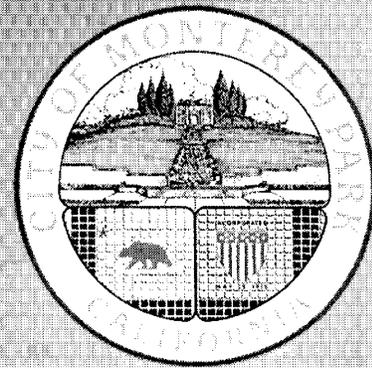


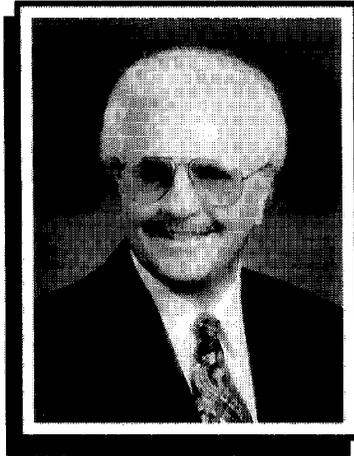
City of Monterey Park, California



***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

Year ended June 30, 2008

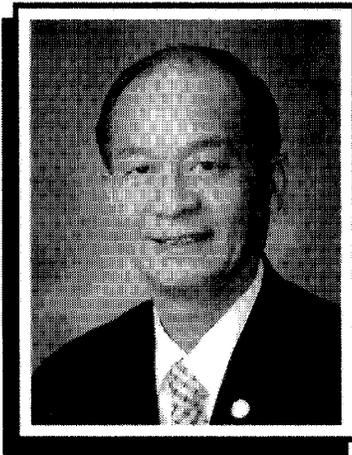
City Council



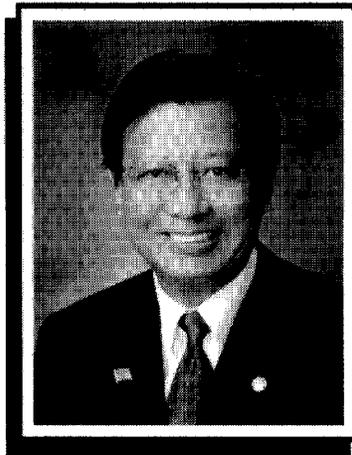
Mayor
Benjamin "Frank" Venti



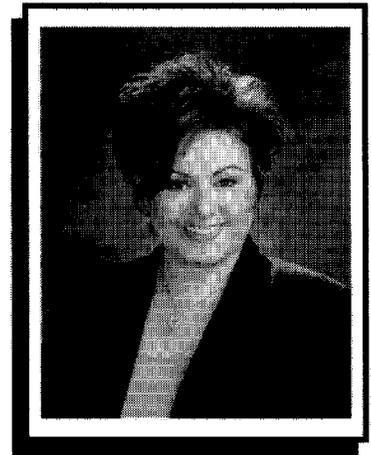
Mayor Pro Tem
Mitchell Ing



Council Member
Anthony Wong



Council Member
David T. Lau



Council Member
Sharon Martinez

Joseph Leon - *City Treasurer*
David M. Barron - *City Clerk*

City Officials

June Yotsuya *City Manager*
 Anthony Canzoneri..... *City Attorney*
 Linda Wilson *City Librarian*
 Vacant *Director of Economic Development*
 Robert Blackwood *Director of Human Resources and Risk Management*
 Adolfo Reta *Director of Development Services*
 Elias Saykali.....*Director of Public Works/City Engineer*
 Harry Panagiotes.....*Director of Recreation and Parks*
 Cathleen Orchard.....*Fire Chief*
 Jones Moy *Police Chief*
 David Dong..... *Director of Management Services*



City of Monterey Park, California

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Year ended June 30, 2008

Prepared by the Management Services Department

David Dong
Director of Management Services

CITY OF MONTEREY PARK
Comprehensive Annual Financial Report
Year Ended June 30, 2008

Table of Contents

	<i>Page(s)</i>
INTRODUCTORY SECTION	
Table of Contents	i
Organization Chart	iv
Letter of Transmittal	v
GFOA Certificate of Achievement	xiii
GFOA Distinguished Budget Presentation Award	xiv
CSMFO Certificate of Award for Excellence in Operational Budgeting	xv
 FINANCIAL SECTION	
Independent Auditors' Report	1
Management Discussion and Analysis (unaudited)	3
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet – Governmental Funds	16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	19
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Net Assets – Proprietary Funds	24
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	25
Statement of Cash Flows – Proprietary Funds	26
Statement of Assets and Liabilities – All Agency Funds	30
Notes to Financial Statements	31
 REQUIRED SUPPLEMENTARY INFORMATION (unaudited)	
CALPERS and MMRP Schedules of Funding Progress	63
General Fund and Special Revenue Grants Fund – Budgetary Comparison Schedules	64
Note to Required Supplementary Information	66

**CITY OF MONTEREY PARK
Comprehensive Annual Financial Report
Year Ended June 30, 2008**

Table of Contents

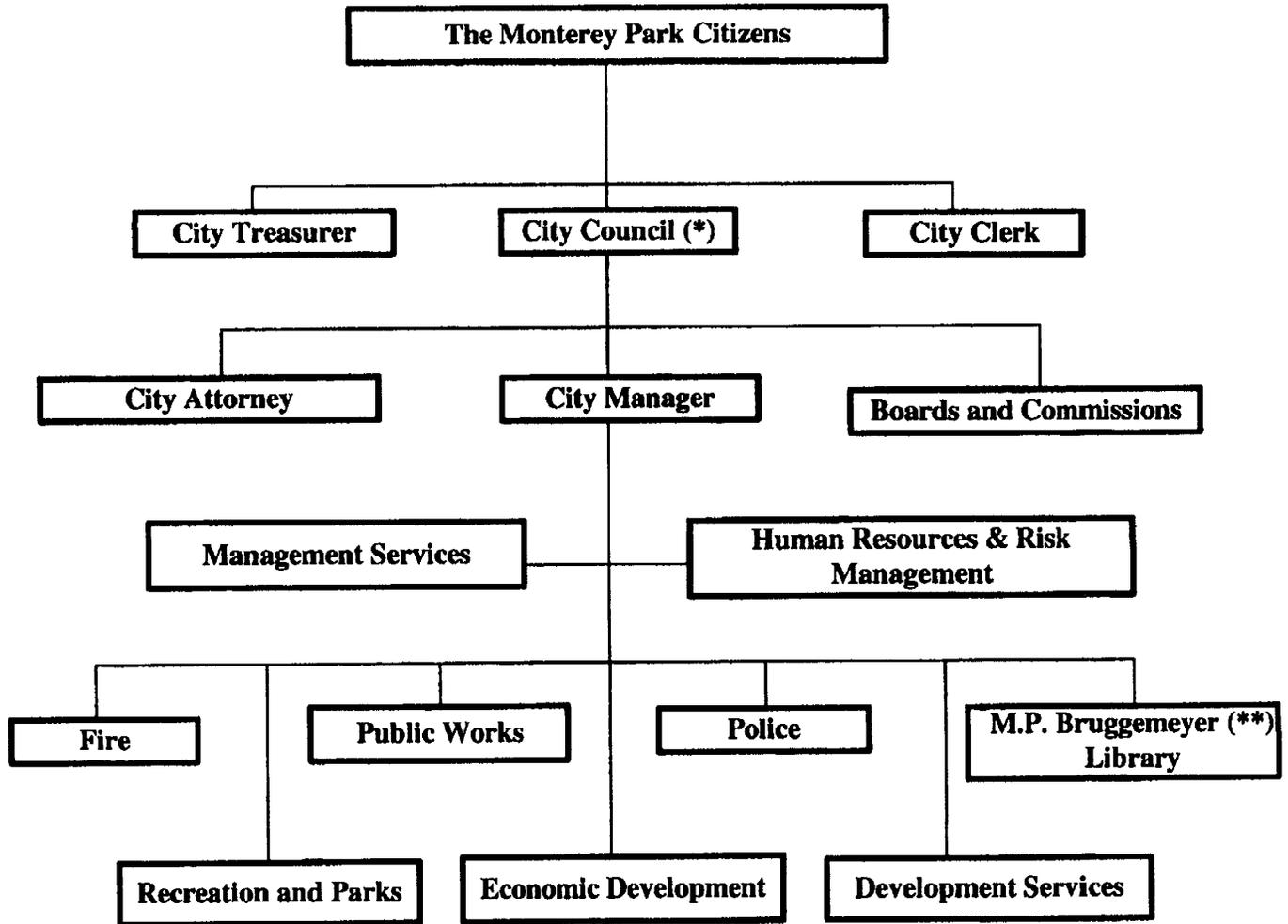
	<i>Page(s)</i>
SUPPLEMENTARY INFORMATION	
Major Funds:	
Debt Service Fund and Capital Projects Fund – Budgetary Comparison Schedules.....	68
Nonmajor Funds:	
Combining Balance Sheet – Nonmajor Governmental Funds	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	76
Nonmajor Special Revenue Funds – Budgetary Comparison Schedule:	
Proposition A	80
Gas Tax	81
Bike Route	82
Proposition C.....	83
Air Quality Improvement	84
Asset Forfeiture	85
Retirement.....	86
Sewer	87
Refuse	88
Park Facilities.....	89
Business Improvement Area #1.....	90
Maintenance District 93-1	91
Public Safety Impact Fee.....	92
Public Safety Augmentation	93
Library Tax	94
CERCLA Liability	95
Pension Liability	96
Internal Service Funds:	
Combining Statement of Net Assets – Internal Service Funds.....	98
Combining Statement of Revenues, Expenses and Changes in Net Assets – Internal Service Funds.....	100
Combining Statement of Cash Flows – Internal Service Funds	102
Agency Funds:	
Combining Statement of Assets and Liabilities –All Agency Funds	108
Combining Statement of Changes in Assets and Liabilities –All Agency Funds	110
General Fund:	
Balance Sheet.....	114
Statement of Revenues, Expenditures and Changes in Fund Balance.....	115

CITY OF MONTEREY PARK
Comprehensive Annual Financial Report
Year Ended June 30, 2008

Table of Contents

	<i>Page(s)</i>
Special Revenue Grants Fund:	
Balance Sheet.....	118
Statement of Revenues, Expenditures and Changes in Fund Balance.....	119
Debt Service Fund:	
Balance Sheet.....	122
Statement of Revenues, Expenditures and Changes in Fund Balance.....	123
Capital Projects Fund:	
Balance Sheet.....	126
Statement of Revenues, Expenditures and Changes in Fund Balance.....	127
Water Enterprise Fund:	
Schedule of Assets, Liabilities and Net Assets by Function.....	130
Schedule of Revenues, Expenses and Changes in Net Assets by Function.....	132
 STATISTICAL SECTION (unaudited)	
Net Assets by Component – Last Six Fiscal Years.....	136
Change in Net Assets – Last Six Fiscal Years.....	138
Fund Balances of Governmental Funds – Last Six Fiscal Years.....	142
Changes in Fund Balances of Governmental Funds – Last Six Fiscal Years.....	144
Assessed and Estimated Actual Values of Taxable Property	
Last Ten Fiscal Years.....	146
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years.....	148
Principal Property Tax Payers – Current Year and Nine Years Ago.....	150
General Fund Property Tax Levies and Collections – Last Ten Fiscal Years.....	152
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years.....	154
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years.....	157
Direct and Overlapping Debt.....	158
Legal Debt Margin Information – Last Ten Fiscal Years.....	160
Pledged Revenue Coverage – Last Ten Fiscal Years.....	162
Demographic and Economic Statistics – Last Ten Calendar Years.....	163
Principal Employers – Current Year and Nine Years Ago.....	164
Full-Time and Part-Time City Employees by Function – Last Ten Fiscal Years.....	166
Operating Indicators by Function – Last Ten Fiscal Years.....	168
Capital Asset Statistics by Function – Last Ten Fiscal Years.....	170
 Water District Schedules for Revenue Capacity:	
Water Sold by Type of Customer – Last Ten Fiscal Years.....	172
Water Rates – Last Ten Fiscal Years.....	174
Water Customers – Current Year and Six Years Ago.....	175

City of Monterey Park Organization Chart



(*) The City is a council-manager government, whose five council members are elected at large for four-year, overlapping terms of office.

(**) General operations of the M.P. Bruggemeyer Library are managed by the Library Board of Trustees, an independent commission appointed by the City Council.

CITY OF MONTEREY PARK

320 West Newmark Avenue • Monterey Park • California 91754-2896
www.ci.monterey-park.ca.us



City Council
Mitchell Ing
David T. Lau
Sharon Martinez
Benjamin "Frank" Venti
Anthony Wong

City Clerk
David Barron

City Treasurer
Joseph Leon

November 10, 2008

Honorable Mayor and the City Council
City of Monterey Park, California

Re: 2007-08 Comprehensive Annual Financial Report

Monterey Park Municipal Code requires that the City annually publishes its financial statements audited by a firm of licensed certified public accountants. Pursuant to that requirement, we are presenting to you the Comprehensive Annual Financial Report of the City of Monterey Park for the fiscal year ended June 30, 2008.

The objective of the audit was to provide reasonable assurance that the City's financial statements are free of material misstatements. The audit involves examining the City's books and records supporting the amounts and disclosures in the financial statements, assessing the accounting principles used by City management, and evaluating the overall financial statement presentation. Based on the audit, the auditor issued an unqualified (or clean) opinion indicating that the City's 2007-08 financial statements are presented in conformity with generally accepted accounting principles. The auditor's report is included in the financial section of this report.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report. To provide a reasonable basis for making these representations, management of the City has established an internal control system that is designed to protect City assets and to ensure that the accounting records provide a reliable basis for the preparation of the financial statements. Because the cost of internal controls should not exceed their benefits, the internal control has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge, this report is complete and reliable in all material respects.

Being a recipient of federal funds, the City is required to undergo an audit in accordance with the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133. Information relating to the single audit, including the grant expenditures and auditors' findings, will be issued in a separate report.

Discussions concerning the City's financial positions and activities for the 2007-08 fiscal year are included in Management's Discussion and Analysis and Notes to Financial Statements. We encourage readers to read these sections in conjunction with this transmittal letter as well as the City's financial statements.

Profile of Monterey Park

The City of Monterey Park was incorporated in 1916 as a general law city. It operates under the council manager form of government. The City Council, which consists of five members, is elected at large and each serves a term of four years. The City Clerk and the City Treasurer are also elected by the citizens. The City Council appoints the City Manager, who has the responsibilities of overseeing City services and operations.

In addition to governing the City, the City Council serves as the governing board of the Monterey Park Community Redevelopment Agency, Public Financing Authority, and the Housing Authority. The financial information of these component units has been included with the City (please see Notes to Financial Statements for discussion of the component units).

Monterey Park is a full service City. Operating departments and their services are as follows.

- Development Services Department is responsible for development standards, zoning, planning, construction permits, inspection, and code compliance.
- Economic Development Department is responsible for economic development, housing, business promotion, commercial and residential rehabilitation, and the CDBG programs.
- Fire Department is responsible for fire suppression, inspection, prevention, emergency medical, and ambulance transport services. There are three fire stations in the City.
- Human Resources and Risk Management Department is responsible for recruitment and employee benefits. It also processes claims and administers risk prevention programs.
- Library is responsible for library services and literacy programs. It has an automated library circulation system and opens seven days a week to the public.
- Management Services Department is responsible for accounting, reporting, budgeting, billing, revenue collection, purchasing, investment, debt management, and data processing.
- Police Department is responsible for law enforcement activities including patrol, traffic safety, animal control, communications, investigation, and crime prevention.
- Public Works is responsible for the design and construction of the City's infrastructure, street cleaning, refuse collection, recycling, sewer, water system, and vehicle maintenance.
- Recreation and Parks Department handles recreation activities and community events. This department also maintains city parks, public landscaping and the dial-a-ride service.

Budget

The annual budget serves as the foundation for the City's financial planning and control. The City

starts its budget process in February with the publication of a midyear review report. The midyear review report includes revenue and expenditure estimates for the current and upcoming fiscal years, a five-year financial projection for all City funds, and a preliminary five-year capital improvement program.

Departments begin their budget preparation in March. After preliminary review by management, the Management Services Department compiles a proposed budget and submits to the City Council in May. In June, the City Council holds a public hearing to review and approve the proposed budget. The final budget, including adjustments by the City Council, is published in July.

Local Economy

The current economic downturns, primarily caused by the housing mortgage crisis and the high fuel prices, have brought the nation to near recession. In California, the effect has been more substantial than the rest of the country due to its volatile real estate market and high dependency on fuel. While the foreclosures have hit hard on certain parts of California, such as Central Valley and Inland Empire, housing in Monterey Park and some other areas continues to remain desirable and has seen little impact. With the consumers cut back in spending, retail sales in the City for durable goods such as major appliances and cars; have declined since the beginning of 2008.

Monterey Park encompasses an area of 7.73 square miles with a population of 65,000. The City is located six miles east of Los Angeles at the western gateway to the San Gabriel Valley. Monterey Park is primarily a residential community, with 78% of its land zoned for single and multiple family housing. Major businesses include food and drug, auto sales, banking, restaurants, hospitals and medical offices, and light manufacturing.

The City's economic development activities include redevelopment of commercial and residential properties, business support services, affordable housing, and preserving quality neighborhoods. Redevelopment agency funds, Community Development Block Grant, and Home Fund monies primarily finance the economic development activities and programs. In recent years, many large under-utilized residential lots are being combined and developed into multiple family housing. The City continues pursuing opportunities to develop affordable housing and has programs for residential maintenance, rental rehabilitation and first time home buying.

Several major commercial development projects are currently underway. When completed in the next two to five years, these projects will generate a large number of new jobs and tax revenues for the City. These major development projects are as follows.

Atlantic Times Square This is a mixed-use retail/entertainment/residential center on a seven-acre site at North Atlantic Blvd. The project features 210 condominiums (with up to 20 to be designated as affordable for moderate-income households) and 205,000 square feet of commercial space that will be anchored by a 14-screen theater. The project is currently under construction and the completion is expected by late 2009.

Towne Centre A mixed-use residential and retail development located at the southeast corner of Garvey and Garfield, in the heart of downtown. The project would comply with onsite parking requirements and include an additional 56 parking spaces designated for public use to alleviate downtown parking shortage. Relocation is in process. Completion is expected by late 2010.

Garvey Villas This is a mixed-use retail and residential project located at the southwest corner of Atlantic and Garvey. Relocation is currently in process. Completion is expected by late 2010.

Cascades Market Place The Cascades Market Place is a 500,000 square feet retail center. The project is on a US Environmental Protection Agency Superfund site, which includes an 11-acre trash field north of the I-60 Freeway. The City is negotiating with the developers and various public agencies. So far, the City of Montebello has approved the plans for the road that would connect the project to Paramount Boulevard. The EPA has approved a remediation plan and work has commenced. It is expected that the remediation will be completed by December of 2009.

Financial Condition and Major Issues

The City maintains a conservative fiscal management and ended the 2007-08 fiscal year with a solid financial result. During the year, the City received permit fees from the Atlantic Times Square development of approximately \$2 million. As directed by the City Council, these excess revenues were deposited into reserve funds for future capital and operating needs. Overall, with the exception of the Retirement Fund (see discussion below for Pension Gap), all city funds are in sound financial position. The General Fund unreserved undesignated fund balance at the 2007-08 year-end totaled \$6.7 million, up \$600,000 from last year.

The adopted 2008-09 Budget is balanced. All services will be maintained at the 2007-08 levels. The budget also contains funding for improvement to the City's infrastructure including street, sewer, park, and water systems. To achieve long-term financial stability, the City will continue improving efficiencies, exploring revenue options, and building up reserves.

Major financial issues of the City are summarized as follows.

Pension Funding The City provides its pension program through the California Public Employees' Retirement System. Funding of the City's pension cost comes from a special voter approved property tax. The current tax rate is 0.091175 per \$100 of assessed valuation. This rate is the same rate since 1983 and is also the maximum rate permitted under AB13. As a result, the City's retirement revenue can only increase as the property value increases and is insufficient to keep up with the increase in pension costs.

To close the gap, the City has taken various actions over the years including: extended funding period to reduce costs (1996, 1997, and 2004); established a Pension Liability Fund to create a pension reserve (2001); issued pension obligation bonds to save interest costs (2004); made annual budget transfers to build up pension reserves (2005 through present), and formed a Blue Ribbon Committee to assist the City in addressing the pension-funding shortfall.

In 2007, the City Council adopted several of the Committee's recommendations including: rounding of utility bills, business annual fire safety inspection, public safety impact fee adjustment, inter-fund cost allocation update, and setting-aside 30% of future sales tax from major commercial developments. With the implementation of these recommendations, the City's pension funding has improved substantially. Updated projections show that the City has narrowed the shortfall to approximately \$800,000 and would have sufficient funds to meet its pension costs until 2014. The City Council has directed staff to continue implementing the remainder of the Committee's recommendations to permanently close the pension gap.

Water Treatment Funding The City's water system serves 95% of the area in Monterey Park with 13,000 accounts. The water system has 12 wells, 13 reservoirs, five treatment plants, 11 pumping stations, and 134 miles of water mains. The City's water quality exceeds the current Federal and State standards and maintaining this high water quality is a priority of the water operation. The City's water rates are adequate to fund the City's water operations and capital upgrades.

Due to the change in water quality standards, since 1999 the City has constructed five treatment plants with a total cost of \$10 million. Majority of the capital costs have been funded with grants. Additionally, the City has established a water treatment surcharge to pay for the ongoing treatment operation. The City is also continuing its efforts in seeking grants and legal actions to recover funds from the polluters.

Based on the 2007 annual water treatment surcharge report, barring from further changes to the water quality standards or new contaminations, the current water surcharge should provide sufficient revenue to support the water treatment operations, thus freeing up the water operation funds for capital improvements, primarily water main replacement.

National Pollutant Discharge Elimination System (NPDES) The Federal Clean Water Act mandates governmental agencies to establish a program to eliminate pollutants from entering rivers and oceans. Monterey Park started its program in 1996, which includes survey of businesses for possible sources of pollutants, inventory of storm drains, and public education.

Like other Los Angeles County cities, Monterey Park is required to establish programs to meet the conditions and requirements of the permit. These programs include inspections of restaurants and commercial establishments for discharges, field testing of the storm drain system to identify connections, the development and implementation of storm water management plans for new construction and development projects within the City, and the installation of physical controls on catch basins to allow for compliance with total maximum daily limits for specific pollutants.

The City is also working with a coalition of 43 local cities to change the NPDES regulations to allow for a more cost-effective manner for storm drain water cleanup. Should cities fail to secure the change in regulations, this single item could very well become a multi-million dollar program that will burden both residents and businesses in the near future.

Through the collective efforts of the coalition, there is a strong likelihood that certain NPDES costs will be eligible for reimbursement from the State under the SB90 mandated cost program. However, it will take several years before the State begins to make the reimbursement.

Meanwhile, the City has identified the areas around its transit stops as high litter areas and has made these locations a top priority to install specialized catch basin devices to prevent trash from entering the storm drains and polluting receiving rivers, oceans, and beaches.

