



CITY OF MONTCLAIR, CALIFORNIA
FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2008

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CITY OF MONTCLAIR, CALIFORNIA
FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2008

Prepared By:
FINANCE DEPARTMENT

CITY OF MONTCLAIR
 FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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CITY OF MONTCLAIR
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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Montclair, California, as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Montclair's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Montclair as of June 30, 2008, and the respective changes in financial position and cash flows where applicable, and the respective budgetary comparison of the General Fund and the Montclair Housing Corporation for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2009, on our consideration of the City of Montclair's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



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

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

Lance, Solt & Lughard, LLP

March 20, 2009

CITY OF MONTCLAIR

STATEMENT OF NET ASSETS
JUNE 30, 2008

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 62,184,407	\$ 1,884,228	\$ 64,068,635
Receivables:			
Accounts	2,588,536	176,756	2,765,292
Taxes	438,739	-	438,739
Notes and loans	3,339,954	-	3,339,954
Accrued interest	368,697	-	368,697
Internal balances	160,617	(160,617)	-
Prepaid costs	188,936	-	188,936
Due from other governments	5,631,622	631	5,632,253
Deferred charges	2,229,322	-	2,229,322
Restricted assets:			
Cash with fiscal agent	25,654,727	-	25,654,727
Capital assets not being depreciated	44,396,655	106,985	44,503,640
Capital assets, net of depreciation	20,831,610	2,475,833	23,307,443
Total Assets	168,013,822	4,483,816	172,497,638
Liabilities:			
Accounts payable	6,427,843	488,378	6,916,221
Accrued liabilities	406,868	13,149	420,017
Accrued interest	1,122,436	-	1,122,436
Unearned revenue	1,117,585	-	1,117,585
Deposits payable	927,117	-	927,117
Due to other governments	3,747,877	101,679	3,849,556
Due to external parties	-	106,558	106,558
Noncurrent liabilities:			
Due within one year	2,030,511	4,708	2,035,219
Due in more than one year	85,063,843	89,645	85,153,488
Total Liabilities	100,844,080	804,117	101,648,197
Net Assets:			
Invested in capital assets, net of related debt	35,073,265	2,582,818	37,656,083
Restricted for:			
Community development projects	15,496,939	-	15,496,939
Public safety	854,156	-	854,156
Capital projects	3,265,561	-	3,265,561
Debt service	24,462,930	-	24,462,930
Unrestricted	(11,983,109)	1,096,881	(10,886,228)
Total Net Assets	\$ 67,169,742	\$ 3,679,699	\$ 70,849,441

CITY OF MONTCLAIR

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2008

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 10,534,453	\$ 3,673,657	\$ 1,719,094	\$ -
Public safety	16,947,967	666,764	260,442	-
Community development	7,981,812	187,343	857,220	-
Public works	5,424,831	2,338,540	93,606	-
Interest on long-term debt	3,669,740	-	-	-
Total Governmental Activities	44,558,803	6,866,304	2,930,362	-
Business-Type Activities:				
Sewer Maintenance	2,369,278	2,033,793	-	-
Total Business-Type Activities	2,369,278	2,033,793	-	-
Total Primary Government	\$ 46,928,081	\$ 8,900,097	\$ 2,930,362	\$ -

General Revenues:

Taxes:

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

**Total General Revenues, Contributions,
Special Items and Transfers**

Change in Net Assets

Net Assets at Beginning of Year

Restatement of Net Assets

Net Assets at End of Year

Net (Expenses) Revenues and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (5,141,702)	\$ -	\$ (5,141,702)
(16,020,761)	-	(16,020,761)
(6,937,249)	-	(6,937,249)
(2,992,685)	-	(2,992,685)
(3,669,740)	-	(3,669,740)
(34,762,137)	-	(34,762,137)
-	(335,485)	(335,485)
-	(335,485)	(335,485)
(34,762,137)	(335,485)	(35,097,622)
12,306,494	-	12,306,494
37,604	-	37,604
14,168,283	-	14,168,283
576,916	-	576,916
813,446	-	813,446
1,954,717	-	1,954,717
83,036	-	83,036
2,938,499	-	2,938,499
4,157,844	47,371	4,205,215
2,094,564	-	2,094,564
120,297	-	120,297
39,251,700	47,371	39,299,071
4,489,563	(288,114)	4,201,449
63,205,502	3,967,813	67,173,315
(525,323)	-	(525,323)
\$ 67,169,742	\$ 3,679,699	\$ 70,849,441

CITY OF MONTCLAIR

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008**

	General	Special Revenue Funds	Capital Projects Funds	
		Montclair Housing Corporation	Police Facility Capital Project	Montclair Redevelopment Agency
Assets:				
Pooled cash and investments	\$ 12,521,958	\$ 3,104,285	\$ -	\$ 30,655,050
Receivables:				
Accounts	2,277,394	75,306	-	47,438
Taxes	-	-	-	87,747
Notes and loans	3,418	-	-	3,336,536
Accrued interest	68,665	23,761	-	236,980
Prepaid costs	182,645	6,291	-	-
Due from other governments	4,899,206	1,525	-	42,993
Due from other funds	2,635,642	-	879,242	5,989,173
Advances to other funds	241,597	-	-	3,958,771
Restricted assets:				
Cash and investments with fiscal agents	7,788	23,570	723,921	969,920
Total Assets	\$ 22,838,313	\$ 3,234,738	\$ 1,603,163	\$ 45,324,608
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,312,711	\$ 76,589	\$ 4,098,497	\$ 373,646
Accrued liabilities	356,602	2,368	-	12,221
Deferred revenues	592,295	-	-	650
Unearned revenues	625,967	-	-	-
Deposits payable	900,589	23,327	-	1,976
Due to other governments	104,500	25,667	-	215,236
Due to other funds	1,157,965	-	273,470	2,748,517
Advances from other funds	-	3,958,771	-	241,597
Total Liabilities	5,050,629	4,086,722	4,371,967	3,593,843
Fund Balances:				
Reserved:				
Reserved for encumbrances	333,755	-	64,344	3,652,100
Reserved for projects	693,785	-	-	-
Reserved for prepaid costs	182,645	6,291	-	-
Reserved for notes and loans	3,418	-	-	3,336,536
Reserved for advances to other funds	241,597	-	-	3,958,771
Unreserved:				
Unreserved, reported in nonmajor:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Designated for capital improvement projects	-	-	-	30,783,358
Designated for debt service	-	-	-	-
Undesignated	16,332,484	(858,275)	(2,833,148)	-
Total Fund Balances	17,787,684	(851,984)	(2,768,804)	41,730,765
Total Liabilities and Fund Balances	\$ 22,838,313	\$ 3,234,738	\$ 1,603,163	\$ 45,324,608

CITY OF MONTCLAIR

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008**

	Debt Service Funds		
	Montclair Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
Assets:			
Pooled cash and investments	\$ 6,219,829	\$ 9,683,285	\$ 62,184,407
Receivables:			
Accounts	-	188,398	2,588,536
Taxes	350,992	-	438,739
Notes and loans	-	-	3,339,954
Accrued interest	27,209	12,082	368,697
Prepaid costs	-	-	188,936
Due from other governments	198,709	489,189	5,631,622
Due from other funds	1,939,022	1,392,770	12,835,849
Advances to other funds	-	-	4,200,368
Restricted assets:			
Cash and investments with fiscal agents	13,171,876	10,757,652	25,654,727
Total Assets	\$ 21,907,637	\$ 22,523,376	\$ 117,431,835
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ -	\$ 566,400	\$ 6,427,843
Accrued liabilities	-	35,677	406,868
Deferred revenues	-	132,482	725,427
Unearned revenues	-	491,618	1,117,585
Deposits payable	-	1,225	927,117
Due to other governments	3,149,178	253,296	3,747,877
Due to other funds	4,954,099	3,541,181	12,675,232
Advances from other funds	-	-	4,200,368
Total Liabilities	8,103,277	5,021,879	30,228,317
Fund Balances:			
Reserved:			
Reserved for encumbrances	-	153,874	4,204,073
Reserved for projects	-	-	693,785
Reserved for prepaid costs	-	-	188,936
Reserved for notes and loans	-	-	3,339,954
Reserved for advances to other funds	-	-	4,200,368
Unreserved:			
Unreserved, reported in nonmajor:			
Special revenue funds	-	6,732,487	6,732,487
Capital projects funds	-	(43,434)	(43,434)
Debt service funds	-	10,658,570	10,658,570
Designated for capital improvement projects	-	-	30,783,358
Designated for debt service	13,804,360	-	13,804,360
Undesignated	-	-	12,641,061
Total Fund Balances	13,804,360	17,501,497	87,203,518
Total Liabilities and Fund Balances	\$ 21,907,637	\$ 22,523,376	\$ 117,431,835

CITY OF MONTCLAIR

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2008**

Fund balances of governmental funds	\$ 87,203,518
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets net of depreciation have not been included as financial resources in governmental fund activity	65,228,265
Bond issuance cost is an expenditure in the governmental funds, but it is a deferred charge in the statement of net assets	2,229,322
Long-term debt and compensated absences that have not been included in the governmental fund activity:	
Long-term liabilities	(84,816,047)
Compensated Absences	(2,278,307)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds	(1,122,436)
Revenues reported as deferred revenue in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity.	<u>725,427</u>
Net assets of governmental activities	<u><u>\$ 67,169,742</u></u>

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CITY OF MONTCLAIR

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008**

	General	Special Revenue Funds	Capital Projects Funds	
		Montclair Housing Corporation	Police Facility Capital Project	Montclair Redevelopment Agency
Revenues:				
Taxes	\$ 20,267,731	\$ -	\$ -	\$ 2,373,797
Licenses and permits	811,632	-	-	-
Intergovernmental	3,264,869	-	-	27,436
Charges for services	2,651,253	-	-	-
Use of money and property	889,984	664,930	-	1,367,171
Fines and forfeitures	388,600	-	-	-
Miscellaneous	139,567	4,390	107,797	1,800,299
Total Revenues	28,413,636	669,320	107,797	5,568,703
Expenditures:				
Current:				
General government	6,542,443	1,043,107	-	1,679,051
Public safety	15,683,236	-	-	-
Community development	2,551,898	-	-	3,817,856
Public works	4,591,377	-	-	-
Capital outlay	-	-	14,452,938	1,035,021
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	1,008,706
Payment to refunded bond escrow agent	-	-	-	-
Total Expenditures	29,368,954	1,043,107	14,452,938	7,540,634
Excess (Deficiency) of Revenues Over (Under) Expenditures	(955,318)	(373,787)	(14,345,141)	(1,971,931)
Other Financing Sources (Uses):				
Transfers in	331,059	-	13,118,767	1,889,602
Transfers out	(1,825,551)	-	-	(19,480,957)
Refunding bonds issued	-	-	-	28,950,000
Bond premium	-	-	-	15,829
Proceeds from sale of capital asset	-	-	-	160,343
Payment to refunded bond escrow agent	-	-	-	-
Total Other Financing Sources (Uses)	(1,494,492)	-	13,118,767	11,534,817
Net Change in Fund Balances	(2,449,810)	(373,787)	(1,226,374)	9,562,886
Fund Balances, Beginning of Year	20,237,494	(478,197)	(1,542,430)	32,167,879
Fund Balances, End of Year	\$ 17,787,684	\$ (851,984)	\$ (2,768,804)	\$ 41,730,765

CITY OF MONTCLAIR

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008

	<u>Debt Service Funds</u>		
	<u>Montclair Redevelopment Agency</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Taxes	\$ 7,449,979	\$ 947,984	\$ 31,039,491
Licenses and permits	-	-	811,632
Intergovernmental	-	3,646,038	6,938,343
Charges for services	-	150,686	2,801,939
Use of money and property	512,854	1,265,087	4,700,026
Fines and forfeitures	-	409,569	798,169
Miscellaneous	36,817	416,673	2,505,543
Total Revenues	7,999,650	6,836,037	49,595,143
Expenditures:			
Current:			
General government	641,762	158,377	10,064,740
Public safety	-	1,163,105	16,846,341
Community development	-	1,614,561	7,984,315
Public works	-	154,740	4,746,117
Capital outlay	-	2,605,042	18,093,001
Debt service:			
Principal retirement	995,000	580,000	1,575,000
Interest and fiscal charges	1,857,697	1,341,201	4,207,604
Payment to refunded bond escrow agent	2,778,227	-	2,778,227
Total Expenditures	6,272,686	7,617,026	66,295,345
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,726,964	(780,989)	(16,700,202)
Other Financing Sources (Uses):			
Transfers in	19,480,957	1,825,551	36,645,936
Transfers out	(1,889,602)	(13,449,826)	(36,645,936)
Refunding bonds issued	-	-	28,950,000
Bond premium	-	-	15,829
Proceeds from sale of capital asset	-	-	160,343
Payment to refunded bond escrow agent	(17,601,505)	-	(17,601,505)
Total Other Financing Sources (Uses)	(10,150)	(11,624,275)	11,524,667
Net Change in Fund Balances	1,716,814	(12,405,264)	(5,175,535)
Fund Balances, Beginning of Year	12,087,546	29,906,761	92,379,053
Fund Balances, End of Year	\$ 13,804,360	\$ 17,501,497	\$ 87,203,518

