75% ultimate - Medicare
Inflation Rate	2.50%
Salary Changes	3.75%
Discount Rate	2.21% - Bond Buyer 20-year Bond index as of 6/30/20 3.50% - Bond Buyer 20-year Bond index as of 6/30/19 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

City of Montclair
Notes to Financial Statements
June 30, 2021

8) OTHER POSTEMPLOYMENT BENEFITS - Continued

Changes in the Total OPEB Liability

	Total OPEB Liability (TOL)
Balance at June 30, 2020 (June 30, 2019 measurement date)	\$ 12,240,684
Changes in the year:	
Service cost	301,328
Interest on the total OPEB liability	428,974
Assumption Changes	1,899,054
Actual vs. Expected Experience	(1,176,877)
Changes in benefit terms	(1,094,234)
Benefit payments, including refunds	(571,193)
Net changes	(212,948)
Balance at June 30, 2021 (June 30, 2020 measurement date)	\$ 12,027,736

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 (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB liability (asset)	\$ 13,688,375	\$ 12,027,736	\$ 10,655,767

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:

	1% Decrease	Current Healthcare Trend	1% Increase
Total OPEB liability (asset)	\$ 11,696,881	\$ 12,027,736	\$ 12,333,306

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB - For the year ended June 30, 2021, the City recognized OPEB expense/(income) of \$(398,212). 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	\$ 482,959	\$ -
Changes of Assumptions	1,960,590	604,452
Net differences between projected and actual earnings on plan investments	-	1,013,422
Total	\$ 2,443,549	\$ 1,617,874

City of Montclair
Notes to Financial Statements
June 30, 2021

8) OTHER POSTEMPLOYMENT BENEFITS - Continued

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,	
2022	\$ (34,280)
2023	(34,280)
2024	10,595
2025	131,569
2026	148,753
Thereafter	120,359

The \$482,959 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2020 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ended June 30, 2022.

9) SELF-INSURANCE PROGRAM

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

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

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

As of June 30, 2021, third party claims administrators estimated \$2,146,065 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, 2021 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, 2021 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
2020-21	\$ 1,910,458	\$ 533,053	\$ 297,446	\$ 2,146,065
2019-20	2,049,706	223,156	362,404	1,910,458

City of Montclair
Notes to Financial Statements
June 30, 2021

10) FUND BALANCES

The details of the fund balances as of June 30, 2021 are presented below:

	General Fund	CARES Act	Successor Agency Bonds	Economic Development	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepays	\$ 9,191	\$ -	\$ -	\$ -	\$ 932	\$ 10,123
Restricted for:						
Housing	-	-	-	-	5,410,711	5,410,711
Public Safety	-	-	-	-	1,483,768	1,483,768
Transportation	-	-	-	-	6,758,756	6,758,756
Comm. Development	-	-	13,018,598	-	2,571,646	15,590,244
Committed to:						
Comm. Development	-	-	-	5,680,663	-	5,680,663
Assigned to:						
Post-employ. Benefits	2,700,000	-	-	-	-	2,700,000
Retiree Medical Liab.	900,000	-	-	-	-	900,000
Technology	320,751	-	-	-	-	320,751
Self Insurance	850,000	-	-	-	-	850,000
Equip. Replacement	1,362,067	-	-	-	-	1,362,067
Unanticipated Pers.	700,000	-	-	-	-	700,000
Building Maintenance	600,000	-	-	-	-	600,000
Contingencies	125,283	-	-	-	-	125,283
Unassigned	<u>9,202,281</u>	<u>(434,661)</u>	<u>-</u>	<u>-</u>	<u>(185,010)</u>	<u>8,582,610</u>
Total Fund Balance	<u>\$ 16,769,573</u>	<u>\$ (434,661)</u>	<u>\$ 13,018,598</u>	<u>\$ 5,680,663</u>	<u>\$ 16,040,803</u>	<u>\$ 51,074,976</u>

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 \$5,091,850.

12) SUBSEQUENT EVENTS

On October 1, 2021, the City issued the *2021 Taxable Pension Obligation Bonds* (the Bonds). The bonds have a principal amount of \$62,190,000 and were issued to provide funding for the City to make contributions towards the unfunded pension liabilities with the California Public Employee's Retirement System.

On October 1, 2021, the Montclair Public Financing Authority issued the *Series 2021A Lease Revenue Bonds* (the Bonds). The bonds have a principal amount of \$45,000,000 and were issued to fund the construction of infrastructure projects.