Assessment District In 1993 the City created a citywide assessment district to finance the maintenance of lighting and landscaping of public streets. The assessment is \$40.97 for a single family parcel. State law requires the City to annually renew the district to continue collecting the assessments. Since 1993, the City has renewed the assessment district each year. The City's balanced budget is predicated on the continued renewal of the assessment district in future years.

Infrastructure Improvements and Funding Continue expansion as well as update of the City's capital assets is the key to ensure long-term service delivery and quality of life for our community. In recent years, the City has been successful in securing grants and raising revenues for capital improvements. For example, the City has established a sewer maintenance program to implement the Sewer Maintenance Master Plan; applied and received a low interest loan from the State Infrastructure and Economic Development Bank to replace aged and under-sized water main, obtained grants for constructing the water treatment facilities, and secured a state grant for the expansion of the City library.

However, there is a need for the City to upgrade its infrastructure for public safety, parks, recreation facilities, traffic system, and water capital. The City's Five-year Capital Improvement Program has identified a total of \$47 million in improvements to the City assets for the next five years. Development of funding and financing options for these capital projects will continue to be a priority in the City's financial planning.

Other Post Employment Benefits (OPEB) The City provides retiree healthcare benefits for employees who retire from the City. Eligible retirees and dependents may elect lifetime coverage through the City's healthcare plans. The City makes contributions towards the retiree's premium up to specified caps that vary depending on bargaining unit and whether the participant has more or less than 20 years of service. Retirees pay the portion of premium not paid by the City. In addition to the direct City paid contribution, retirees also receive pre-65 benefits that are subsidized as they are eligible to receive coverage based on blended (active and retiree) premium rates instead of normally higher retiree rates. The City will be implementing GASB 45 starting 2008-09. Currently the City is funding its OPEB costs on a pay-as-you-go basis and will be exploring the option of pre-funding.

Risk Management

Monterey Park is self-insured for general liability and workers' compensation. The City has acquired excess coverage for both from the Independent Cities Risk Management Authority. To finance risk management, the City maintains internal service funds for general liability and workers' compensation insurances. The claims payable includes incurred-but-not-reported claims. The Human Resources Department, along with the City Safety Committee, actively administers various risk management programs including employee accident prevention training, claims review, and monthly safety meetings to reduce the City's exposure to loss.

Gann Spending Limitation

Article XIII B of the California Constitution (Gann Initiative), which was adopted in 1979 and amended in 1990 by Proposition 111, establishes a limit on government spending. The limit is calculated based on a government's 1978-79 appropriations adjusted each year by the change in California per capita income or the change in nonresidential assessed valuation combined with the change in city or county population. The City's 2007-08 appropriations limit was \$63.1 million and the City's actual appropriation subject to the limit was \$29.7 million.

Debt Administration

The primary objective of the City's debt administration is to maintain its accessibility to capital market at the lowest possible cost; i.e. interest cost, without endangering its ability to finance essential services. The City has been successful in obtaining financing for pension funding (Pension Obligation Bonds), redevelopment (tax allocation bonds), and various infrastructure improvements, including library expansion, water main replacement, and water treatment plants. Please refer to Note No. 8 of the Notes to Financial Statements for the City's outstanding debt.

Cash Management

The City monitors its cash balance daily and invests temporarily idle funds in accordance with the Government Code and the City's Investment Policy. The City's investment and cash management is through pooling of various City funds to maximize interest income. Investment earnings are distributed based on average cash balance. In accordance with the City's Investment Policy, the City Treasurer oversees the City's investment activities. Investment Committee, which consists of the City Treasurer, City Manager, Director of Management Services, and the Financial Services Manager, plans and develops investment strategies. The Management Services Department staff carries out the daily investment operations.

Each year the City Treasurer submits the City's investment policy to City Council for review. The City periodically submits its Investment Policy to the Municipal Treasurers Association of United States and Canada for certification to ensure the Policy meets the criteria established by the Association's Investment Policy Certification Program.

During 2007-08, the City invested funds in the State of California Local Agency Investment Fund and certificates of deposit. Interest earnings were approximately \$1.4 million for the City and \$1.3 million for the Community Redevelopment Agency. The average yield was 4.4%. At June 30, 2008, the City and the Community Redevelopment Agency investment balances were \$49 million and \$31 million, respectively (please refer to Note No. 2 of the Notes to the Financial Statements).

Awards

The Government Finance Officers Association of the United States and Canada awards a Certificate of Achievement for Excellence in Financial Reporting. The City of Monterey Park has been awarded the Certificate of Achievement by GFOA for its Comprehensive Annual Financial Report for the

fiscal year ended June 30, 2007. This was the 17th consecutive year the City received this award. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for the preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement and the Certificate of Award are valid for a period of one year only. We believe this annual report continues to conform to the Certificate of Achievement program requirements and we will submit the report for award consideration. In addition, the City's 2007-08 Budget has received awards for excellence in budgeting from both the Government Finance Officers Association of the United States and Canada GFOA and California Society of Municipal Finance Officers Association.

Acknowledgments

The preparation of this report would not have been accomplished without the efficient and dedicated services of the staff of the Department of Management Services. Special thanks to Emily Lin, Accounting Manager. We would like to express our sincere appreciation to everyone who assisted and contributed to the preparation of this report. We would also like to acknowledge the City Council for their support and interest in the City's financial matters.

Respectfully submitted,


June Yotsuya
City Manger


David Dong
Director of Management Services

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Monterey Park
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Charles S. Cox

President

Jeffrey R. Emer

Executive Director



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Monterey Park
California**

For the Fiscal Year Beginning

July 1, 2007

Oliver S. Cox

President

Jeffrey R. Egan

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **City of Monterey Park, CA** for its annual budget for the fiscal year beginning **July 1, 2007**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

*California Society of
Municipal Finance Officers*

**Certificate of Award
For
Excellence in Operating Budgeting**

Fiscal Year 2007-2008

The California Society of Municipal Finance Officers (CSMFO) proudly presents this certificate to

City of Monterey Park

For meeting the criteria established to achieve the Excellence Award in the OPERATING BUDGET CATEGORY.

March 6, 2008



Bradley Robert

**Brad Grant
CSMFO President**

Cindy Guziak

**Cindy Guziak, Chair
Budgeting & Financial Reporting**

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The Honorable City Council of
the City of Monterey Park, California

Independent Auditor's Report

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 Monterey Park, 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 Monterey Park'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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 opinions.

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 Monterey Park, California, as of June 30, 2008, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1q, to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 50, *Pension Disclosures – an amendment of GASB Statements No. 25 and 27*.

In accordance with Government Auditing Standards, we have also issued our report dated November 10, 2008 on our consideration of the City of Monterey Park's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on

the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis and other required supplementary information identified in the accompanying table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying introductory section, the major fund budgetary comparison schedules and the combining and individual nonmajor fund financial statements and schedules listed as supplementary information in the table of contents, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The major fund budgetary comparison schedules and the combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Macias Jini & O'Connell LLP

Certified Public Accountants
Newport Beach, California

November 10, 2008

MANAGEMENT DISCUSSION AND ANALYSIS

Introduction

The Management Discussion and Analysis provides a narrative introduction, analysis, and overview that will assist in understanding of the City's financial statements. This analysis should be read in conjunction with the City's financial statements as June 30, 2008, the transmittal letter, and notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide information of the City's financial activities in a manner similar to a private-sector company. Government-wide financial statements consist of the statement of net assets and the statement of activities, which are prepared using the economic resources measurement focus and the accrual basis of accounting. These statements provide both short-term and long-term information about the City's financial position, which is helpful in assessing the City's economic condition at the end of the fiscal year.

The statement of net assets presents all of the City's financial resources along with its capital assets and long-term obligations. The difference between the assets and the liabilities is reported as the net assets.

The statement of activities reports the gross and net costs of various activities carried out by the City and how the City's net assets changed during the fiscal year. This statement summarizes the cost of providing services by the City and includes all current year revenues and expenditures.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (i.e. governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (i.e. business-type activities). The governmental activities of the City include general government, public safety, community development, culture and recreation, highways and streets, health, and debt service. The business-type activities reflect the City's water utility operations.

The government-wide financial statements include not only the City but also those legally separate entities for which the City is financially accountable. These entities include the Monterey Park Community Redevelopment Agency, the Monterey Park Housing Authority, and the Monterey Park Public Financing Authority. Financial information for these component units is reported as an integral part of the City. (Please refer to Note Number 1 A of the Notes to Financial Statements).

Fund Financial Statements

A fund is a grouping of related accounts used to control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources,

as well as on balances of expendable resources available at the end of the fiscal year. Governmental funds are accounted for using the modified accrual basis of accounting, which provides a detailed view of the City's current financial resources and the City's ability to meet its current expenditure needs. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and government-wide activities.

The City maintains 21 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for General Fund, Grants Special Revenue Fund, Debt Service Fund, and Capital Projects Fund, which are reported as major funds. Information for the other 17 governmental funds is combined into a single column under Non-major Special Revenue Governmental Funds. Data for the non-major governmental funds is provided in the combining statements in this report.

The City adopts an annual appropriated budget for its governmental funds. Budgeted expenditures are controlled at the fund level. Budgetary comparison statements have been provided to demonstrate compliance with this budget. (Please refer to Note Number E of the Notes to Financial Statements)

Proprietary Funds

Proprietary funds use the accrual basis of accounting, which is the same method used by private businesses. Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail.

The City maintains two different types of proprietary funds: enterprise fund and internal service fund. The enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account the operations for its water system. Internal service funds are used to accumulate and allocate costs internally among the City's various functions, which include vehicle operation, workers compensation insurance, general liability insurance, separation benefits, and technology development. Because the internal service operations benefit both governmental and business-type functions, they have been proportionally allocated and included within the governmental and business-like activities in the government-wide financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in this report.

Fiduciary Funds

Fiduciary funds are used to account for activities when the City acts as a trust or fiduciary to hold resources for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's programs.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

The required supplementary information further explains and supports the information in the financial statements. This section includes the schedules of the City's funding to employee pension program and the budgetary comparison for the General Fund and Grants Special Revenue Fund

Other Supplementary Information

Other supplementary information includes combining and individual budgetary comparison for Governmental Funds, combining statements for Agency Funds and Internal Service Funds, and disclosure of the water operation activities and the water treatment activities of the Water Enterprise Fund.

Financial Highlights

- The City ended the 2007-08 fiscal year with strong financial performance. All city funds were in sound financial position, except for the Retirement Fund,
- At the 2007-08 year end, the City made a transfer of \$1.1 million to strengthen its pension reserved in anticipation of a future pension funding gap. Additionally, the City set aside \$1.8 million of onetime revenue received for future capital improvement.
- Total 2007-08 net assets increased by \$10.9 million (\$8.8 million for governmental activities and \$2.1 million for business-type activities) from 2006-07 as a result of revenues exceed expenditures offset by increase in certain long-term liabilities.
- As of June 30, 2008, the City's assets exceeded liabilities by \$88 million, of which \$61 million was related to investment in capital assets.
- At 2007-08 year-end, the General Fund unreserved and undesignated fund balance was \$6.7 million, up \$526,000 from last year. This reserve level exceeds the requirement, which is to maintain a reserve level no less than 10% of the revenue, of the City's Management and Budget Policies.
- As of June 30, 2008, the City maintained a unreserved General Fund balance of \$11.5 million designated for capital improvements, catastrophic events, and working capital.

Government-wide Financial Analysis

Net assets serve as an indicator of a government's financial position over time. As of June 30, 2008, the City's combined net assets (governmental and business-type activities) totaled \$88 million, up \$11 million over last year.

Net assets consist of three categories: invested in capital assets, restricted, and unrestricted. The largest portion of the City's net assets, approximately \$61.4 million, is the City's investment in capital assets including land, buildings, equipment, and infrastructure net of accumulated depreciation and related debt for acquiring these capital assets. Since the capital assets are used to provide services to citizens; therefore, they are not available to fund the City's day-to-day activities.

The City's restricted net assets totaled \$50.4 million at June 30, 2008. These are assets subject to external restrictions, constitutional provisions, or enabling legislation that limit how these assets may be used. The restricted assets include primarily community redevelopment funds and special revenue funds.

Unrestricted net assets are assets available for use by the City for any legal purpose. As of June 30, 2008, the City's total unrestricted net assets were a negative balance of \$24.0 million. The negative amount is a result of governments recognizing a liability, such as claims and judgments, compensated absences, bonds,

lease obligations, and loans, on the government-wide statement of net assets as soon as the obligation is incurred. As governments raise resources based on when liabilities are to be paid rather than when they are incurred, a negative balance in the unrestricted assets occurs. A deficit in unrestricted net assets provides a measure of how much the governments have already committed its future financial resources.

Net Assets
Fiscal Years Ended June 30, 2008 and June 30, 2007
(In Thousands)

	Government Activities		Business-type Activities		Total	
	6/30/08	6/30/07	6/30/08	6/30/07	6/30/08	6/30/07
Assets:						
Current	\$ 82,909	\$ 74,726	\$ 6,930	\$ 4,355	\$ 89,839	\$ 79,081
Noncurrent:						
Capital assets	47,207	46,998	24,495	24,759	71,702	71,757
Other assets	36,390	33,297	-	-	36,390	32,297
Total assets	<u>\$ 166,506</u>	<u>\$ 155,021</u>	<u>\$ 31,425</u>	<u>\$ 29,114</u>	<u>\$ 197,931</u>	<u>\$ 183,135</u>
Liabilities:						
Current	\$ 15,033	\$ 13,949	\$ 1,067	\$ 1,636	\$ 16,100	\$ 15,585
Long-term	88,668	87,114	5,331	4,571	93,999	91,685
Total liabilities	<u>\$ 103,701</u>	<u>\$ 101,063</u>	<u>\$ 6,398</u>	<u>\$ 6,207</u>	<u>\$ 110,099</u>	<u>\$ 107,270</u>
Net assets:						
Invested in capital, net of related debt	\$ 42,189	\$ 41,244	\$ 19,228	\$ 20,202	\$ 61,417	\$ 61,446
Restricted	50,363	41,256	-	-	50,363	41,256
Unrestricted	<u>(29,747)</u>	<u>(28,542)</u>	<u>5,799</u>	<u>2,704</u>	<u>(23,948)</u>	<u>(25,838)</u>
Total net assets	<u>\$ 62,805</u>	<u>\$ 53,958</u>	<u>\$ 25,027</u>	<u>\$ 22,906</u>	<u>\$ 87,832</u>	<u>\$ 76,864</u>

Changes in Net Assets
Fiscal Years Ended June 30, 2008 and June 30, 2007
(In Thousands)

	Government		Business-type		Total	
	Activities		Activities			
	<u>6/30/08</u>	<u>6/30/07</u>	<u>6/30/08</u>	<u>6/30/07</u>	<u>6/30/08</u>	<u>6/30/07</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 18,127	\$ 14,812	\$ 10,969	\$ 10,729	\$ 29,096	\$ 25,541
Operation grants and contributions	4,472	6,794	-	-	4,472	6,794
Capital grants and contributions	1,620	2,056	-	288	1,620	2,344
General Revenues:						
Taxes	39,351	36,902	-	-	39,351	36,902
Other	3,872	4,248	963	594	4,835	4,842
Total revenues	<u>67,442</u>	<u>64,812</u>	<u>11,932</u>	<u>11,611</u>	<u>79,374</u>	<u>76,423</u>
Expenses:						
General government	4,338	5,741	-	-	4,338	5,741
Public safety	25,260	23,991	-	-	25,260	23,991
Comm. Development	8,389	9,550	-	-	8,389	9,550
Culture and recreation	6,915	5,776	-	-	6,915	5,776
Highway/streets	5,184	6,551	-	-	5,184	6,551
Health	5,730	5,575	-	-	5,730	5,575
Debt services	3,041	3,211	-	-	3,041	3,211
Water	-	-	9,549	10,255	9,549	10,255
Total expenses	<u>58,857</u>	<u>60,395</u>	<u>9,549</u>	<u>10,255</u>	<u>68,406</u>	<u>70,650</u>
Increase in net assets						
Before transfers	8,585	4,417	2,383	1,356	10,968	5,773
Transfer in (out)	262	250	(262)	(250)	-	-
Increase in net assets	<u>8,847</u>	<u>4,667</u>	<u>2,121</u>	<u>1,106</u>	<u>10,968</u>	<u>5,773</u>
Net assets, July 1, as restated	<u>53,958</u>	<u>49,291</u>	<u>22,906</u>	<u>21,800</u>	<u>76,864</u>	<u>71,091</u>
Net assets, June 30	<u>\$ 62,805</u>	<u>\$ 53,958</u>	<u>\$ 25,027</u>	<u>\$ 22,906</u>	<u>\$ 87,832</u>	<u>\$ 76,864</u>

Governmental Activities Financial Analysis

Overall governmental activities increased the City's net assets by \$8.8 million, due primarily to the increased property values from prior year's strong real estate market and building activities.

Governmental Funds

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows and outflows during the fiscal year and balances of spendable resources at the end of the fiscal year. Such information is useful in assessing the City's financing requirements to meet the current needs. Unreserved fund balance may serve as a useful measure of the City's net resources available for appropriation.

As of June 30, 2008, the City's governmental funds reported a combined ending fund balance of \$80.8 million, an increase of \$9.8 million from the prior year. Of the total fund balance, \$36.3 million has been reserved for various commitments and therefore is not available for new spending or appropriation. The remaining \$47.6 million is the unreserved fund balance.

Of the unreserved balance, \$40.4 million has been designated for specific purposes per laws and City policies, redevelopment activities, debt service, unemployment claims, disasters, and capital improvement. The remaining \$4.1 million includes \$6.7 million of the General Fund unreserved and undesignated fund balance, which can be for any legal purpose authorized by the City Council and \$2.3 million negative fund balances for the Grants Funds (the deficit balance of the Grants Fund is due primarily to the City's revenue recognition policies under modified accrual accounting. The deficit will be eliminated as the City receives reimbursements from the granting agencies).

There are four major fund types in the governmental funds; they are General Fund, Grants Fund, Debt Service Fund, and Non-major Special Revenue Funds.

The General Fund is the main operating fund of the City, which finances the majority of the police, fire, recreation, parks maintenance, public works, library, community development, and general administrative services. General Fund revenues for 2007-08 totaled \$34.4 million, an increase of \$2.1 million over 2006-07. The increase was primarily in property taxes and construction permits. General Fund expenditures for 2007-08 totaled \$30.8 million, up \$762,000 from 2006-07.

As of June 30, 2008, the total fund balance of the General Fund was \$18.4 million. The unreserved undesignated portion of the fund balance was \$6.7 million.

Grants Fund reports the activities of various grants that the City received from the Federal, State, and County agencies. Major grants for 2007-08 include Community Development Block Grant, COPS Grant, State Office of Traffic Safety Grants, FEMA Hazard Mitigation Grant, Terrorism Preparedness Grant, and the Federal Transportation Grant. Unspent grant funds are accumulated for expenditures in the future fiscal years. Total grants received for governmental activities in 2007-08 were \$4.2 million, down \$2.1 million from last year. The decrease was primarily in completion of State Library Grants and Police Grants. Total 2007-08 grant funded expenditures were \$3.0 million, a decrease of \$3.1 million when compared to 2006-07. The decrease in expenditures corresponds with the decrease in grant revenues. Total fund balance of the Grants Fund as of June 30, 2008 was \$1.3 million.

Debt Service Fund reflects the tax allocation bonds issued by the Monterey Park Community Redevelopment Agency. Total debt service revenues, primarily incremental property tax revenues, for 2007-08 were \$8 million, up \$1.2 million from the prior fiscal year. The increase in revenue is a result of increased property values from previously strong real estate market. The expenditures for 2007-08 were \$6.1 million, up \$414,000 from 2006-07. The increase in expenditure was a result of higher pass-through payments to various taxing entities in the redevelopment project area. Revenues in excess of debt service expenditures were transferred to the Capital Project Fund for redevelopment activities. The fund balance in the Debt Service Fund of \$3.1 million, which is the money held by the fiscal agents. (Please refer to the Note Number 2 of the Notes to Financial Statements)

Capital Projects Fund accounts for the commercial and residential development activities of the Monterey Park Community Redevelopment Agency. Total revenues for 2007-08 were \$3.2 million, up \$300,000. The increase was due mainly from the tax increment, resulting from the increased of property values. Total expenditures for 2007-08 were \$3.1 million, up \$565,000 from 2006-07. Total fund balance of the Capital Project Fund as of June 30, 2008 was \$43.7 million. The fund balance is earmarked for redevelopment activities.

Non-major Special Revenue Funds account for various activities including street improvement, transportation, pension, library expansion and services, sewer, refuse, and public safety. Total revenues for 2007-08 were \$17.9 million, up \$1.7 million from 2006-07. Total expenditures for 2007-08 were \$17.6 million, a decrease of \$1.6 million over 2006-07. As of June 30, 2008, the fund balance of the Non-major Special Revenue Funds totaled \$14.3 million.

Business-type Activities Financial Analysis

The business-type activities reflect the City’s water system, which includes water operation and water treatment. Total 2007-08 water revenues were \$11.5 million, an increase of \$158,000 from 2006-07. Total 2007-08 expenses were \$9.6 million, down \$300,000 from 2006-07. Overall, the net assets for the Water Fund increased by \$2.0 million. (Please refer to the Supplementary Information for the water operation and water treatment activities)

General Fund Budgetary Highlights

The originally adopted General Fund budget for this fiscal year was \$30.4 million. There were minor amendments during the year including a \$8,550 increase for budgeted revenues due to the implement of shopping cart plan program and a net \$597,982 increase in budgeted expenditure due to labor MOU adjustment, winter storm geotech review, City Hall elevator upgrade and Fire Station #2 design study.