CITY OF MONTCLAIR

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2008**

Net change in fund balances - total governmental funds \$ (5,175,535)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period	16,630,111
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets	1,518,154
Proceeds of debt is a revenue in the governmental funds, but recorded as a liability in the statement of net assets	(28,950,000)
Defeasance of debt is an expenditure in the governmental funds, but are recorded as a reduction to the long-term liability in the statement of net assets	20,379,732
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	34,076
Debt issuance costs are expenditures in governmental funds, but these costs are capitalized on the statement of net assets	928,509
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.	(349,628)
Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	141,218
Revenues reported as deferred revenue in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity.	<u>(667,074)</u>

Change in net assets of governmental activities \$ 4,489,563

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CITY OF MONTCLAIR

**BUDGETARY COMPARISON STATEMENT BY DEPARTMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2008**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 20,237,494	\$20,237,494	\$ 20,237,494	\$ -
Resources (Inflows):				
Taxes	23,021,500	21,583,085	20,267,731	(1,315,354)
Licenses and permits	428,175	768,475	811,632	43,157
Intergovernmental	3,337,800	3,522,452	3,264,869	(257,583)
Charges for services	2,618,380	2,578,380	2,651,253	72,873
Use of money and property	864,000	779,000	889,984	110,984
Fines and forfeitures	390,000	426,000	388,600	(37,400)
Miscellaneous	163,800	166,300	139,567	(26,733)
Transfers in	-	2,352,500	331,059	(2,021,441)
Amounts Available for Appropriation	51,061,149	52,413,686	48,982,189	(3,431,497)
Charges to Appropriation (Outflow):				
General government				
City council	451,422	409,525	296,433	113,092
City manager	351,899	333,016	648,196	(315,180)
Administration	256,448	241,437	152,046	89,391
Financial services	696,439	643,631	616,036	27,595
Solid waste disposal	1,938,892	1,938,892	2,110,173	(171,281)
City clerk	196,439	181,332	175,271	6,061
Personnel/risk	552,211	514,059	574,361	(60,302)
Info tech services	1,036,275	1,186,629	1,168,047	18,582
Central services	556,593	565,999	500,635	65,364
Records retention	71,538	65,541	64,665	876
City attorney	230,302	530,302	239,006	291,296
Housing corporation	-	-	(2,426)	2,426
Public safety				
Police administration	564,871	564,871	525,999	38,872
Police support services	223,855	223,855	223,011	844
Technical services	390,901	390,901	378,380	12,521
Records bureau	689,098	689,098	684,629	4,469
Investigations	1,385,476	1,387,876	1,469,734	(81,858)
Uniform patrol	5,282,524	5,244,924	5,274,300	(29,376)
Communications	869,476	865,654	867,319	(1,665)
Volunteer services	142,634	142,634	132,100	10,534
Fire administration	421,927	421,927	407,294	14,633
Fire prevention	342,624	343,424	321,632	21,792
Emergency services	3,586,985	3,461,550	4,448,102	(986,552)
Personnel development	203,953	203,953	192,969	10,984
Equipment maintenance	76,960	76,960	95,218	(18,258)
Buildings and grounds	223,800	223,800	107,125	116,675
Emergency preparedness	63,206	63,206	54,930	8,276
Code enforcement	492,519	491,719	500,494	(8,775)
Community development				
Planning commission	16,495	16,495	16,475	20
Community development administration	272,972	279,472	314,632	(35,160)
Current planning	251,537	251,537	236,654	14,883
Advance planning	135,691	129,191	120,287	8,904
Field inspection	188,345	147,882	192,594	(44,712)
Plan check	128,059	87,598	170,004	(82,406)

See Notes to Financial Statement

CITY OF MONTCLAIR

**BUDGETARY COMPARISON STATEMENT BY DEPARTMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2008**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Building operations	143,414	249,947	149,685	100,262
Recreation	882,806	882,806	909,777	(26,971)
Service center	176,324	176,324	164,331	11,993
Senior citizens	158,056	158,056	136,048	22,008
Nutritional meals	94,645	94,645	91,705	2,940
Health education	33,113	33,113	25,170	7,943
Even start family literacy	31,122	31,122	24,536	6,586
Public works				
Management and construction	384,957	384,957	372,468	12,489
Public works inspection	143,998	143,998	143,516	482
Traffic safety engineering	505,431	525,431	602,623	(77,192)
Graffiti abatement	162,286	162,286	119,829	42,457
Street maintenance	546,013	585,155	629,077	(43,922)
Signing/painting	134,397	134,397	153,217	(18,820)
Street sweeping	188,952	188,952	174,708	14,244
Parks maintenance	1,035,186	1,035,186	993,818	41,368
Tree maintenance	113,158	113,158	110,633	2,525
Vehicle maintenance	613,461	636,461	648,438	(11,977)
Building maintenance services	335,086	335,086	237,315	97,771
Heating and air conditioning	113,910	113,910	99,753	14,157
Janitorial services	363,452	363,452	305,982	57,470
Transfers out	-	4,683,702	1,825,551	2,858,151
Total Charges to Appropriations	28,452,133	33,351,034	31,194,505	2,156,529
Budgetary Fund Balance, June 30	\$ 22,609,016	\$ 19,062,652	\$ 17,787,684	\$ (1,274,968)

CITY OF MONTCLAIR

**BUDGETARY COMPARISON STATEMENT
MONTCLAIR HOUSING CORPORATION
YEAR ENDED JUNE 30, 2008**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (478,197)	\$ (478,197)	\$ (478,197)	\$ -
Resources (Inflows):				
Use of money and property	-	764,080	664,930	(99,150)
Miscellaneous	-	7,600	4,390	(3,210)
Transfers in	-	1,288,000	-	(1,288,000)
Amounts Available for Appropriation	(478,197)	1,581,483	191,123	(1,390,360)
Charges to Appropriation (Outflow):				
General government	-	4,301,780	1,043,107	3,258,673
Total Charges to Appropriations	-	4,301,780	1,043,107	3,258,673
Budgetary Fund Balance, June 30	\$ (478,197)	\$ (2,720,297)	\$ (851,984)	\$ 1,868,313

CITY OF MONTCLAIR

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 JUNE 30, 2008

	<u>Business-Type Activities - Enterprise Funds Sewer Maintenance Fund</u>
Assets:	
Current:	
Cash and investments	\$ 1,884,228
Receivables:	
Accounts	176,756
Due from other governments	631
Due from other funds	526
	<u>2,062,141</u>
Total Current Assets	2,062,141
Noncurrent:	
Capital assets - net of accumulated depreciation	<u>2,582,818</u>
	2,582,818
Total Noncurrent Assets	2,582,818
Total Assets	<u>\$ 4,644,959</u>
Liabilities and Net Assets:	
Liabilities:	
Current:	
Accounts payable	\$ 488,378
Accrued liabilities	13,149
Due to other governments	101,679
Due to other funds	161,143
Due to external parties	106,558
Accrued compensated absences	4,708
	<u>875,615</u>
Total Current Liabilities	875,615
Noncurrent:	
Accrued compensated absences	<u>89,645</u>
	89,645
Total Noncurrent Liabilities	89,645
Total Liabilities	<u>965,260</u>
Net Assets:	
Invested in capital assets, net of related debt	2,582,818
Unrestricted	<u>1,096,881</u>
	3,679,699
Total Net Assets	3,679,699
Total Liabilities and Net Assets	<u>\$ 4,644,959</u>

CITY OF MONTCLAIR

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2008

	Business-Type Activities - Enterprise Funds Sewer Maintenance Fund
Operating Revenues:	
Sales and service charges	<u>\$ 2,033,793</u>
Total Operating Revenues	<u>2,033,793</u>
Operating Expenses:	
Salaries and benefits	858,516
Supplies and services	180,485
Treatment	1,265,218
Depreciation expense	<u>65,059</u>
Total Operating Expenses	<u>2,369,278</u>
Operating Income (Loss)	<u>(335,485)</u>
Nonoperating Revenues (Expenses):	
Interest revenue	<u>47,371</u>
Total Nonoperating Revenues (Expenses)	<u>47,371</u>
Income (Loss) Before Transfers	<u>(288,114)</u>
Changes in Net Assets	<u>(288,114)</u>
Net Assets:	
Beginning of Year	<u>3,967,813</u>
End of Fiscal Year	<u>\$ 3,679,699</u>

CITY OF MONTCLAIR

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2008

	Business-Type Activities - Enterprise Funds Sewer Maintenance Fund
Cash Flows from Operating Activities:	
Cash received from customers and users	\$ 1,924,607
Cash paid to suppliers for goods and services	(1,334,544)
Cash paid to employees for services	(857,197)
	<u>(267,134)</u>
Net Cash Provided (Used) by Operating Activities	(267,134)
Cash Flows from Non-Capital Financing Activities:	
Repayment received from other funds	44,538
	<u>44,538</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	44,538
Cash Flows from Capital and Related Financing Activities:	
Acquisition and construction of capital assets	(6,708)
	<u>(6,708)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	(6,708)
Cash Flows from Investing Activities:	
Interest received	61,777
	<u>61,777</u>
Net Cash Provided (Used) by Investing Activities	61,777
Net Increase (Decrease) in Cash and Cash Equivalents	(167,527)
Cash and Cash Equivalents at Beginning of Year	2,051,755
Cash and Cash Equivalents at End of Year	\$ 1,884,228
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ (335,485.00)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:	
Depreciation	65,059
(Increase) decrease in accounts receivable	(109,186)
Increase (decrease) in accounts payable	188,933
Increase (decrease) in accrued liabilities	2,186
Increase (decrease) in due to other governments	(77,774)
Increase (decrease) in compensated absences	(867)
	<u>68,351</u>
Total Adjustments	68,351
Net Cash Provided (Used) by Operating Activities	\$ (267,134)

CITY OF MONTCLAIR

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2008

	<u>Agency Funds</u>
Assets:	
Pooled cash and investments	\$ 388,187
Due from external parties	<u>106,558</u>
Total Assets	<u>\$ 494,745</u>
Liabilities:	
Accounts payable	\$ 37,786
Due to other governments	<u>456,959</u>
Total Liabilities	<u>\$ 494,745</u>

CITY OF MONTCLAIR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Summary of Significant Accounting Policies

a. Description of Entity

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

1. The members of the City Council also act as the governing body of the Montclair Redevelopment Agency and Montclair Housing Corporation.
2. The City, Agency and Housing Corporation are financially interdependent. The City makes loans to the Agency for use on redevelopment projects. Property tax revenues of the Agency are used to repay loans from the City.
3. The Agency and Housing Corporation are managed by employees of the City. A portion of the City's salary and overhead expenses are billed to the Agency and Housing Corporation each year.

The City of Montclair was incorporated April 25, 1956, under the general laws of the State of California and enjoys all the rights and privileges pertaining to "General Law" cities.

Blended Component Units

The Montclair Redevelopment Agency (the Agency) was activated June 6, 1977, pursuant to the State of California Health and Safety Code, Section 33000, entitled "Community Development Law." The primary purpose of the Agency is to encourage private redevelopment of property and to rehabilitate areas suffering from economic disuse arising from poor and inadequate planning, inadequate street layout and street access, lack of open space, landscaping and other improvements and facilities necessary to establish and maintain the economic growth of the City.

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

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

City of Montclair
Notes to Financial Statements (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

b. Government-Wide and Fund Financial Statements

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

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

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

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

City of Montclair
Notes to Financial Statements (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Montclair Housing Corporation is presented as a special revenue fund and accounts for the activities associated with the maintenance of various rental housing properties within the City.
- Police Facility Capital Project accounts for the construction cost of capital projects related to the Police facility.
- The Montclair Redevelopment Agency's Capital Project Fund accounts for the financing, construction and administrative activities of the Agency's five project areas.
- The Montclair Redevelopment Agency's Debt Service Fund accounts for the accumulation of funds for the payment of principal and interest of various bond issues and loans to the City for the Agency's five project areas.