REQUIRED SUPPLEMENTARY INFORMATION

City of Montclair
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary Fund Balance, July 1	\$ 12,576,911	\$ 12,576,911	\$ 12,576,911	\$ -
Resources (Inflows):				
Taxes	21,418,906	23,417,940	31,684,474	8,266,534
Licenses and Permits	514,325	506,825	510,377	3,552
Intergovernmental	564,155	115,000	192,342	77,342
Charges for Services	3,810,200	3,730,900	4,174,981	444,081
Use of Money and Property	377,760	344,010	179,347	(164,663)
Fines and Forfeitures	470,400	361,200	334,189	(27,011)
Miscellaneous	293,400	88,000	98,776	10,776
Transfers In	-	-	100,000	100,000
Amounts Available for Appropriation	<u>40,026,057</u>	<u>41,140,786</u>	<u>49,851,397</u>	<u>8,710,611</u>
Charges to Appropriation (Outflow):				
General Government				
City Council	251,218	251,218	341,119	(89,901)
City Manager	276,066	522,178	538,399	(16,221)
Administration	27,064	27,064	40,251	(13,187)
Financial Services	528,488	528,688	638,286	(109,598)
Solid Waste Disposal	2,470,934	2,470,734	2,876,420	(405,686)
City Clerk	250,402	280,402	258,880	21,522
Personnel/Risk Assessment	404,409	430,409	426,076	4,333
Information Technology Services	698,398	698,398	808,598	(110,200)
Central Services	271,470	271,470	294,101	(22,631)
City Attorney	283,053	283,053	275,743	7,310
Non-Departmental	3,428,465	3,428,465	4,125,875	(697,410)
Public Safety				
Police Administration	3,374,137	3,376,362	3,367,882	8,480
Police Support Services	726,017	727,805	705,966	21,839
Technical Services	329,789	206,087	220,854	(14,767)
Records Bureau	639,732	644,625	516,356	128,269
Investigations	1,063,139	1,095,354	1,112,880	(17,526)
Uniform Patrol	4,870,076	4,416,878	4,707,111	(290,233)
Communications	631,482	680,764	677,104	3,660
Volunteer Services	53,418	52,871	47,565	5,306
Fire Administration	453,090	453,090	427,377	25,713
Fire Prevention	123,955	123,955	96,055	27,900
Emergency Services	3,266,720	3,102,557	2,929,949	172,608
Personnel Development	4,500	9,175	7,264	1,911
Buildings and Grounds	3,000	3,000	1,748	1,252
Emergency Preparedness	74,132	73,452	72,249	1,203
Code Enforcement	311,895	311,895	390,655	(78,760)

City of Montclair
Budgetary Comparison Schedule - Continued
General Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Charges to Appropriation (Outflow): - Continued				
Community Development				
Planning Commission	\$ 8,075	\$ 8,075	\$ 7,054	\$ 1,021
Community Development Administration	82,627	82,627	87,176	(4,549)
Current Planning	190,110	190,110	195,303	(5,193)
Advance Planning	109,108	109,108	115,677	(6,569)
Field Inspection	149,172	149,172	118,597	30,575
Plan Check	75,382	75,382	94,168	(18,786)
Building Operations	150,396	150,396	154,467	(4,071)
Recreation	824,856	898,371	614,457	283,914
Clinic	51,586	51,586	51,856	(270)
Senior Citizens	221	221	31,000	(30,779)
Nutritional Meals	13,170	13,170	102,095	(88,925)
Family and Health Education	57,537	57,537	42,824	14,713
Public Works				
Management and Construction	232,387	260,087	340,841	(80,754)
Public Works Inspection	88,138	88,138	84,305	3,833
Traffic Safety Engineering	11,934	11,934	94,147	(82,213)
Graffiti Abatement	74,964	74,964	3,719	71,245
Street Maintenance	440,323	449,623	688,042	(238,419)
Signing/Painting	24,757	24,757	46,711	(21,954)
Street Sweeping	27,140	27,140	24,636	2,504
Parks Maintenance	365,545	380,545	332,246	48,299
Tree Maintenance	20,617	20,617	16,126	4,491
Vehicle Maintenance	341,822	360,822	383,055	(22,233)
Building Maintenance Services	225,958	246,958	202,339	44,619
Heating and Air Conditioning	107,208	137,738	144,511	(6,773)
Janitorial Services	242,698	244,198	256,615	(12,417)
Capital Outlay	10,000	56,612	279	56,333
Transfers Out	-	-	2,937,950	(2,937,950)
	<u>28,740,780</u>	<u>28,639,837</u>	<u>33,074,959</u>	<u>(4,435,122)</u>
Total Charges to Appropriations				
Budgetary Fund Balance, June 30	<u>\$ 11,285,277</u>	<u>\$ 12,500,949</u>	<u>\$ 16,776,438</u>	<u>\$ 4,275,489</u>

