City of Montclair Annual Financial Report For the Fiscal Year Ended June 30, 2022



CITY OF MONTCLAIR FINANCIAL STATEMENTS

Year Ended June 30, 2022

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Independent Auditor's Report

The Honorable City Council City of Montclair, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Montclair (City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities each major fund, and the aggregate remaining fund information of the City of Montclair, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 30, 2023, 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.

March 30, 2023

Van Laut + Funkhanel. 11P

BASIC FINANCIAL STATEMENTS

City of Montclair Statement of Net Position June 30, 2022

ASSETS Pooled Cash and Investments \$ 59,581,637 \$ 5,619,857 \$ 65,201,494 Receivables: 3,486,931 587,693 4,074,624 Accounts 3,486,931 587,693 4,074,624 Notes and Loans 5,000 - 5,000 Accrued Interest 61,610 - 61,610 Prepaid Costs 965,635 - 965,635 Due From Other Governments 5,993,756 288,447 6,282,203 Internal Balances - - - - Restricted Assets: - - - - - Cash with Fiscal Agent 47,822,781 - 47,822,781 - 27,648,226 - 27,648,226 - 27,648,226 - 27,648,226 - 27,648,226 - 27,648,226 - 27,648,226 - 27,648,226 - 27,648,226 - 2,047,184 87,394,244 - - 2,648,226 - 2,047,184 87,394,244 - - 2,933,455,817		Governmental Activities	Business-type Activities	Total
Receivables: Accounts 3,486,931 587,693 4,074,624 Notes and Loans 5,000 - 5,000 Accrued Interest 61,610 - 61,610 Prepaid Costs 965,635 - 965,635 Due From Other Governments 5,993,756 288,447 6,282,203 Internal Balances - - - Restricted Assets: - - - - Cash with Fiscal Agent 47,822,781 - 47,822,781 - 27,648,226 - 27,648,226 - 27,648,226 - 27,648,226 - 27,648,226 - 27,648,226 - 2,047,184 87,394,244 - - 2,047,184 87,394,244 - - 2,047,184 87,394,244 - - 2,047,184 87,394,244 - - 2,047,184 87,394,244 - - 2,047,184 87,394,244 - - 2,047,184 87,394,244 - - 2,044,663 9,464 2,139,309 <th>ASSETS</th> <th></th> <th></th> <th></th>	ASSETS			
Accounts 3,486,931 587,693 4,074,624 Notes and Loans 5,000 - 5,000 Accrued Interest 61,610 - 61,610 Prepaid Costs 965,635 - 965,635 Due From Other Governments 5,993,756 288,447 6,282,203 Internal Balances - - - - Restricted Assets: - - - - - Cash with Fiscal Agent 47,822,781 - 47,822,781 - 27,648,226 - 27,648,226 - 27,648,226 - 27,648,226 - 27,648,226 - 27,648,226 - 27,648,226 - 27,648,226 - 27,648,226 - 27,648,226 - 27,648,226 - 27,648,226 - 27,648,226 - 27,648,226 - 27,648,226 - 27,648,226 - 27,648,226 - 27,648,226 - 2,047,184 87,394,244 - 2,047,184 87,394,244 -	Pooled Cash and Investments	\$ 59,581,637	\$ 5,619,857	\$ 65,201,494
Notes and Loans 5,000 - 5,000 Accrued Interest 61,610 - 61,610 Prepaid Costs 965,635 - 965,635 Due From Other Governments 5,993,756 288,447 6,282,203 Internal Balances - - - - Restricted Assets: -	Receivables:			
Accrued Interest 61,610 - 61,610 Prepaid Costs 965,635 - 965,635 Due From Other Governments 5,993,756 288,447 6,282,203 Internal Balances - - - Restricted Assets: - - - Cash with Fiscal Agent 47,822,781 - 47,822,781 Capital Assets Not Being Depreciated 27,648,226 - 27,648,226 Capital Assets, Net of Accumulated Depreciation 85,347,060 2,047,184 87,394,244 Total Assets 230,912,636 8,543,181 239,455,817 DEFERRED OUTFLOWS OF RESOURCES Deferred Outflow - Bond Refunding 219,936 - 219,936 Deferred Outflows Related to OPEB 2,044,663 94,646 2,139,309 Deferred Outflows Related to Pensions 75,333,196 2,809,263 78,142,459 Total Deferred Outflows of Resources 77,597,795 2,903,909 80,501,704 LIABILITIES Accounts Payable 2,006,713 948,482 2,955,195 </td <td>Accounts</td> <td>3,486,931</td> <td>587,693</td> <td>4,074,624</td>	Accounts	3,486,931	587,693	4,074,624
Prepaid Costs 965,635 - 965,635 Due From Other Governments 5,993,756 288,447 6,282,203 Internal Balances - - - Restricted Assets: - - - Cash with Fiscal Agent 47,822,781 - 47,822,781 Capital Assets Not Being Depreciated 27,648,226 - 27,648,226 Capital Assets, Net of Accumulated Depreciation 85,347,060 2,047,184 87,394,244 Total Assets 230,912,636 8,543,181 239,455,817 DEFERRED OUTFLOWS OF RESOURCES 219,936 - 219,936 Deferred Outflow - Bond Refunding 219,936 - 219,936 Deferred Outflows Related to OPEB 2,044,663 94,646 2,139,309 Deferred Outflows Related to Pensions 75,333,196 2,809,263 78,142,459 Total Deferred Outflows of Resources 77,597,795 2,903,909 80,501,704 LIABILITIES Accounts Payable 2,006,713 948,482 2,955,195 Accrued Liabilities 664	Notes and Loans		-	
Due From Other Governments 5,993,756 288,447 6,282,203 Internal Balances - - - Restricted Assets: - - - Cash with Fiscal Agent 47,822,781 - 47,822,781 Capital Assets Not Being Depreciated 27,648,226 - 27,648,226 Capital Assets, Net of Accumulated Depreciation 85,347,060 2,047,184 87,394,244 Total Assets 230,912,636 8,543,181 239,455,817 DEFERRED OUTFLOWS OF RESOURCES Deferred Outflow - Bond Refunding 219,936 - 219,936 Deferred Outflows Related to OPEB 2,044,663 94,646 2,139,309 Deferred Outflows Related to Pensions 75,333,196 2,809,263 78,142,459 Total Deferred Outflows of Resources 77,597,795 2,903,909 80,501,704 LIABILITIES Accounts Payable 2,006,713 948,482 2,955,195 Accrued Liabilities 664,479 39,509 703,988 Accrued Interest 911,039 -			-	
Internal Balances	•		-	
Restricted Assets: Cash with Fiscal Agent 47,822,781 - 47,822,781 Capital Assets Not Being Depreciated 27,648,226 - 27,648,226 Capital Assets, Net of Accumulated Depreciation 85,347,060 2,047,184 87,394,244 Total Assets 230,912,636 8,543,181 239,455,817 DEFERRED OUTFLOWS OF RESOURCES Deferred Outflow - Bond Refunding 219,936 - 219,936 Deferred Outflows Related to OPEB 2,044,663 94,646 2,139,309 Deferred Outflows Related to Pensions 75,333,196 2,809,263 78,142,459 Total Deferred Outflows of Resources 77,597,795 2,903,909 80,501,704 LIABILITIES Accounts Payable 2,006,713 948,482 2,955,195 Accrued Liabilities 664,479 39,509 703,988 Accrued Interest 911,039 - 911,039		5,993,756	288,447	6,282,203
Cash with Fiscal Agent 47,822,781 - 47,822,781 Capital Assets Not Being Depreciated 27,648,226 - 27,648,226 Capital Assets, Net of Accumulated Depreciation 85,347,060 2,047,184 87,394,244 Total Assets 230,912,636 8,543,181 239,455,817 DEFERRED OUTFLOWS OF RESOURCES Deferred Outflow - Bond Refunding 219,936 - 219,936 Deferred Outflows Related to OPEB 2,044,663 94,646 2,139,309 Deferred Outflows Related to Pensions 75,333,196 2,809,263 78,142,459 Total Deferred Outflows of Resources 77,597,795 2,903,909 80,501,704 LIABILITIES Accounts Payable 2,006,713 948,482 2,955,195 Accrued Liabilities 664,479 39,509 703,988 Accrued Interest 911,039 - 911,039		-	-	-
Capital Assets Not Being Depreciated 27,648,226 - 27,648,226 Capital Assets, Net of Accumulated Depreciation 85,347,060 2,047,184 87,394,244 Total Assets 230,912,636 8,543,181 239,455,817 DEFERRED OUTFLOWS OF RESOURCES Deferred Outflow - Bond Refunding 219,936 - 219,936 Deferred Outflows Related to OPEB 2,044,663 94,646 2,139,309 Deferred Outflows Related to Pensions 75,333,196 2,809,263 78,142,459 Total Deferred Outflows of Resources 77,597,795 2,903,909 80,501,704 LIABILITIES 2,006,713 948,482 2,955,195 Accrued Liabilities 664,479 39,509 703,988 Accrued Interest 911,039 - 911,039				
Capital Assets, Net of Accumulated Depreciation 85,347,060 2,047,184 87,394,244 Total Assets 230,912,636 8,543,181 239,455,817 DEFERRED OUTFLOWS OF RESOURCES Deferred Outflow - Bond Refunding 219,936 - 219,936 Deferred Outflows Related to OPEB 2,044,663 94,646 2,139,309 Deferred Outflows Related to Pensions 75,333,196 2,809,263 78,142,459 Total Deferred Outflows of Resources 77,597,795 2,903,909 80,501,704 LIABILITIES Accounts Payable 2,006,713 948,482 2,955,195 Accrued Liabilities 664,479 39,509 703,988 Accrued Interest 911,039 - 911,039			-	
Total Assets 230,912,636 8,543,181 239,455,817 DEFERRED OUTFLOWS OF RESOURCES Deferred Outflow - Bond Refunding 219,936 - 219,936 Deferred Outflows Related to OPEB 2,044,663 94,646 2,139,309 Deferred Outflows Related to Pensions 75,333,196 2,809,263 78,142,459 Total Deferred Outflows of Resources 77,597,795 2,903,909 80,501,704 LIABILITIES Accounts Payable 2,006,713 948,482 2,955,195 Accrued Liabilities 664,479 39,509 703,988 Accrued Interest 911,039 - 911,039	· · · · · · · · · · · · · · · · · · ·		- 	
DEFERRED OUTFLOWS OF RESOURCES Deferred Outflow - Bond Refunding 219,936 - 219,936 Deferred Outflows Related to OPEB 2,044,663 94,646 2,139,309 Deferred Outflows Related to Pensions 75,333,196 2,809,263 78,142,459 Total Deferred Outflows of Resources 77,597,795 2,903,909 80,501,704 LIABILITIES Accounts Payable 2,006,713 948,482 2,955,195 Accrued Liabilities 664,479 39,509 703,988 Accrued Interest 911,039 - 911,039	Capital Assets, Net of Accumulated Depreciation	85,347,060	2,047,184	87,394,244
Deferred Outflow - Bond Refunding 219,936 - 219,936 Deferred Outflows Related to OPEB 2,044,663 94,646 2,139,309 Deferred Outflows Related to Pensions 75,333,196 2,809,263 78,142,459 Total Deferred Outflows of Resources 77,597,795 2,903,909 80,501,704 LIABILITIES Accounts Payable 2,006,713 948,482 2,955,195 Accrued Liabilities 664,479 39,509 703,988 Accrued Interest 911,039 - 911,039	Total Assets	230,912,636	8,543,181	239,455,817
Deferred Outflows Related to OPEB 2,044,663 94,646 2,139,309 Deferred Outflows Related to Pensions 75,333,196 2,809,263 78,142,459 Total Deferred Outflows of Resources 77,597,795 2,903,909 80,501,704 LIABILITIES Accounts Payable 2,006,713 948,482 2,955,195 Accrued Liabilities 664,479 39,509 703,988 Accrued Interest 911,039 - 911,039	DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions 75,333,196 2,809,263 78,142,459 Total Deferred Outflows of Resources 77,597,795 2,903,909 80,501,704 LIABILITIES Accounts Payable 2,006,713 948,482 2,955,195 Accrued Liabilities 664,479 39,509 703,988 Accrued Interest 911,039 - 911,039	Deferred Outflow - Bond Refunding	219,936	-	219,936
Total Deferred Outflows of Resources 77,597,795 2,903,909 80,501,704 LIABILITIES Accounts Payable 2,006,713 948,482 2,955,195 Accrued Liabilities 664,479 39,509 703,988 Accrued Interest 911,039 - 911,039	Deferred Outflows Related to OPEB	2,044,663	94,646	2,139,309
LIABILITIES Accounts Payable 2,006,713 948,482 2,955,195 Accrued Liabilities 664,479 39,509 703,988 Accrued Interest 911,039 - 911,039	Deferred Outflows Related to Pensions	75,333,196	2,809,263	78,142,459
Accounts Payable 2,006,713 948,482 2,955,195 Accrued Liabilities 664,479 39,509 703,988 Accrued Interest 911,039 - 911,039	Total Deferred Outflows of Resources	77,597,795	2,903,909	80,501,704
Accrued Liabilities 664,479 39,509 703,988 Accrued Interest 911,039 - 911,039	LIABILITIES			
Accrued Interest 911,039 - 911,039	Accounts Payable	2,006,713	948,482	2,955,195
	Accrued Liabilities	664,479	39,509	703,988
Denosits Payable 468 255 468 255	Accrued Interest	911,039	-	911,039
Deposits i ayable +00,200 - +00,200	Deposits Payable	468,255	-	468,255
Unearned Revenue 300,000 - 300,000	Unearned Revenue	300,000	-	300,000
Due to Other Governments 41,044 - 41,044	Due to Other Governments	41,044	-	41,044
Noncurrent Liabilities:	Noncurrent Liabilities:			
Due Within One Year 6,405,055 117,417 6,522,472	Due Within One Year	6,405,055	117,417	6,522,472
Due in More Than One Year 211,467,971 4,718,811 216,186,782	Due in More Than One Year	211,467,971	4,718,811	216,186,782
Total Liabilities 222,264,556 5,824,219 228,088,775	Total Liabilities	222,264,556	5,824,219	228,088,775
DEFERRED INFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to OPEB 1,187,960 62,665 1,250,625	Deferred Inflows Related to OPEB	1,187,960	62,665	1,250,625
Deferred Inflows Related to Pensions 41,594,437 1,961,383 43,555,820	Deferred Inflows Related to Pensions	41,594,437	1,961,383	43,555,820
Total Deferred Inflows of Resources 42,782,397 2,024,048 44,806,445	Total Deferred Inflows of Resources	42,782,397	2,024,048	44,806,445
NET POSITION	NET POSITION			
Net Investment in Capital Assets 72,089,515 2,047,184 74,136,699	Net Investment in Capital Assets	72,089,515	2,047,184	74,136,699
Restricted for:	·			
Housing 5,774,212 - 5,774,212	Housing	5,774,212	-	5,774,212
Public Safety 1,495,034 - 1,495,034	Public Safety	1,495,034	-	1,495,034
Transportation 20,997,851 - 20,997,851	· · · · · · · · · · · · · · · · · · ·		-	
Community Development 1,924,606 - 1,924,606		1,924,606	-	
Unrestricted (58,817,740) 1,551,639 (57,266,101)			1,551,639	
Total Net Position \$ 43,463,478 \$ 3,598,823 \$ 47,062,301	Total Net Position	\$ 43,463,478	\$ 3,598,823	\$ 47,062,301