The City reports the following major proprietary fund:

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

Additionally, the City reports the following fund types:

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

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

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

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. Proprietary Funds distinguish operating revenues 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

City of Montclair
Notes to Financial Statements (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

for Enterprise Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources, as they are needed.

d. Assets, Liabilities and Net Assets or Equity

Deposits and Investments

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

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

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

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

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

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

Property Tax Calendar

Property tax revenue is recognized on the modified accrual basis, that is, in the fiscal year for which the taxes have been levied providing they become available. Available means then due or past due and receivable within the current period and collected 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.

City of Montclair
Notes to Financial Statements (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of January each year and are delinquent, if unpaid, on August 31.

Functional Classifications

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

- General Government includes legislative activities which have a primary objective of providing legal and policy guidelines for the City. Also included in this classification are those activities which provide management or support services across more than one functional area.
- Public Safety includes those activities which involve the protection of people and property.
- Community Development includes those activities which involve the enhancing of the general quality of life.
- Public Works includes those activities which involve the maintenance and improvement of City streets, roads and park department development and maintenance.
- Debt Service includes those activities that account for the payment of long-term debt principal, interest and fiscal charges.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The fund balances in the governmental fund types have been reserved for amounts equal to the prepaid items in the fund-level statements, since these amounts are not available for appropriation.

Restricted Assets

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

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,500 (amount not rounded). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

City of Montclair
Notes to Financial Statements (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

Compensated Absences

Compensated absences are the City's liabilities for future vacation, sick and other leave benefits. The short-term portion is determined to be the amount due to employees for future absences which is attributable to services already rendered and which is expected to be paid during the next fiscal year. The total amount of liability for compensated absences is segregated between short-term and long-term as indicated above, with both portions being reflected in the government-wide financial statements. Compensated absences are paid, if matured, out of the general fund.

For Proprietary Funds, the total amount of the liability for compensated absences is segregated between short-term and long-term as indicated above and both portions are reflected in the fund involved.

Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment. Normally, an employee cannot accrue more than two times his regular annual entitlement without approval of the City Manager.

Sick leave is payable when an employee is unable to work because of illness. Sick leave may be accumulated indefinitely or an employee may convert one-half of unused sick leave accrued during the preceding year for cash providing the person has been employed on a full-time basis for two years immediately preceding 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.

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

Note 1: Summary of Significant Accounting Policies (Continued)

Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity

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

e. Reconciliation of Government-Wide and Fund Financial Statements

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

The governmental fund balance sheet includes reconciliation between fund balance, governmental funds, and net assets of governmental activities as reported in the government-wide statement of net assets. The detail of the \$(84,816,047) difference is as follows:

Long-term debt:	
Tax allocation bonds payable	\$ (54,845,000)
Lease revenue bonds	(30,155,000)
Bond discount	239,974
Loss on defeasance	1,292,356
Accrued claims and judgments	<u>(1,348,377)</u>
Net adjustment to reduce fund balance of total governmental funds to arrive at net assets of governmental activities	<u>\$ (84,816,047)</u>

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

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

The governmental fund statement of revenues, expenditures and changes in fund balances includes reconciliation between net changes in fund balances – of total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this \$16,630,111 difference are as follows:

Capital outlay	\$ 18,343,137
Depreciation expense	(1,672,980)
Loss from disposition of capital assets	<u>(40,046)</u>
Net adjustment to increase net changes in fund balances of total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 16,630,111</u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds." Neither transaction, however, has any effect on net assets. The details of this \$1,518,154 difference are as follows:

Principal repayments:	
Tax allocation bonds	\$ 995,000
Capital leases payable	580,000
Premium on new bond	(15,829)
Amortization:	
Loss on defeasance	(31,583)
Premium/discount	<u>(9,434)</u>
Net adjustment to decrease net changes in fund balance of total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 1,518,154</u>

II. STEWARDSHIP

Note 2: Stewardship, Compliance and Accountability

a. General Budget Policies

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

City of Montclair
Notes to Financial Statements (Continued)

Note 2: Stewardship, Compliance and Accountability (Continued)

b. Deficit Fund Balances

The following funds contained deficit fund balances at June 30, 2008:

Special Revenue Funds:

Montclair Housing Corporation	\$ (851,984)
Community Development Block Grant	(463,477)
Older American Act	(3,293)
School District Grant	(119,072)
Local Law Enforcement Block Grant	(337)
Recycling Block Grant	(9,219)
California Nutrition Grant	(12,509)
E.M.S. Paramedic	(41,696)
OCJP Grant	(76,718)
Automated Traffic Enforcement	(387,024)
Refuse Fee Impound	(132,926)

Capital Projects Funds:

Police Facility Capital Project	(2,768,804)
Monte Vista Grade Separation Project	(1,030,331)
Ramona Grade Separation Project	(1,100)

These deficits will be funded with future years revenues.

c. Excess of Expenditures over Appropriations

For the year ended June 30, 2008, the following funds had expenditures that exceeded the budget as follows:

Fund	Expenditures	Appropriations	Excess
General Fund:			
General Government:			
City manager	\$ 648,196	\$ 333,016	\$ 315,180
Solid waste disposal	2,110,173	1,938,892	171,281
Personnel/risk	574,361	514,059	60,302
Public Safety:			
Investigations	1,469,734	1,387,876	81,858
Uniform patrol	5,274,300	5,244,924	29,376
Communications	867,319	865,654	1,665
Emergency services	4,448,102	3,461,550	986,552
Equipment maintenance	95,218	76,960	18,258
Code enforcement	500,494	491,719	8,775
Community Development:			
Community development admin	314,632	279,472	35,160
Field inspection	192,594	147,882	44,712
Plan check	170,004	87,598	82,406
Recreation	909,777	882,806	26,971
Public works:			
Traffic safety engineering	602,623	525,431	77,192
Street maintenance	629,077	585,155	43,922
Signing/painting	153,217	134,397	18,820
Vehicle maintenance	648,438	636,461	11,977

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

As of June 30, 2008, cash and investments were reported in the accompanying financial statements as follows:

Governmental activities	\$ 87,839,134
Business-type activities	1,884,228
Fiduciary funds	<u>388,187</u>
Total Cash and Investments	<u>\$ 90,111,549</u>

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

Deposits

At June 30, 2008, the carrying amount of the City's deposits was \$18,975,943, and the bank balance was \$19,492,177. The \$516,234 difference represents outstanding checks and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure Agency deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$100,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local government agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

Investments

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

City of Montclair
Notes to Financial Statements (Continued)

Note 3: Cash and Investments (Continued)

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

Investments Authorized by Debt Agreements

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

Investments in State Investment Pool

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

GASB Statement No. 31

The City adopted GASB Statement of No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, as of July 1, 1997. GASB Statement No. 31 establishes fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. Accordingly, the City reports its investments at fair value in the balance sheet. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

Credit Risk

The City's investment policy limits investments in medium-term notes (MTN's) to those rated "A" or higher by Standard and Poor's (S&P) or by Moody's. As of June 30, 2008, the City has no investment in medium-term notes. In addition, the City's investments in Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Home Loan Bank and Federal Farm Credit Banks were rated "AAA" by Moody's and by S&P. All securities were investment grade and were legal under State law. Investments in U.S. treasuries are not considered to have credit risk and, therefore, their credit quality is not disclosed. As of June 30, 2008, the City's investments in external investment pools and money market mutual funds are unrated.

City of Montclair
Notes to Financial Statements (Continued)

Note 3: Cash and Investments (Continued)

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

As of June 30, 2008, none of the City's deposits or investments were exposed to custodial credit risk.

Concentration of Credit Risk

The City's investment policy imposes restrictions for certain types of investments with any one issuer. With respect to concentration risk, as of June 30, 2008, the City is in compliance with the investment policy restrictions. Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement.

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

Federal Home Loan Bank	\$	9,729,675	13.68%
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Interest Rate Risk

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy states that at least 15% of the City's portfolio shall mature in one year or less, and 50% in three years or less. The only exception to these maturity limits shall be the investment of the gross proceeds of tax-exempt bonds. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

As of June 30, 2008, the City had the following investments and original maturities:

	Remaining Investment Maturities				
	6 months or less	6 months to 1 year	1 to 3 years	3 to 5 years	Fair Value
<u>Investment Type:</u>					
Local Agency Investment Fund	\$ 36,574,399	\$ -	\$ -	\$ -	\$ 36,574,399
Federal National Mortgage Assoc.	-	-	1,994,175	1,510,005	3,504,180
Federal Home Loan Mortgage Corp.	-	-	-	989,608	989,608
Federal Home Loan Bank	504,115	-	4,948,244	4,277,316	9,729,675
Federal Farm Credit Banks	-	-	996,660	997,025	1,993,685
Money Market Mutual funds - held by fiscal agent	18,344,059	-	-	-	18,344,059
Total	\$ 55,422,573	\$ -	\$ 7,939,079	\$ 7,773,954	\$ 71,135,606

City of Montclair
Notes to Financial Statements (Continued)

IV. OTHER INFORMATION

Note 4: Capital Assets

Capital asset activity for the year ended June 30, 2008 was as follows:

	Beginning Balance	Adjustments*	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:							
Capital assets, not being depreciated:							
Land	\$ 9,836,235	\$ 7,960	\$ 9,844,195	\$ -	\$ 40,067	\$ -	\$ 9,804,128
Work in progress	23,127,771	-	23,127,771	16,727,566	-	(7,736,200)	32,119,137
Land improvements	2,473,390	-	2,473,390	-	-	-	2,473,390
Total Capital Assets, Not Being Depreciated	35,437,396	7,960	35,445,356	16,727,566	40,067	(7,736,200)	44,396,655
Capital assets, being depreciated:							
Structures and improvements	10,020,556	-	10,020,556	-	-	-	10,020,556
Furniture and equipment	7,643,010	(735,351)	6,907,659	341,656	58,855	-	7,190,460
Infrastructure	8,684,137	-	8,684,137	1,273,915	-	7,736,200	17,694,252
Total Capital Assets, Being Depreciated	26,347,703	(735,351)	25,612,352	1,615,571	58,855	7,736,200	34,905,268
Less accumulated depreciation:							
Structures and improvements	4,295,825	-	4,295,825	230,276	-	-	4,526,101
Furniture and equipment	6,868,921	(202,068)	6,666,853	600,283	58,876	-	7,208,260
Infrastructure	1,496,876	-	1,496,876	842,421	-	-	2,339,297
Total Accumulated Depreciation	12,661,622	(202,068)	12,459,554	1,672,980	58,876	-	14,073,658
Total Capital Assets, Being Depreciated, Net	13,686,081	(533,283)	13,152,798	(57,409)	(21)	7,736,200	20,831,610
Governmental Activities Capital Assets, Net	\$ 49,123,477	\$ (525,323)	\$ 48,598,154	\$ 16,670,157	\$ 40,046	\$ -	\$ 65,228,265
Business-Type Activities:							
Capital assets, being depreciated:							
Work in progress	\$ 100,277	\$ -	\$ 100,277	\$ 6,708	\$ -	\$ -	\$ 106,985
Total Capital Assets, Not Being Depreciated	100,277	-	100,277	6,708	-	-	106,985
Capital assets, being depreciated:							
Sewerlines	3,333,838	-	3,333,838	-	-	-	3,333,838
Furniture and equipment	729,845	-	729,845	-	-	-	729,845
Total Capital Assets, Being Depreciated	4,063,683	-	4,063,683	-	-	-	4,063,683
Less accumulated depreciation:							
Sewerlines	1,108,445	-	1,108,445	33,338	-	-	1,141,783
Furniture and equipment	414,346	-	414,346	31,721	-	-	446,067
Total Accumulated Depreciation	1,522,791	-	1,522,791	65,059	-	-	1,587,850
Total Capital Assets, Being Depreciated, Net	2,540,892	-	2,540,892	(65,059)	-	-	2,475,833
Business-Type Activities Capital Assets, Net	\$ 2,641,169	\$ -	\$ 2,641,169	\$ (58,351)	\$ -	\$ -	\$ 2,582,818

* Adjustments were made to properly reflect capital asset beginning balances.