City of Montclair
Budgetary Comparison Schedule
CARES Act Special Revenue Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	-	1,462,764	997,963	(464,801)
Transfers In	-	-	457,449	457,449
Amounts Available for Appropriation	-	1,462,764	1,455,412	(7,352)
Charges to Appropriation (Outflow):				
General Government	-	975,176	975,176	-
Capital Outlay	-	829,746	914,897	(85,151)
Total Charges to Appropriations	-	1,804,922	1,890,073	(85,151)
Budgetary Fund Balance, June 30	<u>\$ -</u>	<u>\$ (342,158)</u>	<u>\$ (434,661)</u>	<u>\$ (92,503)</u>

City of Montclair
Notes to Required Supplementary Information
June 30, 2021

General Budget Policies

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

The following funds did not have an adopted budget:

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

City of Montclair
Required Supplementary Information
June 30, 2021

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

	Measurement Period			
	2020	2019	2018	2017
Total OPEB Liability				
Service cost	\$ 301,328	\$ 269,472	\$ 279,017	\$ 318,968
Interest on total OPEB liability	428,974	449,101	423,080	363,789
Changes in assumptions	722,177	463,716	(363,175)	(1,002,248)
Changes in benefits	(1,094,234)	-	-	-
Benefit payments, including refunds	(571,193)	(553,563)	(531,634)	(642,745)
Net change in total OPEB liability	(212,948)	628,726	(192,712)	(962,236)
Total OPEB liability - beginning	12,240,684	11,611,958	11,804,670	12,766,906
Total OPEB liability - ending (a)	<u>\$ 12,027,736</u>	<u>\$ 12,240,684</u>	<u>\$ 11,611,958</u>	<u>\$ 11,804,670</u>
Covered - employee payroll	\$ 12,337,306	\$ 12,201,903	\$ 11,361,672	\$ 11,850,580
Total OPEB liability as a percentage of covered-employee payroll	97.49%	100.32%	102.20%	99.61%

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

Notes to Schedule:

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

Benefit Changes: As of the June 30, 2020 Measurement Date, non-management actives who retired from the City will not be able to elect a City medical plan at retirement. Additionally, the City reimbursed cap amount was decreased until the eligible employee reaches the age CalPERS retirement formula.

Changes in Assumptions: As of the June 30, 2020 Measurement Date, the discount rate was decreased from 3.50% to 2.5%, the mortality improvement scale was updated to Scale MP-2021, and general inflation decreased from 2.75% to 2.5%

City of Montclair
Required Supplementary Information
June 30, 2021

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, 2021

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, 2021

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

**Schedule of the City's Proportionate Share of the Net Pension Liability
Last 10 Years***

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
2020	0.71908%	\$ 78,239,354	\$ 12,337,306	634.17%	75.10%
2019	0.71404%	73,168,182	11,799,285	620.11%	68.61%
2018	0.71058%	68,473,398	12,111,468	565.36%	69.53%
2017	0.40340%	40,005,736	5,742,193	696.70%	69.71%
2016	0.40861%	35,357,128	5,706,922	619.55%	70.87%
2015	0.41915%	28,770,251	5,523,210	520.90%	75.56%
2014	0.40976%	25,497,439	5,309,711	480.20%	78.20%

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

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

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

Changes in Assumptions: In 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, 2021

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

Schedule of Plan Contributions
Last 10 Years*

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2021	\$ 7,002,204	\$ (7,002,204)	\$ -	\$ 11,990,558	58.40%
2020	6,528,038	(6,528,038)	-	12,337,506	52.91%
2019	5,540,282	(5,540,282)	-	11,799,285	46.95%
2018	2,870,221	(2,870,221)	-	6,005,081	47.80%
2017	2,687,316	(2,687,316)	-	5,742,193	46.80%
2016	2,418,705	(2,418,705)	-	5,706,922	42.38%
2015	1,960,293	(1,960,293)	-	5,523,210	35.49%