City of Montclair Statement of Activities

Year Ended June 30, 2022

		F	Program Revenue	S
		Charges	Operating	Capital
		for	Grants and	Grants and
Functions/Programs	Expenses	Services	Contributions	Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ (24,137,050)	\$ 2,499,014	\$ 4,822,853	\$ -
Public Safety	(28,448,452)	694,391	437,826	12,909
Community Development	(6,467,836)	919,091	622,696	245,439
Public Works	(3,614,260)	3,761,472	5,229	5,359,640
Interest on Long-Term Debt	(3,520,531)			
Total Governmental Activities	(66,188,129)	7,873,968	5,888,604	5,617,988
Business-type Activities:				
Sewer Maintenance	(6,447,229)	5,954,457		
Total Business-type Activities	(6,447,229)	5,954,457		
Total Primary Government	\$ (72,635,358)	\$ 13,828,425	\$ 5,888,604	\$ 5,617,988

General Revenues:

Taxes:

Property Taxes

Transient Occupancy Taxes

Sales Taxes

Franchise Taxes

Business Licenses Taxes

Utility Users Tax

Other Taxes

Miscellaneous Revenues

Interest Income

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

Net (Expense) Revenue and Changes in Net Position

Governmental Activites	Business-type Activities	Total
\$ (16,815,183) (27,303,326) (4,680,610) 5,512,081	\$ - - - -	\$ (16,815,183) (27,303,326) (4,680,610) 5,512,081
(3,520,531)		(3,520,531)
(46,807,569)		(46,807,569)
	(400 770)	(402.772)
	(492,772)	(492,772)
	(492,772)	(492,772)
(46,807,569)	(492,772)	(47,300,341)
8,435,378	-	8,435,378
80,059	-	80,059
31,033,270	-	31,033,270
857,255	-	857,255
864,987	-	864,987
1,941,213 45,746	-	1,941,213 45,746
1,007,601	-	1,007,601
(219,809)	7,060	(212,749)
25,730	(25,730)	
44,071,430	(18,670)	44,052,760
(2,736,139)	(511,442)	(3,247,581)
46,199,617	4,110,265	50,309,882
\$ 43,463,478	\$ 3,598,823	\$ 47,062,301

City of Montclair Balance Sheet Governmental Funds

June 30, 2022

		Special		
		Revenue		Projects
		Safety	Successor	
	General	Department	Agency	Economic
	Fund	Grants	Bonds	Development
ASSETS				
Pooled Cash and Investments	\$ 24,942,681	\$ 287,516	\$ 12,635,222	\$ 4,908,799
Receivables:				
Accounts	2,601,995	257,011	-	76
Notes and Loans	5,000	-	-	-
Accrued Interest	33,758	-	23,990	-
Prepaid Costs	960,380	-	-	-
Due from Other Governments	4,988,948	-	-	-
Due from Other Funds	172,704	_	-	-
Restricted Assets:	,			
Cash with Fiscal Agent	-	_	_	_
ŭ				
Total Assets	\$ 33,705,466	\$ 544,527	\$ 12,659,212	\$ 4,908,875
LIABILITIES				
Accounts Payable	\$ 1,288,896	\$ 7,010	\$ 11,392	\$ 52,070
Accrued Liabilities	φ 1,200,030 545,905	Ψ 7,010	Ψ 11,002	34,201
Deposits Payable	392,760	_	_	34,201
Unearned Revenue	392,700	300,000	-	-
Due to Other Governments	32,586	300,000	-	-
Due to Other Governments Due to Other Funds		205 500	-	-
Due to Other Funds	31,725	295,588		<u>-</u> _
Total Liabilities	2,291,872	602,598	11,392	86,271
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Grants	194,230	218,659	_	_
Total Deferred Inflows of Resources	194,230	218,659		
FUND BALANCES (DEFICITS)				
Nonspendable	960,380	_	_	_
Restricted	-	_	12,647,820	_
Committed	_	_		4,822,604
Assigned	18,625,642	_	_	-
Unassigned	11,633,342	(276,730)	_	_
Ondoorgried	11,000,042	(270,700)		
Total Fund Balances (Deficits)	31,219,364	(276,730)	12,647,820	4,822,604
Total Liabilities, Deferred Inflows of				
Resources, and Fund Balances	\$ 33,705,466	\$ 544,527	\$ 12,659,212	\$ 4,908,875
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Capital Projects	Debt Service		
2021 Lease	Pension	Other	Total
Revenue Bonds	Obligation	Governmental	Governmental
Project Fund	Bonds Fund	Funds	Funds
	-		
\$ -	\$ -	\$ 16,807,419	\$ 59,581,637
-	-	627,849	3,486,931
-	-	3,862	5,000 61,610
_	_	5,255	965,635
_	_	1,004,808	5,993,756
_	_	1,031,448	1,204,152
		, ,	, - , -
47,817,767	5,006	8	47,822,781
\$ 47,817,767	\$ 5,006	\$ 19,480,649	\$ 119,121,502
\$ 190,733	\$ -	\$ 456,612	\$ 2,006,713
3,624	-	80,749	664,479
-	-	75,495	468,255
-	-	-	300,000
-	-	8,458	41,044
	3,500	873,339	1,204,152
194,357	3,500	1,494,653	4,684,643
		18,216	431,105
		18,216	431,105
_	_	5,255	965,635
47,623,410	_	18,055,306	78,326,536
- · · · · · -	-	- · · · · · · · · · · · · · · · · · · ·	4,822,604
-	1,506	-	18,627,148
		(92,781)	11,263,831
47,623,410	1,506	17,967,780	114,005,754
, , , , , , , , , , , , , , , , , , , ,	,		, ,
\$ 47,817,767	\$ 5,006	\$ 19,480,649	\$ 119,121,502

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

June 30, 2022

Fund Balances of Governmental Funds	\$ 114,005,754
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.	112,995,286
Long-term debt and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds Claims and Judgements Compensated Absences Net Pension Liability Total OPEB Liability	(148,640,032) (2,747,710) (1,595,708) (53,155,472) (11,734,104)
Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.	(911,039)
Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability and Net OPEB Liability are not reported in the funds.	
Deferred Outflows Related to Pensions Deferred Inflows Related to Pensions Deferred Outflows Related to OPEB Deferred Inflows Related to OPEB	75,333,196 (41,594,437) 2,044,663 (1,187,960)
Amounts for deferred outflows related to the City's defeasance of prior bonds are not reported in the funds.	219,936
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported as available revenues in the funds.	 431,105
Net Position of Governmental Activities	\$ 43,463,478