Capital Asset Administration

The City’s capital assets, net of accumulated depreciation, for its governmental and business type activities as of June 30, 2008, totaled \$71.7 million, down \$55,000 over the prior year. The capital assets include land, buildings, improvements, machinery and equipment, parks, roads, traffic lights, and traffic signals. (Readers desiring more detailed information on capital asset activity should refer to Note 6 of the Notes to Financial Statements)

**Capital Assets Net of Depreciation
Fiscal Years Ended June 30, 2008 and June 30, 2007
(In Thousands)**

	Government Activities		Business-type Activities		Total	
	6/30/08	6/30/07	6/30/08	6/30/07	6/30/08	6/30/07
Land	\$ 6,182	\$ 5,366	\$ 500	\$ 500	\$ 6,682	\$ 5,866
Buildings	20,542	21,103	209	215	20,751	21,318
Improvements	6,910	6,832	21,394	22,102	28,304	28,934
Construction in progress	344	1,473	1,967	1,490	2,311	2,963
Equipment	5,470	4,952	425	452	5,895	5,404
Infrastructure	7,759	7,272	-	-	7,759	7,272
Total	\$ 47,207	\$ 46,998	\$ 24,495	\$ 24,759	\$ 71,702	\$ 71,757

Major capital asset additions during the fiscal year include the following:

- Completed replacement of Police Department Computer Aided Dispatch, Records Management System and jail video system
- Continued water wells, water mains, and pumping station improvements according to the adopted water master plan
- Completed purchase of land located at 321 E Pomona Blvd.
- Resurfacing City various deteriorated Street
- Replaced Fire Department Breathing Air System and Life Support Units.
- Replaced various major equipment and vehicles

Debt Administration

As of June 30, 2008, the City's debt totaled \$97.8 million, an increase of \$1.3 million during the fiscal year. (Please refer to the Note Number 8 of the Notes to the Financial Statements)

Outstanding Debt
Fiscal Years Ended June 30, 2008 and June 30, 2007
(In Thousands)

	Government Activities		Business-type Activities		Total	
	6/30/08	6/30/07	6/30/08	6/30/07	6/30/08	6/30/07
Capital leases	\$ 1,856	\$ 2,337	\$ 5,267	\$ 4,557	\$ 7,123	\$ 6,894
Tax allocation bonds	30,225	31,240	-	-	30,225	31,240
Pension obligation bonds	17,405	17,405	-	-	17,405	17,405
Compensated absences	5,479	5,628	288	310	5,767	5,938
Tax increment						
deferred loans	23,915	20,920	-	-	23,915	20,920
Section 108 Loan	5,518	5,739	-	-	5,518	5,739
Library special tax						
revenue note	3,162	3,417	-	-	3,162	3,417
Claims and judgements	4,708	4,939	-	-	4,708	4,939
Total	\$ 92,268	\$ 91,625	\$ 5,555	\$ 4,867	\$ 97,823	\$ 96,492

State statutes limit the amount of general obligation debt a governmental entity may issue to 15% of its total assessed valuation. The current debt limitation for the City is \$750 million.

Economic Factors and Next Year's Budgets and Rates

- The City's assessed valuation is approximately \$5 billion, an increase of \$357.8 million or 7.7% from the year before.
- The adopted 2008-09 State Budget requires approximately \$530,000 redevelopment agency tax increment revenue from Monterey Park to help balance the State budget deficit. While this transfer would not have immediate impact to the City, it is problematic for the City to finance its future economic development projects.
- The Monterey Park City Council has adopted a balanced budget for 2008-09. The budget includes funding for the continuation of all existing city services and various capital improvements.
- In 2006, the City formed a Community Blue Ribbon Committee to develop solutions to close the pension gap. The City Council has incorporated several of the Committee's recommendations. Updated projections show that the City's pension funding has improved substantially but would still have an \$800,000 shortfall by 2014. The City will be working on the solutions to mitigate the shortfall.
- The Atlantic Time Square, which is a mixed-use commercial and residential development, is under construction. This project is scheduled for completion by 2009 and will generate substantial tax revenues and job opportunities.
- The City will be adjusting its service fees including water, refuse, and sewer to cover the increase in costs.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all interested persons and organizations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Management Services Department, City of Monterey Park, 320 West Newmark Avenue, Monterey Park, CA 91754.

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CITY OF MONTEREY PARK
Statement of Net Assets
June 30, 2008

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Cash and investments	\$ 73,898,697	\$ 5,485,598	\$ 79,384,295
Cash and investments held by fiscal agents	2,554,107	-	2,554,107
Accounts receivable	6,455,727	1,614,435	8,070,162
Internal balance	169,280	(169,280)	-
Notes receivable	8,227,139	-	8,227,139
Inventory	14,796	-	14,796
Deferred charges	1,105,209	-	1,105,209
Net pension asset	18,350,857	-	18,350,857
Land held for resale	8,523,237	-	8,523,237
Capital assets (net of accumulated depreciation):			
Land	6,182,052	499,975	6,682,027
Buildings	20,542,130	208,613	20,750,743
Improvements	6,909,348	21,394,169	28,303,517
Equipment	5,470,644	424,659	5,895,303
Infrastructure	7,758,513	-	7,758,513
Construction in progress	344,158	1,967,280	2,311,438
Total assets	<u>166,505,894</u>	<u>31,425,449</u>	<u>197,931,343</u>
Liabilities:			
Accounts payable	2,777,072	461,199	3,238,271
Accrued payroll	1,337,026	20,186	1,357,212
Interest payable	688,816	-	688,816
Current claims and judgments payable	1,883,096	-	1,883,096
Current capital lease obligations	328,037	194,086	522,123
Current bonds payable	1,075,000	-	1,075,000
Current loan payable	500,232	-	500,232
Current compensated absences payable	547,882	28,806	576,688
Deposits and advances	885,457	362,577	1,248,034
Due to other governmental agencies	1,285,893	-	1,285,893
Unearned revenue	3,724,091	-	3,724,091
Net pension obligation	734,100	-	734,100
Long-term claims and judgments payable	2,824,645	-	2,824,645
Long-term capital lease obligations	1,528,491	5,072,528	6,601,019
Bonds payable	46,555,000	-	46,555,000
Long-term compensated absences payable	4,930,939	259,252	5,190,191
Tax increment deferred loans	23,915,087	-	23,915,087
Other loans and notes payable	8,179,571	-	8,179,571
Total liabilities	<u>103,700,435</u>	<u>6,398,634</u>	<u>110,099,069</u>
Net assets:			
Invested in capital assets, net of related debt	42,188,514	19,228,082	61,416,596
Restricted:			
Special community services	4,013,898	-	4,013,898
Public safety	48,222	-	48,222
Capital projects	43,658,420	-	43,658,420
Debt service	2,642,478	-	2,642,478
Unrestricted	(29,746,073)	5,798,733	(23,947,340)
Total net assets	<u>\$ 62,805,459</u>	<u>\$ 25,026,815</u>	<u>\$ 87,832,274</u>

See Accompanying Notes to Financial Statements.

CITY OF MONTEREY PARK
Statement of Activities
Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 4,338,308	\$ 765,334	\$ -	\$ -
Public safety	25,259,657	4,961,930	514,165	120,679
Community development	8,388,572	3,960,929	1,410,833	-
Culture and recreation	6,914,716	801,478	404,187	-
Highway and streets	5,184,431	1,569,903	2,126,175	1,499,352
Health	5,729,874	6,066,956	17,112	-
Interest and fiscal charges	3,040,769	-	-	-
Total governmental activities	<u>58,856,327</u>	<u>18,126,530</u>	<u>4,472,472</u>	<u>1,620,031</u>
Business-type activities:				
Water	<u>9,549,450</u>	<u>10,523,615</u>	<u>-</u>	<u>444,903</u>
Total primary government	<u><u>\$ 68,405,777</u></u>	<u><u>\$ 28,650,145</u></u>	<u><u>\$ 4,472,472</u></u>	<u><u>\$ 2,064,934</u></u>

General Revenues:

Taxes

 Property taxes

 Sales taxes

 Vehicle in-lieu taxes (Unrestricted, intergovernmental)

 Utility users taxes

 Utility franchise taxes

 Business License Taxes

 Transient Occupancy Taxes

 Other Taxes

Revenues from use of money and property

Other

Transfers

 Total general revenues and transfers

 Changes in net assets

Net assets, beginning of year, as restated

Net assets, ending of year

See Accompanying Notes to Financial Statements

Net(Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (3,572,974)	\$ -	\$ (3,572,974)
(19,662,883)	-	(19,662,883)
(3,016,810)	-	(3,016,810)
(5,709,051)	-	(5,709,051)
10,999	-	10,999
354,194	-	354,194
(3,040,769)	-	(3,040,769)
<u>(34,637,294)</u>	<u>-</u>	<u>(34,637,294)</u>
-	1,419,068	1,419,068
<u>(34,637,294)</u>	<u>1,419,068</u>	<u>(33,218,226)</u>
-	-	-
25,506,057	-	25,506,057
5,407,689	-	5,407,689
275,591	-	275,591
3,417,647	-	3,417,647
1,043,237	-	1,043,237
1,028,436	-	1,028,436
908,694	-	908,694
1,763,576	-	1,763,576
3,540,097	-	3,540,097
332,056	963,303	1,295,359
262,000	(262,000)	-
<u>43,485,080</u>	<u>701,303</u>	<u>44,186,383</u>
8,847,786	2,120,371	10,968,157
<u>53,957,673</u>	<u>22,906,444</u>	<u>76,864,117</u>
<u>\$ 62,805,459</u>	<u>\$ 25,026,815</u>	<u>\$ 87,832,274</u>

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FUND FINANCIAL STATEMENTS

CITY OF MONTEREY PARK
Balance Sheet - Governmental Funds
June 30, 2008
(with comparative total June 30, 2007)

	Major Funds			
	General	Special Revenue Grants	Debt Service	Capital Projects
Assets:				
Cash and investments	\$ 16,581,521	\$ 2,661,570	\$ -	\$ 31,113,628
Cash and investments held by fiscal agents	-	-	2,534,349	-
Accounts receivable	2,336,935	1,526,240	668,024	355,477
Due from other funds	2,459,740	-	-	-
Notes receivable	231,714	3,132,555	-	7,075,953
Land held for resale	-	-	-	8,523,237
Advances to other funds	2,076,039	-	-	-
Total assets	<u>\$ 23,685,949</u>	<u>\$ 7,320,365</u>	<u>\$ 3,202,373</u>	<u>\$ 47,068,295</u>
Liabilities and fund balance:				
Liabilities:				
Accounts payable	\$ 1,080,287	\$ 412,856	\$ 88,512	\$ 290,253
Accrued payroll	1,273,645	2,775	-	5,603
Deposits and advances	884,704	753	-	-
Due to other funds	-	1,356,617	-	-
Due to other governmental agencies	-	1,285,893	-	-
Deferred revenue	1,997,531	2,926,389	-	888,441
Advances from other funds	-	-	-	2,225,578
Total liabilities	<u>5,236,167</u>	<u>5,985,283</u>	<u>88,512</u>	<u>3,409,875</u>
Fund balance:				
Reserved				
Encumbrances	206,963	3,663,482	-	696,319
Land held for resale	-	-	-	8,523,237
Long term receivable	-	-	-	6,076,634
Contractual obligation	-	-	-	5,577,800
Housing set-aside commitment	-	-	-	7,284,998
Debt service	-	-	3,113,861	-
Unreserved, designated reported in:				
General fund	11,545,000	-	-	-
Capital projects fund	-	-	-	15,499,432
Special revenue funds	-	-	-	-
Unreserved, undesignated reported in:				
General fund	6,697,819	-	-	-
Special revenue funds	-	(2,328,400)	-	-
Total fund balance	<u>18,449,782</u>	<u>1,335,082</u>	<u>3,113,861</u>	<u>43,658,420</u>
Total liabilities and fund balance	<u>\$ 23,685,949</u>	<u>\$ 7,320,365</u>	<u>\$ 3,202,373</u>	<u>\$ 47,068,295</u>

See Accompanying Notes to Financial Statements.

Nonmajor Special Revenue Funds	Total Governmental Funds	
	2008	2007
\$ 15,688,008	\$ 66,044,727	\$ 58,274,769
19,758	2,554,107	2,570,821
1,441,876	6,328,552	5,889,480
	2,459,740	2,216,007
-	10,440,222	7,955,311
-	8,523,237	8,523,237
1,204,539	3,280,578	3,529,422
<u>\$ 18,354,181</u>	<u>\$ 99,631,163</u>	<u>\$ 88,959,047</u>
\$ 688,258	\$ 2,560,166	\$ 2,548,794
50,957	1,332,980	1,104,093
-	885,457	713,119
1,103,123	2,459,740	2,216,007
-	1,285,893	1,266,679
1,204,539	7,016,900	6,571,401
1,055,000	3,280,578	3,529,422
<u>4,101,877</u>	<u>18,821,714</u>	<u>17,949,515</u>
1,205,373	5,772,137	5,043,046
-	8,523,237	8,523,237
-	6,076,634	3,961,935
-	5,577,800	4,375,578
-	7,284,998	5,908,226
	3,113,861	2,636,964
-	11,545,000	9,745,000
-	15,499,432	16,274,811
13,350,337	13,350,337	11,964,044
-	6,697,819	6,171,922
(303,406)	(2,631,806)	(3,595,231)
<u>14,252,304</u>	<u>80,809,449</u>	<u>71,009,532</u>
<u>\$ 18,354,181</u>	<u>\$ 99,631,163</u>	<u>\$ 88,959,047</u>

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CITY OF MONTEREY PARK
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2008

Total fund balance of governmental funds in fund statements	\$ 80,809,449
Internal service funds are used by management to charge the costs of separation benefits, workers' compensation, vehicle, technology and general liability to individual funds. The assets and liabilities of internal service funds are reported with governmental activities in the statement of net assets. Total net assets is \$5,072,710 plus the portion of the current year change in net assets allocated to Business-Type activities of \$169,280.	5,241,990
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. (Total gov't assets of \$47,206,845 less ISF of \$2,390,639 which has already been accounted in the reconciliation of ISF elimination).	44,816,206
Long term liabilities \$92,267,980 are not due and payable in the current period and therefore are not reported in the funds, net of \$4,965,743 included in reconciliation of internal service funds.	(87,302,237)
Interest on long term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(688,816)
Deferred Charges related to issuance of long term debt are recorded as expenditures in governmental fund statements.	1,105,209
Net pension asset is not available to pay for current period expenditures and therefore is not recorded in the governmental funds.	18,350,857
Net pension obligation is not due and payable in the current period and therefore is not reported in the governmental funds.	(734,100)
Revenue earned but unavailable is recorded as deferred revenue in governmental fund statements.	<u>1,206,901</u>
	<u><u>\$ 62,805,459</u></u>
Net assets of governmental activities	

See Accompanying Notes to Financial Statements.

CITY OF MONTEREY PARK
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
Year Ended June 30, 2008
(with comparative total for Year Ended June 30, 2007)

	Major Funds			
	General	Special Revenue Grants	Debt Service	Capital Projects
Revenues:				
Taxes	\$ 21,960,929	\$ -	\$ 7,796,621	\$ 1,949,158
Licenses and permits	2,929,898	-	-	-
Intergovernmental revenues	-	4,185,040	-	-
Charges for services	6,077,637	2,463	-	-
Revenues from use of money and property	1,904,731	27,415	166,358	1,213,269
Fines and forfeitures	1,246,497	-	-	-
Other	291,804	-	-	40,351
Total revenues	34,411,496	4,214,918	7,962,979	3,202,778
Expenditures:				
Current:				
General government	2,967,090	-	155,512	-
Public safety	20,173,990	390,124	-	-
Community development	1,686,859	609,132	3,455,843	-
Culture and recreation	4,661,470	373,573	-	-
Highways and streets	823,660	19,570	-	-
Health	-	-	-	-
Capital outlay	290,372	1,017,435	-	3,143,803
Debt service:				
Principal retirement	144,414	311,445	1,015,000	-
Interest and fiscal charges	5,963	318,978	1,436,775	-
Total expenditures	30,753,818	3,040,257	6,063,130	3,143,803
Excess (deficiency) of revenues over expenditures	3,657,678	1,174,661	1,899,849	58,975
Other financing sources (uses):				
Transfers in	300,720	-	-	4,418,560
Transfers out	(1,582,000)	(38,720)	(4,418,560)	-
(Loss) on sale of property	-	-	-	-
Proceeds from sale of property	-	-	-	-
Issuance of tax increment deferred loan	-	-	2,995,608	-
Issue of long term debt	-	-	-	-
Total other financing sources (uses)	(1,281,280)	(38,720)	(1,422,952)	4,418,560
Net change in fund balances	2,376,398	1,135,941	476,897	4,477,535
Fund balances, beginning of year	16,073,384	199,141	2,636,964	39,180,885
Fund balances, end of year	\$ 18,449,782	\$ 1,335,082	\$ 3,113,861	\$ 43,658,420

See Accompanying Notes to Financial Statements.

Nonmajor Special Revenue Funds	Total Governmental Funds	
	2008	2007
\$ 8,725,966	\$ 40,432,674	\$ 37,981,560
-	2,929,898	2,151,806
-	4,185,040	6,311,434
7,798,702	13,878,802	12,243,396
228,322	3,540,095	3,786,117
1,101,419	2,347,916	1,484,320
-	332,155	441,725
<u>17,854,409</u>	<u>67,646,580</u>	<u>64,400,358</u>
420,926	3,543,528	4,175,114
4,279,720	24,843,834	22,882,590
239,113	5,990,947	6,954,496
918,311	5,953,354	5,449,379
3,759,204	4,602,434	4,372,836
5,749,284	5,749,284	5,523,633
738,165	5,189,775	9,164,797
282,220	1,753,079	1,776,129
1,217,657	2,979,373	3,148,785
<u>17,604,600</u>	<u>60,605,608</u>	<u>63,447,759</u>
<u>249,809</u>	<u>7,040,972</u>	<u>952,599</u>
1,082,000	5,801,280	6,059,430
-	(6,039,280)	(6,009,430)
-	-	(510,178)
1,337	1,337	-
-	2,995,608	2,587,736
-	-	1,800,000
<u>1,083,337</u>	<u>2,758,945</u>	<u>3,927,558</u>
1,333,146	9,799,917	4,880,157
12,919,158	71,009,532	66,129,375
<u>\$ 14,252,304</u>	<u>\$ 80,809,449</u>	<u>\$ 71,009,532</u>

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CITY OF MONTEREY PARK
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2008

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

Net change in fund balance - total governmental funds	\$ 9,799,917
Internal service funds are used by management to charge the costs of separation benefits, workers' compensation, vehicle, technology and general liability to individual funds. The net revenue of certain activities of internal service fund \$71,873 is reported with governmental activities. Fund transfer to internal service funds \$500,000 is eliminated in the statement of activities.	571,873
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. This is the amount by which capital assets \$2,634,089 exceed depreciation \$2,350,216.	283,873
In the Fund Statements, debt issuances in the amount of \$2,995,608 were recorded as an Other Financing Sources. Also principal debt repayment of \$1,753,079 was recorded as an expenditure. However, these transactions are not recorded in the Statement of Activities. Instead, these transactions are recorded as long-term debt payable in the Statement of Net Assets.	(1,242,529)
Amortization of bond issuance costs, bond discounts, and reacquisition cost in excess of the carrying value of the refunded bonds is not recorded in governmental fund statements.	(75,968)
Change in net pension asset reported in the statements of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.	296,800
Net pension obligation is not due and payable in the current period and therefore is not reported in the governmental funds.	(734,100)
Changes in compensated absences of \$139,897 which are not recognized due to timing issues in the Governmental Funds are charged to expenses in the Statement of Activities.	139,897
Interest on long term liabilities are not due and payable in the current period and therefore are not reported in the funds.	14,572
Deferred revenue is recognized as revenue in governmental fund statements because the revenue was not available within 12 months of close of fiscal year. This amount represents the change in deferred revenue from the prior year.	(205,789)
Loss on deletion of capital assets are not reported in the fund's statement	(760)
Change in net assets of governmental activities	\$ 8,847,786

See Accompanying Notes to Financial Statements.

CITY OF MONTEREY PARK
Statement of Net Assets
Proprietary Funds
June 30, 2008
(with comparative total June 30, 2007)

	<u>Enterprise</u>	<u>Internal</u>	<u>Total Proprietary Funds</u>	
	<u>(Water Utility)</u>	<u>Service</u>	<u>2008</u>	<u>2007</u>
Assets:				
Current assets:				
Cash and investments	\$ 5,485,598	\$ 7,853,970	\$ 13,339,568	\$ 10,444,995
Accounts receivable	1,614,435	-	1,614,435	1,770,244
Inventory	-	14,796	14,796	14,898
Total current assets	<u>7,100,033</u>	<u>7,868,766</u>	<u>14,968,799</u>	<u>12,230,137</u>
Noncurrent assets:				
Capital assets, net of accumulated depreciation	<u>24,494,696</u>	<u>2,390,639</u>	<u>26,885,335</u>	<u>27,223,873</u>
Total assets	<u>31,594,729</u>	<u>10,259,405</u>	<u>41,854,134</u>	<u>39,454,010</u>
Liabilities and net assets:				
Current liabilities:				
Accounts payable	461,199	216,906	678,105	1,230,005
Accrued payroll	20,186	4,046	24,232	-
Claims and judgments payable-current	-	1,883,096	1,883,096	1,975,728
Current capital lease obligations	194,086	225,854	419,940	484,031
Current compensated absences payable	28,806	-	28,806	35,107
Deposits and advances	<u>362,577</u>	<u>-</u>	<u>362,577</u>	<u>355,677</u>
Total current liabilities	<u>1,066,854</u>	<u>2,329,902</u>	<u>3,396,756</u>	<u>4,080,548</u>
Noncurrent liabilities:				
Long-term claims and judgments payable	-	2,824,645	2,824,645	2,963,593
Long-term capital lease obligations	5,072,528	-	5,072,528	4,517,331
Compensated absences payable	<u>259,252</u>	<u>32,148</u>	<u>291,400</u>	<u>315,977</u>
Total noncurrent liabilities	<u>5,331,780</u>	<u>2,856,793</u>	<u>8,188,573</u>	<u>7,796,901</u>
Total liabilities	<u>6,398,634</u>	<u>5,186,695</u>	<u>11,585,329</u>	<u>11,877,449</u>
Net assets:				
Invested in capital assets, net of related debt	19,228,082	2,164,785	21,392,867	22,222,511
Unrestricted	<u>5,968,013</u>	<u>2,907,925</u>	<u>8,875,938</u>	<u>5,354,050</u>
Total net assets	<u>25,196,095</u>	<u>\$ 5,072,710</u>	<u>\$ 30,268,805</u>	<u>\$ 27,576,561</u>
Adjustment to reflect the consolidation of internal service funds activities to related enterprise fund	<u>(169,280)</u>			
Net assets of Business-type activities	<u>\$ 25,026,815</u>			

See Accompanying Notes to Financial Statements.