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

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

SUPPLEMENTARY INFORMATION

City of Montclair
Combining Balance Sheet
Non-major Funds
June 30, 2021

	Special Revenue Funds				
	Gas Tax	Measure I	Traffic Safety	Park Development	Community Development Block Grant
ASSETS					
Pooled Cash and Investments	\$ 545,541	\$ 3,613,223	\$ 9,604	\$ 1,149,207	\$ 530
Receivables:					
Accounts	29,707	-	-	-	36,630
Notes and Loans	-	-	-	-	-
Accrued Interest	-	-	-	-	-
Prepaid Costs	-	-	-	-	-
Due from Other Governments	181,233	186,871	3,963	-	-
Due from Other Funds	223	442,941	35,053	-	-
	<u>756,704</u>	<u>4,243,035</u>	<u>48,620</u>	<u>1,149,207</u>	<u>37,160</u>
Total Assets	<u>\$ 756,704</u>	<u>\$ 4,243,035</u>	<u>\$ 48,620</u>	<u>\$ 1,149,207</u>	<u>\$ 37,160</u>
LIABILITIES					
Accounts Payable	\$ 108,822	\$ 1,062	\$ -	\$ -	\$ 2,074
Accrued Liabilities	11,694	-	-	-	-
Deposits Payable	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Due to Other Governments	-	-	5,369	-	-
Due to Other Funds	277	-	-	-	36,630
	<u>120,793</u>	<u>1,062</u>	<u>5,369</u>	<u>-</u>	<u>38,704</u>
Total Liabilities	<u>120,793</u>	<u>1,062</u>	<u>5,369</u>	<u>-</u>	<u>38,704</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues - Grants	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	635,911	4,241,973	43,251	1,149,207	-
Unassigned	-	-	-	-	(1,544)
	<u>635,911</u>	<u>4,241,973</u>	<u>43,251</u>	<u>1,149,207</u>	<u>(1,544)</u>
Total Fund Balances (Deficits)	<u>635,911</u>	<u>4,241,973</u>	<u>43,251</u>	<u>1,149,207</u>	<u>(1,544)</u>
	<u>\$ 756,704</u>	<u>\$ 4,243,035</u>	<u>\$ 48,620</u>	<u>\$ 1,149,207</u>	<u>\$ 37,160</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 756,704</u>	<u>\$ 4,243,035</u>	<u>\$ 48,620</u>	<u>\$ 1,149,207</u>	<u>\$ 37,160</u>

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	School District Grant
\$ 218,033	\$ 4,216	\$ 111,798	\$ 222,733	\$ 403,728	\$ 52,052	\$ 92,631	\$ -
-	37,352	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
13,112	-	-	39,543	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 231,145</u>	<u>\$ 41,568</u>	<u>\$ 111,798</u>	<u>\$ 262,276</u>	<u>\$ 403,728</u>	<u>\$ 52,052</u>	<u>\$ 92,631</u>	<u>\$ -</u>
\$ -	\$ 680	\$ -	\$ 26,976	\$ -	\$ -	\$ -	\$ -
-	3,536	-	-	-	-	-	-
-	-	-	-	-	6,775	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	37,352	-	-	-	-	-	-
-	41,568	-	26,976	-	6,775	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
231,145	-	111,798	235,300	403,728	45,277	92,631	-
-	-	-	-	-	-	-	-
231,145	-	111,798	235,300	403,728	45,277	92,631	-
<u>\$ 231,145</u>	<u>\$ 41,568</u>	<u>\$ 111,798</u>	<u>\$ 262,276</u>	<u>\$ 403,728</u>	<u>\$ 52,052</u>	<u>\$ 92,631</u>	<u>\$ -</u>

Continued

City of Montclair
Combining Balance Sheet
Non-major Funds - Continued
June 30, 2021

	Special Revenue Funds				
	SSLEF	Justice Assistance Grant	Crime Prevention PC 1202.5	Recycling Block Grant	After School Program
ASSETS					
Pooled Cash and Investments	\$ 348,892	\$ -	\$ 2,115	\$ 81,110	\$ 568,262
Receivables:					
Accounts	-	-	-	-	-
Notes and Loans	-	-	-	-	-
Accrued Interest	-	-	-	-	-
Prepaid Costs	-	-	-	-	-
Due from Other Governments	-	-	11	-	-
Due from Other Funds	-	-	-	-	-
Total Assets	\$ 348,892	\$ -	\$ 2,126	\$ 81,110	\$ 568,262
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 13,970
Accrued Liabilities	-	-	-	-	28,230
Deposits Payable	-	-	-	-	225
Unearned Revenue	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Total Liabilities	-	-	-	-	42,425
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues - Grants	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	348,892	-	2,126	81,110	525,837
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	348,892	-	2,126	81,110	525,837
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 348,892	\$ -	\$ 2,126	\$ 81,110	\$ 568,262