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

Year Ended June 30, 2022

		Special Revenue	Capital F	Projects
	General Fund	Safety Department Grants	Successor Agency Bonds	Economic Development
REVENUES	.	•	•	•
Taxes	\$ 42,521,019	\$ -	\$ -	\$ -
Licenses and Permits	515,789	-	-	-
Intergovernmental	118,561	61,229	-	1,813,484
Charges for Services	4,181,442	-	-	-
Use of Money and Property	35,033	-	(116,730)	-
Fines and Forfeitures	389,196	-	-	-
Miscellaneous	213,365			
Total Revenues	47,974,405	61,229	(116,730)	1,813,484
EXPENDITURES Current:				
General Government	10,975,865	_	_	_
Public Safety	12,997,712	61,782	_	_
Community Development	1,632,763	-	_	2,668,691
Public Works	3,127,997	_	254,048	2,000,001
Capital Outlay	183,500	_	201,010	2,852
Debt Service:	100,000			2,002
Bond Issuance Costs	_	_	_	_
Principal Retirement	_	_	_	_
Interest and Fiscal Charges	_	_	_	_
-				
Total Expenditures	28,917,837	61,782	254,048	2,671,543
Excess (Deficiency) of Revenues				
Over Expenditures	19,056,568	(553)	(370,778)	(858,059)
OTHER FINANCING SOURCES (USES)				
Bond Issuance	-	-	-	-
Premium on Bonds	-	-	-	-
Transfers In	942,280	22,243	-	-
Transfers Out	(5,549,057)	(295,588)		
Total Other Financing Sources (Uses)	(4,606,777)	(273,345)		
SPECIAL ITEM				
Payment towards Unfunded Pension Liability				
Net Change in Fund Balances	14,449,791	(273,898)	(370,778)	(858,059)
Fund Balance, Beginning of Year	16,769,573	(2,832)	13,018,598	5,680,663
Fund Balance, End of Year	\$ 31,219,364	\$ (276,730)	\$ 12,647,820	\$ 4,822,604

Capital	Debt		
Projects 2021 Lease	Service Pension	Other	Total
Revenue Bonds			
	Obligation	Governmental	Governmental
Project Fund	Bonds Fund	Funds	Funds
\$ -	\$ -	\$ 2,519,988	\$ 45,041,007
-	-	-	515,789
-	-	9,341,502	11,334,776
-	-	339,065	4,520,507
13,520	47	1,536,341	1,468,211
-	-	173,371	562,567
		135,078	348,443
13,520	47	14,045,345	63,791,300
-	3,500	1,331,952	12,311,317
-	-	5,829,991	18,889,485
-	-	2,160,233	6,461,687
1,267,171	-	1,454,203	6,103,419
-	-	1,169,527	1,355,879
-	498,934	-	498,934
-	-	1,160,000	1,160,000
	878,805	2,305,132	3,183,937
1,267,171	1,381,239	15,411,038	49,964,658
(1,253,651)	(1,381,192)	(1,365,693)	13,826,642
45,000,000 3,574,514	59,911,480	- -	104,911,480 3,574,514
302,547	914,144	5,018,503	7,199,717
-	(35,338)	(1,294,004)	(7,173,987)
48.877.061	60.790.286	3.724.499	108.511.724
	00,730,200	0,724,400	100,011,724
	(59,407,588)		(59,407,588)
47,623,410	1,506	2,358,806	62,930,778
	<u>-</u>	15,608,974	51,074,976
\$ 47,623,410	\$ 1,506	\$ 17,967,780	\$ 114,005,754

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, 2022

Net Change in Fund Balances - Total Governmental Funds

\$ 62,930,778

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	3,982,372
Depreciation Expense	(4,998,669)
Donation of Capital Assets	-

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.

Issuance of Bonds Premium on Bonds Amortization of Premium on Bonds Principal Repayments Amortization of Deferred Outflow on Refunding	(104,911,480) (3,574,514) 174,723 1,160,000 (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.	(601,645)
Accrued interest payable is not reported in the governmental funds.	(501,754)
To record the net change in compensated absences in the Statement of Activities.	(46,121)
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.	(365,040)
Some expenses reported in the Statement of Activities relating to pensions and OPEB do not require the use of current financial resources and are not reported as governmental fund expenditures.	
Net change in Deferred Outflows Related to Pensions Net change in Deferred Inflows Related to Pensions	61,015,889 (39,337,857)

Net change in Deferred Outflows Related to Pensions	61,015,889
Net change in Deferred Inflows Related to Pensions	(39,337,857)
Net change in Net Pension Liability	22,455,971
Net change in Deferred Outflows Related to OPEB	(304,240)
Net change in Deferred Inflows Related to OPEB	367,249
Net change in Total OPEB Liability	(172,238)

Change in Net Position of Governmental Activities \$ (2,736,139)

City of Montclair Statement of Net Position Proprietary Funds June 30, 2022

	Business-Type Activities - Enterprise Funds Sewer				
	Maintenance Fund				
ASSETS Current:					
Pooled Cash and Investments	\$ 5,619,857				
Receivables:					
Accounts (net of allowance)	587,693				
Due from Other Governments	288,447				
Total Current Assets	6,495,997				
Noncurrent: Capital Assets Not Being Depreciated Capital Assets Not of Assumulated Population	- 2 047 194				
Capital Assets - Net of Accumulated Depreciation	2,047,184				
Total Noncurrent Assets	2,047,184				
Total Assets	8,543,181				
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows Related to OPEB	94,646				
Deferred Outflows Related to Pensions	2,809,263				
Total Deferred Outflows of Resources	2,903,909				
LIABILITIES					
Current:					
Accounts Payable	948,482				
Accrued Liabilities	39,509				
Due to Other Funds Current Portion of Pension Obligation Bonds Payable	- 106,140				
Accrued Compensated Absences	11,277				
Total Current Liabilities	1,105,408				
Noncurrent:					
Accrued Compensated Absences	40,610				
Pension Obligation Bonds	2,172,110				
OPEB Liability	465,870				
Net Pension Liability	2,040,221				
Total Noncurrent Liabilities	4,718,811				
Total Liabilities	5,824,219				
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows Related to OPEB	62,665				
Deferred Inflows Related to Pensions	1,961,383				
Total Deferred Inflows of Resources	2,024,048				
NET POSITION					
Net Investment in Capital Assets	2,047,184				
Unrestricted	1,551,639				
Total Net Position	\$ 3,598,823				

City of Montclair Statement of Revenues, Expenses and Changes in Net Position Proprietary Funds

Year Ended June 30, 2022

	Business-Type Activities - Enterprise Funds
	Sewer
	Maintenance Fund
OPERATING REVENUES	
Sales and Service Charges	\$ 5,954,457
Total Operating Revenues	5,954,457
OPERATING EXPENSES	
Salaries and Benefits	2,577,049
Supplies and Services	108,299
Treatment	3,653,392
Depreciation Expense	73,151
Total Operating Expenses	6,411,891
Operating Income (Loss)	(457,434)
NONOPERATING REVENUES (EXPENSES)	
Interest Revenue	7,060
Interest Expense	(35,338)
Total Nonoperating Revenues (Expenses)	(28,278)
Income Before Transfers	(485,712)
Transfers Out	(25,730)
Changes in Net Position	(511,442)
Net Position, Beginning of Year	4,110,265
Net Position, End of Fiscal Year	\$ 3,598,823

City of Montclair Statement of Cash Flows Proprietary Funds Year Ended June 30, 2022

	Business-Type Activities - Enterprise Funds Sewer Maintenance Fund				
Cash Flows from Operating Activities Cash Received from Customers and Users Cash Paid to Suppliers for Goods and Services Cash Paid to Employees for Services	\$ 5,860,103 (3,439,981) (3,592,706)				
Net Cash Provided (Used) by Operating Activities	(1,172,584)				
Cash Flows from Non-Capital Financing Activities Proceeds from Issuance of Pension Obligation Bonds Interest Paid on Pension Obligation Bonds Cash Received From (Paid to) Other Funds	2,278,250 (35,338) (32,595)				
Net Cash Provided (Used) by Non-Capital Financing Activities	2,210,317				
Cash Flows from Capital and Related Financing Activities Acquistion of Capital Assets					
Net Cash Provided (Used) by Capital and Related Financing Activities	<u> </u>				
Cash Flows from Investing Activities Interest Received	7,060				
Net Cash Provided (Used) by Investing Activities	7,060				
Net Increase (Decrease) in Cash and Cash Equivalents	1,044,793				
Cash and Cash Equivalents at Beginning of Year	4,575,064				
Cash and Cash Equivalents at End of Year	\$ 5,619,857				
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: Operating Income (Loss)	\$ (457,434)				
Adjustments to Reconcile Operating Income (Loss) Net Cash					
Provided (Used) by Operating Activities: Depreciation (Increase) Decrease in Accounts Receivable (Increase) Decrease in Due from Other Governments (Increase) Decrease in Deferred Outflows - OPEB	73,151 31,735 (126,089)				
(Increase) Decrease in Deferred Outflows - Pensions Increase (Decrease) in Accounts Payable Increase (Decrease) in Accrued Liabilities Increase (Decrease) in Compensated Absences Increase (Decrease) in Deferred Inflows - OPEB Increase (Decrease) in Deferred Inflows - Pension	(2,351,984) 321,710 17,766 6,366 - 1,899,885				
Increase (Decrease) in Total OPEB Liability Increase (Decrease) in Net Pension Liability	(587,690)				
Total Adjustments	(715,150)				
Net Cash Provided (Used) by Operating Activities	\$ (1,172,584)				

City of Montclair Statement of Fiduciary Net Position Fiduciary Funds

June 30, 2022

	Successor Agency Private-purpose Trust Fund	Custodial Fund		
ASSETS				
Pooled Cash and Investments	\$ 1,106,881	\$ 3,884,381		
Restricted Cash with Fiscal Agent	2,071,947			
Total Assets	3,178,828	3,884,381		
LIABILITIES				
Accounts Payable	-	-		
Accrued Liabilities	3,382	-		
Due to Other Governments	-	-		
Interest Payable	260,287	-		
Bonds Payable	32,360,029			
Total Liabilities	32,623,698			
NET POSITION				
Net Position Held for the Benefit of Others	-	3,884,381		
Net Position Held in Trust for Successor Agency	(29,444,870)			
Total Net Position	\$ (29,444,870)	\$ 3,884,381		

City of Montclair Statement of Changes in Fiduciary Net Position Fiduciary Funds

Year Ended June 30, 2022

	Successor Agency Private-purpose Trust Fund	Custodial Fund		
ADDITIONS				
Taxes and Assessments	\$ 23,853,248	\$ 3,559,993		
Investment Income	339	-		
Other Revenue				
Total Additions	23,853,587	3,559,993		
DEDUCTIONS				
Administrative Costs	224,933	-		
Distributions to other governments	-	2,449,081		
Pass-through Payments	20,601,540	-		
Interest on Bonds	854,455			
Total Deductions	21,680,928	2,449,081		
Change in Net Position	2,172,659	1,110,912		
Net Position - Beginning of Year	(31,617,529)	2,773,469		
Net Position - End of Year	\$ (29,444,870)	\$ 3,884,381		

June 30, 2022

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.

June 30, 2022

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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

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

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

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

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

The City reports the following major governmental funds:

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

The Safety Department Grants Special Revenue Fund accounts for grant monies to fund public safety related services and activities.

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

June 30, 2022

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

The *Pension Obligation Bonds Debt Service Fund* accounts for the debt service payments on the Pension Obligation Bonds.

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.

June 30, 2022

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.

June 30, 2022

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.

June 30, 2022

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

June 30, 2022

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

June 30, 2022

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:

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

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

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

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

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

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 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, 2022 will be funded by future revenues:

Special Revenue Funds:	
Community Development Block Grant	\$ 1,544
After School Program	49,466
SB2 Planning Grant	3,218
Statewide Park Development	16,837
LEAP Grant	18,216
Debt Service Funds:	
2021 Lease Revenue Bonds	3,500

June 30, 2022

3) CASH AND INVESTMENTS

As of June 30, 2022, cash and investments were reported in the accompanying financial statements as follows:

	Statement of	Net Position		
	Governmental	Business-Type	Fiduciary	Tatal
	Activities	Activities	Funds	Total
Cash and Investments	\$ 59,581,637	\$ 5,619,857	\$ 4,991,262	\$ 70,192,756
Cash and Investments with Fiscal Agent	47,822,781		2,071,947	49,894,728
Total Cash and Investments	\$ 107,404,418	\$ 5,619,857	\$ 7,063,209	\$ 120,087,484

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.