CITY OF MONTEREY PARK
Statement of Revenues, Expenses and Changes in
Net Assets - Proprietary Funds
Year Ended June 30, 2008
(with comparative total for Year Ended June 30, 2007)

	<u>Enterprise</u> <u>(Water Utility)</u>	<u>Internal</u> <u>Service</u>	<u>Total Proprietary Funds</u>	
			<u>2008</u>	<u>2007</u>
Operating revenues:				
Charges for services	\$ 7,623,360	\$ 5,035,311	\$ 12,658,671	\$ 12,181,757
Meter installations	408,046	-	408,046	419,981
Grants	-	-	-	287,506
Treatment surcharge	2,492,209	-	2,492,209	2,550,940
Other revenue	963,303	396,158	1,359,461	635,637
Total operating revenues	<u>11,486,918</u>	<u>5,431,469</u>	<u>16,918,387</u>	<u>16,075,821</u>
Operating expenses:				
Water purchased	172,379	-	172,379	616,007
Administration - water	2,412,380	-	2,412,380	2,247,628
Commercial - water	693,955	-	693,955	680,223
Production - water	1,642,635	-	1,642,635	1,660,969
Distribution - water	1,052,266	-	1,052,266	1,004,336
Treatment plant	2,581,498	-	2,581,498	2,693,070
Depreciation	1,078,216	705,608	1,783,824	1,636,616
Vehicle expense	-	35,770	35,770	10,713
Salaries and benefits	-	1,896,426	1,896,426	1,282,829
Materials and supplies	-	745,010	745,010	669,752
Insurance and claims	-	1,614,050	1,614,050	2,449,326
Miscellaneous	-	234,557	234,557	229,195
Total operating expenses	<u>9,633,329</u>	<u>5,231,421</u>	<u>14,864,750</u>	<u>15,180,664</u>
Operating income	<u>1,853,589</u>	<u>200,048</u>	<u>2,053,637</u>	<u>895,157</u>
Nonoperating income:				
Gain (loss) on sale of surplus property	(17,379)	(26,917)	(44,296)	(15,759)
Total nonoperating income (loss)	<u>(17,379)</u>	<u>(26,917)</u>	<u>(44,296)</u>	<u>(15,759)</u>
Net income (loss) before transfers and capital contributions	<u>1,836,210</u>	<u>173,131</u>	<u>2,009,341</u>	<u>879,398</u>
Capital contributions	444,903	-	444,903	280,959
Transfers in	-	500,000	500,000	200,000
Transfers out	(262,000)	-	(262,000)	(250,000)
Total transfers and capital contribution	<u>182,903</u>	<u>500,000</u>	<u>682,903</u>	<u>230,959</u>
Changes in net assets	2,019,113	673,131	2,692,244	1,110,357
Net assets, beginning of year	23,176,982	4,399,579	27,576,561	26,466,204
Net assets, end of year	<u>\$ 25,196,095</u>	<u>\$ 5,072,710</u>	<u>\$ 30,268,805</u>	<u>\$ 27,576,561</u>
Changes in net assets	\$ 2,019,113	-	-	-
Adjustment to reflect the consolidation of internal service fund activities to related enterprise fund	<u>101,258</u>	-	-	-
Changes in net assets of business-type activities	<u>\$ 2,120,371</u>	-	-	-

See Accompanying Notes to Financial Statements.

CITY OF MONTEREY PARK
Statement of Cash Flows -
Proprietary Funds
Year Ended June 30, 2008
(with comparative total for Year Ended June 30, 2007)

	Enterprise (Water Utility)	Internal Service
Cash flows from operating activities:		
Cash receipts from customers	\$ 11,625,570	\$ -
Cash payments to suppliers for goods and services	(6,467,334)	(957,482)
Cash payments for insurance premiums and self-insurance claims	-	(1,931,460)
Cash payments to employees for services	(2,606,489)	(1,901,286)
Other operating cash receipts		
Cash receipts from interfund services provided	-	5,448,626
Net cash provided by operating activities	2,551,747	658,398
Cash flows from noncapital financing activities:		
Transfers in from other funds	-	500,000
Transfers out to other funds	(262,000)	-
Net cash provided by (used for) noncapital financing activities	(262,000)	500,000
Cash flows from capital and related financing activities:		
Capital contributions	444,903	-
Acquisition and construction of capital assets	(831,357)	(658,223)
Proceeds from sale of surplus assets		
Principal paid on lease financing	(265,082)	(218,950)
Proceeds from lease financing	975,137	-
Net cash provided by (used for) capital and related financing activities	323,601	(877,173)
Net increase in cash and cash equivalents	2,613,348	281,225
Cash and cash equivalents, beginning of year	2,872,250	7,572,745
Cash and cash equivalents, end of year	\$ 5,485,598	\$ 7,853,970
Noncash capital activity:		
Scrapped capital assets, net	\$ -	\$ 26,917

See Accompanying Notes to Financial Statements.

Total Proprietary Funds	
2008	2007
\$ 11,625,570	\$ 10,825,673
(7,424,816)	(7,185,006)
(1,931,460)	(2,096,331)
(4,507,775)	(3,706,254)
5,448,626	303,265
<u>3,210,145</u>	<u>4,729,277</u>
500,000	200,000
(262,000)	(250,000)
<u>238,000</u>	<u>(50,000)</u>
444,903	280,959
(1,489,580)	(3,615,259)
(484,032)	2,615
975,137	(516,148)
<u>(553,572)</u>	<u>1,356,826</u>
2,894,573	(2,491,007)
10,444,995	329,617
<u>\$ 13,339,568</u>	<u>10,115,378</u>
<u>\$ 26,917</u>	<u>\$ -</u>

(Continued)

CITY OF MONTEREY PARK
Statement of Cash Flows -
Proprietary Funds (Continued)
Year Ended June 30, 2008
(with comparative total for Year Ended June 30, 2007)

	Enterprise (Water Utility)	Internal Service
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income	\$ 1,853,589	\$ 200,048
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	1,078,214	705,608
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	138,652	17,157
Decrease in inventory	-	102
Increase (decrease) in accounts payable	(523,823)	(28,077)
Increase in accrued payroll	20,186	4,047
Increase (decrease) in claims and judgments payable		(231,580)
Increase (decrease) in compensated absences payable	(21,971)	(8,907)
Increase in deposits	6,900	-
Total adjustments	698,158	458,350
Net cash provided by operating activities	\$ 2,551,747	\$ 658,398

See Accompanying Notes to Financial Statements.

Total Proprietary Funds	
2008	2007
\$ 2,053,637	\$ 895,157
1,783,822	1,636,616
155,809	(233,365)
102	4,109
(551,900)	235,523
24,233	-
(231,580)	273,431
(30,878)	46,574
6,900	12,579
<u>1,156,508</u>	<u>1,975,467</u>
<u>\$ 3,210,145</u>	<u>\$ 2,870,624</u>

CITY OF MONTEREY PARK
Statement of Assets and Liabilities
All Agency Funds
June 30, 2008
(with comparative data June 30, 2007)

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Assets:		
Cash and investments	<u>\$ 2,655,506</u>	<u>\$ 7,624,872</u>
Liabilities:		
Accounts payable	\$ 207,970	\$ 286,864
Deposits payable	<u>2,447,536</u>	<u>7,338,008</u>
Total Liabilities	<u>\$ 2,655,506</u>	<u>\$ 7,624,872</u>

See Accompanying Notes to Financial Statements.



CITY OF MONTEREY PARK
Notes to Financial Statements
Year Ended June 30, 2008

Index

	<i>Page(s)</i>
1. Summary of Significant Accounting Policies.....	32
(a) Description of Reporting Entity.....	32
(b) Government-wide and Fund Financial Statements.....	33
(c) Measurement Focus, Basis of Accounting and Financial Statement Presentation.....	35
(d) Property Taxes.....	36
(e) Budgetary Control and Accounting.....	36
(f) Cash and Cash Equivalents	36
(g) Investments.....	36
(h) Inventories.....	37
(i) Capital Assets.....	37
(j) Land Held for Resale.....	37
(k) Compensated Absences.....	38
(l) Capitalization of Leases.....	38
(m) Claims and Judgments.....	38
(n) Other Post-employment Benefits.....	38
(o) Fund Equity	38
(p) Comparative Data and Total Column.....	39
(q) New Pronouncements	39
2. Cash and Investments.....	39
3. Receivables.....	43
4. Interfund Transactions.....	46
5. Land Held for Resale.....	47
6. Capital Assets.....	48
7. Capitalized Lease Obligations.....	50
8. Long-Term Debt.....	51
9. Due to Other Governmental Agencies.....	55
10. Pension Plans.....	56
11. Risk Management.....	60
12. Fund Deficits and Budget Overages.....	61
13. Commitment.....	62
14. Contingencies.....	62
15. Restatement.....	62

CITY OF MONTEREY PARK
Notes to Financial Statements
June 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Description of Reporting Entity

The City of Monterey Park (City) was incorporated May 29, 1916 under the general laws of the State of California and enjoys all the rights and privileges pertaining to "General Law" cities. The City is governed by an elected five-member City Council. As required by generally accepted accounting principles, the financial statements of the City of Monterey Park include the financial activities of the City (the primary government), the Community Redevelopment Agency of the City of Monterey Park, the Monterey Park Public Financing Authority, and the Monterey Park Housing Authority. These blended component units are discussed below and are included in the reporting entity because of the significance of their operational and financial relationship with the City.

Blended Component Units:

The Community Redevelopment Agency of the City of Monterey Park

The Community Redevelopment Agency of the City of Monterey Park (Agency) was formed in 1969 under provisions of the California Community Redevelopment Law. The primary purpose of the Agency is to encourage private redevelopment of property and to rehabilitate areas suffering from economic disuse. The Agency has two redevelopment project areas encompassing approximately 918 acres. The members of the City Council act as the governing body of the Agency. The Agency's financial data and activity are reported within the debt service and capital projects fund types. Separate financial statements of the Agency can be obtained at City Hall.

The Monterey Park Public Financing Authority

The Monterey Park Public Financing Authority (Financing Authority) was organized in May 1989 under a joint exercise of power agreement to provide for the financing of public capital improvements for the City and the Monterey Park Community Redevelopment Agency. The members of the City Council act as the governing board of the Financing Authority. The Financing Authority does not issue separate financial statements.

The Monterey Park Housing Authority

The Monterey Park Housing Authority was established in September 1992 to provide affordable housing within the City. The members of the City Council act as the governing board of the Monterey Park Housing Authority. The Housing Authority does not issue separate financial statements.

CITY OF MONTEREY PARK
Notes to Financial Statements (Continued)
June 30, 2008

(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. For the most part, the effect of interfund activity has been removed from these statements and eliminations have been made to minimize the double counting of internal activities. 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 is 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 the major individual enterprise fund are reported as separate columns in the fund financial statements.

(c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the 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. Under this method, revenues are recognized when 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 tax revenues to be available if they are collected within 60 days of the end of the current fiscal year and other revenues when collected within one year of the end of the current fiscal year. 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.

The primary revenue sources susceptible to accrual are property taxes, sales taxes, highway user taxes, state gas tax subventions, franchise fees, transient occupancy tax, charges for services, and interest associated with the current fiscal period and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

CITY OF MONTEREY PARK
Notes to Financial Statements (Continued)
June 30, 2008

The City's fiduciary funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are reported using accrual basis of accounting.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other funds are accounted for in this fund. General operating expenses and capital improvement costs which are not paid through other funds, are paid from this fund.

The Grants Special Revenue Fund was established to account for the grants requiring segregated fund accounting. Financing is provided by federal, state and county agencies.

The Debt Service Fund was established to account for the accumulation of resources for, and the payment of debt principal, interest and related costs of the Community Redevelopment Agency.

The Capital Projects Fund was established to account for financial resources segregated for the acquisition of and rehabilitation of capital facilities within the redevelopment project areas.

The City reports the following major proprietary fund:

The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises and where the intent of the City is that the costs (expenses, including depreciation) of providing goods services to the general public on a continuing basis be financed or recovered primarily through user charges. The City accounts for its water utility in this fund.

Additionally, the City reports the following fund types:

Nonmajor Governmental Funds:

The Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted or otherwise designated for specific purposes.

Proprietary Fund (Internal Service Funds):

The Internal Service Funds are utilized to finance and account for activities involved in rendering services to departments within the City. Costs of services are accumulated in these funds and charged to user departments as such costs are incurred. The City maintains five internal service funds for general liability claims, workers compensation claims, auto shop operations, separation benefits and technology development.

CITY OF MONTEREY PARK
Notes to Financial Statements (Continued)
June 30, 2008

Fiduciary Funds:

The Agency Funds are used to account for money and property held by the City as trustee or custodian. Private-sector standards of accounting and financial reporting issued prior to December 1, 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 (GASB). 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 City 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 payments-in-lieu of taxes and other charges paid by the government's water function to various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Also, interfund activity has been eliminated from the nonmajor funds column.

Amounts reported as program revenues include 1) charges to members, 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 non-operating 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 Water Utility Enterprise Fund, and of the government's internal service funds are charges to customers for sales and services. Operating expenses for the enterprise fund and internal service 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 non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then use unrestricted resources as needed.

(d) Property Taxes

Under California law, property taxes are assessed and collected by the counties at 1% of assessed value plus other increases approved by the voters. Property taxes collected go into a pool and are then allocated to the cities based on a predetermined formula. The City of Monterey Park accrues only those taxes which are received from the County of Los Angeles within 60 days after year-end.

Lien date:	January 1
Levy date:	June 30
Due dates:	November 1, February 1
Delinquent dates:	December 11, April 11

CITY OF MONTEREY PARK
Notes to Financial Statements (Continued)
June 30, 2008

(e) Budgetary Control and Accounting

The City adheres to the following general procedures in establishing the budgetary data reflected in the financial statements:

The annual budget adopted by the City Council serves as a guideline for operations of the City. It includes proposed expenditures and estimated revenues and is legally adopted for all General, Special Revenue, Debt Service and Capital Projects Fund Types. Budgeted expenditures are controlled at the fund level. Council approval is required for an increase or decrease in total appropriations.

Appropriated amounts are as originally adopted or as adjusted by the City Council throughout the year. During 2007-08, the Council made several supplemental budgetary appropriations, including a \$3,423,150 increase in the Grants Special Revenue Fund related to various grants received during the year, such as Police, Fire, Education, Library, and Workforce Housing Grants; and \$597,982 increase in the General Fund, such as MOU adjustments, winter storm geotech review, and Fire station design study.

Budgets for the General, Special Revenue, Debt Service and Capital Projects Fund Types are adopted on a basis consistent with generally accepted accounting principles. The modified-accrual basis of accounting is employed in the preparation of the budget for these fund types. In addition, an operating plan is adopted for the Proprietary Funds.

The budget is formally integrated into the accounting system and employed as a management control device during the year for all governmental funds. At fiscal year-end, unexpended and unencumbered budget appropriations lapse. Encumbrances outstanding at year-end are reappropriated and carried into the following year for continuing appropriation.

Under Article XIII-B of the California Constitution (The GANN Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations, and if certain proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or refunded to the taxpayers through revised tax rate or revised fee schedules. For the fiscal year ended June 30, 2008, based on calculations by City Management, proceeds of taxes did not exceed the appropriations limit.

(f) Cash and Cash Equivalents

For purposes of the statements of cash flows, the City considers cash and all highly liquid investments with original maturities of three months or less from date purchased as cash and cash equivalents. In addition, funds invested in the City's cash management pool are considered cash equivalents.

(g) Investments

Investments are stated at fair value (the value at which financial instruments could be exchanged between willing parties other than in a forced liquidation sale).

CITY OF MONTEREY PARK
Notes to Financial Statements (Continued)
June 30, 2008

(h) Inventory

Inventories held by the Internal Service Fund are recorded at cost on a first-in, first-out basis. The inventories consist primarily of repair parts, fuel and oil. The City uses the consumption method for inventory control.

(i) Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (roadways, drainage systems, lighting systems, etc.), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. These assets are valued at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of assets are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. The capitalization threshold for property, plant and equipment is \$5,000 and for infrastructure assets is \$200,000. Depreciation is recorded in the government-wide financial statements on a straight-line basis over the useful life of the assets as follows:

Depreciation is charged to operations, using a straight-line method based on the following average useful lives of the assets:

Equipment	5 to 20 years
Buildings	40 to 50 years
Improvements	10 to 50 years
Water meters	20 years
Water mains	40 to 75 years
Water hydrants	40 years
Wells	40 years
Other water equipment	5 to 40 years
Infrastructure:	
Roadway	25 years
Bridge	40 years
Sewer system	50 years
Streetlight	20 years
Traffic signal	20 years

(j) Land Held for Resale

Land held for resale is capitalized in the Capital Projects Fund at the lower of cost or estimated realizable value at the date that a disposition and development agreement is executed.

CITY OF MONTEREY PARK
Notes to Financial Statements (Continued)
June 30, 2008

(k) Compensated Absences

Compensated absences are accounted for in accordance with GASB Cod. Sec. C60. The cost of earned but unused vacation and sick leave, for which the City has a future obligation to pay, is recognized in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they become due and payable as a result of employee resignations or retirements.

(l) Capitalization of Leases

Capitalizable leases have been treated in accordance with the Financial Accounting Standards Board Statement No. 13, "Accounting for Leases."

(m) Claims and Judgments

The accrual for workers' compensation and general liability claims is based upon past experience which has been modified for current trends and information. While the ultimate amount of losses incurred through June 30, 2008 is dependent on future developments, based on information from the plan administrators, City management believes that the aggregate accrual is adequate to cover such losses, including amounts for incurred but not reported claims (Note 11).

(n) Other Post-employment Benefits

In addition to the pension benefits described in Note 10, the City provides postretirement medical insurance benefits, in accordance with contractual provisions of the various Memoranda of Understanding with the City's recognized employee organizations, to all vested employees who retire from the City. Currently, 201 retirees meet those eligibility requirements. The City contributes between \$340 and \$825 per month toward medical insurance coverage for retirees. For those retirees who are eligible for Medicare, the City contributes toward Medicare supplemental insurance coverage. Upon retirement, vested full-time employees may, at their own cost, convert group life insurance coverage to individual life insurance coverage.

Expenditures for postretirement medical insurance benefits are recognized as annual premiums and are paid on a pay-as-you-go basis. During the year, expenditures of \$1,063,333 were recognized for postretirement medical insurance. Increases over the prior year expenditure of \$981,416 were attributable to increased monthly contributions for retirees.

Post employment benefits for employees that separate for reasons other than retirement are limited to those required under the provisions of COBRA and require no contribution by the City.

(o) 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.

CITY OF MONTEREY PARK
Notes to Financial Statements (Continued)
June 30, 2008

(p) Comparative Data and Total Column

Comparative total data for the prior year have been presented in some of the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative (i.e., presentation of prior year totals) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Columns in the accompanying basic and fund financial statements for year ended June 30, 2007 are not at the level of detail required for a fair presentation of the financial statements in accordance with generally accepted accounting principles but are presented as additional analytical data. Such data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of these totals, except as described in Note (1) c.

(q) New Pronouncements

In May 2007, GASB issued Statement No. 50, *Pension Disclosures*, which more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. The reporting changes required by this Statement amend applicable note disclosure and RSI requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 27, *Accounting for Pensions by State and Local Governmental Employers*, to conform with requirements of Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Application of this statement is effective for the City's fiscal year ended June 30, 2008. The additional disclosure concerning the implementation of GASB 50 is available in Note 10.

2. CASH AND INVESTMENTS

Cash and investments at June 30, 2008 are classified in the accompanying financial statements as follows:

Statement of net assets:	
Cash and investments	\$ 79,384,295
Cash and investments held by fiscal agent	2,554,107
Fiduciary funds:	
Cash and investments	<u>2,655,506</u>
Total	<u><u>\$ 84,593,908</u></u>

CITY OF MONTEREY PARK
Notes to Financial Statements (Continued)
June 30, 2008

Cash and investments at June 30, 2008 consist of the following:

Cash on hand	\$	4,850
Demand deposits with financial institutions		1,245,150
Certificates of deposit with financial institutions		200,000
Investments		<u>83,143,908</u>
Total	\$	<u>84,593,908</u>

The City follows the practice of pooling cash and investments of all funds except for funds required to be held by outside fiscal agents under the provisions of bond indentures.

Interest income earned on pooled cash and investments is allocated quarterly to the General Fund, certain designated Special Revenue Funds and Capital Projects funds based on the month-end cash and investment balances. Proceeds obtained from long-term debt issuances including construction, lease payment and reserve fund balances are held by the City or by fiscal agents on behalf of the City and invested in the City's name. Interest income on proceeds of debt is credited directly to the related fund, as defined by the Bond Indenture.

Deposits

At June 30, 2008, the carrying amount of the City's demand deposits was \$1,245,150 and the bank balance was \$1,596,287. The \$351,137 difference represents outstanding checks, deposits in transit, and other reconciling items.

Investments Authorized by the California Government Code and the City's Investment Policy

Under provisions of the City's investment policy and in accordance with Section 53601 of the California Government Code, the City may invest in the types of investments listed in the table below. The table also identifies certain provisions intended to limit the City's exposure to interest rate risk, credit risk, and concentration of credit risk.

CITY OF MONTEREY PARK
Notes to Financial Statements (Continued)
June 30, 2008

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio*</u>	<u>Investment in One Issuer</u>	<u>Quality</u>
U.S Treasury Notes, Bonds, or other Certificates of Indebtedness backed by U.S. Government	3 years	None	None	
U.S. Treasury Zero Coupons	3 years	10%	None	
Discount notes or notes issued by Agencies of the U.S. Government	3 years	50%	None	
Non-negotiable Certificates of Deposits	2 years	40%	\$100,000	Issuer Insured by FDIC
Negotiable Certificates of Deposits	2 years	20%	None	Issuer Insured by FDIC
Banker's acceptances	180 days	20%	30%	"Prime" paper
Commercial paper	180 days	15%	10%	"A" or higher rating
Local agency investment fund (LAIF) deposits	N/A	Limit set by LAIF		Per State Code
Repurchase agreements	14 days	10%	None	Collateralized by Instruments permitted City policy

* Excluding amounts held by bond trustee that are not subject to California Government Code restrictions.

Investments Authorized by Debt Agreements

In addition to the investment types listed above, the City may also invest appropriate funds in money market funds and mutual funds in accordance with bond indentures.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments in U. S. government securities are not considered to have credit risk and, therefore, their credit quality is not disclosed. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

Concentration of Credit Risk

The investment policy of the City, as summarized above, contains certain limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent more than 5% of total City investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City's investment policy contains the following policy requirements that would limit the exposure

CITY OF MONTEREY PARK
Notes to Financial Statements (Continued)
June 30, 2008

to custodial credit risk for deposits: The City's investment policy limits investments in Certificates of Deposit to those insured up to \$100,000 by an instrumentality of the federal government and limits the balance to \$100,000 with any one issuer.

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total deposits. The City may waive collateral requirements for deposits which are fully insured up to \$100,000 by federal depository insurance.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of year-end, the average life-month end maturity of the investments contained in the LAIF investment pool is approximately 212 days.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the remaining maturity of each investment:

<u>Investment</u>	<u>Credit Rating</u>	<u>Fair Value June 30, 2008</u>	<u>Maturity 12 Months or Less</u>
Treasurer's Pool Investments			
LAIF	N/A*	\$ 79,941,197	\$ 79,941,197
Total Treasury investments		<u>79,941,197</u>	<u>79,941,197</u>
Investments held by fiscal agents:			
LAIF	N/A*	1,750,108	1,750,108
Money Market Fund	N/A*	<u>1,452,603</u>	<u>1,452,603</u>
Total investments held by fiscal agents		<u>3,202,711</u>	<u>3,202,711</u>
Total investments		<u>\$ 83,143,908</u>	<u>\$ 83,143,908</u>

* There is no rating for the Investments in Local Agency Investment Fund and Money Market Fund.

Investment 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. The fair value of the City's investment in this pool is reported in the accompanying financial statements at

CITY OF MONTEREY PARK
Notes to Financial Statements (Continued)
June 30, 2008

amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

LAIF management has indicated that as of June 30, 2008, the amortized cost of the pool was \$70,027,950,242 and the estimated fair value of the pool was \$70,024,464,150. Included in the LAIF's investment portfolio are certain derivative securities or similar products in the form of structured notes, totaling \$6,113.006 million and asset backed securities totaling \$4,188.272 million.