City of Montclair
Notes to Financial Statements (Continued)

Note 4: Capital Assets (Continued)

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

Governmental Activities:	
General government	\$ 490,265
Public safety	390,104
Community development	124,521
Public works	668,090
Total Governmental Activities	<u>\$ 1,672,980</u>
Business-Type Activities:	
Sewer	<u>\$ 65,059</u>

Note 5: Interfund Receivable, Payable and Transfers

The composition of interfund balances as of June 30, 2008 was as follows:

Due To/From Other Funds

Funds	Due to Other Funds:						Total
	General Fund	Police Facility Capital Projects	RDA Capital Projects	RDA Debt Service	Sewer Maintenance	Nonmajor Governmental Funds	
Due From Other Funds:							
General	\$ -	\$ 273,470	\$ -	\$ -	\$ 161,143	\$ 2,201,029	\$ 2,635,642
Police Facility	69,747	-	809,495		-	-	879,242
Redevelopment Agency Capital Projects	-	-	-	4,954,099	-	1,035,074	5,989,173
Redevelopment Agency Debt Service	-	-	1,939,022	-	-	-	1,939,022
Sewer Maintenance	526	-	-	-	-	-	526
Nonmajor Governmental	1,087,692	-	-	-	-	305,078	1,392,770
Total	<u>\$ 1,157,965</u>	<u>\$ 273,470</u>	<u>\$ 2,748,517</u>	<u>\$ 4,954,099</u>	<u>\$ 161,143</u>	<u>\$ 3,541,181</u>	<u>\$ 12,836,375</u>

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

Advances To/From Other Funds

Funds	Advances To Other Funds:		Total
	General Fund	Redevelopment Agency Capital Projects	
Advances From Other Funds:			
Montclair Housing Corporation	\$ -	\$ 3,958,771	\$ 3,958,771
Redevelopment Agency Capital Project	241,597	-	\$ 241,597
Total	<u>\$ 241,597</u>	<u>\$ 3,958,771</u>	<u>\$ 4,200,368</u>

City of Montclair
Notes to Financial Statements (Continued)

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

The Redevelopment Agency advanced \$3,958,771 to the Montclair Housing Corporation for the purpose of carrying out the redevelopment and rehabilitation of multifamily and single-family housing leased by the Montclair Housing Corporation. The General Fund advance balance of \$241,597 represents several loans to the Redevelopment Agency for the purpose of carrying out redevelopment projects.

Interfund Transfers

	Transfers In:					Total
	General Fund	Police Facility Capital Project	Redevelopment Agency Capital Projects	Redevelopment Agency Debt Service	Nonmajor Funds	
Transfers Out:						
General	\$ -	\$ -	\$ -	\$ -	\$ 1,825,551	\$ 1,825,551
Redevelopment Agency Capital Projects	-	-	-	19,480,957	-	19,480,957
Redevelopment Agency Debt Service	-	-	1,889,602	-	-	1,889,602
Nonmajor Funds	331,059	13,118,767	-	-	-	13,449,826
Total	\$ 331,059	\$ 13,118,767	\$ 1,889,602	\$ 19,480,957	\$ 1,825,551	\$ 36,645,936

The General Fund transferred \$1,825,551 to the 2005 Lease Revenue Bond fund for the annual debt service funding requirement. The Traffic Safety fund transferred \$325,059 to reimburse traffic safety enforcement costs. The Gas Tax fund transferred \$6,000 to the General Fund to reimburse administrative costs. The RDA Debt Service funds transferred \$1,889,902 to the RDA Capital Projects fund to pay off advances for the City. The 2005 Lease Revenue Bonds Fund transferred bond proceeds of \$13,118,767 to the Police Facility Capital Project Fund to pay capital expenditures.

Note 6: Long-Term Debt

a. Governmental Long-Term Debt

The following is a summary of changes in long-term debt of the City for the year ended June 30, 2008:

	Balance July 1, 2007	Additions	Deletions	Refunded	Balance June 30, 2008	Due Within One Year
Tax allocation bonds payable	\$ 45,980,000	\$ 28,950,000	\$ 995,000	\$ 19,090,000	\$ 54,845,000	\$ 1,180,000
Claims and judgments	1,382,453	-	34,076	-	1,348,377	107,663
Compensated absences	2,419,525	-	141,218	-	2,278,307	147,848
Lease Revenue Bonds	30,735,000	-	580,000	-	30,155,000	595,000
	<u>\$ 80,516,978</u>	<u>\$ 28,950,000</u>	<u>\$ 1,750,294</u>	<u>\$ 19,090,000</u>	<u>88,626,684</u>	<u>\$ 2,030,511</u>
					Less: unamortized loss on defeasance	(1,292,356)
					Less: unamortized discount	(239,974)
					Net Long-Term Debt	<u>\$ 87,094,354</u>

City of Montclair
Notes to Financial Statements (Continued)

Note 6: Long-Term Debt (Continued)

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

2005 Lease Revenue Bonds

During fiscal 2004-2005, the City issued \$31,300,000 of 2005 Lease Revenue Bonds. Interest on the bonds is payable semi-annually on April 1 and October 1 of each year, commencing October 1, 2005. The bonds carry various interest rates from 2.625% to 4.750%. Principal maturities begin on October 1, 2006, and continue on October 1 of each year through October 1, 2035. The bonds were used to finance police facilities and a senior/youth center and to pay certain costs of issuance in association therewith. The outstanding balance at June 30, 2008 was \$30,155,000.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2008, including interest, are as follows:

	<u>2005 Lease Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2008 - 2009	\$ 595,000	\$ 1,323,576
2009 - 2010	615,000	1,305,426
2010 - 2011	630,000	1,283,601
2011 - 2012	655,000	1,257,901
2012 - 2013	685,000	1,231,101
2013 - 2018	3,840,000	5,722,434
2018 - 2023	4,680,000	4,859,968
2023 - 2028	5,840,000	3,670,283
2028 - 2037	12,615,000	2,513,913
	<u>\$ 30,155,000</u>	<u>\$ 23,168,203</u>
Totals	<u>\$ 30,155,000</u>	<u>\$ 23,168,203</u>

2007A Taxable Allocation Refunding Bonds, Project Area III

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

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

Note 6: Long-Term Debt (Continued)

	2007A Taxable Tax Allocation Bonds, Project Area III	
	Principal	Interest
2008 - 2009	\$ 550,000	\$ 1,155,538
2009 - 2010	440,000	1,137,388
2010 - 2011	460,000	1,119,388
2011 - 2012	480,000	1,099,988
2012 - 2013	495,000	1,079,269
2013 - 2018	2,860,000	5,033,025
2018 - 2023	3,525,000	4,338,366
2023 - 2028	4,370,000	3,471,656
2028 - 2033	7,120,000	2,166,359
2033 - 2038	5,150,000	394,500
Totals	<u>\$ 25,450,000</u>	<u>\$ 20,995,477</u>

2007B Taxable Allocation Bonds, Project Area III

On September 27, 2007, the Agency issued Taxable Allocation Bonds 2007B in the amount of \$3,500,000. The bonds were issued to provide monies to advance refund the 1998 Tax Allocation Bonds. Interest on the bonds is payable semi-annually on March 1 and September 1, in each year, commencing on September 1, 2008. The bonds carry interest rate ranging from 5.170 to 6.00%. Term bonds in the amount of \$3,280,000 mature October 1, 2033. The balance at June 30, 2008, was \$3,500,000.

	2007B Taxable Tax Allocation Bonds, Project Area III	
	Principal	Interest
2008 - 2009	\$ 120,000	\$ 199,447
2009 - 2010	105,000	193,630
2010 - 2011	110,000	188,073
2011 - 2012	115,000	182,256
2012 - 2013	125,000	176,052
2013 - 2018	705,000	769,549
2018 - 2023	950,000	529,500
2023 - 2028	1,270,000	199,500
Totals	<u>\$ 3,500,000</u>	<u>\$ 2,438,007</u>

2006A Tax Allocation Refunding Bonds, Project Area V

On July 6, 2006, the Agency issued Taxable Allocation Refunding Bonds 2006A in the amount of \$8,235,000. The Bonds were issued with the purpose of paying monies in accordance with a Disposition and Development Agreement with Costco Wholesale Corporation in the amount of \$2,500,000, advance refunding the 1995 Tax Allocation Bonds in the amount of \$1,155,000, and to provide monies to finance the redevelopment project. Interest on the bonds is payable semi-annually on April 1 and October 1, in each year, commencing on October 1, 2006. The bonds carry interest rates ranging from

City of Montclair
Notes to Financial Statements (Continued)

Note 6: Long-Term Debt (Continued)

5.55% to 6.15%. Serial bonds maturities begin October 1, 2007, and continue annual through October 1, 2016, ranging from \$160,000 to \$420,000 and term bonds mature in the amount of \$2,365,000 on October 1, 2025, and \$3,200,000 on October 1, 2033. The balance at June 30, 2008, was \$7,880,000. The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2008, including interest, are as follows:

	Project Area No. V, Taxable Tax Allocation Bonds, Issue of 2006A	
	Principal	Interest
2008 - 2009	\$ 375,000	\$ 463,223
2009 - 2010	395,000	441,702
2010 - 2011	420,000	418,860
2011 - 2012	160,000	402,514
2012 - 2013	170,000	393,099
2013 - 2018	1,025,000	1,799,356
2018 - 2023	1,385,000	1,437,716
2023 - 2028	900,000	1,027,973
2028 - 2033	2,070,000	770,288
2033 - 2038	980,000	30,135
Totals	<u>\$ 7,880,000</u>	<u>\$ 7,184,866</u>

2006B Tax Allocation Bonds, Project Area V

On July 6, 2006, the Agency issued Taxable Allocation Bonds 2006B in the amount of \$3,280,000. The bonds were issued to provide monies to finance the redevelopment project. Interest on the bonds is payable semi-annually on April 1 and October 1, in each year, commencing on October 1, 2006. The bonds carry an interest rate of 4.75%. Term bonds in the amount of \$3,280,000 mature October 1, 2033. The balance at June 30, 2008, was \$3,280,000. The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2008, including interest, are as follows:

	Project Area No. V, Tax Allocation Bonds, Issue of 2006B	
	Principal	Interest
2008 - 2009	\$ -	\$ 155,800
2009 - 2010	-	155,800
2010 - 2011	-	155,800
2011 - 2012	-	155,800
2012 - 2013	-	155,800
2013 - 2018	-	779,000
2018 - 2023	-	779,000
2023 - 2028	950,000	712,500
2028 - 2033	1,895,000	336,656
2033 - 2038	435,000	10,331
Totals	<u>\$ 3,280,000</u>	<u>\$ 3,396,487</u>

City of Montclair
Notes to Financial Statements (Continued)

Note 6: Long-Term Debt (Continued)

2004 Tax Allocation Refunding Bonds, Project Area IV

On February 1, 2004, the Agency issued \$5,700,000 of the Redevelopment Project Area No. 4 2004 Tax Allocation Refunding Bonds. The bonds were issued to refund the Agency's 1992 Tax Allocation Bonds outstanding in the amount of \$1,605,000. Interest on the bonds is payable semi-annually on April 1 and October 1 in each year, commencing on October 1, 2004. The bonds carry an interest rate of 5.07%. Principal maturities begin on October 1, 2004, and continue on October 1 of each year through October 1, 2031. The outstanding balance at June 30, 2008 was \$5,130,000. The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2008, including interest, are as follows:

	2004 Tax Allocation Refunding Bonds, Project Area IV	
	Principal	Interest
2008 - 2009	\$ 125,000	\$ 243,688
2009 - 2010	130,000	239,700
2010 - 2011	130,000	235,313
2011 - 2012	135,000	230,506
2012 - 2013	140,000	225,175
2013 - 2018	815,000	1,018,813
2018 - 2023	1,025,000	790,625
2023 - 2028	1,320,000	498,750
2028 - 2033	1,310,000	134,750
Totals	<u>\$ 5,130,000</u>	<u>\$ 3,617,320</u>

2001 Tax Allocation Refunding Bonds, Project Area V

On July 1, 2001, the Agency issued \$9,350,000 of 2001 Tax Allocation Refunding Bonds. The bonds were issued to refund the Agency's 1992 Tax Allocation Bonds outstanding in the amount of \$4,435,000 and the 1995 Tax Allocation Bonds outstanding in the amount of \$1,945,000. Interest on the bonds is payable semi-annually on April 1 and October 1 in each year commencing on October 1, 2001. Principal maturities on the term bonds are October 1, 2020 and October 1, 2030, and carry interest rates of 5.17% and 5.37%, respectively. The outstanding balance as of June 30, 2008 was \$9,350,000.

City of Montclair
Notes to Financial Statements (Continued)

Note 6: Long-Term Debt (Continued)

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2008, including interest, are as follows:

	2001 Tax Allocation Refunding Bonds, Project Area V	
	Principal	Interest
2008 - 2009	\$ -	\$ 484,960
2009 - 2010	-	484,960
2010 - 2011	-	484,960
2011 - 2012	280,000	477,960
2012 - 2013	295,000	463,585
2013 - 2018	1,710,000	2,075,550
2018 - 2023	2,180,000	1,588,783
2023 - 2028	2,815,000	937,173
2028 - 2033	2,070,000	168,275
Totals	<u>\$ 9,350,000</u>	<u>\$ 7,166,206</u>

1998 Taxable Tax Allocation Bonds, Project Area III

On January 1, 1998, the Agency issued \$5,900,000 of 1998 Taxable Tax Allocation Bonds for the purpose of financing the project area's capital projects. The bonds carry various interest rates from 6.50% to 6.90%. Interest on the bonds is payable semi-annually on June 1 and December 1 in each year, commencing on June 1, 1998. Principal maturities began on December 1, 1998, and continue on December 1 of each year through 2027. The bonds were refunded as of June 30, 2008.