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

June 30, 2022

3) CASH AND INVESTMENTS - Continued

- 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, 2022, 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, 2022, the City's investments in external investment pools and money market mutual funds are unrated.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. As of June 30, 2022, none of the City's deposits or investments were exposed to custodial credit risk.

June 30, 2022

3) CASH AND INVESTMENTS - Continued

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, 2022, 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, 2022, the City had the following investments and original maturities:

	Remaining Investment Maturities							
	12 Months		1 to 3		4 to 5	Fair		
Investment Type	Or Less		Years		Years	Value		
Local Agency Investment Fund	\$ 32,140,303	\$	-	\$	-	\$ 32,140,303		
Money Market Mutual Funds	2,611,004		-		-	2,611,004		
Cash with Fiscal Agent								
Money Market Mutual Funds	49,894,728					49,894,728		
Total	\$ 84,646,035	\$		\$		\$ 84,646,035		

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.

June 30, 2022

4) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities: Capital Assets, Not Depreciated: Land Work in Progress Land Improvements	\$ 10,917,565 20,186,152 2,591,145	\$ 1,503,256 1,463,353	\$ - 9,013,245	\$ 12,420,821 12,636,260 2,591,145
Total Capital Assets Not Depreciated	33,694,862	2,966,609	9,013,245	27,648,226
Capital Assets, Being Depreciated: Structures and Improvements Furniture and Equipment Infrastructure	21,996,002 8,870,657 104,020,565	386,880 628,883 9,013,245	- - -	22,382,882 9,499,540 113,033,810
Total Capital Assets Being Depreciated	134,887,224	10,029,008		144,916,232
Less Accumulated Depreciation: Structures and Improvements Furniture and Equipment Infrastructure	9,748,386 6,032,695 38,789,422	509,650 767,083 3,721,936	- - -	10,258,036 6,799,778 42,511,358
Total Accumulated Depreciation	54,570,503	4,998,669		59,569,172
Total Capital Assets Being Depreciated, Net	80,316,721	5,030,339		85,347,060
Governmental Activities Capital Assets, Net	\$ 114,011,583	\$ 7,996,948	\$ 9,013,245	\$ 112,995,286
Business-Type Activities: Capital Assets, Not Depreciated: Work in Progress Total Capital Assets Not Depreciated	Beginning Balance \$ -	Increases -	Decreases -	Ending Balance
Capital Assets, Being Depreciated: Sewer Lines Infrastructure Furniture and Equipment Total Capital Assets Being Depreciated	3,333,838 106,985 1,143,859 4,584,682	- - - - -	- - - - -	3,333,838 106,985 1,143,859 4,584,682
Less Accumulated Depreciation: Sewer Lines Infrastructure Furniture and Equipment Total Accumulated Depreciation Total Capital Assets Being Depreciated, Net	1,608,516 47,350 808,481 2,464,347 2,120,335	33,338 36,247 3,566 73,151 (73,151)	- - - -	1,641,854 83,597 812,047 2,537,498
Business-Type Activities Capital Assets, Net	\$ 2,120,335	\$ (73,151)	\$ -	\$ 2,047,184

June 30, 2022

4) CAPITAL ASSETS - Continued

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

Governmental Activities:	
General Government	\$ 3,561,370
Public Safety	1,293,816
Community Development	6,149
Public Works	137,334
Total Governmental Activities	\$ 4,998,669
Business-Type Acitivities: Sewer	\$ 73,151

5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2022, was as follows:

DUE FROM									
		Safety Pension							
	C	General De		epartment	Ob	ligation	Ν	on-Major	
DUE TO		Fund	Grants		Bonds Fund		Funds		 Total
General Fund	\$	-	\$	-	\$	3,500	\$	169,204	\$ 172,704
Non-Major Funds		31,725		295,588				704,135	 1,031,448
Total	\$	31,725	\$	295,588	\$	3,500	\$	873,339	\$ 1,204,152

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 2021-22 fiscal year were as follows:

				Safety	20	21 Lease	I	Pension				
	(General Departmen		epartment	F	Revenue	C	bligation	Non-Major			
TRANSFERS OUT		Fund	Grants		Fund Grants			Bonds	Вс	nds Fund	Funds	Total
General Fund	\$	-	\$	22,243	\$	302,547	\$	914,144	\$ 4,310,123	\$ 5,549,057		
Safety Department Grants		-		-		-		-	295,588	295,588		
Pension Obligation Bonds		35,338		-		-		-	-	35,338		
Sewer Maintenance		-		-		-		-	25,730	25,730		
Non-Major Funds		906,942		=		-		-	387,062	1,294,004		
Total	\$	942,280	\$	22,243	\$	302,547	\$	914,144	\$ 5,018,503	\$ 7,199,717		

The General Fund received \$906,942 from non-major funds in reimbursement for costs incurred applicable to grant funded programs. In addition, the General Fund transferred \$914,144 to the Pension Obligation Funds to pay debt service. The General Fund made transfers of \$4,310,123 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 \$906,942 to the General Fund to close out the non-major After School Program and to reimburse for other costs. The remaining transfers were to reimburse various operating costs and project costs.

June 30, 2022

6) LONG-TERM DEBT

A) Long-Term Debt Activity

Governmental Activities:	E	Beginning Balance		Additions	Deletions		Ending Balance	_	ue Within One Year
Lease Revenue Bonds:									
2014 Refunding Bonds	\$	40,155,000	\$	-	\$ 930,000	\$	39,225,000	\$	975,000
Premium		1,333,761		-	55,573		1,278,188		55,573
2021A Bonds		-		45,000,000	230,000		44,770,000		900,000
Premium		-		3,574,514	119,150		3,455,364		119,150
2021 Pension Obligation Bonds		-		59,911,480	-		59,911,480		2,793,860
Claims and Judgments		2,146,065		1,309,611	707,966		2,747,710		1,263,947
Total OPEB Liability		11,561,866		172,238	-		11,734,104		-
Net Pension Liablity		75,611,443		-	22,455,971		53,155,472		-
Compensated Absences		1,549,587		46,121	-		1,595,708		297,525
Total	\$ 1	32,357,722	\$ 1	110,013,964	\$ 24,498,660	\$ 2	217,873,026	\$	6,405,055
Business-type Activities:									
2021 Pension Obligation Bonds	\$	-	\$	2,278,520	\$ -	\$	2,278,520	\$	106,140
Compensated Absences		45,521		6,366	-		51,887		11,277
Total OPEB Liability		465,870		-	-		465,870		-
Net Pension Liability		2,627,911		-	587,690		2,040,221		-
Total	\$	3,139,302	\$	2,284,886	\$ 587,690	\$	4,836,498	\$	117,417

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, 2022 is \$39,225,000. The annual requirements to amortize the outstanding indebtedness as of June 30, 2022, including interest, are as follows:

Fiscal Year Ending					
June 30,	Principal	Interest	Total		
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	1,165,000	1,432,162	2,597,162		
2028 - 2032	6,420,000	6,526,581	12,946,581		
2033 - 2037	8,025,000	4,845,450	12,870,450		
2038 - 2042	9,935,000	2,920,700	12,855,700		
2043 - 2046	9,480,000	776,800	10,256,800		
Totals	\$ 39,225,000	\$ 22,653,993	\$ 61,878,993		
		· · · · · · · · · · · · · · · · · · ·			

June 30, 2022

6) LONG-TERM DEBT - Continued

2021A Lease Revenue Bonds

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

Fiscal Year Ending				
June 30,	Principal	Interest	Total	
2023	\$ 900,000	\$ 1,494,413	\$ 2,394,413	
2024	930,000	1,467,412	2,397,412	
2025	955,000	1,439,513	2,394,513	
2026	985,000	1,410,862	2,395,862	
2027	1,015,000	1,381,313	2,396,313	
2028 - 2032	5,710,000	6,264,762	11,974,762	
2033 - 2037	6,950,000	5,027,163	11,977,163	
2038 - 2042	8,455,000	3,521,562	11,976,562	
2043 - 2047	9,910,000	2,064,288	11,974,288	
2048 - 2051	8,960,000	624,250	9,584,250	
Totals	\$ 44,770,000	\$ 24,695,538	\$ 69,465,538	

2021 Pension Obligation Bonds

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

Fiscal Year Ending						
June 30,		Principal	 Interest	Total		
2023	\$ 2,900,000		\$ 1,537,813	\$	4,437,813	
2024		2,915,000	1,522,327		4,437,327	
2025		2,940,000	1,495,334		4,435,334	
2026		2,980,000	1,458,995		4,438,995	
2027		3,020,000	1,414,713		4,434,713	
2028 - 2032		16,050,000	6,135,200		22,185,200	
2033 - 2037		18,285,000	3,900,391		22,185,391	
2038 - 2041		13,100,000	913,659		14,013,659	
Totals	\$	62,190,000	\$ 18,378,432	\$	80,568,432	

June 30, 2022

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, 2022 is \$2,747,710.

B) Fiduciary Fund Long-Term Debt Activity

	Beginning Balance	Additions Deletions		Ending Balance		Due Within One Year		
Tax Allocation Bonds:								
2019A	\$ 18,565,000	\$	-	\$ 1,070,000	\$	17,495,000	\$	1,105,000
2019B	12,405,000		-	285,000		12,120,000		445,000
Premium on Bonds	2,941,103		-	196,074		2,745,029		
Total	\$ 33,911,103	\$	-	\$ 1,551,074	\$	32,360,029	\$	1,550,000

Tax Allocation Bonds

2019 A and B (Taxable) Tax Allocation Refunding Bonds

In December 2019, the Successor Agency to the City of Montclair Redevelopment Agency issued the 2019 Series A and B (Taxable) Tax Allocation Refunding Bonds in the amount of \$19,890,000 and \$12,660,000. Proceeds from 2019 Bonds were applied to: (i) refund bonds (2007A, 2007B, 2006A, 2006B, 2004, 2001 and 1997) incurred by the Former Agency, (ii) pay for the premium for a debt service reserve insurance policy to be issued by Build America Mutual Assurance Company and (iii) pay costs of issuance of the 2019 Bonds. The prior bonds were issued to finance and refinance the former Redevelopment Agency's undertakings with respect to four project areas known as Redevelopment Project Area No. 1, Montclair 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
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	1,285,000		486,900	1,771,900
2028 - 2032	7,490,000		1,543,200	9,033,200
2033 - 2036	4,040,000		310,000	 4,350,000
Totals	\$ 17,495,000	\$	4,768,575	\$ 22,263,575

June 30, 2022

6) LONG-TERM DEBT - Continued

2019 B Tax Allocation Bonds

Fiscal Year Ending			
June 30,	Principal	Interest	Total
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	715,000	295,976	1,010,976
2028 - 2032	5,185,000	944,378	6,129,378
2033 - 2036	4,040,000	176,552	4,216,552
Totals	\$ 12,120,000	\$ 2,742,451	\$ 14,862,451

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 \$37,126,027 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									
Allocations to Redevelopment Obligation									
Retirement Fund (RORF) Tax Increment Collections	\$	192,033	\$	-	\$8,747,650	\$4,267,337	\$8,086,827	\$2,559,401	\$23,853,248
County Administration Charges	·	(915)	·	-	(42,156)	(14,212)	(39,027)	(12,288)	(108,598)
Payments to Taxing Entities		(171,708)		-	(7,097,392)	(3,913,391)	(6,922,537)	(2,546,899)	(20,651,927)
Net Tax Increment Available for Debt Service	\$	19,410	\$	-	\$1,608,102	\$ 339,734	\$1,125,263	\$ 214	\$ 3,092,723

June 30, 2022

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, 2020 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2020 actuarial valuation report. This report is a publicly available valuation report that can be obtained at CalPERS' website under Forms and Publications.