Special Revenue Funds

Safety Department Grants	Immunization Grant	E.M.S. Paramedic	Prop 30 SB 109	Disability Access- Bus. License	Mt. Baldy United Way Grant	Montclair Housing Corporation	Kaiser Permanente Grant
\$ 299,108	\$ 516	\$ 3,005	\$ 122,616	\$ 37,267	\$ -	\$ 2,223,922	\$ 4,879
3,831	-	4,748	-	-	-	113,940	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,396	-
-	-	-	-	-	-	932	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 302,939</u>	<u>\$ 516</u>	<u>\$ 7,753</u>	<u>\$ 122,616</u>	<u>\$ 37,267</u>	<u>\$ -</u>	<u>\$ 2,340,190</u>	<u>\$ 4,879</u>
\$ 5,771	\$ -	\$ 6,210	\$ -	\$ 499	\$ -	\$ 17,611	\$ 259
-	516	1,543	-	-	-	8,850	-
-	-	-	-	-	-	73,070	-
300,000	-	-	-	-	-	-	-
-	-	-	-	(1,395)	-	-	-
-	-	-	-	-	-	-	-
<u>305,771</u>	<u>516</u>	<u>7,753</u>	<u>-</u>	<u>(896)</u>	<u>-</u>	<u>99,531</u>	<u>259</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	932	-
-	-	-	122,616	38,163	-	2,239,727	4,620
(2,832)	-	-	-	-	-	-	-
<u>(2,832)</u>	<u>-</u>	<u>-</u>	<u>122,616</u>	<u>38,163</u>	<u>-</u>	<u>2,240,659</u>	<u>4,620</u>
<u>\$ 302,939</u>	<u>\$ 516</u>	<u>\$ 7,753</u>	<u>\$ 122,616</u>	<u>\$ 37,267</u>	<u>\$ -</u>	<u>\$ 2,340,190</u>	<u>\$ 4,879</u>

Continued

City of Montclair
Combining Balance Sheet
Non-major Funds - Continued
June 30, 2021

	Special Revenue Funds				
	Resource Center Grant	Title IIIB Sr. Supportive Services	Community Foundation	ASES Supplemental Grant	Hope Thru Housing Grant
ASSETS					
Pooled Cash and Investments	\$ 17,194	\$ 5,532	\$ 158,143	\$ 17,502	\$ -
Receivables:					
Accounts	-	20,536	-	-	-
Notes and Loans	-	-	-	-	-
Accrued Interest	-	-	-	-	-
Prepaid Costs	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Total Assets	\$ 17,194	\$ 26,068	\$ 158,143	\$ 17,502	\$ -
LIABILITIES					
Accounts Payable	\$ 453	\$ -	\$ -	\$ 4,049	\$ -
Accrued Liabilities	-	1,534	-	-	-
Deposits Payable	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Due to Other Funds	-	20,536	-	-	-
Total Liabilities	453	22,070	-	4,049	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues - Grants	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	16,741	3,998	158,143	13,453	-
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	16,741	3,998	158,143	13,453	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 17,194	\$ 26,068	\$ 158,143	\$ 17,502	\$ -

Special Revenue Funds							
Park Maintenance	CFD 2011-1 Paseos	CFD 2011-2 Arrow Station	Montclair Housing Authority	Public Education Govt. PEG	Homeless Emergency Aid Program	Healthy Community Strategic Plan	SB2 Planning Grant
\$ 86,476	\$ 143,196	\$ 90,788	\$ 4,471	\$ 40,491	\$ -	\$ 17,848	\$ -
-	-	-	-	9,783	43,645	-	-
-	-	-	2,599,461	-	-	-	-
-	-	-	-	-	-	-	-
-	-	446	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 86,476</u>	<u>\$ 143,196</u>	<u>\$ 91,234</u>	<u>\$ 2,603,932</u>	<u>\$ 50,274</u>	<u>\$ 43,645</u>	<u>\$ 17,848</u>	<u>\$ -</u>
\$ 4,788	\$ 1,534	\$ 497	\$ -	\$ -	\$ -	\$ 912	\$ -
-	64	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	7,500	-	-	43,645	-	-
<u>4,788</u>	<u>1,598</u>	<u>7,997</u>	<u>-</u>	<u>-</u>	<u>43,645</u>	<u>912</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
81,688	141,598	83,237	2,603,932	50,274	-	16,936	-
-	-	-	-	-	-	-	-
<u>81,688</u>	<u>141,598</u>	<u>83,237</u>	<u>2,603,932</u>	<u>50,274</u>	<u>-</u>	<u>16,936</u>	<u>-</u>
<u>\$ 86,476</u>	<u>\$ 143,196</u>	<u>\$ 91,234</u>	<u>\$ 2,603,932</u>	<u>\$ 50,274</u>	<u>\$ 43,645</u>	<u>\$ 17,848</u>	<u>\$ -</u>