1997 Tax Allocation Refunding Bonds, Project Area III

On October 15, 1997, the Agency issued \$17,220,000 of 1997 Tax Allocation Refunding Bonds. The bonds were issued to refund the Agency's 1987 Tax allocation Refunding bonds outstanding in the amount of \$10,670,000 and to repay other obligations of the Agency. Interest on the bonds is payable semi-annually on June 1 and December 1 in each year, commencing on June 1, 1998. The bonds carry various interest rates varying from 3.85% to 5.50%. Principal maturities began December 1, 1998, and continue on December 1 of each year through 2027. The bonds were refunded as of June 30, 2008.

1997 Taxable Tax Allocation Bonds, Project Area 1

On November 1, 1997, the Agency issued \$325,000 of Redevelopment Project Area No. 1 1997 Taxable Tax Allocation Bonds for the purpose of financing the project area's capital projects. Interest is payable semi-annually on April and October 1 in each year, commencing on April 1, 1998 and through October 1, 2021. The bonds carry an interest rate of 8.4%. The outstanding balance as of June 30, 2008 was \$255,000.

City of Montclair
Notes to Financial Statements (Continued)

Note 6: Long-Term Debt (Continued)

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2008, including interest, are as follows:

	1997 Taxable Tax Allocation Bonds, Project Area 1	
	Principal	Interest
2008 - 2009	\$ 10,000	\$ 21,000
2009 - 2010	10,000	20,160
2010 - 2011	10,000	19,320
2011 - 2012	15,000	18,270
2012 - 2013	15,000	17,010
2013 - 2018	90,000	64,260
2018 - 2023	105,000	18,270
Totals	<u>\$ 255,000</u>	<u>\$ 178,290</u>

The City has pledged, as security for bonds it has issued, a portion of the tax increment revenue, including Low and Moderate Income Housing set-aside that it receives. These bonds were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. The City has committed to appropriate each year, from these resources amounts sufficient to cover the principal and interest requirements on the debt. Total principal and interest remaining on the debt is \$99,821,653 with debt service requirements as indicated below. For the current year, the total tax increment revenue and the required 20% Low and Moderate Income Housing set-aside recognized by the City was \$9,823,776 and \$2,373,797, respectively.

Claims and Judgments

The City is self-insured for general liability and workers' compensation. For more detail, see Note 9. The balance of the long-term portion at June 30, 2008 was \$1,456,040.

Compensated Absences

There is no fixed repayment schedule for compensated absences. For more information, see Note 1.d. The long-term portion of compensated absences at June 30, 2008 was \$2,278,394.

b. Proprietary Fund Long-Term Debt

The following is a summary of changes in Proprietary Fund long-term debt for the year ended June 30, 2008:

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008	Due Within One Year
Compensated Absences	<u>\$ 95,220</u>	<u>\$ -</u>	<u>\$ 867</u>	<u>\$ 94,353</u>	<u>\$ 4,708</u>

City of Montclair
Notes to Financial Statements (Continued)

Note 6: Long-Term Debt (Continued)

Compensated Absences

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

c. Residential Mortgage Revenue Bonds

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

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

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

d. Mobile Home Park Revenue Bonds

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

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

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

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

City of Montclair
Notes to Financial Statements (Continued)

Note 6: Long-Term Debt (Continued)

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

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

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

e. Prior Year Defeasances

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

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

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

In July 2006, the Agency issued \$8,235,000 Tax Allocation Refunding Bonds 2006A and used a portion of the proceeds to advance refund \$1,155,000 of outstanding 1995 Tax Allocation Bonds. Proceeds of \$1,197,759 were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide all future debt service payments on the 1995 Tax Allocation Bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements.

City of Montclair
Notes to Financial Statements (Continued)

Note 6: Long-Term Debt (Continued)

f. Current Year Defeasance

On September 27, 2007 the Agency issued \$25,450,000 Tax Allocation Bonds 2007A and \$3,500,000 of Tax Allocation Bonds 2007B to refund \$14,095,000 of Redevelopment Project Area No. 3 1997 Tax Allocation Refunding Bonds and \$4,995,000 of 1998 Tax Allocation Bonds. Proceeds of \$20,379,732 were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide all future debt service payments on the 1997 Tax Allocation Refunding Bonds and the 1998 Tax Allocation Bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. As a result of the advance refunding, the transaction resulted in a difference in cash flow of (\$2,217,202) and an economic gain of \$1,704,842.

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

Miscellaneous Plan

Plan Description

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

Funding Policy

Participants are required to contribute 8% of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate; the current rate is 13.843% for non-safety employees of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS.

Annual Pension Cost

For 2008, the City's annual pension cost of \$1,037,122 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2007, actuarial valuation using the entry age normal actuarial cost method.

(Amounts in Thousands)

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2006	\$ 933	100%	\$ -
6/30/2007	935	100%	-
6/30/2008	1,037	100%	-

City of Montclair
Notes to Financial Statements (Continued)

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

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

Valuation Date	June 30, 2007
Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level Percent of Payroll
Average Remaining Period	26 Years as of the Valuation Date for the miscellaneous plans
Asset Valuation Method	15 Year Smoothed Market
Actuarial	
Investment Rate of Return	7.75% (net of administrative expenses)
Projected Salary Increases	3.25% to 14.45% depending on Age, Service, and Type of employment
Inflation	3.00%
Payroll Growth	3.25%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 3.00% and an annual production growth of 0.25%

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

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

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) Entry Age	Actuarial Value of Assets	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
6/30/2005	\$ 40,467	\$ 36,607	\$ 3,860	90.5%	\$ 6,156	62.7%
6/30/2006	44,267	39,715	4,552	89.7%	6,699	68.0%
6/30/2007	48,336	43,342	4,994	89.7%	7,107	70.3%

Safety Plan

Plan Description

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

City of Montclair
Notes to Financial Statements (Continued)

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

Funding Policy

Participants are required to contribute 9% of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate of annual covered payroll; the current rate is 28.833% for police safety first tier employees and 33.424% for fire safety first tier employees. The contribution requirements of plan members and the City are established and may be amended by PERS.

Annual Pension Cost

For 2008, the City's annual pension cost of \$1,752,180 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2007, actuarial valuation using the entry age normal actuarial cost method.

Three-Year Trend Information For PERS			
(Amounts in Thousands)			
<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2006	\$ 1,696	100%	\$ -
6/30/2007	1,748	100%	-
6/30/2008	1,752	100%	-

For fiscal year 2007-2008, the City of Montclair participated in risk pooling. Risk pooling consists of combining assets and liabilities across employers to produce large groups where the impact of a catastrophic demographic event is shared among all employers of the same risk pool. Participation in risk pools is mandatory for all rate plans with less than 100 active members. Mandated participation in risk pools was initially based on the active membership of each rate plan as of June 30, 2003. The implementation of risk pools was done in a way that minimizes the impact on employer contribution rates. The first year in risk pools, the employer contribution rates are almost identical to what the rates would have been outside pools. Future rates will be based on the experience of each pool. Pooling will reduce the volatility of future employer rates. Mandated participation will occur on an annual basis. If on any valuation date starting with the June 30, 2003 valuation, a rate plan has less than 100 active members, it will be mandated in one of the risk pools effective on that valuation date.

Note 8: Other Post-Employment Employee Benefits

The City provides certain post-employment health care benefits. Substantially all of the City's employees may become eligible for those benefits if they retire after 15 years of continuous service to the City under a normal service retirement. Those and similar benefits for active employees are provided through several insurance companies whose premiums are based on the benefits paid during the year. The expenditure is accounted for within the general government funds and is funded on a pay-as-you-go (cash) basis. The total post-employment health insurance expenditures for fiscal year 2007-2008 were \$221,690. There are currently 58 participants receiving benefits.

City of Montclair
Notes to Financial Statements (Continued)

Note 9: Self-Insurance Program

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

Excess liability coverage above the self-insurance amounts is provided through the California Insurance Pool Authority (CIPA). CIPA, a public entity risk pool was established to pool resources, share risks, purchase excess insurance and share costs for professional risk management, and claims administration. Workers' Compensation and Employers Liability Pool Contract is limited per accident at \$3,000,000 in excess of the City's self-insurance retention stated in the above paragraph. Portions of general liability exceeding the above mentioned amounts are covered by CIPA up to a maximum \$50,000,000 each occurrence and in the aggregate by Everest National Insurance Company (up to \$10,000,000), and Endurance American Specialty Insurance Company (up to \$15,000,000), by Arch Specialty Insurance Company (up to \$15,000,000) in that order. Member cities make payments to CIPA based on underwriting estimates. Additional coverage for general liability claims is maintained through CIPA from a commercial insurer for claims in excess of per claim and annual aggregate amounts. Complete financial statements for CIPA may be obtained from their offices at the following address: CIPA, 240 Newport Center Drive, Suite 210, Newport Beach, CA 92660.

As of June 30, 2008, Colen & Lee and Carl Warren & Co., indicated a need for potential liability reserves of approximately \$1,348,378 for general liability and workers' compensation claims representing estimates of amounts to be paid for reported claims, based upon past experience, modified for current trends and information. The City has not experienced a significant reduction in insurance coverage from coverage in the prior year. Additionally, the amount of settlements has not exceeded budgeted coverage for each of the past three fiscal years.

While the ultimate amount of losses incurred through June 30, 2008, are dependent on future developments, based upon information from the City Attorney, outside counsel, service agent and others involved with the administration of the programs, City management believes that the aggregate amount is adequate to cover such losses. Costs relating to the litigation of claims are charged to expenditures as incurred. There are other claims pending for which it is not probable that a loss has been incurred or where the amount cannot be determined.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that has been incurred but not reported. At June 30, 2008, the amount of these liabilities was \$1,348,378. The amount represents an estimate of \$1,219,586 for reported claims through June 30, 2008, and \$128,792 of estimated incurred but not reported claims. This liability is the City's best estimate based on available information.

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

<u>Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes In Estimates</u>	<u>Claim Payments for Current and Prior Years</u>	<u>End of Year Liability</u>
2006-2007	\$ 2,207,503	\$ (339,651)	\$ (485,399)	\$ 1,382,453
2007-2008	1,382,453	481,093	(515,169)	1,348,377

City of Montclair
Notes to Financial Statements (Continued)

Note 10: Joint Ventures

I.R.N.E.T.

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

SBWESTNET

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

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

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

Note 11: Net Assets Restatements

Net assets for the governmental activities on the government wide have been restated (\$525,323) in order to properly reflect beginning capital asset and accumulated depreciation balances for the City.

Note 12: Subsequent Events

Tax Allocation Note

On July 25, 2008 the Redevelopment Agency issued Tax Allocation Notes 2008 in the amount of \$7,800,000 as a joint project with the County of San Bernardino. The 2008 Bonds were issued for the purpose to finance a portion of the costs of the Redevelopment Project, pay costs in connection with the issuance of the notes and to make other deposits as required.

City of Montclair
Notes to Financial Statements (Continued)

Note 12: Subsequent Events (Continued)

ERAF Tax Increment Revenue Shift

On September 30, 2008, the California Legislature passed AB 1389, requiring a shift in tax increment revenues during fiscal year 2008-2009 to the State Educational Revenue Augmentation Fund (ERAF). It is estimated that the Redevelopment Agency's share of the ERAF shift for fiscal year 2008-2009 will amount to approximately \$863,835.

Financial Concerns Relating to the California Economy

As indicated in the State of California's 2008-2009 Proposed Budget Summary – Economic Outlook:

“The California and national economies faced considerable headwinds - a deepening housing slump, a breakdown in mortgage markets, tighter credit, more volatile financial markets, and rising energy prices. Upward resets of subprime mortgage rates made payments unaffordable for many borrowers and helped push mortgage defaults and foreclosures to record levels. Several large financial institutions reported huge losses on subprime mortgages and securities backed by these mortgages. Uncertainty about how far the problems with these mortgages would spread increased financial market volatility and prompted lenders to tighten credit standards. The Federal Reserve injected liquidity into the financial markets and eased monetary policy on a number of occasions in the second half of the year, but as year-end neared, financial markets were still not functioning normally.”

While the values shown in the attached financial statements reflect those present at June 30, 2008, substantial changes have occurred in the economy in which the City operates. Therefore, the projection of the financial data for the City into future periods must recognize these factors and consider the effect of these on its operations and costs.