The rate plan provisions and benefits in effect at June 30, 2022, are summarized as follows:

		Miscellaneous	
	Prior to	On or after	On or after
Hire date	June 21, 2010	June 21, 2010	January 1, 2013
Benefit formula	3% @ 60	2% @ 60	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	50
Monthly benefits, as a % of eligible compensation	(1)	(1)	(1)
Required employee contribution rates	7.80%	6.92%	6.75%
Required employer contribution rates	13.16% + \$2,207,462	10.54% + \$19,675	9.95% + \$11,716
		Safety - Police	
	Prior to	On or after	On or after
Hire date	June 27, 2005	June 27, 2005	January 1, 2013
			January 1, 2015
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit formula Benefit vesting schedule			
	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	3% @ 50 5 years service	3% @ 55 5 years service	2.7% @ 57 5 years service
Benefit vesting schedule Benefit payments	3% @ 50 5 years service monthly for life	3% @ 55 5 years service monthly for life	2.7% @ 57 5 years service monthly for life
Benefit vesting schedule Benefit payments Retirement age	3% @ 50 5 years service monthly for life 50	3% @ 55 5 years service monthly for life 50	2.7% @ 57 5 years service monthly for life 50

June 30, 2022

7) PENSIONS PLANS - Continued

		Safety - Fire	
	Prior to	On or after	On or after
Hire date	June 27, 2005	June 27, 2005	January 1, 2013
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	50
Monthly benefits, as a % of eligible compensation	(1)	(1)	(1)
Required employee contribution rates	8.99%	8.99%	13.75%
Required employer contribution rates	25.59% + \$1,683,692	23.62% + \$35,141	13.98% + \$2,557

(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 \$5,959,415 in fiscal year 2022.

The City's contributions to the Plan for the year ended June 30, 2022 were \$69,374,294.

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

As of June 30, 2022, the City reported a liability of \$55,195,693 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, 2021, 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, 2020 rolled forward to June 30, 2021 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, 2020 and 2021 was as follows:

Proportion - June 30, 2020	0.72631%
Proportion - June 30, 2021	1.02058%
Change - Increase (Decrease)	0.29427%

For the year ended June 30, 2022, the City recognized pension expense of \$28,901,962. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

June 30, 2022

7) PENSIONS PLANS - Continued

	Deferred Outflows		Det	ferred Inflows
	of Resources		O	f Resources
Pension contributions subsequent to measurement date	\$	69,374,294	\$	-
Differences between actual and expected experience		8,094,179		-
Changes in assumptions		-		-
Change in employer's proportion		673,986		2,028,772
Differences between the employer's contributions and				
the employer's proportionate share of contributions		-		2,354,619
Net differences between projected and actual				
earnings on plan investments				39,172,429
Total	\$	78,142,459	\$	43,555,820

\$69,374,294 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, 2023. 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,	_	
2023	\$	(7,041,780)
2024		(7,790,531)
2025		(9,152,549)
2026		(10,802,795)
2027		-
Thereafter		-

Actuarial Assumptions – The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2020
Measurement date	June 30, 2021
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.

June 30, 2022

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:

	New Strategic	Real Return	Real Return
Asset Class	Allocation	Years 1 - 10 (1)	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.

Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

June 30, 2022

7) PENSIONS PLANS - Continued

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

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

	1% Decrease		Discount Rate		1% Increase	
	(6.15%)		(7.15%)		(8.15%)	
Net Pension Liability	\$	87,799,202	\$	55,195,693	\$	28,345,929

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, 2022, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

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:

June 30, 2022

8) OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS - Continued

	SBPEA	Management(1)	Police	Fire					
Eligibility	- Retire directly from City under CalPERS (age 50 and 5 years of								
	service or disability) (2)								
Age 50 and 15 Years	- Lesser of:	- Lesser of: - Lesser of: - n/a							
Service (3)	\$200/mo. If	\$551/mo.	\$200/mo. If						
	retired < 7/1/13		retired <						
	\$230/mo. If	Act Single Cap	\$230/mo. If						
	retired > 7/1/13		retired >						
	Act Single Cap		Act Single Cap						
Age 50 and 25 Years	- Lesser of:	- Lesser of: (4)	- Lesser of:	- Greater of:					
Service	\$532.16/mo.	\$551/mo.	\$532.16/mo.	\$300/mo.					
	Act Single Cap	Act Single Cap	Act Single Cap	\$400/mo. at 30					
		or 2-party Cap		years					
		Dental & Vision		Max					
		if Single Medical		\$532.16/mo.					
Surviving Spouse Benefit	- Surviving spous	e can elect medica	ıl, dental, and visi	on coverage at					
Medicare Part A & B		s toward Part B pre	miume subject to	cans					
INEUICAIE FAITA & D	-	outes toward Part A	=	-					
Dental, Vision, & Life	- None other than	n management at 25	5 years service						

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

Employees Covered by Benefit Terms – As of the June 30, 2020 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

101
-
148
249

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, 2021 and was determined by an actuarial valuation dated June 30, 2020, based on the following actuarial methods and assumptions:

June 30, 2022

8) OTHER POSTEMPLOYMENT BENEFITS - Continued

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
	4.85% initial, 3.75% ultimate - Medicare
Inflation Rate	2.50%
Salary Changes	3.75%
Discount Rate	2.16% - Bond Buyer 20-year Bond index as of 6/30/21
	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

Changes in the Total OPEB Liability

	٦	Total OPEB
	Li	iability (TOL)
Balance at June 30, 2021 (June 30, 2020 measurement date)	\$	12,027,736
Changes in the year:		
Service cost		312,347
Interest on the total OPEB liability		267,379
Assumption Changes		75,471
Actual vs. Expected Experience		-
Changes in benefit terms		-
Benefit payments, including refunds		(482,959)
Net changes		172,238
Balance at June 30, 2022 (June 30, 2021 measurement date)	\$	12,199,974

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:

	19	1% Decrease		iscount Rate	1	% Increase
		(1.16%)		(2.16%)		(3.16%)
Total OPEB liability (asset)	\$	13,874,069	\$	12,199,974	\$	10,817,249

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:

June 30, 2022

8) OTHER POSTEMPLOYMENT BENEFITS - Continued

			Current		
			Healthcare		
	19	% Decrease	Trend	1	% Increase
Total OPEB liability (asset)	\$	11,850,337	\$ 12,199,974	\$	12,524,927

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB - For the year ended June 30, 2022, the City recognized OPEB expense/(income) of \$555,376. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	 erred Outflows Resources	 erred Inflows Resources
OPEB Contributions Subsequent to the Measurement Date	\$ 446,147	\$ -
Changes of Assumptions	1,693,162	400,658
Differences between expected and actual		
experience		 849,967
Total	\$ 2,139,309	\$ 1,250,625

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,	_	
2023	\$	(24,350)
2024		20,525
2025		141,499
2026		158,683
2027		110,233
Thereafter		35,947

The \$446,147 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2021 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ended June 30, 2023.

9) SELF-INSURANCE PROGRAM

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

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

June 30, 2022

9) SELF-INSURANCE PROGRAM - Continued

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, 2022, third party claims administrators estimated \$2,747,710 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, 2022 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, 2022 represent the City's best estimate, based on available information, as follows:

	E	Beginning						End	
of Year			Current Year			Claim	of Year		
Fiscal Year		Liability	Claims		Payments			Liability	
2021-22	\$	2,146,065	\$	1,309,611	\$	707,966	\$	2,747,710	
2020-21		1,910,458		533,053		297,446		2,146,065	

10) COMMITMENTS AND CONTINGENCIES

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

The estimated amount of remaining construction obligations at year-end is \$5,262,789.

June 30, 2022

11) FUND BALANCES

The details of the fund balances as of June 30, 2022 are presented below:

				Safety						Pension		Other		Total
		General	D	epartment		uccessor	Economic	2021 Lease		Obigation	G	overnmental	G	overnmental
Nonspendable:	_	Fund		Grants		ncy Bonds	evelopment	 venue Bonds	_	Bonds	_	Funds	_	Funds
Prepaids	\$	960,380	\$	-	\$	-	\$ -	\$ -	\$	-	\$	5,255	\$	965,635
Restricted for:														
Housing		-		-		-	-	-		-		5,774,212		5,774,212
Public Safety		-		-		-	-	-		-		1,510,058		1,510,058
Transportation		-		-		-	-	47,623,410		-		8,350,031		55,973,441
Comm. Development		-		-	1	2,647,820	-	-		-		1,924,606		14,572,426
Debt Service		-		-		-	-	-		-		496,399		496,399
Committed to:														
Comm. Development		-		-		-	4,822,604	-		-		-		4,822,604
Assigned to:														
Post-employ. Benefits		3,000,000		-		-	-	-		-		-		3,000,000
Retiree Medical Liab.		1,500,000		-		-	-	-		-		-		1,500,000
Technology		993,938		-		-	-	-		-		-		993,938
Self Insurance		850,000		-		-	-	-		-		-		850,000
Equip. Replacement		2,369,544		-		-	-	-		-		-		2,369,544
Unanticipated Pers.		1,000,000		-		-	-	-		-		-		1,000,000
Building Maintenance		1,913,000		-		-	-	-		-		-		1,913,000
Parking Facility		4,794,353		-		-	-	-		-		-		4,794,353
POB		2,000,000		-		-	-	-		1,506		-		2,001,506
Contingencies		204,807		-		-	-	-		-		-		204,807
Unassigned		11,633,342		(276,730)			-	 _				(92,781)		11,263,831
Total Fund Balance	\$	31,219,364	\$	(276,730)	\$ 1	2,647,820	\$ 4,822,604	\$ 47,623,410	\$	1,506	\$	17,967,780	\$	114,005,754