Continued

City of Montclair
Combining Balance Sheet
Non-major Funds - Continued
June 30, 2021

	Special Revenue Funds		Capital Project Funds		
	Homeless Housing Assistance	Statewide Park Development	Pavement Impact Fees	Underground In-lieu	General Plan Update
ASSETS					
Pooled Cash and Investments	\$ 13,725	\$ -	\$ 231,952	\$ 340,517	\$ 88,621
Receivables:					
Accounts	-	180,634	-	-	-
Notes and Loans	-	-	-	-	-
Accrued Interest	-	-	-	-	-
Prepaid Costs	-	-	-	-	-
Due from Other Governments	-	-	19,457	-	-
Due from Other Funds	-	-	-	-	-
Total Assets	\$ 13,725	\$ 180,634	\$ 251,409	\$ 340,517	\$ 88,621
LIABILITIES					
Accounts Payable	\$ 2,000	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-
Deposits Payable	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Due to Other Funds	-	180,634	-	-	-
Total Liabilities	2,000	180,634	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues - Grants	-	180,634	-	-	-
Total Deferred Inflows of Resources	-	180,634	-	-	-
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	11,725	-	251,409	340,517	88,621
Unassigned	-	(180,634)	-	-	-
Total Fund Balances (Deficits)	11,725	(180,634)	251,409	340,517	88,621
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 13,725	\$ 180,634	\$ 251,409	\$ 340,517	\$ 88,621

Capital Project Funds					Debt Service Fund	Non-Major Governmental Total
2014 Refunding Bonds	Infrastructure	PUC Reimbursement	Housing Fund	Development Impact Fee	2014 Refunding Bonds	
\$ 280,568	\$ -	\$ 324,111	\$ 555,327	\$ 1,162,542	\$ 3,206	\$ 13,697,198
-	218,358	-	-	-	-	699,164
-	-	-	-	-	-	2,599,461
651	-	-	-	-	-	2,047
-	-	-	-	-	-	932
-	-	-	-	-	-	444,636
6,171	190,422	-	-	-	-	674,810
<u>\$ 287,390</u>	<u>\$ 408,780</u>	<u>\$ 324,111</u>	<u>\$ 555,327</u>	<u>\$ 1,162,542</u>	<u>\$ 3,206</u>	<u>\$ 18,118,248</u>
\$ 287,390	\$ 168,533	\$ -	\$ -	\$ -	\$ 3,206	\$ 657,296
-	-	-	-	-	-	55,967
-	-	-	-	-	-	80,070
-	-	-	-	-	-	300,000
-	-	-	-	-	-	3,974
-	21,540	-	-	451,390	-	799,504
<u>287,390</u>	<u>190,073</u>	<u>-</u>	<u>-</u>	<u>451,390</u>	<u>3,206</u>	<u>1,896,811</u>
-	-	-	-	-	-	180,634
-	-	-	-	-	-	180,634
-	-	-	-	-	-	932
-	218,707	324,111	555,327	711,152	-	16,224,881
-	-	-	-	-	-	(185,010)
-	218,707	324,111	555,327	711,152	-	16,040,803
<u>\$ 287,390</u>	<u>\$ 408,780</u>	<u>\$ 324,111</u>	<u>\$ 555,327</u>	<u>\$ 1,162,542</u>	<u>\$ 3,206</u>	<u>\$ 18,118,248</u>

City of Montclair
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Funds - Continued
Year Ended June 30, 2021

	Special Revenue Funds				
	Gas Tax	Measure I	Traffic Safety	Park Development	Community Development Block Grant
REVENUES					
Taxes	\$ 1,650,733	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	897,155	7,556	-	108,776
Charges for Services	-	-	-	-	-
Use of Money and Property	4,980	10,858	-	-	-
Fines and Forfeitures	-	-	94,799	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	1,655,713	908,013	102,355	-	108,776
EXPENDITURES					
Current:					
General Government	65,581	-	-	-	-
Public Safety	-	-	-	-	-
Community Development	-	-	7,401	-	108,775
Public Works	649,124	-	-	-	-
Capital Outlay	52,948	1,062	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	767,653	1,062	7,401	-	108,775
Excess (Deficiency) of Revenues Over (Under) Expenditures	888,060	906,951	94,954	-	1
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	(1,118,724)	-	(100,000)	(651,000)	-
Total Other Financing Sources (Uses)	(1,118,724)	-	(100,000)	(651,000)	-
Net Change in Fund Balances	(230,664)	906,951	(5,046)	(651,000)	1
Fund Balance, Beginning of Year	866,575	3,335,022	48,297	1,800,207	(1,545)
Fund Balance, End of Year	\$ 635,911	\$ 4,241,973	\$ 43,251	\$ 1,149,207	\$ (1,544)