CITY OF MONTCLAIR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

	<u>Special Revenue Funds</u>			
	<u>Gas Tax</u>	<u>Measure I</u>	<u>Traffic Safety</u>	<u>Park Development</u>
Assets:				
Pooled cash and investments	\$ 3,097,884	\$ 968,258	\$ 309,687	\$ 1,107,517
Receivables:				
Accounts	-	-	-	4,765
Accrued interest	4,792	-	-	-
Due from other governments	217,415	39,719	16,613	20
Due from other funds	60,511	44,732	11,307	257
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	1,000
Total Assets	<u>\$ 3,380,602</u>	<u>\$ 1,052,709</u>	<u>\$ 337,607</u>	<u>\$ 1,113,559</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 30,873	\$ 89,214	\$ -	\$ 9,817
Accrued liabilities	-	-	-	-
Deferred revenues	-	-	-	-
Unearned revenues	491,618	-	-	-
Deposits payable	-	-	-	1,000
Due to other governments	206,626	-	12,548	-
Due to other funds	850,513	47,930	325,059	293
Total Liabilities	<u>1,579,630</u>	<u>137,144</u>	<u>337,607</u>	<u>11,110</u>
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	5,600	-	840
Unreserved:				
Undesignated	1,800,972	909,965	-	1,101,609
Total Fund Balances	<u>1,800,972</u>	<u>915,565</u>	<u>-</u>	<u>1,102,449</u>
Total Liabilities and Fund Balances	<u>\$ 3,380,602</u>	<u>\$ 1,052,709</u>	<u>\$ 337,607</u>	<u>\$ 1,113,559</u>

CITY OF MONTCLAIR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

(Continued)

	Special Revenue Funds			
	Community Development Block Grant	Air Quality Improvement	Older American Act	State Asset Forfeiture
Assets:				
Pooled cash and investments	\$ -	\$ 37,759	\$ 8,396	\$ 2,945
Receivables:				
Accounts	-	11,430	3,902	-
Accrued interest	-	-	-	-
Due from other governments	132,673	-	-	-
Due from other funds	-	7	-	2
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 132,673	\$ 49,196	\$ 12,298	\$ 2,947
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 8,897	\$ -	\$ 4,952	\$ -
Accrued liabilities	-	-	608	-
Deferred revenues	75,470	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	34,122	-	-	-
Due to other funds	477,661	-	10,031	-
Total Liabilities	596,150	-	15,591	-
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	-	457	-
Unreserved:				
Undesignated	(463,477)	49,196	(3,750)	2,947
Total Fund Balances	(463,477)	49,196	(3,293)	2,947
Total Liabilities and Fund Balances	\$ 132,673	\$ 49,196	\$ 12,298	\$ 2,947

CITY OF MONTCLAIR

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2008

	Special Revenue Funds			
	Public Safety	Federal Asset Forfeiture-DOJ	State Asset Forfeiture Section 11489	Federal Asset Forfeiture- Treasury
Assets:				
Pooled cash and investments	\$ 740,952	\$ -	\$ 22,452	\$ 230
Receivables:				
Accounts	23,940	-	-	-
Accrued interest	-	-	-	-
Due from other governments	50,963	-	-	-
Due from other funds	168	-	5	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	<u>\$ 816,023</u>	<u>\$ -</u>	<u>\$ 22,457</u>	<u>\$ 230</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 18,605	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deferred revenues	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	30,798	-	-	-
Total Liabilities	<u>49,403</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Reserved:				
Reserved for encumbrances	7,799	-	-	-
Unreserved:				
Undesignated	758,821	-	22,457	230
Total Fund Balances	<u>766,620</u>	<u>-</u>	<u>22,457</u>	<u>230</u>
Total Liabilities and Fund Balances	<u>\$ 816,023</u>	<u>\$ -</u>	<u>\$ 22,457</u>	<u>\$ 230</u>

CITY OF MONTCLAIR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

(Continued)

	Special Revenue Funds			
	School District Grant	State Supplemental Law Enforcement	Local Law Enforcement Block Grant	Crime Prevention PC 1202.5
Assets:				
Pooled cash and investments	\$ -	\$ 64,714	\$ -	\$ 8,001
Receivables:				
Accounts	62,000	-	-	-
Accrued interest	-	-	-	-
Due from other governments	-	-	-	77
Due from other funds	-	34	1	2
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 62,000	\$ 64,748	\$ 1	\$ 8,080
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 36,158	\$ 13,844	\$ -	\$ -
Accrued liabilities	3,194	-	-	-
Deferred revenues	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	141,720	-	338	-
Total Liabilities	181,072	13,844	338	-
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	495	-	-
Unreserved:				
Undesignated	(119,072)	50,409	(337)	8,080
Total Fund Balances	(119,072)	50,904	(337)	8,080
Total Liabilities and Fund Balances	\$ 62,000	\$ 64,748	\$ 1	\$ 8,080

CITY OF MONTCLAIR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

	Special Revenue Funds			
	Recycling Block Grant	Human Services Grant	California Nutrition Grant	E.M.S Paramedic
Assets:				
Pooled cash and investments	\$ 6,373	\$ 28,303	\$ -	\$ 2,619
Receivables:				
Accounts	-	-	-	36,039
Accrued interest	-	-	-	-
Due from other governments	-	7,090	15,918	-
Due from other funds	4	1,245,076	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 6,377	\$ 1,280,469	\$ 15,918	\$ 38,658
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 15,583	\$ 186,976	\$ 9,447	\$ 26,161
Accrued liabilities	-	27,139	795	2,355
Deferred revenues	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	225	-	-
Due to other governments	-	-	-	-
Due to other funds	13	43,906	18,185	51,838
Total Liabilities	15,596	258,246	28,427	80,354
Fund Balances:				
Reserved:				
Reserved for encumbrances	2,669	126,664	2,150	-
Unreserved:				
Undesignated	(11,888)	895,559	(14,659)	(41,696)
Total Fund Balances	(9,219)	1,022,223	(12,509)	(41,696)
Total Liabilities and Fund Balances	\$ 6,377	\$ 1,280,469	\$ 15,918	\$ 38,658

CITY OF MONTCLAIR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

(Continued)

	Special Revenue Funds			
	OCJP Grant	Automated Traffic Enforcement	Office of Traffic Safety Grant	Equipment Replacement
Assets:				
Pooled cash and investments	\$ -	\$ -	\$ 2,918	\$ 1,418,147
Receivables:				
Accounts	-	-	-	5,369
Accrued interest	-	-	-	7,290
Due from other governments	-	8,701	-	-
Due from other funds	-	-	-	30,220
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ -	\$ 8,701	\$ 2,918	\$ 1,461,026
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 25,082	\$ 15,452	\$ -	\$ 17
Accrued liabilities	-	-	-	-
Deferred revenues	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	51,636	380,273	-	-
Total Liabilities	76,718	395,725	-	17
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	-	-	353
Unreserved:				
Undesignated	(76,718)	(387,024)	2,918	1,460,656
Total Fund Balances	(76,718)	(387,024)	2,918	1,461,009
Total Liabilities and Fund Balances	\$ -	\$ 8,701	\$ 2,918	\$ 1,461,026

CITY OF MONTCLAIR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

	Special Revenue Funds			Capital Projects Funds
	Infrastructure	Refuse Fee Impound	Montclair Youth Sponsorship	Monte Vista Grade Separation Project
Assets:				
Pooled cash and investments	\$ 823,172	\$ -	\$ -	\$ -
Receivables:				
Accounts	-	40,953	-	-
Accrued interest	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	194	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	98,082	-
Total Assets	\$ 823,366	\$ 40,953	\$ 98,082	\$ -
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 24,474	\$ -	\$ 11,251
Accrued liabilities	-	1,586	-	-
Deferred revenues	-	57,012	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	90,807	-	1,019,080
Total Liabilities	-	173,879	-	1,030,331
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	1,233	-	-
Unreserved:				
Undesignated	823,366	(134,159)	98,082	(1,030,331)
Total Fund Balances	823,366	(132,926)	98,082	(1,030,331)
Total Liabilities and Fund Balances	\$ 823,366	\$ 40,953	\$ 98,082	\$ -

CITY OF MONTCLAIR

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

	Capital Projects Funds		Debt Service Funds	Total Governmental Funds
	Ramona Grade Separation Project	City Facility Improvement	2005 Lease Revenue Bonds	
Assets:				
Pooled cash and investments	\$ -	\$ 1,032,958	\$ -	\$ 9,683,285
Receivables:				
Accounts	-	-	-	188,398
Accrued interest	-	-	-	12,082
Due from other governments	-	-	-	489,189
Due from other funds	-	250	-	1,392,770
Restricted assets:				
Cash and investments with fiscal agents	-	-	10,658,570	10,757,652
Total Assets	\$ -	\$ 1,033,208	\$ 10,658,570	\$ 22,523,376
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 39,597	\$ -	\$ 566,400
Accrued liabilities	-	-	-	35,677
Deferred revenues	-	-	-	132,482
Unearned revenues	-	-	-	491,618
Deposits payable	-	-	-	1,225
Due to other governments	-	-	-	253,296
Due to other funds	1,100	-	-	3,541,181
Total Liabilities	1,100	39,597	-	5,021,879
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	5,614	-	153,874
Unreserved:				
Undesignated	(1,100)	987,997	10,658,570	17,347,623
Total Fund Balances	(1,100)	993,611	10,658,570	17,501,497
Total Liabilities and Fund Balances	\$ -	\$ 1,033,208	\$ 10,658,570	\$ 22,523,376

CITY OF MONTCLAIR

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008**

Special Revenue Funds

	Gas Tax	Measure I	Traffic Safety	Park Development
Revenues:				
Taxes	\$ 650,429	\$ -	\$ -	\$ -
Intergovernmental	1,650	585,647	-	36,737
Charges for services	-	-	-	-
Use of money and property	83,117	43,456	998	29,959
Fines and forfeitures	-	-	283,810	-
Miscellaneous	-	44,513	-	84,000
Total Revenues	735,196	673,616	284,808	150,696
Expenditures:				
Current:				
General government	828	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	-	-	-	32,220
Capital outlay	890,069	345,291	-	33,327
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	890,897	345,291	-	65,547
Excess (Deficiency) of Revenues Over (Under) Expenditures	(155,701)	328,325	284,808	85,149
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(6,000)	-	(325,059)	-
Total Other Financing Sources (Uses)	(6,000)	-	(325,059)	-
Net Change in Fund Balances	(161,701)	328,325	(40,251)	85,149
Fund Balances, Beginning of Year	1,962,673	587,240	40,251	1,017,300
Fund Balances, End of Year	\$ 1,800,972	\$ 915,565	\$ -	\$ 1,102,449

CITY OF MONTCLAIR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008

(Continued)

	Special Revenue Funds			
	Community Development Block Grant	Air Quality Improvement	Older American Act	State Asset Forfeiture
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	400,652	54,643	44,944	-
Charges for services	-	-	-	-
Use of money and property	-	53	-	12
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	29,044	-
Total Revenues	400,652	54,696	73,988	12
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	9,800	9,861	82,677	-
Public works	66,926	-	-	-
Capital outlay	504,051	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	580,777	9,861	82,677	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(180,125)	44,835	(8,689)	12
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(180,125)	44,835	(8,689)	12
Fund Balances, Beginning of Year	(283,352)	4,361	5,396	2,935
Fund Balances, End of Year	\$ (463,477)	\$ 49,196	\$ (3,293)	\$ 2,947

CITY OF MONTCLAIR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008

	Special Revenue Funds			
	Public Safety	Federal Asset Forfeiture-DOJ	State Asset Forfeiture Section 11489	Federal Asset Forfeiture- Treasury
Revenues:				
Taxes	\$ 297,555	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	2,046	-	417	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	299,601	-	417	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	38,987	-	-	-
Community development	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	38,987	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	260,614	-	417	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	260,614	-	417	-
Fund Balances, Beginning of Year	506,006	-	22,040	230
Fund Balances, End of Year	\$ 766,620	\$ -	\$ 22,457	\$ 230

CITY OF MONTCLAIR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008

(Continued)

	Special Revenue Funds			
	State			
	School District Grant	Supplemental Law Enforcement	Local Law Enforcement Block Grant	Crime Prevention PC 1202.5
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	174,000	101,502	22,175	-
Charges for services	-	-	-	-
Use of money and property	-	399	6	27
Fines and forfeitures	-	-	-	397
Miscellaneous	-	-	-	-
Total Revenues	174,000	101,901	22,181	424
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	292,151	150,649	18,939	-
Community development	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	292,151	150,649	18,939	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(118,151)	(48,748)	3,242	424
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(118,151)	(48,748)	3,242	424
Fund Balances, Beginning of Year	(921)	99,652	(3,579)	7,656
Fund Balances, End of Year	\$ (119,072)	\$ 50,904	\$ (337)	\$ 8,080