REQUIRED SUPPLEMENTARY INFORMATION

City of Montclair Budgetary Comparison Schedule General Fund

	D 1 1			Variance with Final Budget
	Original	l Amounts Final	Actual Amounts	Positive (Negative)
Budgetary Fund Balance, July 1	\$ 16,769,573	\$ 16,769,573	\$ 16,769,573	\$ -
Basanas (Inflants)				
Resources (Inflows): Taxes	21 419 006	26 112 176	42 E21 010	6 400 542
Licenses and Permits	21,418,906	36,112,476	42,521,019	6,408,543 9,414
	514,325	506,375	515,789	
Intergovernmental	564,155 3,810,200	140,900	118,561 4,181,442	(22,339) 373,717
Charges for Services		3,807,725		•
Use of Money and Property	377,760	505,010	35,033	(469,977)
Fines and Forfeitures	470,400	332,200	389,196	56,996
Miscellaneous	293,400	134,500	213,365	78,865
Transfers In			942,280	942,280
Amounts Available for Appropriation	44,218,719	58,308,759	65,686,258	7,377,499
Charges to Appropriation (Outflow):				
General Government				
City Council	354,581	354,581	307,535	47,046
City Manager	206,579	290,821	380,400	(89,579)
Administration	44,961	42,961	32,981	9,980
Financial Services	624,311	624,311	617,414	6,897
Solid Waste Disposal	2,495,473	2,495,473	2,916,892	(421,419)
City Clerk	239,678	228,678	240,933	(12,255)
Personnel/Risk Assessment	441,199	452,199	411,613	40,586
Information Technology Services	907,382	1,035,219	1,270,327	(235,108)
Central Services	414,840	457,840	495,483	(37,643)
City Attorney	298,437	304,937	456,950	(152,013)
Non-Departmental	3,563,502	3,688,502	3,845,337	(156,835)
Public Safety				
Police Administration	252,573	253,093	269,741	(16,648)
Police Support Services	729,960	731,450	766,468	(35,018)
Technical Services	342,778	340,704	335,637	5,067
Records Bureau	506,577	511,577	541,644	(30,067)
Investigations	1,118,045	1,140,903	1,088,829	52,074
Uniform Patrol	7,768,390	8,155,304	3,041,854	5,113,450
Communications	850,657	848,049	649,033	199,016
Volunteer Services	58,618	57,618	48,988	8,630
Fire Administration	418,203	417,853	461,881	(44,028)
Fire Prevention	500	500	135,795	(135,295)
Emergency Services	4,749,081	5,195,029	5,224,197	(29,168)
Personnel Development	66,160	66,160	64,204	1,956
Buildings and Grounds	13,250	35,652	16,827	18,825
Emergency Preparedness	79,171	76,171	35,872	40,299
Code Enforcement	427,690	531,266	316,742	214,524
	•	•	•	-

City of Montclair Budgetary Comparison Schedule - Continued General Fund

		d Amounts	Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Charges to Appropriation (Outflow): - Continue	ed			
Community Development				
Planning Commission	\$ 8,075	\$ 8,075	\$ 6,920	\$ 1,155
Community Development Administration	94,971	94,971	84,423	10,548
Current Planning	245,415	245,415	146,491	98,924
Advance Planning	134,433	134,433	101,557	32,876
Field Inspection	118,499	118,499	123,920	(5,421)
Plan Check	65,848	65,848	96,743	(30,895)
Building Operations	150,978	150,978	159,857	(8,879)
Recreation	1,095,745	1,200,901	704,650	496,251
Clinic	72,884	72,884	61,766	11,118
Senior Citizens	87,080	87,080	36,427	50,653
Nutritional Meals	86,463	86,463	78,309	8,154
Family and Health Education	67,620	67,620	31,700	35,920
Public Works		·	ŕ	,
Management and Construction	332,927	354,909	345,777	9,132
Public Works Inspection	86,444	86,444	121,384	(34,940)
Traffic Safety Engineering	11,878	11,878	141,283	(129,405)
Graffiti Abatement	54,437	54,437	17,256	37,181
Street Maintenance	484,246	500,246	691,968	(191,722)
Signing/Painting	27,154	27,154	54,824	(27,670)
Street Sweeping	27,277	27,277	25,862	1,415
Parks Maintenance	468,171	486,171	383,243	102,928
Tree Maintenance	89,252	87,522	73,196	14,326
Vehicle Maintenance	406,822	447,022	474,821	(27,799)
Building Maintenance Services	651,960	1,299,353	374,277	925,076
Heating and Air Conditioning	122,044	122,044	122,084	(40)
Janitorial Services	357,529	357,529	302,022	55,507
Capital Outlay	45,000	149,080	183,500	(34,420)
Transfers Out	-	35,000	5,549,057	(5,514,057)
Total Charges to Appropriations	32,365,748	34,716,084	34,466,894	249,190
Budgetary Fund Balance, June 30	\$ 11,852,971	\$ 23,592,675	\$ 31,219,364	\$ 7,626,689

City of Montclair Budgetary Comparison Schedule Safety Department Grants Special Revenue Fund

	Budgeted	l Am	ounts		Actual	Fir	riance with nal Budget Positive	
	Original		Final	/	Amounts	(Negative)		
Budgetary Fund Balance, July 1 Resources (Inflows):	\$ -	\$	-	\$	(2,832)	\$	(2,832)	
Intergovernmental	209,630		581,888		61,229		(520,659)	
Transfers In	 <u>-</u>		_		22,243		22,243	
Amounts Available for Appropriation	 209,630		581,888		80,640		(501,248)	
Charges to Appropriation (Outflow):								
Public Safety	-		714,811		61,782		(653,029)	
Transfers Out	-		_		295,588		(295,588)	
Total Charges to Appropriations			714,811		357,370		(948,617)	
Budgetary Fund Balance, June 30	\$ 209,630	\$	(132,923)	\$	(276,730)	\$	(143,807)	

June 30, 2022

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

June 30, 2022

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

	2021		 2020	_	2019	2018	2017
Total OPEB Liability							
Service cost	\$	312,347	\$ 301,328	\$	269,472	\$ 279,017	\$ 318,968
Interest on total OPEB liability		267,379	428,974		449,101	423,080	363,789
Changes in assumptions		75,471	722,177		463,716	(363,175)	(1,002,248)
Changes in benefits		-	(1,094,234)		-	-	-
Benefit payments, including refunds		(482,959)	(571,193)		(553,563)	(531,634)	(642,745)
Net change in total OPEB liability		172,238	(212,948)		628,726	(192,712)	(962,236)
Total OPEB liability - beginning	12	2,027,736	12,240,684		11,611,958	 11,804,670	12,766,906
Total OPEB liability - ending (a)	\$ 12	2,199,974	\$ 12,027,736	\$	12,240,684	\$ 11,611,958	\$ 11,804,670
Covered - employee payroll	\$ 1	1,990,558	\$ 12,337,306	\$	12,201,903	\$ 11,361,672	\$ 11,850,580
Total OPEB liability as a percentage of covered-employee payroll		101.75%	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, 2021 Measurement Date, the discount rate was decreased from 2.21% to 2.16%, the mortality improvement scale was updated to Scale MP-2021, and general inflation decreased from 2.75% to 2.5%

June 30, 2022

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)	\$	85,019,500	\$	78,230,670	\$	75,855,193	\$	74,647,209					
Plan Fiduciary Net Position													
Contributions - employer	\$	1,693,037	\$	1,526,904	\$	1,316,337	\$	1,139,453					
Contributions - employee		511,740		615,134		560,336		471,260					
Net investment income		5,990,392		263,579		1,262,238		8,533,869					
Benefit payments		(4,197,477)		(3,911,463)		(3,784,153)		(3,564,687)					
Administrative Expense		(79,948)		(33,940)		(62,571)		_					
Net change in plan fiduciary net position		3,917,744		(1,539,786)		(707,813)		6,579,895					
Plan fiduciary net position - beginning		54,149,399		55,689,185		56,396,998		49,817,103					
Plan fiduciary net position - ending (b)	\$	58,067,143	\$	54,149,399	\$	55,689,185	\$	56,396,998					
Net pension liability - ending (a) - (b)	\$	26,952,357	\$	24,081,271	\$	20,166,008	\$	18,250,211					
Plan fiduciary net position as a percentage of the total pension liability		68.30%		69.22%		73.42%		75.55%					
Covered payroll	\$	6,106,387	\$	6,138,986	\$	6,056,685	\$	5,950,546					
Net pension liability as percentage of covered payroll		441.38%		392.27%		332.95%		306.70%					

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

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

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

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

June 30, 2022

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

		F	ontractually Required	Re	ntributions in elation to the Actuarially Determined	De	ntribution ficiency/	Covered	as a	ibutions a % of vered
F	iscal Year	Cc	ntributions	C	ontributions	(E	Excess)	 Payroll	Pa	ayroll
	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

June 30, 2022

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

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

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

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

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

Changes in Assumptions: In 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.

June 30, 2022

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

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

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

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

SUPPLEMENTARY INFORMATION

City of Montclair Combining Balance Sheet Non-major Funds

June 30, 2022

	Special Revenue Funds												
	Gas Tax	Measure I	Traffic Safety	Park Development	Community Development Block Grant								
ASSETS													
Pooled Cash and Investments	\$ 1,113,601	\$ 4,654,534	\$ 17,998	\$ 1,154,807	\$ 5,411								
Restricted Cash with Fiscal Agent	-	-	-	-	-								
Receivables:	40.507				50.000								
Accounts	46,507	-	-	-	53,620								
Notes and Loans	-	-	-	-	-								
Accrued Interest	-	-	-	-	-								
Prepaid Costs	-	-	- 0.007	-	-								
Due from Other Governments	243,962	149,225	8,837	-	-								
Due from Other Funds		442,941	31,725										
Total Assets	\$ 1,404,070	\$ 5,246,700	\$ 58,560	\$ 1,154,807	\$ 59,031								
LIABILITIES													
Accounts Payable	\$ 97,401	\$ -	\$ 1,395	\$ -	\$ 2,955								
Accrued Liabilities	17,901	-	-	-	-								
Deposits Payable	, <u>-</u>	_	_	_	_								
Due to Other Governments	_	_	4,458	_	4,000								
Due to Other Funds	5,477				53,620								
Total Liabilities	120,779		5,853		60,575								
DEFERRED INFLOWS OF RESOURCES													
Unavailable Revenues - Grants													
Total Deferred Inflows of Resources													
FUND BALANCES (DEFICITS)													
Nonspendable	-	-	_	-	-								
Restricted	1,283,291	5,246,700	52,707	1,154,807	-								
Unassigned					(1,544)								
Total Fund Balances (Deficits)	1,283,291	5,246,700	52,707	1,154,807	(1,544)								
Total Liabilities, Deferred Inflows of													
Resources, and Fund Balances	\$ 1,404,070	\$ 5,246,700	\$ 58,560	\$ 1,154,807	\$ 59,031								

Special Revenue Funds State Asset Federal Asset Air Quality Older State Asset Public Forfeiture Forfeiture Forfeiture School Improvement American Act Forfeiture Safety DOJ Section 11489 Treasury District Grant 130,894 118,279 235,304 309,718 42,224 \$ 132,345 20,485 13,024 440 45,958 78 143,918 20,485 118,719 \$ 281,262 309,718 42,302 132,345 \$ 1,506 \$ 2,827 \$ 33,023 \$ 6,733 4,634 13,024 33,023 1,506 20,485 6,733 142,412 118,719 248,239 309,718 42,302 125,612 118,719 248,239 309,718 42,302 125,612 142,412 20,485 \$ 118,719 \$ 281,262 \$ 309,718 \$ 42,302 \$ 143,918 \$ 132,345

Continued

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

June 30, 2022

Assistance Prevention Block S	After chool ogram
SSLEE Grant BC 1202.5 Crant B	ogram
SSELI GIAIR PO 1202.9 GIAIR PI	
<u> </u>	
ASSETS	
Pooled Cash and Investments \$ 410,732 \$ 15,024 \$ 2,282 \$ 76,313 \$	53,498
Restricted Cash with Fiscal Agent	-
Receivables:	
Accounts	-
Notes and Loans	-
Accrued Interest	-
Prepaid Costs	-
Due from Other Governments 26 -	-
Due from Other Funds	
Total Assets <u>\$ 410,732</u> <u>\$ 15,024</u> <u>\$ 2,308</u> <u>\$ 76,313</u> <u>\$</u>	53,498
LIABILITIES	
Accounts Payable \$ - \$ - \$ - \$	52,207
Accrued Liabilities	50,532
Deposits Payable	225
Due to Other Governments	-
Due to Other Funds	_
Total Liabilities	102,964
	102,001
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenues - Grants	
Total Deferred Inflows of Resources	
FUND BALANCES (DEFICITS)	
Nonspendable	_
Restricted 410,732 15,024 2,308 76,313	_
Unassigned	(49,466)
	(10,100)
Total Fund Balances (Deficits) 410,732 15,024 2,308 76,313	(49,466)
Total Liabilities, Deferred Inflows of	
Resources, and Fund Balances <u>\$ 410,732</u> <u>\$ 15,024</u> <u>\$ 2,308</u> <u>\$ 76,313</u> <u>\$</u>	53,498