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	School District Grant
\$ -	\$ -	\$ -	\$ 416,649	\$ -	\$ -	\$ -	\$ -
51,565	205,428	-	-	-	-	-	-
-	-	-	-	-	-	-	-
674	-	346	-	1,248	139	286	-
-	-	732	-	64,336	129	4,666	-
-	57,944	-	-	-	-	-	-
52,239	263,372	1,078	416,649	65,584	268	4,952	-
-	-	-	-	-	-	-	-
-	-	-	372,699	1,078	-	-	-
-	279,703	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	6,600	-	4,314	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	279,703	6,600	372,699	5,392	-	-	-
52,239	(16,331)	(5,522)	43,950	60,192	268	4,952	-
18,169	16,331	-	-	-	-	-	-
-	-	-	-	-	-	-	-
18,169	16,331	-	-	-	-	-	-
70,408	-	(5,522)	43,950	60,192	268	4,952	-
160,737	-	117,320	191,350	343,536	45,009	87,679	-
<u>\$ 231,145</u>	<u>\$ -</u>	<u>\$ 111,798</u>	<u>\$ 235,300</u>	<u>\$ 403,728</u>	<u>\$ 45,277</u>	<u>\$ 92,631</u>	<u>\$ -</u>

Continued

City of Montclair
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Funds - Continued
Year Ended June 30, 2021

	Special Revenue Funds				
	SSLEF	Justice Assistance Grant	Crime Prevention PC 1202.5	Recycling Block Grant	After School Program
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	156,894	36,864	-	15,174	1,263,539
Charges for Services	-	-	-	-	-
Use of Money and Property	1,078	-	7	251	-
Fines and Forfeitures	-	-	112	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	157,972	36,864	119	15,425	1,263,539
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	100,000	30,274	-	-	-
Community Development	-	-	-	9,994	712,555
Public Works	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	100,000	30,274	-	9,994	712,555
Excess (Deficiency) of Revenues Over (Under) Expenditures	57,972	6,590	119	5,431	550,984
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	(6,590)	-	-	(26,737)
Total Other Financing Sources (Uses)	-	(6,590)	-	-	(26,737)
Net Change in Fund Balances	57,972	-	119	5,431	524,247
Fund Balance, Beginning of Year	290,920	-	2,007	75,679	1,590
Fund Balance, End of Year	\$ 348,892	\$ -	\$ 2,126	\$ 81,110	\$ 525,837

Special Revenue Funds							
Safety Department Grants	Immunization Grant	E.M.S. Paramedic	Prop 30 SB 109	Disability Access- Bus. License	Mt. Baldy United Way Grant	Montclair Housing Corporation	Kaiser Permanente Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
145,615	-	-	-	-	-	-	-
-	-	44,350	-	8,950	-	-	-
-	-	-	379	-	-	1,003,393	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
145,615	-	44,350	379	8,950	-	1,003,393	-
-	-	-	-	-	-	923,434	-
161,989	-	82,451	-	-	-	-	-
-	16,176	-	-	70	-	-	900
-	-	-	17,158	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
161,989	16,176	82,451	17,158	70	-	923,434	900
(16,374)	(16,176)	(38,101)	(16,779)	8,880	-	79,959	(900)
25,547	3,225	35,284	-	-	-	-	-
-	-	-	-	-	-	-	-
25,547	3,225	35,284	-	-	-	-	-
9,173	(12,951)	(2,817)	(16,779)	8,880	-	79,959	(900)
(12,005)	12,951	2,817	139,395	29,283	-	2,160,700	5,520
\$ (2,832)	\$ -	\$ -	\$ 122,616	\$ 38,163	\$ -	\$ 2,240,659	\$ 4,620

Continued

City of Montclair
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Funds - Continued
Year Ended June 30, 2021

	Special Revenue Funds				
	Resource Center Grant	Title IIIB Sr. Supportive Services	Community Foundation	ASES Supplemental Grant	Hope Thru Housing Grant
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	119,847	-
Charges for Services	-	63,100	-	-	-
Use of Money and Property	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	28,500	-	14,731	-	-
Total Revenues	28,500	63,100	14,731	119,847	-
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Community Development	22,478	63,100	16,755	106,394	-
Public Works	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	22,478	63,100	16,755	106,394	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,022	-	(2,024)	13,453	-
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	6,022	-	(2,024)	13,453	-
Fund Balance, Beginning of Year	10,719	3,998	160,167	-	-
Fund Balance, End of Year	\$ 16,741	\$ 3,998	\$ 158,143	\$ 13,453	\$ -