CITY OF MONTCLAIR

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008**

	Special Revenue Funds			
	Recycling Block Grant	Human Services Grant	California Nutrition Grant	E.M.S Paramedic
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	19,004	1,456,930	32,934	8,103
Charges for services	-	825	-	149,861
Use of money and property	40	2,741	-	98
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	830
Total Revenues	19,044	1,460,496	32,934	158,892
Expenditures:				
Current:				
General government	26,925	-	-	-
Public safety	-	-	-	289,979
Community development	-	1,443,544	62,587	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	26,925	1,443,544	62,587	289,979
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,881)	16,952	(29,653)	(131,087)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(7,881)	16,952	(29,653)	(131,087)
Fund Balances, Beginning of Year	(1,338)	1,005,271	17,144	89,391
Fund Balances, End of Year	\$ (9,219)	\$ 1,022,223	\$ (12,509)	\$ (41,696)

CITY OF MONTCLAIR

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008

(Continued)

	Special Revenue Funds			
	OCJP Grant	Automated Traffic Enforcement	Office of Traffic Safety Grant	Equipment Replacement
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	-	-	22,983
Fines and forfeitures	-	125,362	-	-
Miscellaneous	-	229,520	-	16,251
Total Revenues	-	354,882	-	39,234
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	62,639	165,502	-	121,590
Community development	-	-	-	-
Public works	-	-	-	55,594
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	62,639	165,502	-	177,184
Excess (Deficiency) of Revenues Over (Under) Expenditures	(62,639)	189,380	-	(137,950)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(62,639)	189,380	-	(137,950)
Fund Balances, Beginning of Year	(14,079)	(576,404)	2,918	1,598,959
Fund Balances, End of Year	\$ (76,718)	\$ (387,024)	\$ 2,918	\$ 1,461,009

CITY OF MONTCLAIR

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008**

	<u>Special Revenue Funds</u>			<u>Capital Projects Funds</u>
	<u>Infrastructure</u>	<u>Refuse Fee Impound</u>	<u>Montclair Youth Sponsorship</u>	<u>Monte Vista Grade Separation Project</u>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	589,040	-	-	118,077
Charges for services	-	-	-	-
Use of money and property	502	34	(296)	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	12,515	-
Total Revenues	589,542	34	12,219	118,077
Expenditures:				
Current:				
General government	-	130,624	-	-
Public safety	-	22,669	-	-
Community development	-	-	6,092	-
Public works	-	-	-	-
Capital outlay	19,555	-	-	620,571
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	19,555	153,293	6,092	620,571
Excess (Deficiency) of Revenues Over (Under) Expenditures	569,987	(153,259)	6,127	(502,494)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	569,987	(153,259)	6,127	(502,494)
Fund Balances, Beginning of Year	253,379	20,333	91,955	(527,837)
Fund Balances, End of Year	\$ 823,366	\$ (132,926)	\$ 98,082	\$ (1,030,331)

CITY OF MONTCLAIR

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008**

	Capital Projects Funds		Debt Service Funds	Total Governmental Funds
	Ramona Grade Separation Project	City Facility Improvement	2005 Lease Revenue Bonds	
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 947,984
Intergovernmental	-	-	-	3,646,038
Charges for services	-	-	-	150,686
Use of money and property	-	33,821	1,044,674	1,265,087
Fines and forfeitures	-	-	-	409,569
Miscellaneous	-	-	-	416,673
Total Revenues	-	33,821	1,044,674	6,836,037
Expenditures:				
Current:				
General government	-	-	-	158,377
Public safety	-	-	-	1,163,105
Community development	-	-	-	1,614,561
Public works	-	-	-	154,740
Capital outlay	-	192,178	-	2,605,042
Debt service:				
Principal retirement	-	-	580,000	580,000
Interest and fiscal charges	-	-	1,341,201	1,341,201
Total Expenditures	-	192,178	1,921,201	7,617,026
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(158,357)	(876,527)	(780,989)
Other Financing Sources (Uses):				
Transfers in	-	-	1,825,551	1,825,551
Transfers out	-	-	(13,118,767)	(13,449,826)
Total Other Financing Sources (Uses)	-	-	(11,293,216)	(11,624,275)
Net Change in Fund Balances	-	(158,357)	(12,169,743)	(12,405,264)
Fund Balances, Beginning of Year	(1,100)	1,151,968	22,828,313	29,906,761
Fund Balances, End of Year	\$ (1,100)	\$ 993,611	\$ 10,658,570	\$ 17,501,497

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
GAS TAX
YEAR ENDED JUNE 30, 2008**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,962,673	\$ 1,962,673	\$ 1,962,673	\$ -
Resources (Inflows):				
Taxes	659,200	659,200	650,429	(8,771)
Intergovernmental	640,000	640,000	1,650	(638,350)
Use of money and property	52,000	52,000	83,117	31,117
Amounts Available for Appropriation	3,313,873	3,313,873	2,697,869	(616,004)
Charges to Appropriation (Outflow):				
General government	1,900	1,900	828	1,072
Capital outlay	-	2,641,338	890,069	1,751,269
Transfers out	-	6,000	6,000	-
Total Charges to Appropriations	1,900	2,649,238	896,897	1,752,341
Budgetary Fund Balance, June 30	\$ 3,311,973	\$ 664,635	\$ 1,800,972	\$ 1,136,337

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
MEASURE I
YEAR ENDED JUNE 30, 2008**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 587,240	\$ 587,240	\$ 587,240	\$ -
Resources (Inflows):				
Intergovernmental	576,700	576,700	585,647	8,947
Use of money and property	43,000	43,000	43,456	456
Miscellaneous	-	-	44,513	44,513
Amounts Available for Appropriation	1,206,940	1,206,940	1,260,856	53,916
Charges to Appropriation (Outflow):				
Capital outlay	-	1,387,844	345,291	1,042,553
Total Charges to Appropriations	-	1,387,844	345,291	1,042,553
Budgetary Fund Balance, June 30	\$ 1,206,940	\$ (180,904)	\$ 915,565	\$ 1,096,469

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
TRAFFIC SAFETY
YEAR ENDED JUNE 30, 2008**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 40,251	\$ 40,251	\$ 40,251	\$ -
Resources (Inflows):				
Use of money and property	-	-	998	998
Fines and forfeitures	385,000	385,000	283,810	(101,190)
Amounts Available for Appropriation	425,251	425,251	325,059	(100,192)
Charges to Appropriation (Outflow):				
Transfers out	-	385,000	325,059	59,941
Total Charges to Appropriations	-	385,000	325,059	59,941
Budgetary Fund Balance, June 30	\$ 425,251	\$ 40,251	\$ -	\$ (40,251)

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
PARK DEVELOPMENT
YEAR ENDED JUNE 30, 2008**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,017,300	\$ 1,017,300	\$ 1,017,300	\$ -
Resources (Inflows):				
Intergovernmental	227,500	227,500	36,737	(190,763)
Use of money and property	34,530	34,530	29,959	(4,571)
Miscellaneous	123,200	123,200	84,000	(39,200)
Amounts Available for Appropriation	1,402,530	1,402,530	1,167,996	(234,534)
Charges to Appropriation (Outflow):				
Public works	2,000	7,000	32,220	(25,220)
Capital outlay	-	722,226	33,327	688,899
Total Charges to Appropriations	2,000	729,226	65,547	663,679
Budgetary Fund Balance, June 30	\$ 1,400,530	\$ 673,304	\$ 1,102,449	\$ 429,145

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED JUNE 30, 2008**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (283,352)	\$ (283,352)	\$ (283,352)	\$ -
Resources (Inflows):				
Intergovernmental	49,800	49,800	400,652	350,852
Amounts Available for Appropriation	(233,552)	(233,552)	117,300	350,852
Charges to Appropriation (Outflow):				
Community development	9,800	9,800	9,800	-
Public works	40,000	40,000	66,926	(26,926)
Capital outlay	-	-	504,051	(504,051)
Total Charges to Appropriations	49,800	49,800	580,777	(530,977)
Budgetary Fund Balance, June 30	\$ (283,352)	\$ (283,352)	\$ (463,477)	\$ (180,125)

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
AIR QUALITY IMPROVEMENT
YEAR ENDED JUNE 30, 2008**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,361	\$ 4,361	\$ 4,361	\$ -
Resources (Inflows):				
Intergovernmental	46,000	46,000	54,643	8,643
Use of money and property	200	200	53	(147)
Amounts Available for Appropriation	50,561	50,561	59,057	8,496
Charges to Appropriation (Outflow):				
Community development	6,866	6,866	9,861	(2,995)
Total Charges to Appropriations	6,866	6,866	9,861	(2,995)
Budgetary Fund Balance, June 30	\$ 43,695	\$ 43,695	\$ 49,196	\$ 5,501

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
 OLDER AMERICAN ACT
 YEAR ENDED JUNE 30, 2008**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,396	\$ 5,396	\$ 5,396	\$ -
Resources (Inflows):				
Intergovernmental	82,019	82,019	44,944	(37,075)
Miscellaneous	44,163	44,163	29,044	(15,119)
Amounts Available for Appropriation	131,578	131,578	79,384	(52,194)
Charges to Appropriation (Outflow):				
Community development	118,386	118,386	82,677	35,709
Total Charges to Appropriations	118,386	118,386	82,677	35,709
Budgetary Fund Balance, June 30	\$ 13,192	\$ 13,192	\$ (3,293)	\$ (16,485)

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
STATE ASSET FORFEITURE
YEAR ENDED JUNE 30, 2008**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,935	\$ 2,935	\$ 2,935	\$ -
Resources (Inflows):				
Use of money and property	50	50	12	(38)
Amounts Available for Appropriation	2,985	2,985	2,947	(38)
Budgetary Fund Balance, June 30	\$ 2,985	\$ 2,985	\$ 2,947	\$ (38)

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
PUBLIC SAFETY
YEAR ENDED JUNE 30, 2008**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 506,006	\$ 506,006	\$ 506,006	\$ -
Resources (Inflows):				
Taxes	285,000	285,000	297,555	12,555
Use of money and property	3,000	3,000	2,046	(954)
Amounts Available for Appropriation	794,006	794,006	805,607	11,601
Charges to Appropriation (Outflow):				
Public safety	297,887	314,077	38,987	275,090
Transfers out	-	60,000	-	60,000
Total Charges to Appropriations	297,887	374,077	38,987	335,090
Budgetary Fund Balance, June 30	\$ 496,119	\$ 419,929	\$ 766,620	\$ 346,691

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
STATE ASSET FORFEITURE SECTION 11489
YEAR ENDED JUNE 30, 2008**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 22,040	\$ 22,040	\$ 22,040	\$ -
Resources (Inflows):				
Use of money and property	150	150	417	267
Amounts Available for Appropriation	22,190	22,190	22,457	267
Budgetary Fund Balance, June 30	\$ 22,190	\$ 22,190	\$ 22,457	\$ 267

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
SCHOOL DISTRICT GRANT
YEAR ENDED JUNE 30, 2008**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (921)	\$ (921)	\$ (921)	\$ -
Resources (Inflows):				
Intergovernmental	174,000	174,000	174,000	-
Amounts Available for Appropriation	173,079	173,079	173,079	-
Charges to Appropriation (Outflow):				
Public safety	303,866	304,556	292,151	12,405
Total Charges to Appropriations	303,866	304,556	292,151	12,405
Budgetary Fund Balance, June 30	\$ (130,787)	\$ (131,477)	\$ (119,072)	\$ 12,405

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
CRIME PREVENTION PC 1202.5
YEAR ENDED JUNE 30, 2008**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 7,656	\$ 7,656	\$ 7,656	\$ -
Resources (Inflows):				
Use of money and property	50	50	27	(23)
Fines and forfeitures	200	200	397	197
Amounts Available for Appropriation	7,906	7,906	8,080	174
Budgetary Fund Balance, June 30	\$ 7,906	\$ 7,906	\$ 8,080	\$ 174

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
 RECYCLING BLOCK GRANT
 YEAR ENDED JUNE 30, 2008**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (1,338)	\$ (1,338)	\$ (1,338)	\$ -
Resources (Inflows):				
Intergovernmental	18,740	18,740	19,004	264
Use of money and property	1,200	1,200	40	(1,160)
Amounts Available for Appropriation	18,602	18,602	17,706	(896)
Charges to Appropriation (Outflow):				
General government	20,720	20,720	26,925	(6,205)
Total Charges to Appropriations	20,720	20,720	26,925	(6,205)
Budgetary Fund Balance, June 30	\$ (2,118)	\$ (2,118)	\$ (9,219)	\$ (7,101)