3. RECEIVABLES

Receivables of the City as of June 30, 2008 were:

	Governmental Activities	Business-type Activities	Total
Accounts receivables:			
Interest	\$ 616,179	\$ -	\$ 616,179
Property taxes	1,263,752	-	1,263,752
Sales taxes	592,700	-	592,700
Utility taxes	282,384	-	282,384
Water sales	-	1,614,435	1,614,435
Subvention and grants	2,103,034	-	2,103,034
Others	1,597,678	-	1,597,678
Total accounts receivable	<u>\$ 6,455,727</u>	<u>\$ 1,614,435</u>	<u>\$ 8,070,162</u>
Notes receivable:			
Rental Rehabilitation (CRA)	\$ 19,973	\$ -	\$ 19,973
Residential Rehabilitation (CDBG) (See Note 9)	48,015	-	48,015
SERA Program (See Note 9)	185,300	-	185,300
Camino Real Loan	337,513	-	337,513
Pacific Housing Loan (See Note 9)	438,959	-	438,959
Pacific Bridge Loan (See Note 9)	333,619	-	333,619
First-Time Homebuyers	268,626	-	268,626
Critical Maintenance (CRA)	77,823	-	77,823
Critical Maintenance (Grants)	58,304	-	58,304
Abajo del Sol Loan	1,788,358	-	1,788,358
Monterey Park Senior Village	231,712	-	231,712
Multi-family Housing Program (See Note 9)	280,000	-	280,000
Atlantic Times Square Mezzanine Loan	6,372,020	-	6,372,020
Subtotal	10,440,222	-	10,440,222
Less allowance for uncollectible notes	(2,213,083)	-	(2,213,083)
Total notes receivable	<u>\$ 8,227,139</u>	<u>\$ -</u>	<u>\$ 8,227,139</u>
Total receivables	<u>\$ 14,682,866</u>	<u>\$ 1,614,435</u>	<u>\$ 16,297,301</u>

CITY OF MONTEREY PARK
Notes to Financial Statements (Continued)
June 30, 2008

Following is the detail of Notes Receivable:

- (a) The City has implemented a Rental Rehabilitation Program to assist owners of multi-unit rental properties with the rehabilitation of the premises for use by low/moderate income families through loans. The loans bears no interest during the term, and ten percent (10%) of the original loan amount will be forgiven by the City on each anniversary date on which the City deemed the rehabilitation improvements completed. The outstanding balance of loans made through the Rental Rehabilitation Loan Program at June 30, 2008 is \$19,973 and has been recorded as notes receivable in the Capital Projects Fund. The amount is offset with deferred revenue in the fund level financial statements and as an allowance for uncollectible notes in the government-wide statements.
- (b) The City provided low interest financing for the rehabilitation of residential sites within the City through the Community Development Block Grant program. The amount of outstanding loan balances at June 30, 2008 is \$48,015 and has been recorded as notes receivable in the Grants Special Revenue Fund.
- (c) The City participated in the State Earthquake Rehabilitation Assistance (SERA) program to assist residents with the application and loan processes for residential repairs and rehabilitation following the October 1987 Whittier-Narrows earthquake. The outstanding balance of loans placed through the program is \$185,300 at June 30, 2008 and has been recorded as notes receivable in the Grants Special Revenue Fund.
- (d) On April 19, 1993, the Agency and Camino Real Chevrolet entered into a development assistance agreement. This agreement was extended in September 2002. Under the Agreement, the Agency provided a ten-year loan in the amount of \$1,450,000 bearing interest at the rate based on the performance of Camino Real Chevrolet's sales tax per annum until paid. Principal and interest payments are due in monthly installments. The amount of the outstanding loan balance at June 30, 2008 is \$337,513 and has been recorded as notes receivable in the Capital Projects Fund. The amount is offset with deferred revenue in the fund level financial statements.
- (e) On July 21, 2004, the City entered into an agreement to provide a loan to Pacific Housing Development Corporation for the purpose of construction and renovation of an affordable housing facility for persons with developmental disabilities. The loan, funded in April 2005, consists of a permanent residual receipts loan in the amount of \$175,000 and a subordinated construction loan in the amount of \$225,000. These amounts bear interest at the rate of three percent per annum until paid. The subordinated construction loan is to be repaid with interest upon completion of construction and close of permanent financing. The loan was funded by use of federal HOME Program funds and is reported in the Grants Special Revenue Fund. At June 30, 2008, outstanding principal and interest for the residual receipts loan and subordinated construction loan are \$400,000 and \$38,959, respectively.
- (f) In 1995, the Agency entered into a thirty-year loan agreement with Pacific Bridge Housing Corporation for the purpose of construction and renovation of a disabled adult affordable housing facility. In the agreement the Agency agreed to loan to Pacific Bridge Housing up to the maximum sum of \$240,478 bearing interest at the rate of three percent per annum until paid. Principal and interest payments are due in annual installments commencing upon February 15 of the first full calendar year following the date of the initial occupancy of the facility and continuing annually thereafter on each successive February 15 through and including the date which is thirty (30) years after the Repayment Commencement Date.

CITY OF MONTEREY PARK
Notes to Financial Statements (Continued)
June 30, 2008

The amount of such annual installments payable by borrower is based on the Annual Residential Receipt Installments as described in the agreement. During 1996-97 the loan was funded by the use of federal HOME Program funds, and is reported in the Grants Special Revenue Fund. At June 30, 2008, outstanding principal and interest are \$240,478 and \$93,141, respectively.

- (g) Beginning 1996-97, the City provided second mortgage loans through the First-time Homebuyer Program to assist qualified first-time homebuyers to purchase residences. All second loans will be fixed at an interest rate of five percent (5%) and for a term of thirty (30) years. If the buyer retains the property for thirty (30) years, both principal and interest will be forgiven. At June 30, 2008, \$268,626 is the amount of outstanding loan balances, and has been reported as notes receivable with an offset of deferred revenue in the Capital Projects Fund in the fund level financial statements and as an allowance for uncollectible notes in the government-wide statements.
- (h) Beginning in 1997-98, the City offered low interest rate loans through the Critical Maintenance Loan Program to assist low and moderate income homeowners for essential or emergency repairs. At June 30, 2008, the loans outstanding totaled \$136,127. Of this amount, \$77,823 is funded by the Agency's Capital Projects Fund and \$58,304 is funded by the Federal HOME Program Special Revenue Fund. The outstanding loan balance of \$77,823 has been reported as notes receivable with an offset of deferred revenue in the Capital Projects Fund in the fund level financial statements and as an allowance for uncollectible notes in the government-wide statements. The outstanding loan balance of \$58,304 has been reported as notes receivable with an offset of deferred revenue in the Grants Special Revenue Fund in the fund level financial statements and as an allowance for uncollectible notes in the government-wide statements.
- (i) In 1998, the Monterey Park Housing Authority and the Abajo del Sol, Limited Partnership have entered into a housing development agreement. Under the agreement, the Agency provided to the Developer a \$1.2 million loan bearing interest at the rate of 5.1% percent per annum for the construction of 60 units of affordable housing for senior citizens. On or before March 15th of each year, the borrower shall pay lender an amount equal to the applicable percentage of the Net Cash Flow attributable to the prior calendar year. The loan is funded by the federal HOME Program funds. At June 30, 2008, outstanding principal and interest being recorded as notes receivable are \$1,200,000 and \$588,358 respectively in the Grants Special Revenue Fund with an offset of deferred revenue in the fund level financial statement and as an allowance for uncollectible notes in the government-wide statements.
- (j) The City has entered into an agreement with the developers of Monterey Park Senior Village to defer the payment of entitlement and permit fees totaling \$300,000 bearing interest at the rate of five and six-tenths percent per annum. The City began billing at the end of December 2003. At June 30, 2008, outstanding principal and interest balances are \$160,000 and \$71,712 respectively, and have been reported as notes receivable with an offset of deferred revenue in the General Fund in the fund level financial statements.
- (k) In 2006, the City entered into an agreement to provide a loan through the Home Investment Partnerships Program Funds to assist with certain costs to be incurred by the owner with respect to the rehabilitation of housing for "Persons and Families of Low and Very Low Income" on the property. The loan was funded by use of federal HOME Program funds and is reported in the Grants Special Revenue Fund. At June 30, 2008, outstanding principal balance is \$280,000.

CITY OF MONTEREY PARK
Notes to Financial Statements (Continued)
June 30, 2008

- (l) In November 2004, the Agency entered into an agreement for the development of the Atlantic Times Square mixed-use Project. As amended on June 6, 2007, the Agency agreed to make a Mezzanine loan of up to \$8 million to the Developer bearing interest to be accrued at the Prime Rate plus 1.5% (with a cap of 9.85%). The loan will be due in full upon the earlier of the sale of the commercial element of the Project or 15 years after the issuance of a certificate of occupancy for any portion of the project. At June 30, 2008, outstanding principal and interest balances are \$5,850,000 and \$522,020 respectively, and have been recorded as notes receivable in the Capital Projects Fund.

4. INTERFUND TRANSACTIONS

Individual interfund receivables and payables were as follows at June 30, 2008:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General fund	\$ 2,459,740	\$ -
Special revenue funds -		
Grants	-	1,356,617
Nonmajor special revenue funds	-	1,103,123
	<u>\$ 2,459,740</u>	<u>\$ 2,459,740</u>
Total		

The interfund balances resulted from reimbursable expenditures occurring while the revenues with which to reimburse those expenditures had not yet been received. All balances are expected to be reimbursed within the subsequent year.

Advances payable consists of original loans from the General Fund to Park Facilities Fund in the amount of \$655,000 to finance parks projects. Repayment will be made in future years as sufficient Park Facilities Fee revenues are accumulated. In 2006, a loan of \$400,000 was made from the General Fund to the Public Safety Impact Fee Fund to finance the purchase of Fire Station #2 site. In 2008, the City advanced the Agency \$2,225,578 for a loan to the developer for the City's permit in connection with the Atlantic Time Square community development. Repayment will be made in future years based on the availability of funds in the Agency.

	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
General fund	\$ 2,076,040	\$ -
Capital project funds	-	2,225,578
Special revenue funds -		
Nonmajor special revenue funds	<u>1,204,538</u>	<u>1,055,000</u>
	<u>\$ 3,280,578</u>	<u>\$ 3,280,578</u>
Total		

CITY OF MONTEREY PARK
Notes to Financial Statements (Continued)
June 30, 2008

	Transfers In				Total
	General Fund	Capital Projects Fund	Nonmajor Special Revenue Funds	Internal Service Funds	
<u>Transfers Out</u>					
General fund	\$ -	\$ -	\$ 1,082,000	\$ 500,000	\$ 1,582,000
Special revenue grants fund	38,720	-	-	-	38,720
Debt service fund	-	4,418,560	-	-	4,418,560
Water Enterprise fund	262,000	-	-	-	262,000
Total	\$ 300,720	\$ 4,418,560	\$ 1,082,000	\$ 500,000	\$ 6,301,280

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. Transfers from General Fund to Nonmajor Special Revenue Funds were made to set-aside funds for future pension liabilities. Transfers from the Debt Service Fund to Capital Projects Fund were tax increment for redevelopment activities. Transfers from General Fund to Internal Service Funds were made to set-aside funds for future separation liabilities.

5. LAND HELD FOR RESALE

At June 30, 2008, the Community Redevelopment Agency held title to several parcels slated for development. These have been recorded as land held for resale in the Capital Projects Fund in the amount of \$8,523,237.

Land held for resale is generally acquired for redevelopment through the use of disposition and development agreements. These agreements provide for transfer of the property to developers after certain redevelopment obligations have been fulfilled. The amounts are offset by a reservation of fund balance.

CITY OF MONTEREY PARK
Notes to Financial Statements (Continued)
June 30, 2008

6. CAPITAL ASSETS

A summary of changes in capital asset activity for the year ended June 30, 2008 is as follows:

<u>Governmental Activities</u>	<u>Balances at June 30, 2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances at June 30, 2008</u>
Capital assets, not being depreciated:				
Land	\$ 5,365,619	\$ 816,433	\$ -	\$ 6,182,052
Construction in progress	1,473,107	191,386	1,320,335	344,158
Total capital assets, not being depreciated	<u>6,838,726</u>	<u>1,007,819</u>	<u>1,320,335</u>	<u>6,526,210</u>
Capital assets, being depreciated:				
Buildings	28,429,063	-	-	28,429,063
Improvements	8,847,862	275,902	-	9,123,764
Equipment	16,840,560	2,406,257	459,320	18,787,497
Infrastructure	30,432,731	922,670		31,355,401
Total capital assets, being depreciated	<u>84,550,216</u>	<u>3,604,829</u>	<u>459,320</u>	<u>87,695,725</u>
Less accumulated depreciation for:				
Buildings	7,325,872	561,061	-	7,886,933
Improvements	2,015,632	198,784	-	2,214,416
Equipment	11,889,002	1,859,494	431,643	13,316,853
Infrastructure	23,160,402	436,486		23,596,888
Total accumulated depreciation	<u>44,390,908</u>	<u>3,055,825</u>	<u>431,643</u>	<u>47,015,090</u>
Total capital assets, being depreciated, net	<u>40,159,308</u>	<u>549,004</u>	<u>27,677</u>	<u>40,680,635</u>
Governmental activities, capital assets, net	<u>\$ 46,998,034</u>	<u>\$ 1,556,823</u>	<u>\$ 1,348,012</u>	<u>\$ 47,206,845</u>

CITY OF MONTEREY PARK
Notes to Financial Statements (Continued)
June 30, 2008

<u>Business-type Activities</u>	<u>Balances at June 30, 2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances at June 30, 2008</u>
Capital assets, not being depreciated:				
Land	\$ 499,975	\$ -	\$ -	\$ 499,975
Construction in progress	1,490,168	477,113	-	1,967,281
Total capital assets, not being depreciated	<u>1,990,143</u>	<u>477,113</u>	<u>-</u>	<u>2,467,256</u>
Capital assets, being depreciated:				
Buildings	300,980		15,930	285,050
Equipment	1,841,383	134,300	86,843	1,888,840
Improvements	32,878,913	219,945	68,162	33,030,696
Total capital assets, being depreciated	<u>35,021,276</u>	<u>354,245</u>	<u>170,935</u>	<u>35,204,586</u>
Buildings	86,183	5,589	15,335	76,437
Equipment	1,389,023	158,867	83,708	1,464,182
Improvements	10,777,281	913,759	54,513	11,636,527
Total accumulated depreciation	<u>12,252,487</u>	<u>1,078,215</u>	<u>153,556</u>	<u>13,177,146</u>
Total capital assets, being depreciated, net	<u>22,768,789</u>	<u>(723,970)</u>	<u>17,379</u>	<u>22,027,440</u>
Business-type activities, capital assets, net	<u>\$ 24,758,932</u>	<u>\$ (246,857)</u>	<u>\$ 17,379</u>	<u>\$ 24,494,696</u>

Depreciation expense of \$4,134,040 was charged to the following functions:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
General government	\$ 197,081	\$ -	\$ 197,081
Public safety	1,201,600	-	1,201,600
Community development	32,530	-	32,530
Culture and recreation	894,657	-	894,657
Street and highways	627,556	-	627,556
Health	14,474	-	14,474
Water	87,927	1,078,215	1,166,142
	<u>\$ 3,055,825</u>	<u>\$ 1,078,215</u>	<u>\$ 4,134,040</u>

CITY OF MONTEREY PARK
Notes to Financial Statements (Continued)
June 30, 2008

7. CAPITALIZED LEASE OBLIGATIONS

The City has entered into several noncancellable long-term leases for financing its transit bus, capital equipment, energy retrofit project, public safety communication system, centralized computer system, and City Hall carpeting replacements, included in governmental activities capital assets. The City has also entered into lease agreements with Municipal Leasing Associates, San Gabriel Valley Municipal Water District and California Infrastructure and Economic Development Bank, to finance its ambulance and fire trucks replacements, Police Computer Aided Dispatch and Records Management System (CAD/RMS), and has recorded the transactions in the Shop Internal Service Fund and the water system energy retrofit program, water volatile organic chemicals treatment and La Loma and Highland Reservoirs project are recorded in the Water Fund. These leases are classified as capital leases for accounting purposes as defined under Financial Accounting Standards Board Statement No. 13, "Accounting for Leases"; and, therefore, have been recorded at the present value of the future minimum lease payments at the date of inception of the leases.

The assets acquired through capital leases are as follows:

<u>Asset</u>	<u>Governmental Activities</u>	<u>Water Enterprise Fund</u>
Machinery and equipment	\$ 4,649,583	\$ 704,811
Improvements	80,121	4,366,465
Construction in progress	-	1,691,047
	<u>4,729,704</u>	<u>6,762,323</u>
Less: Accumulated depreciation	<u>(3,168,578)</u>	<u>(1,432,321)</u>
Total	<u><u>\$ 1,561,126</u></u>	<u><u>\$ 5,330,002</u></u>

CITY OF MONTEREY PARK
Notes to Financial Statements (Continued)
June 30, 2008

Future minimum lease payments under these capital leases are as follows:

<u>Fiscal Years</u>	<u>Governmental Activities</u>	<u>Enterprise Fund</u>	<u>Total</u>
2009	\$ 406,351	\$ 266,329	\$ 672,680
2010	165,869	484,649	650,518
2011	165,867	414,745	580,612
2012	165,867	418,300	584,167
2013	165,867	421,949	587,816
2014-2018	829,340	2,167,984	2,997,324
2019-2023	497,604	1,110,078	1,607,682
2024-2028	-	549,028	549,028
2029-2031	-	328,494	328,494
Subtotal	2,396,765	6,161,556	8,558,321
Less amount representing interest	540,237	894,942	1,435,179
Present value of future minimum lease payments	<u>\$ 1,856,528</u>	<u>\$ 5,266,614</u>	<u>\$ 7,123,142</u>

8. LONG-TERM DEBT

Changes in long-term debt for the year ended June 30, 2008 are as follows:

<u>Governmental Activities</u>	<u>Balance at June 30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2008</u>	<u>Due Within One Year</u>
1998 Tax Allocation Revenue Bonds - Merged Redevelopment Project	\$ 9,700,000	\$ -	\$ 265,000	\$ 9,435,000	\$ 280,000
2002 Tax Allocation Bonds Atlantic-Garvey Project Redevelopment Project	-	-	750,000	-	-
Compensated absences payable	21,540,000	-	-	20,790,000	770,000
Tax Increment Deferred Loan- Atlantic/Garvey Project	5,627,625	1,343,647	1,492,451	5,478,821	547,882
Tax Increment Deferred Loan- Merged Project	4,163,088	575,352	-	4,738,440	-
2004 Taxable Pension Obligation Bonds	16,756,391	2,420,256	-	19,176,647	-
HUD Section 108 Loans payable	17,405,000	-	-	17,405,000	25,000
Library Special Tax Revenue Note Series 2005	5,739,000	-	221,000	5,518,000	235,000
Claims and judgments payable (See Note 12)	3,417,212	-	255,409	3,161,803	265,232
Capital lease obligations (See Note 7)	4,939,322	1,199,208	1,430,789	4,707,741	1,883,096
	2,337,139	-	480,611	1,856,528	328,037
Total Governmental Activities Long-Term Debt	<u>\$ 91,624,777</u>	<u>\$ 5,538,463</u>	<u>\$ 4,895,260</u>	<u>\$ 92,267,980</u>	<u>\$ 4,334,247</u>

CITY OF MONTEREY PARK
Notes to Financial Statements (Continued)
June 30, 2008

<u>Business-type Activities</u>	<u>Balance June 30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2008</u>	<u>Due Within One Year</u>
Compensated absences payable	\$ 310,029	\$ 17,674	\$ 39,645	\$ 288,058	\$ 28,806
Capital lease obligations (See Note 7)	<u>4,556,559</u>	<u>975,137</u>	<u>\$ 265,082</u>	<u>5,266,614</u>	<u>194,086</u>
Total business-type activities long-term debt	<u>\$ 4,866,588</u>	<u>\$ 992,811</u>	<u>\$ 304,727</u>	<u>\$ 5,554,672</u>	<u>\$ 222,892</u>

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At June 30, 2008 \$32,148 in compensated absences, \$4,707,741 in claims and judgments, and \$225,854 in capital lease obligations of internal service funds are included as part of the above totals for governmental activities.

Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by the general fund.

Tax Allocation Bonds

1998 Tax Allocation Revenue Bonds (Merged Project)

On October 14, 1998, the Monterey Park Public Financing Authority issued the 1998 Tax Allocation Revenue Bonds in the principal amount of \$11,610,000. The proceeds were loaned to the Agency to advance refund the 1977 Freeway Bonds and to finance additional redevelopment activities within its Merged Project Area. The bonds are secured by a pledge of the tax revenues from the Merged Project Area and were issued in denominations of \$5,000, with interest rates ranging from 3.8% to 5.3%. Interest payments are payable semiannually on March 1 and September 1. Principal payments are due on March 1 of each year and continue until the year 2028.

\$9,435,000

Optional Redemption: The bonds due on or after March 1, 2009 are subject to optional redemption as a whole or in part by such maturities as the Authority may designate and by lot within a maturity, on any date on or after March 1, 2008, at the following respective redemption prices (expressed as percentages of the principal amount of Bonds to be redeemed) plus accrued interest to the redemption date:

<u>Redemption Period</u>	<u>Redemption Price</u>
March 1, 2008 to February 28, 2009	101.0%
March 1, 2009 to February 28, 2010	101.5%
March 1, 2010, and thereafter	100.0%

CITY OF MONTEREY PARK
Notes to Financial Statements (Continued)
June 30, 2008

2002 Tax Allocation Revenue Bonds (Atlantic-Garvey Project)

On August 22, 2002, the Agency issued \$24,270,000 Tax Allocation Bonds Issue of 2002, for the Atlantic-Garvey Redevelopment Project No. 1. These Bonds were issued to redeem outstanding 1992 Refunding Bonds on September 1, 2002 and to finance improvements within Atlantic-Garvey Redevelopment Project No. 1 Project area. The bonds are secured by a pledge of the tax revenues from the Project area and were issued in denominations of \$5,000, with interest rates ranging from 2.5% to 5.0%. Interest payments are payable semiannually on September 1 and March 1. Principal payments are made on September 1 of each year and continue until the year 2028.

\$20,790,000

Optional Redemption: The Bonds maturing on or before September 1, 2012, are not subject to optional redemption prior to maturity. The Bonds maturing on and after September 1, 2013, are subject to redemption, at the option of the Agency on any date on or after September 1, 2012, as a whole or in part, by such maturities as shall be determined by the Agency, and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

Total Tax Allocation Bonds

\$30,225,000

Section 108 Loan Program

In August 2002, the City participated in the U.S. Department of Housing and Urban Development Section 108 Loan Guarantee Program and received note proceeds of \$6,500,000. The City uses the proceeds for the development of the Market Place project. The annual debt service payments are funded through the City's Community Development Block Grant funds. Interest rates range from 1.75% to 6.12%. Interest payments are made semiannually on August 1 and February 1. Principal payments are made on August 1 of each year and continue until the year 2023.