Special Revenue Funds							
Park Maintenance	CFD 2011-1 Paseos	CFD 2011-2 Arrow Station	Montclair Housing Authority	Public Education Govt. PEG	Homeless Emergency Aid Program	Healthy Community Strategic Plan	SB2 Planning Grant
\$ -	\$ 140,573	\$ 40,846	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	348,323	-	86,950
38,055	-	-	-	26,700	-	-	-
-	443	281	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
38,055	141,016	41,127	-	26,700	348,323	-	86,950
-	-	1,875	-	-	-	-	-
-	54,153	9,782	-	-	-	-	-
40,775	-	-	-	-	346,515	1,199	86,950
-	67,299	31,828	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
40,775	121,452	43,485	-	-	346,515	1,199	86,950
(2,720)	19,564	(2,358)	-	26,700	1,808	(1,199)	-
-	-	-	-	-	-	-	-
-	-	-	-	-	(1,808)	-	-
-	-	-	-	-	(1,808)	-	-
(2,720)	19,564	(2,358)	-	26,700	-	(1,199)	-
84,408	122,034	85,595	2,603,932	23,574	-	18,135	-
\$ 81,688	\$ 141,598	\$ 83,237	\$ 2,603,932	\$ 50,274	\$ -	\$ 16,936	\$ -

Continued

City of Montclair
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Funds - Continued
Year Ended June 30, 2021

	Special Revenue Funds		Capital Project Funds		
	Homeless Housing Assistance	Statewide Park Development	Pavement Impact Fees	Underground In-lieu	General Plan Update
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	14,375	-	-	-	-
Charges for Services	-	-	74,408	164,870	11,703
Use of Money and Property	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>14,375</u>	<u>-</u>	<u>74,408</u>	<u>164,870</u>	<u>11,703</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Community Development	2,650	-	-	-	-
Public Works	-	-	-	-	661
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	<u>2,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>661</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>11,725</u>	<u>-</u>	<u>74,408</u>	<u>164,870</u>	<u>11,042</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	(180,634)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(180,634)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>11,725</u>	<u>(180,634)</u>	<u>74,408</u>	<u>164,870</u>	<u>11,042</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>177,001</u>	<u>175,647</u>	<u>77,579</u>
Fund Balance, End of Year	<u>\$ 11,725</u>	<u>\$ (180,634)</u>	<u>\$ 251,409</u>	<u>\$ 340,517</u>	<u>\$ 88,621</u>

Capital Project Funds					Debt Service Fund	Non-Major Governmental
2014 Refunding Bonds	Infrastructure	PUC Reimbursement	Housing Fund	Development Impact Fee	2014 Refunding Bonds	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,248,801
628,059	609,988	-	-	-	-	4,696,108
-	-	-	-	253,465	-	685,601
-	-	-	-	-	8	1,024,371
-	-	-	-	-	-	164,774
-	-	-	-	-	-	101,175
<u>628,059</u>	<u>609,988</u>	<u>-</u>	<u>-</u>	<u>253,465</u>	<u>8</u>	<u>8,920,830</u>
-	-	-	-	-	-	990,890
-	-	-	-	-	-	812,426
-	-	-	-	-	-	1,822,390
2,998,031	-	-	-	-	-	3,764,101
-	2,195,273	-	-	-	-	2,260,197
-	-	-	-	-	885,000	885,000
-	-	-	-	-	1,708,969	1,708,969
<u>2,998,031</u>	<u>2,195,273</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,593,969</u>	<u>12,243,973</u>
<u>(2,369,972)</u>	<u>(1,585,285)</u>	<u>-</u>	<u>-</u>	<u>253,465</u>	<u>(2,593,961)</u>	<u>(3,323,143)</u>
855,817	1,667,208	-	-	-	2,593,961	5,215,542
-	(6,171)	(143,943)	-	(58,796)	-	(2,294,403)
<u>855,817</u>	<u>1,661,037</u>	<u>(143,943)</u>	<u>-</u>	<u>(58,796)</u>	<u>2,593,961</u>	<u>2,921,139</u>
(1,514,155)	75,752	(143,943)	-	194,669	-	(402,004)
<u>1,514,155</u>	<u>142,955</u>	<u>468,054</u>	<u>555,327</u>	<u>516,483</u>	<u>-</u>	<u>16,442,807</u>
<u>\$ 0</u>	<u>\$ 218,707</u>	<u>\$ 324,111</u>	<u>\$ 555,327</u>	<u>\$ 711,152</u>	<u>\$ -</u>	<u>\$16,040,803</u>