						,	Special Rev	/enue	e Funds						
							-		isability	Mt. Ba		М	ontclair		Kaiser
			unization		E.M.S.	F	Prop 30		Access-	United	Way		ousing	Pe	rmanente
CAR	ES Act		Grant	Pa	aramedic		SB 109	Bus	s. License	Gra	nt	Co	poration		Grant
\$	-	\$	1,371	\$	9,387	\$	99,956	\$	46,106	\$	-	\$ 2	,063,191	\$	4,187
	-		-		-		-		-		-		-		-
	-		-		6,972		-		-		-		49,305		-
	-		-		-		-		-		-		- 3,211		-
	_		-		_		_		-		_		5,255		-
	-		-		-		-		2,371		-		-		-
											-				
\$		\$	1,371	\$	16,359	\$	99,956	\$	48,477	\$	_	\$ 2	,120,962	\$	4,187
ф		c		\$	6,858	\$	1,091	\$	979	c		\$	27,266	\$	365
\$	-	\$	-	Ф	0,000	Ф	1,091	Ф	979	\$	-	Ф	5,731	Ф	303
	-		-		-		-		-		-		75,270		-
	-		-		-		-		-		-		-		-
			-		-				-						-
					6,858		1,091		979		_		108,267	_	365
	-										-				-
	_		-		-		-				-				-
	-		-		- 0.504		-		47 400		-	0	5,255		- 2 000
	<u>-</u>		1,371 -		9,501 -		98,865		47,498 <u>-</u>		-		,007,440		3,822
			1,371		9,501		98,865		47,498		-	2	,012,695		3,822
•		•	4.074	•	40.050	•	00.050	•	40.477	•		.	400.000	•	4.40=
\$		\$	1,371	\$	16,359	\$	99,956	\$	48,477	\$	-	\$ 2	,120,962	\$	4,187

Continued

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

June 30, 2022

			Special Revenue Funds							
	R	esource	Т	itle IIIB			-	ASES	Норе	e Thru
	(Center	Sr. S	Supportive	Co	ommunity	Sup	plemental	Ho	using
		Grant	S	ervices	_F	oundation		Grant	G	rant
ASSETS										
Pooled Cash and Investments	\$	19,591	\$	-	\$	169,945	\$	2,900	\$	-
Prepaid Costs		-		-		-		-		-
Receivables:										
Accounts		-		3,839		-		-		-
Notes and Loans		-		-		-		-		-
Accrued Interest		-		-		-		-		-
Prepaid Costs		-		-		-		-		-
Due from Other Governments		-		-		-		-		-
Due from Other Funds				20,536						
Total Assets	\$	19,591	\$	24,375	\$	169,945	\$	2,900	\$	
LIABILITIES										
Accounts Payable	\$	1,089	\$	-	\$	-	\$	2,900	\$	-
Accrued Liabilities				1,826		_		-		-
Deposits Payable		_		_		-		_		_
Due to Other Governments		_		-		-		_		-
Due to Other Funds				22,549						
Total Liabilities		1,089		24,375				2,900		
DEFERRED INFLOWS OF RESOURCES										
Unavailable Revenues - Grants										
Total Deferred Inflows of Resources		_								
FUND BALANCES (DEFICITS)										
Nonspendable		-		-		-		-		-
Restricted		18,502		-		169,945		-		-
Unassigned										
Total Fund Balances (Deficits)		18,502				169,945				
Total Liabilities, Deferred Inflows of										
Resources, and Fund Balances	\$	19,591	\$	24,375	\$	169,945	\$	2,900	\$	

						S	oecial Re	venue	Funds						
							ntclair		Public		omeless		Healthy		
	Park	CF	D 2011-1		D 2011-2		ousing		ducation		nergency		mmunity	SB2	2 Planning
Ma	intenance		Paseos	Arro	ow Station	Au	thority	G	ovt. PEG	Aid	Program	Stra	itegic Plan		Grant
\$	71,600	\$	166,205	\$	90,071	\$ 3,	178,960	\$	78,062	\$	_	\$	15,107	\$	_
	-		-		-		-		-		-		-		-
			_				_		9,266		_				17,625
	_		_		_		_		3,200		_				17,025
	_		_		_		_		_		_		_		_
	_		_		_		_		_		_		_		_
	_		_		131		-		_		_		_		_
							-				43,645				
\$	71,600	\$	166,205	\$	90,202	\$ 3,	178,960	\$	87,328	\$	43,645	\$	15,107	\$	17,625
\$	40,245	\$	39,318	\$	1,162	\$	446	\$	-	\$	_	\$	-	\$	_
	-		125		-		-		-		-		-		-
	-		-		-		-		-		-		-		-
	-		-		-		-		-		-		-		-
					7,500		-				43,645				20,843
	40,245		39,443		8,662		446				43,645				20,843
			-				-								-
	-		-		-		-		-		-		-		-
	31,355		126,762		81,540	3,	178,514		87,328		-		15,107		-
															(3,218)
	31,355		126,762		81,540	3,	178,514		87,328		-		15,107		(3,218)
\$	71,600	\$	166,205	\$	90,202	\$ 3,	178,960	\$	87,328	\$	43,645	\$	15,107	\$	17,625

Continued

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

June 30, 2022

		omeless		Special Rev	/enue					Capital Project Funds
		lousing	Do	Park		LEAP Grant		ARPA		avement
	AS	sistance	De	velopment		Grani		ARPA		pact Fees
ASSETS										
Pooled Cash and Investments	\$	32,550	\$	-	\$	26,329	\$	-	\$	158,350
Restricted Cash with Fiscal Agent		-		-		-		-		-
Receivables:										
Accounts		-		174,976		68,427		-		-
Notes and Loans		-		-		-		-		-
Accrued Interest		-		-		-		-		-
Prepaid Costs		-		-		-		-		-
Due from Other Governments		-		-		-		-		19,447
Due from Other Funds		-		-		-		-		-
Total Assets	\$	32,550	\$	174,976	\$	94,756	\$	-	\$	177,797
LIABILITIES										
Accounts Payable	\$	_	\$	_	\$	26,329	\$	_	\$	_
Accrued Liabilities	Ψ	_	Ψ	_	Ψ	20,020	Ψ	_	Ψ	_
Deposits Payable		_		_		_		_		_
Due to Other Governments		_		_		_		_		_
Due to Other Funds		_		191,813		68,427		_		_
Due to Other Funds				101,010		00,421				
Total Liabilities				191,813		94,756		-	_	
DEFERRED INFLOWS OF RESOURCES										
Unavailable Revenues - Grants		_		_		18,216		_		_
						,				
Total Deferred Inflows of Resources						18,216		-		
FUND BALANCES (DEFICITS)										
Nonspendable		_		_		_		_		_
Restricted		32,550		_		_		_		177,797
Unassigned		-		(16,837)		(18,216)		_		-
Chaceighed				(10,001)		(10,210)				
Total Fund Balances (Deficits)		32,550		(16,837)		(18,216)		-		177,797
Total Liabilities, Deferred Inflows of										
Resources, and Fund Balances	\$	32,550	\$	174,976	\$	94,756	\$	-	\$	177,797
•	=				=		_		- —	

															bt Service
	Capital Project Funds 2014														Fund
												_	2014		
Ur	derground		eneral Plan	۲	Refunding				PUC		Housing		evelopment		efunding
	In-lieu		Update		Bonds	Inf	rastructure	Rein	<u>nbursemen</u> t		Fund	Ir	npact Fee		Bonds
Φ.	040 547	Φ.	400 400	Φ		Φ	(004.040)	Φ.	000 500	Φ.	<i></i> 700	Φ	4 000 050	Φ.	
\$	340,517	\$	100,122	\$	-	\$	(361,218)	\$	262,502	\$	555,708	Ъ	1,202,956	\$	-
	-		-		-		-		-		-		-		8
							176,827								
	-		-		-		170,027		-		-		-		-
	_		_		- 651		_		_		_		_		_
			_		-		_		_				_		_
	_				_		24,918		_		_		_		496,391
	_		_				492,601		_		_		_		-
							402,001								
\$	340,517	\$	100,122	\$	651	\$	333,128	\$	262,502	\$	555,708	\$	1,202,956	\$	496,399
÷		Ť	,			<u> </u>	,	<u> </u>					-,,	<u> </u>	,
\$	_	\$	_	\$	_	\$	110,517	\$	_	\$	_	\$	_	\$	_
•	_	•	_	•	_	•	-	•	-	•	_	*	_	•	_
	-		-		_		-		-		_		_		-
	-		_		_		_		_		_		_		-
	-		_		_		_		_		_		442,941		-
	-		-		-		110,517		-		-		442,941		-
	-		-				-								
			-				-								
	-		-		-		-		-		-		-		-
	340,517		100,122		651		222,611		262,502		555,708		760,015		496,399
			-				-						-		
	340,517		100,122		651		222,611		262,502		555,708		760,015		496,399
\$	340,517	\$	100,122	\$	651	\$	333,128	\$	262,502	\$	555,708	\$	1,202,956	\$	496,399

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

June 30, 2022

	Debt Service Fund	
	2021 Lease	Non-Major
	Revenue	Governmental Total
	Bonds	Total
ASSETS		
Pooled Cash and Investments	\$ -	\$ 16,807,419
Restricted Cash with Fiscal Agent	-	8
Receivables:		
Accounts	-	627,849
Notes and Loans	-	-
Accrued Interest	-	3,862
Prepaid Costs	-	5,255
Due from Other Governments	-	1,004,808
Due from Other Funds		1,031,448
Total Assets	\$ -	\$ 19,480,649
LIABILITIES		
Accounts Payable	\$ -	\$ 456,612
Accrued Liabilities	<u>-</u>	80,749
Deposits Payable	-	75,495
Due to Other Governments	-	8,458
Due to Other Funds	3,500	873,339
Total Liabilities	3,500	1,494,653
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenues - Grants		18,216
Total Deferred Inflows of Resources		18,216
FUND BALANCES (DEFICITS)		
Nonspendable	-	5,255
Restricted	-	18,055,306
Unassigned	(3,500)	(92,781)
Total Fund Balances (Deficits)	(3,500)	17,967,780
Total Liabilities, Deferred Inflows of		
Resources, and Fund Balances	\$ -	\$ 19,480,649