\$5,518,000

2004 Taxable Pension Obligation Bonds

On June 29, 2004, the City of Monterey Park pursuant to an Agreement with the California Statewide Communities Development Authority, issued \$17,405,000 in Taxable Pension Obligation Bonds, 2004 Series A-1. These Bonds were issued to refund the unfunded liabilities of the City's Safety Plan to the California Public Employees Retirement System (CALPERS). The City is contractually obligated to appropriate and make payments to CALPERS arising as a result of retirement benefits accruing to members of CALPERS. The City's obligation includes, among others, the requirement to amortize the unfunded accrued actuarial liability over a multi-year period. On June 29, 2004, the City contributed \$17,012,841 of the bond proceeds to CALPERS to fund a portion of the unfunded liability for the Safety Plan that provides retirement benefits to the City's sworn Police Officers and Firefighters.

CITY OF MONTEREY PARK
Notes to Financial Statements (Continued)
June 30, 2008

Bond interest is payable semi-annually on June 1 and December 1 commencing December 1, 2004. The rate of interest varies from 4.510% to 6.076% per annum. Principal is payable in annual installments ranging from \$25,000 to \$1,350,000 commencing on June 1, 2009 and ending on June 1, 2034. On or before August 1st of each year, the City is required to deposit with the trustee the amount equal to the next year's debt service payment in lieu of a reserve requirement.

\$17,405,000

Optional Redemption: The bonds maturing on or before June 1, 2016 will not be subject to optional redemption. The bonds maturing on June 1, 2024 and on June 1, 2034 are subject to optional redemption prior to maturity at the option of the Authority, in whole or in part on any date at a redemption price equal to the greater of (1) 100% of principal to be redeemed or (2) present value of the remaining debt service discounted at Treasury Rate plus 10.0 basis points for the 2024 Term Bonds or plus 12.5 basis points for the 2034 Term Bonds. Bonds will be selected for redemption on a pro rata basis for both the optional and mandatory sinking fund redemption.

Library Special Tax Revenue Note Series 2005

In June 2005, the City entered into a Library Facility Financing Agreement with Baruch and Company and received proceeds of \$3,900,000 to be used for the expansion of the Monterey Park Bruggemeyer Library. The Note was then assigned to Sun Trust Leasing Corporation. The annual debt service payments are funded through the City's Special Library Tax. The interest rate is a fixed 3.81%. Principal and interest payments of \$191,597 are made semiannually on December 15 and June 15 beginning December 15, 2005 and continuing until the year 2018.

\$3,161,803

Total Tax Allocation Bonds, Section 108 Loan Program, Library Facility Financing Agreement, and Pension Obligation Bonds

\$56,309,803

The summary of future debt service requirements on the tax allocation bonds, HUD Section 108 Loan, and pension obligation bonds is as follows:

Year Ending June 30	Tax Allocation Bonds		Pension Obligation Bonds		HUD Section 108 Loan		Library Special Tax Revenue Note		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
2009	\$ 1,050,000	\$ 1,403,563	25,000	\$ 1,022,841	\$ 235,000	\$ 300,336	\$ 265,232	\$ 117,963	\$ 4,419,935
2010	1,080,000	1,366,845	\$ 525,000	1,021,713	250,000	289,910	275,434	107,761	4,916,663
2011	1,120,000	1,326,671	510,000	996,408	265,000	278,185	286,028	97,166	4,879,458
2012	1,165,000	1,282,715	495,000	970,806	281,000	265,183	297,030	86,164	4,842,898
2013	1,210,000	1,235,184	485,000	945,165	298,000	250,933	308,454	74,741	4,807,477
2014-2018	6,870,000	5,327,112	2,290,000	4,339,603	1,786,000	985,400	1,729,626	186,346	23,514,087
2019-2023	8,735,000	3,424,827	2,155,000	3,692,624	2,403,000	380,792	-	-	20,791,243
2024-2028	8,995,000	1,095,521	3,895,000	2,915,134	-	-	-	-	16,900,655
2029-2033	-	-	5,675,000	1,485,582	-	-	-	-	7,160,582
2034	-	-	1,350,000	82,026	-	-	-	-	1,432,026
Total	\$ 30,225,000	\$ 16,462,438	\$ 17,405,000	\$ 17,471,902	\$ 5,518,000	\$ 2,750,739	\$ 3,161,804	\$ 670,141	\$ 93,665,024

CITY OF MONTEREY PARK
Notes to Financial Statements (Continued)
June 30, 2008

Tax Increment Deferred Loan – (Atlantic/Garvey Project)

On August 20, 1987, the Agency entered an agreement for reimbursement of tax increment funds with the County of Los Angeles (County). In the Agreement, the County agreed to loan its portion of the tax increment revenues received from the amended area (88 Annex) to the Agency at a 7% compound interest rate, beginning fiscal year 1989-90. The percentage distribution from the basic tax levy for the 88 Annex area for the County and the Agency is 43.7% and 56.3% respectively. The Agency will commence repayment of this loan annually beginning with the fiscal year in which the Agency's share of tax increment revenues (excluding Housing Fund contributions) from the 88 Annex area exceeds \$800,000.

\$4,738,440

Tax Increment Deferred Loan – (Merged Project)

The Agency and the County Taxing Entities (the County of Los Angeles, the Los Angeles County Flood Control District, and the Los Angeles County Office of Education) entered into four agreements for reimbursement of the tax increment deferred amounts. In the Agreements, the County Taxing Entities agreed to loan their portions of the tax increment revenues received from 111 Southeast Project area, Freeway `99 Annex area, Central Commercial Project area, and Merged Monterey Pass Road area to the Agency at specified interest rates ranging from 0% to 7%. The percentage distribution from the basic tax levy and the repayment schedule of the deferred loans are also based on a specified formula for each taxing entity.

\$19,176,647

Arbitrage

The Tax Reform Act of 1986 substantially revised the treatment to be afforded to arbitrage earnings on invested bond proceeds and now requires the City to remit excess arbitrage earnings to the Internal Revenue Service. Certain of the City's debt and interest earned on the proceeds thereon fall under the requirements of the act. The City has made the necessary arbitrage rebate calculations. As of June 30, 2008, the Agency incurred no rebate liability for the 1998 Merged Bonds, the 2002 Tax Allocation Bonds, or for the 2004 Pension Obligation Bonds.

9. DUE TO OTHER GOVERNMENTAL AGENCIES

In the Grants Special Revenue Fund, an amount equal to the total outstanding balance of the identified loans receivable for the CDBG Residential Rehabilitation Program (\$48,015), State Earthquake Rehabilitation Assistance (SERA) Program (\$185,300), the Pacific Bridge Housing Corporation loan (\$438,959), the Pacific Bridge Loan (\$333,619), and Multi-Family Housing Program (\$280,000) described in Note 3 at June 30, 2008 has been recorded as Due to Other Governmental Agencies. As these notes are repaid, the repayment proceeds must be returned to the applicable government agency.

CITY OF MONTEREY PARK
Notes to Financial Statements (Continued)
June 30, 2008

10. PENSION PLANS

(a) Defined Benefit Pension Plans

1. California Public Employees' Retirement System Plan Description

The City 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 – 400 P Street – Sacramento, CA 95814.

Participants are required to contribute 8% (9% for safety employees) 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 9.709% for non-safety employees, and 16.503% for safety employees, of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by CalPERS.

For fiscal year 2007-2008, the City's annual pension cost was \$4,257,531 and the City actually contributed \$4,554,290. The required contribution was determined as part of the June 30, 2005, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service, and (c) 3.25% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3%.

The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized as a level percent of projected payroll on a closed basis. The amortization period was 30 years for both miscellaneous plan and safety plan.

The City's changes in net pension asset of the Safety Plan, for the year ended June 30, 2008, were as follows (amounts in thousands):

Annual required contribution	\$ (3,188)
Interest on beginning net pension asset	1,399
Adjustment to the annual required contribution	<u>(1,102)</u>
Annual pension cost	(2,891)
Contributions made	<u>3,188</u>
Change in net pension asset	297
Net pension asset, beginning of year	<u>18,054</u>
Net pension asset, end of year	<u><u>\$ 18,351</u></u>

CITY OF MONTEREY PARK
Notes to Financial Statements (Continued)
June 30, 2008

The City's contribution to the Safety plan in the fiscal year ended June 30, 2004 included \$17,012,841 from the proceeds of the Pension Obligation Refunding Bonds Series 2004. The City's contributions in subsequent years were equal to the annual required contribution, which were more than the annual pension cost as a result of the pension obligation transaction.

TREND INFORMATION FOR PERS

Schedule of Employer Contributions (\$ Amount in Thousands)

Safety:

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Asset</u>
6/30/06	\$ 2,592	\$ 2,919	113%	\$ 17,762
6/30/07	2,610	2,902	111%	18,054
6/30/08	2,891	3,188	110%	18,351

Misc.:

<u>Fiscal Year</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>	<u>Net Pension Obligation</u>
6/30/06	\$ 1,251	100%	\$ -
6/30/07	1,244	100%	-
6/30/08	1,366	100%	-

Schedule of Funding Progress (\$ Amount in Thousands)

<u>Actuarial Valuation Date</u>	<u>Actuarial Asset Value (a)</u>	<u>Entry Age Actuarial Accrued Liability (b)</u>	<u>Unfunded AAL (UAAL) [(b) - (a)]</u>	<u>Funded Ratio [(a)/(b)]</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a % of Covered Payroll {(b)-(a)/(c)}</u>
06/30/06						
Misc.	\$ 51,490	\$ 51,597	\$ 107	99.8%	\$ 10,682	1.0%
Safety	102,479	106,760	4,281	96.0%	9,812	43.6%
Total	<u>\$ 153,969</u>	<u>\$ 158,357</u>	<u>\$ 4,388</u>	<u>93.0%</u>	<u>\$ 20,494</u>	<u>21.4%</u>

The Schedule of Funding Progress presented as Required Supplementary Information following the Notes to the Basic Financial Statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF MONTEREY PARK
Notes to Financial Statements (Continued)
June 30, 2008

2. *Massachusetts Mutual Retirement Plan (MMRP) – Defined Benefit Plan*

Certain miscellaneous employees are covered by a retirement plan through the Massachusetts Mutual Life Insurance Company (Massachusetts Mutual), a single-employer pension plan. All miscellaneous employees who were employed prior to April 1, 1976 participated in the MMRP.

Miscellaneous employees under the age of 55 joined PERS on April 1, 1976. However, these employees still remain vested under the MMRP and are eligible to receive retirement benefits at the time of retirement. Miscellaneous employees over the age 55 (on or before April 1, 1976) could not participate in PERS and remain wholly in the MMRP. The MMRP was amended in 1976 to provide equivalent retirement benefits to all miscellaneous employees, whether totally vested in PERS, totally vested in the MMRP or partially vested in both plans. Eligibility requirements for the MMRP are the same as those for PERS. There are 68 individuals in the plan, all of whom are no longer employed by the City or are currently participating in PERS. The City's payroll for employees covered by the MMRP for the year ended June 30, 2007 was zero. The City does not issue a publicly available financial report for the MMRP.

Funding Policy

MMRP is a contributory plan deriving funds from employee contributions as well as from employer contributions and earnings from investments. The annual required contribution for the current year was determined as part of the July 1, 2007, actuarial valuation using the entry age normal actuarial cost method. The Actuary performed a cash flow analysis with scheduled contributions based on January 01, 2007 participant data and actual retirement since previous projections. Plan funding requirements are driven by the need to provide liquidity to pay plan benefits. The 2007 cash flow projection shows projected trust assets exhausted in year 2016 and a forced increase in the annual contribution to cover benefits when due to be paid. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 5% a year compounded annually; (b) projected salary increases of 2% a year, attributable to cost-of-living adjustment, (c) additional projected salary increases of 5% a year (includes inflation at 2%), attributable to seniority/merit; and (d) no postretirement benefit increases.

The actuarial value of assets was determined by estimate, since the actual accounting of the pension assets is done on a calendar year basis. Assets are assigned to the general investment account of the insurance company where investments are comprised mainly of bonds and mortgages. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period was 30 years for the plan.

CITY OF MONTEREY PARK
Notes to Financial Statements (Continued)
June 30, 2008

TREND INFORMATION FOR MMRP

Schedule of Employer Contributions for Last Three Years (\$ Amount in Thousands)

Fiscal Year	Annual Required Contribution	City Contribution	Percentage Contributed	Net Pension Obligation
6/30/06	\$ 341	\$ 190	56%	\$ 445
6/30/07	341	201	59%	585
6/30/08	362	213	59%	734

Schedule of Funding Progress (\$ Amount in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability (b)	Unfunded AAL (UAAL) [(b) - (a)]	Funded Ratio [(a)/(b)]	Covered Payroll (c)	UAAL as a % of Covered Payroll {(b)-(a)/(c)}
7/01/07	\$ 2,514	\$ 7,977	\$ 5,463	31.5%	-	N/A

The Schedule of Funding Progress presented as Required Supplementary Information following the Notes to the Basic Financial Statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

(b) Defined Contribution Pension Plan

Monterey Park Part-Time Retirement Plan

Plan Description

During the 1991-1992 fiscal year, the City established the Monterey Park Part-Time Retirement Plan, a defined contribution retirement plan, for all nonbenefited, part-time employees in accordance with Internal Revenue Code Section 457, to conform to Section 3121(b)(7)(F) of the Internal Revenue Code added by the Omnibus Budget Reconciliation Act of 1990. The plan is administered by National Deferred Compensation Inc. The plan was established by the authority of the City Council who retains the authority to amend the plan.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investments of the contributions.

CITY OF MONTEREY PARK
Notes to Financial Statements (Continued)
June 30, 2008

All part-time, nonbenefited employees of the City must participate in the plan. During 2007-08, 168 part-time employees participated in the plan. All contributions to the plan vest immediately. An employee who leaves the City is entitled to all contributions, including contributions made by the City, and earnings applied to the individual's account through the date of separation, less legally required income tax withholding. Participants that become full-time employees and enter the PERS retirement plan will have the amount in their individual accounts transferred from this plan into a Section 457, Deferred Compensation Plan, subject to all the rules governing Section 457 plans, including substantial penalties for withdrawal prior to the age of normal retirement. Contribution levels into the part-time retirement plan were established by City Council resolution at 4% and 3.5% for the City and nonbenefited part-time employees, respectively.

During the year, total required and actual contributions amounted to \$57,290 and covered payroll for the year ended June 30, 2008 totaled \$1,432,246. The City contributed \$57,290 (4% of current covered payroll) and employees contributed \$50,128 (3.5% of current covered payroll). Total plan assets at June 30, 2008 were \$604,268. Plan assets are held in trust for the exclusive benefit of participants and their beneficiaries and, therefore, are not included in the financial statements.

11. RISK MANAGEMENT

The City of Monterey Park is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are handled as described below.

The City is partially self-insured for Workers' Compensation, General Liability and Automobile Liability. The City is fully self-insured for unemployment insurance claims (reimbursable account with Employment Development Department). The Workers' Compensation Internal Service Fund and the General Liability Internal Service Fund were established to account for the collection of premiums from various City departments related to the City's insurance and self-insurance programs.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

The City retains the risk for the first \$500,000 of each Workers' Compensation claim and is a member of the Independent Cities Risk Management Authority for coverage up to \$100 million per occurrence. The City retains the risk for the first \$300,000 of each General Liability and Auto Liability claim and is a member of the Independent Cities Risk Management Authority for coverage up to \$20 million per occurrence. The City also purchases commercial insurance for other risks of loss, including property loss, earthquake and flood, emergency vehicle physical damage and special events. There have been no significant changes in insurance coverage as compared to last year and the City has not experienced settlements in excess of insurance

CITY OF MONTEREY PARK
Notes to Financial Statements (Continued)
June 30, 2008

coverage during the past three fiscal years. Estimates for liabilities have been accrued in the Workers Compensation and General Liability Funds. These funds also include an estimate for incurred but not reported claims.

At June 30, 2008, total estimated claims payable were as follows:

General liability	\$	947,265
Workers' compensation		<u>3,760,476</u>
 Total	 \$	 <u><u>4,707,741</u></u>

The Authority is comprised of 28 Southern California cities, and each member city has a representative on the governing board. The comprehensive general liability insurance includes monetary damages for personal liability, property damage and public officials' errors and omissions. Deposits made to the Authority are based on losses incurred by the insured, and rebates are possible if the losses are minimal.

A reconciliation of changes in the aggregate liabilities for claims for the current fiscal year and the prior year is as follows:

	<u>2008</u>		<u>2007</u>
Claims liabilities - beginning balance	\$ 4,939,321	\$	4,665,890
Incurred claims, representing the total of a provision for events of the current fiscal year and any change in the provision for events of prior fiscal years	1,351,802		2,385,452
Payments on claims attributable to events of both the current fiscal year and prior fiscal years	<u>(1,583,382)</u>		<u>(2,112,021)</u>
 Total	 <u><u>\$ 4,707,741</u></u>	 \$	 <u><u>4,939,321</u></u>

12. FUND DEFICITS AND BUDGET OVERAGES

At June 30, 2008, deficit net assets were reported for the Workers' Compensation Internal Service Fund, in the amount of \$1,293,860. City management intends to eliminate the deficit net assets of the Workers' Compensation Fund over time by increased charges to City departments. City management believes the present cash positions of these funds is adequate to meet current needs. Park Facilities Special Revenue Fund also reported a deficit net assets of \$4,026. City management believes future tax revenues will eliminate this deficit.

Expenditures exceeded appropriations in the Bike Route Nonmajor Special Revenue Fund by \$2,007. The overage was offset by the increase in revenue for the same amount. Expenditures exceeded appropriations in Maintenance District 93-1 Special Revenue Fund by \$15,481, Park Facilities Special Revenue Fund by \$123,856, and Debt Service Fund by \$116,547.

CITY OF MONTEREY PARK
Notes to Financial Statements (Continued)
June 30, 2008

13. COMMITMENT

State law requires redevelopment agencies to set aside 20 percent of their tax increment revenues for low/mod housing. In 1997, the Agency approved a plan to set aside future tax increment revenue in addition to the regular 20 percent set aside requirements. No additional housing set aside obligations were incurred as of June 30, 2008.

A summary of the plan is presented below:

Year Ending June 30, 2008	Amount
2024-2029	\$ 500,000
2030-2034	450,000
2035-2039	236,222
Total	\$ 1,186,222

14. CONTINGENCIES

The City and numerous other public entities have been served with one claim by several industrial defendants seeking contribution and indemnification under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) based on generalized allegations that the City is responsible for damages sought against the defendants based on its ownership and/or use of sewer and flood control pipelines as well as other actions. The City, among others, has entered into a settlement which provides contribution immunity under CERCLA to foreclose the complaint. The judge's approved consent decree of the settlement has been appealed. Based on the lack of data as to the value of the underlying suit and the percent of responsibility, if any, of the City, and the unknown potential for reversal of the approval of the consent decree, no estimate of the potential liability of the City can be made at this time. The City intends to defend the case vigorously and to appeal any adverse judgment.

15. RESTATEMENT

In accordance with Government Accounting Standards Board (GASB) Statements No. 27 on Accounting for Pensions by State and Local Governmental Employers, the beginning net assets of the governmental activities, at July 1, 2007 was restated to reflect the net pension asset at net present value calculated by using CalPERS present value factors, as follows:

Beginning net assets, July 1, 2007, as reported	\$ 51,215,173
Change in net pension asset	2,742,500
Beginning net assets, July 1, 2007, as restated	\$ 53,957,673



CITY OF MONTEREY PARK
Required Supplementary Information
June 30, 2008

1. California Public Employees' Retirement System (CALPERS): - most recent data available

Schedule of Funding Progress (\$ Amount in Thousands)

Actuarial Valuation Date	Actuarial Asset Value (a)	Entry Age Actuarial Accrued Liability (b)	Unfunded AAL (UAAL) [(b) - (a)]	Funded Ratio [(a)/(b)]	Covered Payroll (c)	UAAL as a % of Covered Payroll {(b)-(a)/(c)}
06/30/04						
Misc.	\$ 44,154	\$ 43,953	\$ (201)	100.5%	\$ 9,745	(2.1%)
Safety	91,576	94,963	3,387	96.4%	8,671	39.1%
Total	\$ 135,730	\$ 138,916	\$ 3,186	93.0%	\$ 18,416	17.3%
06/30/05						
Misc.	\$ 47,392	\$ 47,926	\$ 534	98.9%	\$ 10,156	5.3%
Safety	96,418	100,372	3,954	96.1%	9,269	42.7%
Total	\$ 143,810	\$ 148,298	\$ 4,488	93.0%	\$ 19,425	23.1%
06/30/06						
Misc.	\$ 51,490	\$ 51,597	\$ 107	99.8%	\$ 10,682	1.0%
Safety	102,479	106,760	4,281	96.0%	9,812	43.6%
Total	\$ 153,969	\$ 158,357	\$ 4,388	93.0%	\$ 20,494	21.4%

2. Massachusetts Mutual Retirement Plan (MMRP):

Schedule of Funding Progress for Last Three Years (\$ Amount in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability (b)	Unfunded AAL (UAAL) [(b) - (a)]	Funded Ratio [(a)/(b)]	Covered Payroll (c)	UAAL as a % of Covered Payroll {(b)-(a)/(c)}
7/01/05	\$ 3,429	\$ 8,574	\$ 5,145	40.0%	-	N/A
7/01/06	2,947	8,273	5,326	35.6%	-	N/A
7/01/07	2,514	7,977	5,463	31.5%	-	N/A

CITY OF MONTEREY PARK
General Fund and Special Revenue Grants Fund
Budgetary Comparison Schedules
Year Ended June 30, 2008

	<u>General Fund</u>			Variance with Final Budget - Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 21,445,000	\$ 21,445,000	\$ 21,960,929	\$ 515,929
Licenses and permits	2,575,180	2,575,180	2,929,898	354,718
Intergovernmental revenues				
Charges for services	4,498,323	4,506,873	6,077,637	1,570,764
Revenues from use of money and property	1,792,989	1,792,989	1,904,731	111,742
Fines and forfeitures	1,165,000	1,165,000	1,246,497	81,497
Other	200,000	200,000	291,804	91,804
Total revenues	<u>31,676,492</u>	<u>31,685,042</u>	<u>34,411,496</u>	<u>2,726,454</u>
Expenditures:				
Current:				
General government	2,765,042	2,853,414	2,967,090	(113,676)
Public safety	20,003,136	20,049,242	20,173,990	(124,748)
Community development	1,919,506	1,958,087	1,686,859	271,228
Culture and recreation	4,650,347	4,672,857	4,661,470	11,387
Highways and streets	890,549	913,777	823,660	90,117
Capital outlay	16,000	395,185	290,372	104,813
Debt service:				
Principal retirement	144,414	144,414	144,414	-
Interest and fiscal charges	5,963	5,963	5,963	-
Total expenditures	<u>30,394,957</u>	<u>30,992,939</u>	<u>30,753,818</u>	<u>239,121</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 1,281,535</u>	<u>\$ 692,103</u>	<u>3,657,678</u>	<u>\$ 2,965,575</u>
Other financing sources (uses):				
Transfers in			300,720	
Transfers out			<u>(1,582,000)</u>	
Total other financing sources (uses)			<u>(1,281,280)</u>	
Net change in fund balances			2,376,398	
Fund balances, beginning of year			<u>16,073,384</u>	
Fund balances, end of year			<u>\$ 18,449,782</u>	

See Accompanying Note to Required Supplementary Information.