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
HUMAN SERVICES GRANT
YEAR ENDED JUNE 30, 2008**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,005,271	\$ 1,005,271	\$ 1,005,271	\$ -
Resources (Inflows):				
Intergovernmental	1,287,000	1,287,000	1,456,930	169,930
Charges for services	5,000	5,000	825	(4,175)
Use of money and property	1,500	1,500	2,741	1,241
Amounts Available for Appropriation	2,298,771	2,298,771	2,465,767	166,996
Charges to Appropriation (Outflow):				
Community development	1,650,734	1,650,734	1,443,544	207,190
Total Charges to Appropriations	1,650,734	1,650,734	1,443,544	207,190
Budgetary Fund Balance, June 30	\$ 648,037	\$ 648,037	\$ 1,022,223	\$ 374,186

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
CALIFORNIA NUTRITION GRANT
YEAR ENDED JUNE 30, 2008**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 17,144	\$ 17,144	\$ 17,144	\$ -
Resources (Inflows):				
Intergovernmental	69,520	69,520	32,934	(36,586)
Amounts Available for Appropriation	86,664	86,664	50,078	(36,586)
Charges to Appropriation (Outflow):				
Community development	86,144	86,144	62,587	23,557
Total Charges to Appropriations	86,144	86,144	62,587	23,557
Budgetary Fund Balance, June 30	\$ 520	\$ 520	\$ (12,509)	\$ (13,029)

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
E.M.S. PARAMEDIC
YEAR ENDED JUNE 30, 2008**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 89,391	\$ 89,391	\$ 89,391	\$ -
Resources (Inflows):				
Intergovernmental	-	-	8,103	8,103
Charges for services	179,850	179,850	149,861	(29,989)
Use of money and property	-	-	98	98
Miscellaneous	1,000	1,000	830	(170)
Amounts Available for Appropriation	270,241	270,241	248,283	(21,958)
Charges to Appropriation (Outflow):				
Public safety	225,422	228,822	289,979	(61,157)
Total Charges to Appropriations	225,422	228,822	289,979	(61,157)
Budgetary Fund Balance, June 30	\$ 44,819	\$ 41,419	\$ (41,696)	\$ (83,115)

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
 AUTOMATED TRAFFIC ENFORCEMENT
 YEAR ENDED JUNE 30, 2008**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (576,404)	\$ (576,404)	\$ (576,404)	\$ -
Resources (Inflows):				
Fines and forfeitures	300,000	300,000	125,362	(174,638)
Miscellaneous	-	-	229,520	229,520
Amounts Available for Appropriation	(276,404)	(276,404)	(221,522)	54,882
Charges to Appropriation (Outflow):				
Public safety	343,035	343,035	165,502	177,533
Total Charges to Appropriations	343,035	343,035	165,502	177,533
Budgetary Fund Balance, June 30	\$ (619,439)	\$ (619,439)	\$ (387,024)	\$ 232,415

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
EQUIPMENT REPLACEMENT
YEAR ENDED JUNE 30, 2008**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,598,959	\$ 1,598,959	\$ 1,598,959	\$ -
Resources (Inflows):				
Use of money and property	-	17,000	22,983	5,983
Miscellaneous	-	-	16,251	16,251
Transfers in	-	210,000	-	(210,000)
Amounts Available for Appropriation	1,598,959	1,825,959	1,638,193	(187,766)
Charges to Appropriation (Outflow):				
Public safety	190,500	190,500	121,590	68,910
Public works	-	-	55,594	(55,594)
Total Charges to Appropriations	190,500	190,500	177,184	13,316
Budgetary Fund Balance, June 30	\$ 1,408,459	\$ 1,635,459	\$ 1,461,009	\$ (174,450)

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
INFRASTRUCTURE
YEAR ENDED JUNE 30, 2008**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 253,379	\$ 253,379	\$ 253,379	\$ -
Resources (Inflows):				
Intergovernmental	-	-	589,040	589,040
Use of money and property	-	5,000	502	(4,498)
Transfers in	-	295,000	-	(295,000)
Amounts Available for Appropriation	253,379	553,379	842,921	289,542
Charges to Appropriation (Outflow):				
Capital outlay	-	508,238	19,555	488,683
Total Charges to Appropriations	-	508,238	19,555	488,683
Budgetary Fund Balance, June 30	\$ 253,379	\$ 45,141	\$ 823,366	\$ 778,225

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
REFUSE FEE IMPOUND
YEAR ENDED JUNE 30, 2008**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 20,333	\$ 20,333	\$ 20,333	\$ -
Resources (Inflows):				
Use of money and property	10,000	10,000	34	(9,966)
Amounts Available for Appropriation	30,333	30,333	20,367	(9,966)
Charges to Appropriation (Outflow):				
General government	116,302	116,302	130,624	(14,322)
Public safety	21,700	21,700	22,669	(969)
Total Charges to Appropriations	138,002	138,002	153,293	(15,291)
Budgetary Fund Balance, June 30	\$ (107,669)	\$ (107,669)	\$ (132,926)	\$ (25,257)

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
MONTCLAIR YOUTH SPONSORSHIP
YEAR ENDED JUNE 30, 2008**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 91,955	\$ 91,955	\$ 91,955	\$ -
Resources (Inflows):				
Use of money and property	9,000	9,000	(296)	(9,296)
Miscellaneous	10,000	10,000	12,515	2,515
Amounts Available for Appropriation	110,955	110,955	104,174	(6,781)
Charges to Appropriation (Outflow):				
Community development	-	-	6,092	(6,092)
Total Charges to Appropriations	-	-	6,092	(6,092)
Budgetary Fund Balance, June 30	\$ 110,955	\$ 110,955	\$ 98,082	\$ (12,873)

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
MONTE VISTA GRADE SEPARATION PROJECT
YEAR ENDED JUNE 30, 2008**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ (527,837)	\$ (527,837)	\$ (527,837)	\$ -
Resources (Inflows):				
Intergovernmental	-	-	118,077	118,077
Amounts Available for Appropriation	(527,837)	(527,837)	(409,760)	118,077
Charges to Appropriation (Outflow):				
Capital outlay	-	19,093,414	620,571	18,472,843
Total Charges to Appropriations	-	19,093,414	620,571	18,472,843
Budgetary Fund Balance, June 30	\$ (527,837)	\$ (19,621,251)	\$(1,030,331)	\$ 18,590,920

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
CITY FACILITY IMPROVEMENT
YEAR ENDED JUNE 30, 2008**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,151,968	\$ 1,151,968	\$ 1,151,968	\$ -
Resources (Inflows):				
Use of money and property	40,000	40,000	33,821	(6,179)
Transfers in	-	356,000	-	(356,000)
Amounts Available for Appropriation	1,191,968	1,547,968	1,185,789	(362,179)
Charges to Appropriation (Outflow):				
Capital outlay	-	1,197,000	192,178	1,004,822
Total Charges to Appropriations	-	1,197,000	192,178	1,004,822
Budgetary Fund Balance, June 30	\$ 1,191,968	\$ 350,968	\$ 993,611	\$ 642,643

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
POLICE FACILITY CAPITAL PROJECT
YEAR ENDED JUNE 30, 2008**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ (1,542,430)	\$ (1,542,430)	\$(1,542,430)	\$ -
Resources (Inflows):				
Miscellaneous	-	-	107,797	107,797
Transfers in	-	-	13,118,767	13,118,767
Amounts Available for Appropriation	(1,542,430)	(1,542,430)	11,684,134	13,226,564
Charges to Appropriation (Outflow):				
Capital outlay	-	12,004,301	14,452,938	(2,448,637)
Total Charges to Appropriations	-	12,004,301	14,452,938	(2,448,637)
Budgetary Fund Balance, June 30	\$ (1,542,430)	\$ (13,546,731)	\$(2,768,804)	\$ 10,777,927

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
MONTCLAIR REDEVELOPMENT AGENCY - CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2008**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 32,167,879	\$ 32,167,879	\$ 32,167,879	\$ -
Resources (Inflows):				
Taxes	2,034,650	2,034,650	2,373,797	339,147
Intergovernmental	35,000	35,000	27,436	(7,564)
Use of money and property	809,517	809,517	1,367,171	557,654
Miscellaneous	-	-	1,800,299	1,800,299
Transfers in	2,161,362	2,161,362	1,889,602	(271,760)
Refunding bonds issued	-	-	28,950,000	28,950,000
Bond premium	-	-	15,829	15,829
Proceeds from sale of capital asset	161,500	161,500	160,343	(1,157)
Amounts Available for Appropriation	37,369,908	37,369,908	68,752,356	31,382,448
Charges to Appropriation (Outflow):				
General government	10,380,072	10,380,072	1,679,051	8,701,021
Community development	4,930,000	4,930,000	3,817,856	1,112,144
Capital outlay	15,377,700	15,377,700	1,035,021	14,342,679
Debt service:				
Interest and fiscal charges	-	-	1,008,706	(1,008,706)
Transfers out	-	-	19,480,957	(19,480,957)
Total Charges to Appropriations	30,687,772	30,687,772	27,021,591	3,666,181
Budgetary Fund Balance, June 30	\$ 6,682,136	\$ 6,682,136	\$ 41,730,765	\$ 35,048,629

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
2005 LEASE REVENUE BONDS
YEAR ENDED JUNE 30, 2008**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 22,828,313	\$ 22,828,313	\$ 22,828,313	\$ -
Resources (Inflows):				
Use of money and property	760,000	760,000	1,044,674	284,674
Transfers in	-	1,921,202	1,825,551	(95,651)
Amounts Available for Appropriation	23,588,313	25,509,515	25,698,538	189,023
Charges to Appropriation (Outflow):				
Debt service:				
Principal retirement	-	-	580,000	(580,000)
Interest and fiscal charges	-	-	1,341,201	(1,341,201)
Transfers out	-	3,300,000	13,118,767	(9,818,767)
Total Charges to Appropriations	-	3,300,000	15,039,968	(11,739,968)
Budgetary Fund Balance, June 30	\$ 23,588,313	\$ 22,209,515	\$ 10,658,570	\$(11,550,945)

CITY OF MONTCLAIR

**BUDGETARY COMPARISON SCHEDULE
MONTCLAIR REDEVELOPMENT AGENCY - DEBT SERVICE
YEAR ENDED JUNE 30, 2008**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 12,087,546	\$ 12,087,546	\$ 12,087,546	\$ -
Resources (Inflows):				
Taxes	6,303,145	6,303,145	7,449,979	1,146,834
Use of money and property	438,900	438,900	512,854	73,954
Miscellaneous	-	-	36,817	36,817
Transfers in	2,278,816	2,278,816	19,480,957	17,202,141
Amounts Available for Appropriation	21,108,407	21,108,407	39,568,153	18,459,746
Charges to Appropriation (Outflow):				
General government	143,916	143,916	641,762	(497,846)
Debt service:				
Principal retirement	1,020,000	1,020,000	995,000	25,000
Interest and fiscal charges	2,513,764	2,513,764	1,857,697	656,067
Payment to refunded bond escrow agent	-	-	2,778,227	(2,778,227)
Transfers out	4,440,178	4,440,178	1,889,602	2,550,576
Payment to refunded bond escrow agent	-	-	17,601,505	(17,601,505)
Total Charges to Appropriations	8,117,858	8,117,858	25,763,793	(17,645,935)
Budgetary Fund Balance, June 30	\$ 12,990,549	\$ 12,990,549	\$ 13,804,360	\$ 813,811

CITY OF MONTCLAIR

COMBINING BALANCE SHEET
AGENCY FUND
JUNE 30, 2008

	<u>Sewer Plant</u>
Assets:	
Pooled cash and investments	\$ 388,187
Due from external parties	<u>106,558</u>
Total Assets	<u>\$ 494,745</u>
Accounts payable	\$ 37,786
Due to other governments	<u>456,959</u>
Total Liabilities	<u>\$ 494,745</u>

CITY OF MONTCLAIR

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND
 YEAR ENDED JUNE 30, 2008

	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2008</u>
<u>Sewer Plant</u>				
Assets:				
Pooled cash and investments	\$ 401,577	\$ -	\$ 13,390	\$ 388,187
Due from external parties	-	106,558	-	106,558
Total Assets	<u>\$ 401,577</u>	<u>\$ 106,558</u>	<u>\$ 13,390</u>	<u>\$ 494,745</u>
Liabilities:				
Accounts payable	\$ -	\$ 37,786	\$ -	\$ 37,786
Due to other governments	401,577	55,382	-	456,959
Total Liabilities	<u>\$ 401,577</u>	<u>\$ 93,168</u>	<u>\$ -</u>	<u>\$ 494,745</u>