City of Montclair

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

	Special Revenue Funds											
			Community									
			- " o	Park	Development							
	Gas Tax	Measure I	Traffic Safety	Development	Block Grant							
REVENUES												
Taxes	\$ 1,796,480	\$ -	\$ -	\$ -	\$ -							
Intergovernmental	-	998,942	-	-	165,242							
Charges for Services	-	-	-	5,600	-							
Use of Money and Property	1,496	5,785	-	-	-							
Fines and Forfeitures	-	-	109,456	-	-							
Miscellaneous												
Total Revenues	1,797,976	1,004,727	109,456	5,600	165,242							
EXPENDITURES												
Current:												
General Government	59,050	_	_	_	_							
Public Safety	-	_	-	_	_							
Community Development	-	_	-	-	165,242							
Public Works	869,003	-	-	-	-							
Capital Outlay	127,915	-	-	-	-							
Debt Service:												
Principal Retirement	-	-	-	-	-							
Interest and Fiscal Charges												
Total Expenditures	1,055,968				165,242							
Excess (Deficiency) of Revenues												
Over (Under) Expenditures	742,008	1,004,727	109,456	5,600								
OTHER FINANCING COURCES (HCFC)												
OTHER FINANCING SOURCES (USES) Transfers In												
Transfers Out	(94,628)	-	(100,000)	-	-							
Transitio Gut	(04,020)		(100,000)									
Total Other Financing Sources (Uses)	(94,628)		(100,000)		-							
Net Change in Fund Balances	647,380	1,004,727	9,456	5,600	-							
Fund Balance, Beginning of Year	635,911	4,241,973	43,251	1,149,207	(1,544)							
Fund Balance, End of Year	\$ 1,283,291	\$ 5,246,700	\$ 52,707	\$ 1,154,807	\$ (1,544)							

Special Revenue Funds State Asset Federal Asset Air Quality Older State Asset Forfeiture **Public** Forfeiture Forfeiture School Improvement American Act Forfeiture Safety DOJ Section 11489 Treasury District Grant \$ 541,931 50,875 177,592 98,315 162 148 385 54 165 6,773 15,605 1,195 40,162 48,347 51,037 225,939 6,921 541,931 15,990 1,249 40,327 98,315 528,992 110,000 4,224 7,346 98,315 139,770 252,274 110,000 139,770 252,274 528,992 4,224 7,346 98,315 (88,733)(26,335)6,921 12,939 (94,010) (2,975)32,981 26,335 26,335 (88,733)6,921 12,939 (94,010) (2,975)32,981 231,145 111,798 235,300 403,728 45,277 92,631 142,412 \$ 118,719 \$ 248,239 \$ 309,718 \$ 42,302 125,612

Continued

City of Montclair

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

	Special Revenue Funds										
				Justice sistance		Crime evention		ecycling Block		After School	
	SSLEF			Grant	PC	1202.5	Grant		Program		
REVENUES											
Taxes	\$	-	\$	-	\$	-	\$	-	\$	-	
Intergovernmental		161,330		27,914		-		5,229		1,487,665	
Charges for Services		-		-		-		-		-	
Use of Money and Property		510		19		2		95		-	
Fines and Forfeitures		-		-		180		-		-	
Miscellaneous											
Total Revenues		161,840		27,933		182		5,324		1,487,665	
EXPENDITURES											
Current:											
General Government		-		-		-		-		86,815	
Public Safety		100,000		13,020		-		-		-	
Community Development		-		-		-		10,121		1,204,056	
Public Works		-		-		-		-		-	
Capital Outlay		-		-		-		-		-	
Debt Service: Principal Retirement											
Interest and Fiscal Charges		-		-		-		-		-	
interest and Fiscal Charges				<u>-</u>			-	<u>-</u>			
Total Expenditures		100,000	-	13,020				10,121		1,290,871	
Excess (Deficiency) of Revenues											
Over (Under) Expenditures		61,840		14,913		182		(4,797)		196,794	
OTHER FINANCING SOURCES (USES)											
Transfers In		_		111		_		_		_	
Transfers Out		-		-						(772,097)	
Total Other Financing Sources (Uses)		_		111						(772,097)	
Net Change in Fund Balances		61,840		15,024		182		(4,797)		(575,303)	
Fund Palance Paginning of Veer		348,892				2,126		81,110		E0E 007	
Fund Balance, Beginning of Year		340,092				۷,۱۷۵		01,110		525,837	
Fund Balance, End of Year	\$	410,732	\$	15,024	\$	2,308	\$	76,313	\$	(49,466)	

Special Revenue Funds Disability Mt. Baldy Montclair Kaiser Immunization E.M.S. Prop 30 Access-**United Way** Housing Permanente CARES Act Grant Paramedic SB 109 Bus. License Grant Corporation Grant \$ 411,874 9,335 45,642 124 952,487 1,371 411,874 1,371 45,642 124 9,335 952,487 1,180,451 36,141 798 23,875 1,568 1,568 36,141 23,875 1,180,451 798 410,306 1,371 9,501 (23,751)9,335 (227,964)(798) 24,355 24,355 434,661 1,371 9,501 (23,751) 9,335 (227,964)(798)(434,661)122,616 38,163 2,240,659 4,620 - \$ 1,371 \$ 9,501 \$ 98,865 \$ 47,498 \$ \$ 2,012,695 3,822

Continued

City of Montclair

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

	Special Revenue Funds										
		esource		itle IIIB	_	.,	_	ASES		pe Thru	
	Center Grant			Supportive ervices		ommunity oundation	Su	pplemental Grant	Housing Grant		
		Orani		ei vices		diluation		Grant	Giant		
REVENUES											
Taxes	\$	-	\$	-	\$	-	\$	-	\$	-	
Intergovernmental		-		-		-		141,105		-	
Charges for Services		-		31,555		-		-		-	
Use of Money and Property		-		-		-		-		-	
Fines and Forfeitures		-		-		-		-		-	
Miscellaneous		28,500	-			56,860					
Total Revenues		28,500		31,555		56,860		141,105			
EXPENDITURES											
Current:											
General Government		-		-		-		-		-	
Public Safety		- 00 700		-		45.050		-		-	
Community Development Public Works		26,739		35,553		45,058		119,712		-	
Capital Outlay		-		-		-		-		-	
Debt Service:		-		-		-		-		-	
Principal Retirement		_		_		_		_		_	
Interest and Fiscal Charges		_		_		_		_		_	
mereet and rissal sharges			-								
Total Expenditures		26,739		35,553		45,058		119,712			
Excess (Deficiency) of Revenues											
Over (Under) Expenditures		1,761		(3,998)		11,802		21,393			
OTHER FINANCING SOURCES (USES)											
Transfers In		-		-		-				-	
Transfers Out								(34,846)			
Total Other Financing Sources (Uses))							(34,846)			
Net Change in Fund Balances		1,761		(3,998)		11,802		(13,453)		-	
Fund Balance, Beginning of Year		16,741		3,998		158,143		13,453			
Fund Balance, End of Year	\$	18,502	\$		\$	169,945	\$	_	\$		

Special Revenue Funds Public Montclair Homeless Healthy CFD 2011-1 CFD 2011-2 Community Park Housing Education Emergency SB2 Planning Maintenance Paseos Arrow Station Authority Govt. PEG Aid Program Strategic Plan Grant \$ 140,573 41,004 17,625 33,730 37,054 207 112 574,582 33,730 140,780 41,116 574,582 37,054 17,625 1,875 261 59,391 9,782 84,063 1,829 20,843 96,225 31,156 84,063 155,616 42,813 261 1,829 20,843 (50,333)(14,836)(1,697)574,582 37,054 (261)(1,829)(3,218)261 261 (50,333)(14,836)(1,697)574,582 37,054 (1,829)(3,218)81,688 141,598 83,237 2,603,932 50,274 16,936 31,355 \$ 126,762 \$ 81,540 \$ 3,178,514 \$ 87,328 \$ 15,107 \$ (3,218)

Continued

City of Montclair

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

		ļ	Capital Project Funds						
	Н	omeless ousing sistance	Statewide Park Development			E Funds LEAP Grant	ARPA		avement pact Fees
REVENUES									
Taxes	\$	-	\$	-	\$	-	\$ -	\$	-
Intergovernmental		75,000		355,610		50,211	4,794,353		70.000
Charges for Services		-		-		-	-		76,393
Use of Money and Property		-		-		-	-		-
Fines and Forfeitures		-		-		-	-		-
Miscellaneous		-		-		-			<u> </u>
Total Revenues		75,000		355,610		50,211	4,794,353		76,393
EXPENDITURES Current:									
General Government		_		_		_	_		_
Public Safety		_		_		68,427	4,794,353		_
Community Development		54,175		_		-	-,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		_
Public Works		-		_		_	_		150,005
Capital Outlay		_		_		_	_		-
Debt Service:									
Principal Retirement		_		_		_	_		-
Interest and Fiscal Charges		-		-		-	-		-
Total Expenditures		54,175		_		68,427	4,794,353		150,005
7.5ta: <u> </u>		0 1, 1 1 0				00,.2.	.,,		,
Excess (Deficiency) of Revenues									
Over (Under) Expenditures		20,825		355,610		(18,216)			(73,612)
OTHER FINANCING SOURCES (USES) Transfers In		_				_	_		_
Transfers Out		_		(191,813)		_	_		_
Transloro Gut				(101,010)	-				
Total Other Financing Sources (Uses))	-		(191,813)		-			
Net Change in Fund Balances		20,825		163,797		(18,216)	-		(73,612)
Fund Balance, Beginning of Year		11,725		(180,634)					251,409
Fund Balance, End of Year	\$	32,550	\$	(16,837)	\$	(18,216)	\$ -	\$	177,797

					Ci	apital	Project Fur	nds				D	ebt Service Fund	
Underground In-lieu		General Plan Refund		2014 Refunding Bonds	unding		PUC Reimbursement		Housing Fund		Development Impact Fee		2014 Refunding Bonds	
\$	-	\$	-	\$ -	\$ - 322,620	\$	-	\$	-	\$	-	\$	-	
	-		11,501	-	-		_		381		87,874		_	
	-		-	-	-		-		-		-		8	
	-		-	-	-		-		-		-		-	
	-		11,501	-	322,620		-		381		87,874		8	
	-		-	-	-		-		-		-		-	
	-		-	-	-		-		-		-		-	
	-		-	283,939	-		-		-		-		-	
	-		-	-	1,040,044		-		-		-		-	
	-		-	- -	-		- -		-		<u>-</u>		930,000 1,663,888	
				283,939	1,040,044								2,593,888	
			11,501	(283,939)	(717,424)				381		87,874		(2,593,880)	
	- -		- -	284,590 -	721,328 		- (61,609)		- -		- (39,011)		3,090,279	
			-	284,590	721,328		(61,609)				(39,011)		3,090,279	
	-		11,501	651	3,904		(61,609)		381		48,863		496,399	
	340,517		88,621		218,707		324,111		555,327		711,152		-	
\$	340,517	\$	100,122	\$ 651	\$ 222,611	\$	262,502	\$	555,708	\$	760,015	\$	496,399	

City of Montclair

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

	Debt Service Fund 2021 Lease Revenue Bonds	Non-Major Governmental Total
REVENUES		
Taxes	\$ -	\$ 2,519,988
Intergovernmental	Ψ -	9,341,502
Charges for Services	_	339,065
Use of Money and Property	_	1,536,341
Fines and Forfeitures	_	173,371
Miscellaneous	-	135,078
Total Revenues		14,045,345
EXPENDITURES Current:		
General Government	3,500	1,331,952
Public Safety	-	5,829,991
Community Development	_	2,160,233
Public Works	-	1,454,203
Capital Outlay	-	1,169,527
Debt Service:		
Principal Retirement	230,000	1,160,000
Interest and Fiscal Charges	641,244	2,305,132
Total Expenditures	874,744	15,411,038
Excess (Deficiency) of Revenues		
Over (Under) Expenditures	(874,744)	(1,365,693)
OTHER FINANCING SOURCES (USES)		
Transfers In	871,244	5,018,503
Transfers Out		(1,294,004)
Total Other Financing Sources (Uses)	871,244	3,724,499
Net Change in Fund Balances	(3,500)	2,358,806
Fund Balance, Beginning of Year		15,608,974
Fund Balance, End of Year	\$ (3,500)	\$ 17,967,780