Special Revenue Grants

<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<u>Original</u>	<u>Final</u>		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
3,601,054	7,024,204	4,185,040	(2,839,164)
		2,463	2,463
-	-	27,415	27,415
-	-	-	-
-	-	-	-
<u>3,601,054</u>	<u>7,024,204</u>	<u>4,214,918</u>	<u>(2,809,286)</u>
96,446	310,153	390,124	(79,971)
1,539,461	1,539,461	609,132	930,329
326,719	350,043	373,573	(23,530)
33,186	33,754	19,570	14,184
1,042,071	4,227,622	1,017,435	3,210,187
311,445	311,445	311,445	-
318,978	318,978	318,978	-
<u>3,668,306</u>	<u>7,091,456</u>	<u>3,040,257</u>	<u>4,051,199</u>
<u>\$ (67,252)</u>	<u>\$ (67,252)</u>	<u>1,174,661</u>	<u>\$ 1,241,913</u>

(38,720)
(38,720)
1,135,941
199,141
\$ 1,335,082

CITY OF MONTEREY PARK
Note to Required Supplementary Information
June 30, 2008

(1) Budgetary Control and Accounting

The City adheres to the following general procedures in establishing the budgetary data reflected in the financial statements:

The annual budget adopted by the City Council serves as a guideline for operations of the City. It includes proposed expenditures and estimated revenues and is legally adopted for General and Special Revenue Fund Types. Budgeted expenditures are controlled at the fund level. Council approval is required for an increase or decrease in total appropriations.

Appropriated amounts are as originally adopted or as adjusted by the City Council throughout the year. During 2007-08, the City made several supplemental budgetary appropriations, including a \$597,982 in the General Fund and \$3,423,150 increase in the Grant Special Revenue Fund.

Budgets for the General and Special Revenue Fund Types are adopted on a basis consistent with generally accepted accounting principles. The modified-accrual basis of accounting is employed in the preparation of the budget for these fund types.

The budget is formally integrated into the accounting system and employed as a management control device during the year for all governmental funds. At fiscal year-end, unexpended and unencumbered budget appropriations lapse. Encumbrances outstanding at year-end are carried into the following year for continuing appropriation.



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CITY OF MONTEREY PARK
Debt Service Fund and Capital Projects Fund
Budgetary Comparison Schedules
Year Ended June 30, 2008

	Debt Service		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Taxes	\$ 6,330,000	\$ 7,796,621	\$ 1,466,621
Revenues from use of money and property	130,000	166,358	36,358
Other	-	-	-
Total revenues	6,460,000	7,962,979	1,502,979
Expenditures:			
Current:			
General government	109,700	155,512	(45,812)
Community development	3,385,108	3,455,843	(70,735)
Capital outlay	-	-	-
Debt service:			
Principal retirement	1,015,000	1,015,000	-
Interest and fiscal charges	1,436,775	1,436,775	-
Total expenditures	5,946,583	6,063,130	(116,547)
Excess (deficiency) of revenues over expenditures	\$ 513,417	1,899,849	\$ 1,386,432
Other financing sources (uses):			
Transfers in		-	
Transfers out		(4,418,560)	
Issuance of tax increment deferred loan		2,995,608	
Total other financing sources (uses)		(1,422,952)	
Net change in fund balances		476,897	
Fund balances, beginning of year		2,636,964	
Fund balances, end of year		\$ 3,113,861	

Capital Projects

<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
\$ 1,550,000	\$ 1,949,158	\$ 399,158
625,000	1,213,269	588,269
25,000	40,351	15,351
<u>2,200,000</u>	<u>3,202,778</u>	<u>1,002,778</u>
-	-	-
-	-	-
4,007,707	3,143,803	863,904
-	-	-
-	-	-
<u>4,007,707</u>	<u>3,143,803</u>	<u>863,904</u>
<u>\$ (1,807,707)</u>	<u>58,975</u>	<u>\$ 1,866,682</u>
	4,418,560	
	-	
	-	
	<u>4,418,560</u>	
	4,477,535	
	<u>39,180,885</u>	
	<u>\$ 43,658,420</u>	

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources that are restricted by law or administrative regulation for specified purposes. Special Revenue Funds include the following:

Proposition A Fund - used to account for the City's share of an additional one-half percent sales tax which was approved by the electorate in November 1980 and is collected by the County of Los Angeles to finance transportation projects such as the Monterey Park Spirit Buses and the Dial-A-Ride program.

Gas Tax Fund - used to account for expenditures financed by money apportioned under the Streets and Highways Code of the State of California.

Bike Route Fund - used to account for expenditures financed by State Transportation Development Act, Article 3, funds for bike route and pedestrian facilities improvements.

Proposition C Fund - used to account for the City's share of an additional one-half percent sales tax which was approved by the electorate in November 1990 and is collected by the County of Los Angeles to finance transit projects within the City.

Air Quality Improvement Fund - used to account for the City's share of additional motor vehicle registration fees imposed by the South Coast Air Quality Management District to finance the implementation of mobile source emission reduction programs and the provisions of the California Clean Air Act.

Asset Forfeiture Fund - used to account for revenues derived from monies and property seized by the Police Department in drug related incidence. These funds may only be expended on activities used to enhance drug enforcement activities.

Retirement Fund - used to account for revenue received from voter-approved property tax levied to provide for employee retirement costs, as established pursuant to Monterey Park Municipal Code Section 2.40.060.

Sewer Fund - used to account for construction and improvements to deficient sanitary sewer mains identified in the Sewer Master Plan, established pursuant to Monterey Park Municipal Code Section 14.06.080.

Refuse Fund - used to account for receipts and expenditures relating to waste management activities including refuse collection, disposal and reduction.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (Continued)

Park Facilities Fund - used to account for the acquisition and development of parks that are financed by developer fees, established pursuant to Monterey Park Municipal Code Section 16.54.050.

Business Improvement Area #1 Fund - used to account for receipts and expenditures relating to the promotion of business activities in the downtown area of the City.

Maintenance District 93-1 Fund - used to account for receipts and expenditures relating to the citywide benefit assessment district for street lighting and median maintenance.

Public Safety Impact Fee Fund - used to account for fees collected on new commercial and residential development. These funds will be used exclusively to finance public safety service expansion.

Public Safety Augmentation Fund - used to account for the City's share of the one-half percent sales tax which was approved by the electorate in November of 1993 (Proposition 172). The proceeds are earmarked exclusively for public safety purposes.

Library Tax Fund – used to account for annual parcel tax which was approved by the electorate in April of 1998 (Proposition C). The funds are to be exclusively used for Bruggemeyer Library improvements, expansion of operating hours, and additional books and supplies.

CERCLA Liability Fund – used to account for fees collected from the City's permitted haulers for each ton of waste that they dispose. The funds are to be only used to cover future environmental liability costs resulting from incidents falling under the Comprehensive Environmental Response Cleanup and Liability Act (CERCLA).

Pension Liability Fund – used to account for the financial resources provided by the City in anticipation of estimated increases in retirement costs due to the improved employee pension plan benefits.

CITY OF MONTEREY PARK
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2008
(With Comparative Total June 30, 2007)

	<u>Special Revenue</u>			
	<u>Proposition A</u>	<u>Gas Tax</u>	<u>Bike Route</u>	<u>Proposition C</u>
Assets:				
Cash and investments	\$ 1,344,641	\$ -	\$ -	\$ 1,551,997
Cash and investments held by fiscal agents	-	-	-	-
Accounts receivable	46,254	373,687	-	9,937
Advances to other funds	-	-	-	-
Total assets	<u>\$ 1,390,895</u>	<u>\$ 373,687</u>	<u>\$ -</u>	<u>\$ 1,561,934</u>
Liabilities and fund balance:				
Liabilities:				
Accounts payable	\$ 15,732	\$ 25,472	-	\$ 153,401
Accrued payroll	3,282	5,043	-	-
Due to other funds	-	133,237	-	-
Deferred revenue	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>19,014</u>	<u>163,752</u>	<u>-</u>	<u>153,401</u>
Fund Balance:				
Reserved for:				
Encumbrances	72,291	10,000	-	125,216
Unreserved	-	-	-	-
Designated for:				
Air quality improvement	-	-	-	-
Retirement	-	-	-	-
CERCLA liability	-	-	-	-
Pension liability	-	-	-	-
Claims	-	-	-	-
Capital projects and operations	1,299,590	199,935	-	1,283,317
Undesignated	-	-	-	-
Total fund balance	<u>1,371,881</u>	<u>209,935</u>	<u>-</u>	<u>1,408,533</u>
Total liabilities and fund balance	<u>\$ 1,390,895</u>	<u>\$ 373,687</u>	<u>\$ -</u>	<u>\$ 1,561,934</u>

Special Revenue

<u>Air Quality Improvement</u>	<u>Asset Forfeiture</u>	<u>Retirement</u>	<u>Sewer</u>	<u>Refuse</u>	<u>Park Facilities</u>
\$ 92,343	\$ 1,556,713	\$ 1,200,000	\$ 565,672	\$ 2,225,034	\$ 661,308
-	-	19,758	-	-	-
20,489	10,075	118,384	34,968	626,725	-
-	-	-	-	-	218,867
<u>\$ 112,832</u>	<u>\$ 1,566,788</u>	<u>\$ 1,338,142</u>	<u>\$ 600,640</u>	<u>\$ 2,851,759</u>	<u>\$ 880,175</u>
\$ 333	\$ 1,797	\$ 90	\$ 2,130	\$ 398,139	\$ 10,334
-	271	33,097	767	3,798	-
-	-	658,047	-	-	-
-	-	-	-	-	218,867
-	-	-	-	-	655,000
<u>333</u>	<u>2,068</u>	<u>691,234</u>	<u>2,897</u>	<u>401,937</u>	<u>884,201</u>
-	9,333	-	532,315	90,714	98,227
-	-	-	-	-	-
112,499	-	-	-	-	-
-	-	646,908	-	-	-
-	-	-	-	-	-
-	-	-	-	501,000	-
-	1,555,387	-	65,428	1,858,108	-
-	-	-	-	-	(102,253)
<u>112,499</u>	<u>1,564,720</u>	<u>646,908</u>	<u>597,743</u>	<u>2,449,822</u>	<u>(4,026)</u>
<u>\$ 112,832</u>	<u>\$ 1,566,788</u>	<u>\$ 1,338,142</u>	<u>\$ 600,640</u>	<u>\$ 2,851,759</u>	<u>\$ 880,175</u>

(Continued)

CITY OF MONTEREY PARK
Combining Balance Sheet - Nonmajor Governmental Funds (Continued)
June 30, 2008
(With Comparative Total June 30, 2007)

	Special Revenue			
	Business Improvement Area #1	Maintenance District 93-1	Public Safety Impact Fee	Public Safety Augmentation
Assets:				
Cash and investments	\$ 214,109	\$ 75,988	\$ 648,604	\$ -
Cash and investments held by fiscal agents	-	-	-	-
Accounts receivable	1,385	32,313		150,316
Advances to other funds	-	-	985,672	-
Total assets	\$ 215,494	\$ 108,301	\$ 1,634,276	\$ 150,316
Liabilities and fund balance:				
Liabilities:				
Accounts payable	\$ 379	\$ 38,706	\$ 36,703	\$ -
Accrued payroll	-	2,054	2,156	-
Due to other funds	-	-	161,523	150,316
Deferred revenue	-	-	985,672	-
Advances from other funds	-	-	400,000	-
Total liabilities	379	40,760	1,586,054	150,316
Fund Balance:				
Reserved for:				
Encumbrances	13,372	-	249,375	-
Unreserved	-	-	-	-
Designated for:				
Air quality improvement	-	-	-	-
Retirement	-	-	-	-
CERCLA liability	-	-	-	-
Pension liability	-	-	-	-
Claims	-	-	-	-
Capital projects and operations	201,743	67,541	-	-
Undesignated	-	-	(201,153)	-
Total fund balance	215,115	67,541	48,222	-
Total liabilities and fund balance	\$ 215,494	\$ 108,301	\$ 1,634,276	\$ 150,316

<u>Special Revenue</u>			<u>Total Nonmajor Governmental Funds - Special Revenue Funds</u>	
<u>Library Tax</u>	<u>CERCLA Liability</u>	<u>Pension Liability</u>	<u>2008</u>	<u>2007</u>
\$ 178,295	\$ 756,110	\$ 4,617,194	\$ 15,688,008	\$ 13,862,503
-	-	-	19,758	25,671
12,427	4,916	-	1,441,876	1,036,904
-	-	-	1,204,539	369,865
<u>\$ 190,722</u>	<u>\$ 761,026</u>	<u>\$ 4,617,194</u>	<u>\$ 18,354,181</u>	<u>\$ 15,294,943</u>
\$ 5,042	\$ -	\$ -	\$ 688,258	\$ 793,038
489	-	-	50,957	-
-	-	-	1,103,123	157,882
-	-	-	1,204,539	369,865
-	-	-	1,055,000	1,055,000
<u>5,531</u>	<u>-</u>	<u>-</u>	<u>4,101,877</u>	<u>2,375,785</u>
4,530	-	-	1,205,373	1,836,667
-	-	-	-	-
-	-	-	112,499	78,609
-	-	-	646,908	548,904
-	\$ 761,026	-	761,026	708,360
-	-	\$ 4,617,194	4,617,194	4,675,194
-	-	-	501,000	501,000
180,661	-	-	6,711,710	5,451,977
-	-	-	(303,406)	(881,553)
<u>185,191</u>	<u>761,026</u>	<u>4,617,194</u>	<u>14,252,304</u>	<u>12,919,158</u>
<u>\$ 190,722</u>	<u>\$ 761,026</u>	<u>\$ 4,617,194</u>	<u>\$ 18,354,181</u>	<u>\$ 15,294,943</u>

CITY OF MONTEREY PARK
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2008
(with comparative total for Year Ended June 30, 2007)

	<u>Special Revenue</u>			
	<u>Proposition A</u>	<u>Gas Tax</u>	<u>Bike Route</u>	<u>Proposition C</u>
Revenues:				
Taxes	\$ 1,177,365	\$ 1,125,192	\$ 34,607	\$ 855,599
Charges for services	71,261	-	-	-
Revenues from use of money and property	47,898	4,778	-	57,499
Fines and forfeitures	-	-	-	-
Total revenues	<u>1,296,524</u>	<u>1,129,970</u>	<u>34,607</u>	<u>913,098</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	23,143	-	-
Culture and recreation	-	-	-	-
Highways and streets	1,023,370	1,214,531	-	860,350
Health	-	-	-	-
Capital outlay	10	10,948	34,607	105,736
Debt service:				
Principal retirement	-	19,694	-	-
Interest and fiscal charges	-	814	-	-
Total expenditures	<u>1,023,380</u>	<u>1,269,130</u>	<u>34,607</u>	<u>966,086</u>
Excess (deficiency) of revenues over expenditures	<u>273,144</u>	<u>(139,160)</u>	<u>-</u>	<u>(52,988)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of property	622	-	-	-
Issue of long term debt	-	-	-	-
Total other financing sources (uses)	<u>622</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	273,766	(139,160)	-	(52,988)
Fund balance, beginning of year	<u>1,098,115</u>	<u>349,095</u>	<u>-</u>	<u>1,461,521</u>
Fund balance, end of year	<u>\$ 1,371,881</u>	<u>\$ 209,935</u>	<u>\$ -</u>	<u>\$ 1,408,533</u>

Special Revenue

<u>Air Quality Improvement</u>	<u>Asset Forfeiture</u>	<u>Retirement</u>	<u>Sewer</u>	<u>Refuse</u>	<u>Park Facilities</u>
\$ 77,214	-	\$ 3,988,952	\$ -	\$ -	\$ 278,543
-	-	-	293,650	5,773,306	-
3,097	\$ 32,441	19,794	-	-	-
-	1,101,419	-	-	-	-
<u>80,311</u>	<u>1,133,860</u>	<u>4,008,746</u>	<u>293,650</u>	<u>5,773,306</u>	<u>278,543</u>
-	-	420,926	-	-	-
-	122,211	3,126,072	-	-	-
-	-	164,976	-	-	-
-	-	326,399	-	-	-
46,421	-	49,528	-	-	-
-	-	-	193,391	5,465,893	-
-	-	-	-	-	127,172
-	7,116	-	-	-	-
-	346	1,022,841	-	-	-
<u>46,421</u>	<u>129,673</u>	<u>5,110,742</u>	<u>193,391</u>	<u>5,465,893</u>	<u>127,172</u>
<u>33,890</u>	<u>1,004,187</u>	<u>(1,101,996)</u>	<u>100,259</u>	<u>307,413</u>	<u>151,371</u>
-	-	1,200,000	-	-	-
-	-	-	-	-	-
-	715	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>715</u>	<u>1,200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
33,890	1,004,902	98,004	100,259	307,413	151,371
78,609	559,818	548,904	497,484	2,142,409	(155,397)
<u>\$ 112,499</u>	<u>\$ 1,564,720</u>	<u>\$ 646,908</u>	<u>\$ 597,743</u>	<u>\$ 2,449,822</u>	<u>\$ (4,026)</u>

(Continued)

CITY OF MONTEREY PARK
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds (Continued)
Year Ended June 30, 2008
(with comparative total for Year Ended June 30, 2007)

	Special Revenue			
	Business Improvement Area #1	Maintenance District 93-1	Public Safety Impact Fee	Public Safety Augmentation
Revenues:				
Taxes	\$ 59,302	\$ -	\$ -	\$ 590,585
Charges for services	-	922,091	623,637	-
Revenues from use of money and property	7,916	-	20,477	-
Fines and forfeitures	-	-	-	-
Total revenues	<u>67,218</u>	<u>922,091</u>	<u>644,114</u>	<u>590,585</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	440,852	590,585
Community development	50,994	-	-	-
Culture and recreation	-	479,715	-	-
Highways and streets	-	565,004	-	-
Health	-	-	-	-
Capital outlay	-	-	431,222	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	65,869	-
Total expenditures	<u>50,994</u>	<u>1,044,719</u>	<u>937,943</u>	<u>590,585</u>
Excess (deficiency) of revenues over expenditures	<u>16,224</u>	<u>(122,628)</u>	<u>(293,829)</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(60,000)	-
Proceeds from sale of property	-	-	-	-
Issue of long term debt	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(60,000)</u>	<u>-</u>
Net change in fund balance	16,224	(122,628)	(353,829)	-
Fund balance, beginning of year	<u>198,891</u>	<u>190,169</u>	<u>402,051</u>	<u>-</u>
Fund balance, end of year	<u>\$ 215,115</u>	<u>\$ 67,541</u>	<u>\$ 48,222</u>	<u>\$ -</u>

Special Revenue			Total Nonmajor Governmental Funds - Special Revenue Funds	
Library Tax	CERCLA Liability	Pension Liability	2008	2007
\$ 538,607	\$ -	\$ -	\$ 8,725,966	\$ 8,253,464
-	114,757	-	7,798,702	7,258,397
6,513	27,909	-	228,322	265,171
-	-	-	1,101,419	343,691
<u>545,120</u>	<u>142,666</u>	<u>-</u>	<u>17,854,409</u>	<u>16,120,723</u>
-	-	-	420,926	430,517
-	-	-	4,279,720	4,323,671
-	-	-	239,113	261,739
112,197	-	-	918,311	819,143
-	-	-	3,759,204	3,488,542
-	90,000	-	5,749,284	5,523,633
28,470	-	-	738,165	2,639,427
255,410	-	-	282,220	433,064
127,787	-	-	1,217,657	1,250,408
<u>523,864</u>	<u>90,000</u>	<u>-</u>	<u>17,604,600</u>	<u>19,170,144</u>
<u>21,256</u>	<u>52,666</u>	<u>-</u>	<u>249,809</u>	<u>(3,049,421)</u>
-	-	1,142,000	2,342,000	1,443,051
-	-	(1,200,000)	(1,260,000)	-
-	-	-	1,337	-
-	-	-	-	1,800,000
<u>-</u>	<u>-</u>	<u>(58,000)</u>	<u>1,083,337</u>	<u>3,243,051</u>
21,256	52,666	(58,000)	1,333,146	193,630
<u>163,935</u>	<u>708,360</u>	<u>4,675,194</u>	<u>12,919,158</u>	<u>12,725,528</u>
<u>\$ 185,191</u>	<u>\$ 761,026</u>	<u>\$ 4,617,194</u>	<u>\$ 14,252,304</u>	<u>\$ 12,919,158</u>

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Proposition A Special Revenue Fund
Year Ended June 30, 2008
(with comparative actual for Year Ended June 30, 2007)

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 1,209,500	\$ 1,177,365	\$ (32,135)	\$ 1,139,121
Charges for services	56,000	71,261	15,261	55,838
Revenues from use of money and property	41,000	47,898	6,898	49,140
Total revenues	1,306,500	1,296,524	(9,976)	1,244,099
Expenditures:				
Current:				
Highways and streets	1,072,826	1,023,370	49,456	978,287
Capital outlay	72,301	10	72,291	99,477
Total expenditures	1,145,127	1,023,380	121,747	1,077,764
Excess of revenues over expenditures	<u>\$ 161,373</u>	273,144	<u>\$ 111,771</u>	166,335
Other financing sources:				
Proceeds from sale of property		622		-
Net change in fund balance		273,766		166,335
Fund balance, beginning of year		1,098,115		931,780
Fund balance, end of year		<u>\$ 1,371,881</u>		<u>\$ 1,098,115</u>

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Gas Tax Special Revenue Fund
Year Ended June 30, 2008
(with comparative actual for Year Ended June 30, 2007)

	<u>2008</u>		Variance Positive (Negative)	<u>2007</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Taxes	\$ 1,213,500	\$ 1,125,192	\$ (88,308)	\$ 1,157,291
Revenues from use of money and property	<u>10,000</u>	<u>4,778</u>	<u>(5,222)</u>	<u>6,832</u>
Total revenues	<u>1,223,500</u>	<u>1,129,970</u>	<u>(93,530)</u>	<u>1,164,123</u>
Expenditures:				
Current:				
Community development	27,930	23,143	4,787	24,341
Highways and streets	1,204,801	1,214,531	(9,730)	1,101,851
Capital outlay	19,842	10,948	8,894	7,000
Debt service:				
Principal retirement	19,694	19,694	-	18,656
Interest and fiscal charges	<u>814</u>	<u>814</u>	<u>-</u>	<u>1,850</u>
Total expenditures	<u>1,273,081</u>	<u>1,269,130</u>	<u>3,951</u>	<u>1,153,698</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (49,581)</u>	(139,160)	<u>\$ (89,579)</u>	10,425
Other financing sources:				
Transfers in		-		<u>33,163</u>
Net change in fund balance		(139,160)		43,588
Fund balance, beginning of year		<u>349,095</u>		<u>305,507</u>
Fund balance, end of year		<u>\$ 209,935</u>		<u>\$ 349,095</u>

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Bike Route Special Revenue Fund
Year Ended June 30, 2008
(with comparative actual for Year Ended June 30, 2007)

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 32,600	\$ 34,607	\$ 2,007	\$ 35,829
Expenditures:				
Capital outlay	32,600	34,607	(2,007)	36,972
Net change in fund balance	<u>\$ -</u>		<u>\$ -</u>	(1,143)
Fund balance, beginning of year		-		1,143
Fund balance, end of year		<u>\$ -</u>		<u>\$ -</u>

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Proposition C Special Revenue Fund
Year Ended June 30, 2008
(with comparative actual for Year Ended June 30, 2007)

	<u>2008</u>		Variance Positive (Negative)	<u>2007</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Taxes	\$ 890,000	\$ 855,599	\$ (34,401)	\$ 859,287
Revenues from use of money and property	41,000	57,499	16,499	65,362
Total revenues	<u>931,000</u>	<u>913,098</u>	<u>(17,902)</u>	<u>924,649</u>
Expenditures:				
Current:				
Highways and streets	797,420	860,350	(62,930)	798,835
Capital outlay	303,216	105,736	197,480	277,214
Total expenditures	<u>1,100,636</u>	<u>966,086</u>	<u>134,550</u>	<u>1,076,049</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (169,636)</u>	<u>(52,988)</u>	<u>\$ 116,648</u>	<u>(151,400)</u>
Other financing sources:				
Transfers in		-		9,888
Net change in fund balance		(52,988)		(141,512)
Fund balance, beginning of year		<u>1,461,521</u>		<u>1,603,033</u>
Fund balance, end of year		<u>\$ 1,408,533</u>		<u>\$ 1,461,521</u>

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Air Quality Improvement Special Revenue Fund
Year Ended June 30, 2008
(with comparative actual for Year Ended June 30, 2007)

	<u>2008</u>		Variance Positive (Negative)	<u>2007</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Taxes	\$ 80,000	\$ 77,214	\$ (2,786)	\$ 77,814
Revenues from use of money and property	<u>1,700</u>	<u>3,097</u>	<u>1,397</u>	<u>1,958</u>
Total revenues	81,700	80,311	(1,389)	79,772
Expenditures:				
Current:				
Highways and streets	<u>55,960</u>	<u>46,421</u>	<u>9,539</u>	<u>42,473</u>
Net change in fund balance	<u>\$ 25,740</u>	33,890	<u>\$ 8,150</u>	37,299
Fund balance, beginning of year		<u>78,609</u>		<u>41,310</u>
Fund balance, end of year		<u>\$ 112,499</u>		<u>\$ 78,609</u>

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Asset Forfeiture Special Revenue Fund
Year Ended June 30, 2008
(with comparative actual for Year Ended June 30, 2007)

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
Revenues:				
Revenues from use of money and property	\$ 5,000	\$ 32,441	\$ 27,441	\$ 16,697
Fines and forfeitures	150,000	1,101,419	951,419	343,691
	155,000	1,133,860	978,860	360,388
Expenditures:				
Current:				
Public safety	311,280	122,211	189,069	343,679
Debt service:				
Principal retirement	7,116	7,116	-	57,325
Interest and fiscal charges	346	346	-	8,752
	318,742	129,673	189,069	409,756
Excess (deficiency) of revenues over expenditures	<u>\$ (163,742)</u>	1,004,187	<u>\$ 1,167,929</u>	(49,368)
Other financing sources (uses):				
Proceeds from sale of property		715		-
Net change in fund balance		1,004,902		(49,368)
Fund balance, beginning of year		559,818		609,186
Fund balance, end of year		<u>\$ 1,564,720</u>		<u>\$ 559,818</u>

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Retirement Special Revenue Fund
Year Ended June 30, 2008
(with comparative actual for Year Ended June 30, 2007)

	<u>2008</u>		Variance Positive (Negative)	<u>2007</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Taxes	\$ 3,741,000	\$ 3,988,952	\$ 247,952	\$ 3,725,836
Revenues from use of money and property	-	19,794	19,794	28,374
Total revenues	<u>3,741,000</u>	<u>4,008,746</u>	<u>267,746</u>	<u>3,754,210</u>
Expenditures:				
Current:				
General government	460,506	420,926	39,580	430,517
Public safety	3,238,232	3,126,072	112,160	2,841,733
Community development	210,552	164,976	45,576	183,242
Culture and recreation	341,196	326,399	14,797	301,803
Highways and streets	52,199	49,528	2,671	47,484
Debt service:				
Interest and fiscal charges	<u>1,022,841</u>	<u>1,022,841</u>	-	<u>1,022,841</u>
Total expenditures	<u>5,325,526</u>	<u>5,110,742</u>	<u>214,784</u>	<u>4,827,620</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,584,526)</u>	(1,101,996)	<u>\$ 482,530</u>	(1,073,410)
Other financing sources:				
Transfers in		<u>1,200,000</u>		-
Net change in fund balance		98,004		(1,073,410)
Fund balance, beginning of year		<u>548,904</u>		<u>1,622,314</u>
Fund balance, end of year		<u>\$ 646,908</u>		<u>\$ 548,904</u>

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Sewer Special Revenue Fund
Year Ended June 30, 2008
(with comparative actual for Year Ended June 30, 2007)

	<u>2008</u>		Variance Positive (Negative)	<u>2007</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Charges for services	\$ 323,000	\$ 293,650	\$ (29,350)	\$ 294,888
Expenditures:				
Current:				
Health	206,528	193,391	13,137	224,847
Capital outlay	509,859	-	509,859	498,801
Debt service:				
Principal retirement	-	-	-	24,591
Interest and fiscal charges	-	-	-	393
Total expenditures	<u>716,387</u>	<u>193,391</u>	<u>522,996</u>	<u>748,632</u>
Net change in fund balance	<u>\$ (393,387)</u>	100,259	<u>\$ 493,646</u>	(453,744)
Fund balance, beginning of year		<u>497,484</u>		<u>951,228</u>
Fund balance, end of year		<u>\$ 597,743</u>		<u>\$ 497,484</u>

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Refuse Special Revenue Fund
Year Ended June 30, 2008
(with comparative actual for Year Ended June 30, 2007)

	<u>2008</u>		Variance Positive (Negative)	<u>2007</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Charges for services	\$ 5,615,000	\$ 5,773,306	\$ 158,306	\$ 5,498,006
Expenditures:				
Current:				
Health	<u>5,622,047</u>	<u>5,465,893</u>	<u>156,154</u>	<u>5,208,786</u>
Net change in fund balance	<u>\$ (7,047)</u>	<u>\$ 307,413</u>	<u>\$ 314,460</u>	289,220
Fund balance, beginning of year		<u>2,142,409</u>		<u>1,853,189</u>
Fund balance, end of year		<u>\$ 2,449,822</u>		<u>\$ 2,142,409</u>

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Park Facilities Special Revenue Fund
Year Ended June 30, 2008
(with comparative actual for Year Ended June 30, 2007)

	<u>2008</u>		Variance Positive (Negative)	<u>2007</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Taxes	\$ 517,700	\$ 278,543	\$ (239,157)	\$ 98,879
Expenditures:				
Capital outlay	<u>242,473</u>	<u>127,172</u>	<u>115,301</u>	<u>430,642</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 275,227</u>	<u>151,371</u>	<u>\$ (123,856)</u>	<u>(331,763)</u>
Net change in fund balance		151,371		(331,763)
Fund balance, beginning of year		<u>(155,397)</u>		<u>176,366</u>
Fund balance, end of year		<u>\$ (4,026)</u>		<u>\$ (155,397)</u>

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Business Improvement Area #1 Special Revenue Fund
Year Ended June 30, 2008
(with comparative actual for Year Ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Taxes	\$ 61,000	\$ 59,302	\$ (1,698)	\$ 67,828
Revenues from use of money and property	8,600	7,916	(684)	8,037
Total revenues	69,600	67,218	(2,382)	75,865
Expenditures:				
Current:				
Community development	99,480	50,994	48,486	54,156
Net change in fund balance	\$ (29,880)	16,224	\$ 46,104	21,709
Fund balance, beginning of year		198,891		177,182
Fund balance, end of year		\$ 215,115		\$ 198,891

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Maintenance District 93-1 Special Revenue Fund
Year Ended June 30, 2008
(with comparative actual for Year Ended June 30, 2007)

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
Revenues:				
Charges for services	\$ 970,000	\$ 922,091	\$ (47,909)	\$ 940,103
Expenditures:				
Current:				
Culture and recreation	475,486	479,715	(4,229)	463,968
Highways and streets	553,752	565,004	(11,252)	519,612
Total expenditures	1,029,238	1,044,719	(15,481)	983,580
Net change in fund balance	<u>\$ (59,238)</u>	(122,628)	<u>\$ (63,390)</u>	(43,477)
Fund balance, beginning of year		190,169		233,646
Fund balance, end of year		<u>\$ 67,541</u>		<u>\$ 190,169</u>

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Public Safety Impact Fee Special Revenue Fund
Year Ended June 30, 2008
(with comparative actual for Year Ended June 30, 2007)

	<u>2008</u>		Variance Positive (Negative)	<u>2007</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Charges for services	\$ 1,017,550	\$ 623,637	\$ (393,913)	\$ 337,979
Revenues from use of money and property	-	20,477	20,477	52,814
Total revenues	<u>1,017,550</u>	<u>644,114</u>	<u>(373,436)</u>	<u>390,793</u>
Expenditures:				
Current:				
Public safety	516,165	440,852	75,313	538,857
Capital outlay	669,405	431,222	238,183	1,252,959
Debt services:				
Principal retirement	-	-	-	86,542
Interest and fiscal charges	65,869	65,869	-	79,326
Total expenditures	<u>1,251,439</u>	<u>937,943</u>	<u>313,496</u>	<u>1,957,684</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (233,889)</u>	<u>(293,829)</u>	<u>\$ (59,940)</u>	<u>(1,566,891)</u>
Other financing sources:				
Transfers out		(60,000)		
Issue of long term debt		-		1,800,000
Total other financing sources (uses)		<u>(60,000)</u>		<u>1,800,000</u>
Net change in fund balance		(353,829)		233,109
Fund balance, beginning of year		<u>402,051</u>		<u>168,942</u>
Fund balance, end of year		<u>\$ 48,222</u>		<u>\$ 402,051</u>

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Public Safety Augmentation Special Revenue Fund
Year Ended June 30, 2008
(with comparative actual for Year Ended June 30, 2007)

	2008			2007
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Taxes	\$ 660,000	\$ 590,585	\$ (69,415)	\$ 599,402
Expenditures:				
Current:				
Public safety	660,000	590,585	69,415	599,402
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund balance, beginning of year		<u>-</u>		<u>-</u>
Fund balance, end of year		<u>\$ -</u>		<u>\$ -</u>

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Library Tax Special Revenue Fund
Year Ended June 30, 2008
(with comparative actual for Year Ended June 30, 2007)

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 502,700	\$ 538,607	\$ 35,907	\$ 492,177
Revenues from use of money and property	5,300	6,513	1,213	6,592
Total revenues	508,000	545,120	37,120	498,769
Expenditures:				
Current:				
Culture and recreation	124,483	112,197	12,286	53,372
Capital outlay	33,000	28,470	4,530	36,362
Debt service:				
Principal retirement	255,410	255,410	-	245,950
Interest and fiscal charges	127,787	127,787	-	137,246
Total expenditures	540,680	523,864	16,816	472,930
Net change in fund balance	\$ (32,680)	21,256	\$ 53,936	25,839
Fund balance, beginning of year		163,935		138,096
Fund balance, end of year		\$ 185,191		\$ 163,935

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
CERCLA Liability Special Revenue Fund
Year Ended June 30, 2008
(with comparative actual for Year Ended June 30, 2007)

	2008		Variance Positive (Negative)	2007
	Budget	Actual		Actual
Revenues:				
Charges for services	\$ 110,000	\$ 114,757	\$ 4,757	\$ 131,583
Revenues from use of money and property	34,000	27,909	(6,091)	29,365
Total revenues	144,000	142,666	(1,334)	160,948
Expenditures:				
Current:				
Health	90,000	90,000	-	90,000
Net change in fund balance	\$ 54,000	52,666	\$ (1,334)	70,948
Fund balance, beginning of year		708,360		637,412
Fund balance, end of year		\$ 761,026		\$ 708,360

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Pension Liability Special Revenue Fund
Year Ended June 30, 2008
(with comparative actual for Year Ended June 30, 2007)

	<u>2008</u>	<u>2007</u>
	<u>Actual</u>	<u>Actual</u>
Other financing sources:		
Transfers in	\$ 1,142,000	\$ 1,400,000
Transfers out	<u>(1,200,000)</u>	<u>-</u>
Net change in fund balance	(58,000)	1,400,000
Fund balance, beginning of year	<u>4,675,194</u>	<u>3,275,194</u>
Fund balance, end of year	<u>\$ 4,617,194</u>	<u>\$ 4,675,194</u>

INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods or services provided by one department to other departments of the City, on a cost-reimbursement basis. Internal Service Funds include the following:

Separation Benefits Fund - used to account for employee separation costs (i.e., vacation, sick and holiday hours).

General Liability Fund - used to account for the City's general liability insurance, including claims, legal and other expenses.

Workers' Compensation Fund - used to account for the City's workers' compensation insurance costs, including claims, legal and other expenses.

Shop Fund - used to account for the purchase and maintenance of all motorized equipment used by City departments.

Technology Fund – used to account for the City's centralized data processing activities and future technological infrastructure improvements.

CITY OF MONTEREY PARK
Combining Statement of Net Assets - Internal Service Funds
June 30, 2008
(with comparative total June 30, 2007)

	Separation Benefits	General Liability	Workers' Compensation
Assets:			
Current:			
Cash and investments	\$ 1,139,769	\$ 2,443,900	\$ 2,471,782
Accounts receivable	-	-	-
Inventory	-	-	-
Total current assets	1,139,769	2,443,900	2,471,782
Capital assets, net of accumulated depreciation	-	-	-
Total assets	1,139,769	2,443,900	2,471,782
Liabilities:			
Current liabilities:			
Accounts payable	-	11,177	-
Accrued payroll	1,271	305	338
Claims and judgments payable - current portion	-	378,906	1,504,190
Capital lease obligation - current portion	-	-	-
Total current liabilities	1,271	390,388	1,504,528
Noncurrent:			
Claims and judgments payable	-	568,359	2,256,286
Capital lease obligation	-	-	-
Compensated absences payable	-	4,270	4,828
Total noncurrent liabilities	-	572,629	2,261,114
Total liabilities	1,271	963,017	3,765,642
Net assets:			
Invested in capital assets net of related debt	-	-	-
Unrestricted	1,138,498	1,480,883	(1,293,860)
Total Net Assets (Deficits)	\$ 1,138,498	\$ 1,480,883	\$ (1,293,860)

<u>Shop</u>	<u>Technology</u>	<u>Totals</u>	
		<u>2008</u>	<u>2007</u>
\$ 1,091,298	\$ 707,221	\$ 7,853,970	\$ 7,572,745
-	-	-	17,157
14,796	-	14,796	14,898
<u>1,106,094</u>	<u>707,221</u>	<u>7,868,766</u>	<u>7,604,800</u>
<u>2,060,787</u>	<u>329,852</u>	<u>2,390,639</u>	<u>2,464,941</u>
<u>3,166,881</u>	<u>1,037,073</u>	<u>10,259,405</u>	<u>10,069,741</u>
163,570	42,159	216,906	244,983
2,132	-	4,046	-
-	-	1,883,096	1,975,728
225,854	-	225,854	218,949
<u>391,556</u>	<u>42,159</u>	<u>2,329,902</u>	<u>2,439,660</u>
-	-	2,824,645	2,963,593
-	-	-	225,854
23,050	-	32,148	41,055
<u>23,050</u>	<u>-</u>	<u>2,856,793</u>	<u>3,230,502</u>
<u>414,606</u>	<u>42,159</u>	<u>5,186,695</u>	<u>5,670,162</u>
1,834,933	329,852	2,164,785	2,020,138
917,342	665,062	2,907,925	2,379,441
<u>\$ 2,752,275</u>	<u>\$ 994,914</u>	<u>\$ 5,072,710</u>	<u>\$ 4,399,579</u>

CITY OF MONTEREY PARK
Combining Statement of Revenues, Expenses and
Changes in Net Assets - Internal Service Funds
Year Ended June 30, 2008
(with comparative total for Year Ended June 30, 2007)

	<u>Separation Benefits</u>	<u>General Liability</u>	<u>Workers' Compensation</u>
Operating revenues:			
Charges for services	\$ 1,258,959	\$ 750,000	\$ 1,189,743
Other revenue	-	185,079	198,731
Total operating revenues	<u>1,258,959</u>	<u>935,079</u>	<u>1,388,474</u>
Operating expenses:			
Depreciation	-	-	-
Vehicle expense	-	-	-
Salaries and benefits	1,492,451	42,519	47,416
Materials and supplies	-	-	-
Insurance and claims	-	631,955	982,095
Miscellaneous	-	-	-
Total operating expenses	<u>1,492,451</u>	<u>674,474</u>	<u>1,029,511</u>
Operating income (loss)	<u>(233,492)</u>	<u>260,605</u>	<u>358,963</u>
Nonoperating income (expense):			
(Loss) on sale of surplus property	-	-	-
Total nonoperating income (loss)	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss) before transfers	(233,492)	260,605	358,963
Transfers in	<u>200,000</u>	<u>-</u>	<u>-</u>
Change in net assets	(33,492)	260,605	358,963
Net assets (deficits), beginning of year	<u>1,171,990</u>	<u>1,220,278</u>	<u>(1,652,823)</u>
Net assets (deficits), end of year	<u>\$ 1,138,498</u>	<u>\$ 1,480,883</u>	<u>\$ (1,293,860)</u>

<u>Shop</u>	<u>Technology</u>	<u>Totals</u>	
		<u>2008</u>	<u>2007</u>
\$ 1,711,021	\$ 125,588	\$ 5,035,311	\$ 4,704,510
12,348	-	396,158	41,924
<u>1,723,369</u>	<u>125,588</u>	<u>5,431,469</u>	<u>4,746,434</u>
647,976	57,632	705,608	613,844
35,770	-	35,770	10,713
314,040	-	1,896,426	1,282,829
745,010	-	745,010	669,752
-	-	1,614,050	2,449,326
234,557	-	234,557	229,195
<u>1,977,353</u>	<u>57,632</u>	<u>5,231,421</u>	<u>5,255,659</u>
<u>(253,984)</u>	<u>67,956</u>	<u>200,048</u>	<u>(509,225)</u>
<u>(26,917)</u>	<u>-</u>	<u>(26,917)</u>	<u>(15,759)</u>
<u>(26,917)</u>	<u>-</u>	<u>(26,917)</u>	<u>(15,759)</u>
<u>(280,901)</u>	<u>67,956</u>	<u>173,131</u>	<u>(524,984)</u>
<u>-</u>	<u>300,000</u>	<u>500,000</u>	<u>200,000</u>
<u>(280,901)</u>	<u>367,956</u>	<u>673,131</u>	<u>(324,984)</u>
<u>3,033,176</u>	<u>626,958</u>	<u>4,399,579</u>	<u>4,724,563</u>
<u>\$ 2,752,275</u>	<u>\$ 994,914</u>	<u>\$ 5,072,710</u>	<u>\$ 4,399,579</u>

CITY OF MONTEREY PARK
Combining Statement of Cash Flows - Internal Service Funds
Year Ended June 30, 2008
(with comparative total for Year Ended June 30, 2007)

	<u>Separation Benefits</u>	<u>General Liability</u>
Cash flows from operating activities:		
Cash payments to suppliers for goods and services	\$ -	\$ -
Cash payments for insurance premiums and self-insurance claims	-	(902,178)
Cash payments to employees for services	(1,491,180)	(40,902)
Other operating cash receipts	-	-
Cash receipts from interfund services provided	<u>1,276,116</u>	<u>935,079</u>
Net cash provided by (used for) operating activities	<u>(215,064)</u>	<u>(8,001)</u>
Cash flows from noncapital financing activities:		
Transfers in from other funds	<u>200,000</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>200,000</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	-	-
Proceeds from sale of surplus assets	-	-
Principal paid on lease financing	<u>-</u>	<u>-</u>
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(15,064)	(8,001)
Cash and cash equivalents, beginning of year	<u>1,154,833</u>	<u>2,451,901</u>
Cash and cash equivalents, end of year	<u>\$ 1,139,769</u>	<u>\$ 2,443,900</u>
Noncash capital activity:		
Scrapped capital assets, net	<u>\$ -</u>	<u>\$ -</u>

Workers' Compensation	Shop	Technology	Totals	
			2008	2007
\$ -	\$ (973,439)	\$ 15,957	\$ (957,482)	\$ (888,825)
(1,029,282)	-	-	(1,931,460)	(2,096,331)
(45,209)	(323,995)	-	(1,901,286)	(1,274,231)
-	-	-	-	15,759
<u>1,388,475</u>	<u>1,723,368</u>	<u>125,588</u>	<u>5,448,626</u>	<u>4,729,277</u>
<u>313,984</u>	<u>425,934</u>	<u>141,545</u>	<u>658,398</u>	<u>485,649</u>
<u>-</u>	<u>-</u>	<u>300,000</u>	<u>500,000</u>	<u>200,000</u>
<u>-</u>	<u>-</u>	<u>300,000</u>	<u>500,000</u>	<u>200,000</u>
-	(575,166)	(83,057)	(658,223)	(1,161,439)
-	-	-	-	2,615
<u>-</u>	<u>(218,950)</u>	<u>-</u>	<u>(218,950)</u>	<u>(88,168)</u>
<u>-</u>	<u>(794,116)</u>	<u>(83,057)</u>	<u>(877,173)</u>	<u>(1,246,992)</u>
313,984	(368,182)	358,488	281,225	(561,343)
<u>2,157,798</u>	<u>1,459,480</u>	<u>348,733</u>	<u>7,572,745</u>	<u>8,134,088</u>
<u>\$ 2,471,782</u>	<u>\$ 1,091,298</u>	<u>\$ 707,221</u>	<u>\$ 7,853,970</u>	<u>\$ 7,572,745</u>
<u>\$ -</u>	<u>\$ (26,917)</u>	<u>\$ -</u>	<u>\$ 26,917</u>	<u>\$ -</u>

(Continued)

CITY OF MONTEREY PARK
Combining Statement of Cash Flows - Internal Service Funds (Continued)
Year Ended June 30, 2008
(with comparative total for Year Ended June 30, 2007)

	Separation Benefits	General Liability
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (233,492)	\$ 260,605
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	-	-
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	17,157	-
Decrease in inventory	-	-
Increase (decrease) in accounts payable	-	(85,144)
Increase in accrued payroll	1,271	305
Increase (decrease) in claims and judgments payable	-	(185,079)
Increase (decrease) in compensated absences payable	-	1,312
Total adjustments	18,428	(268,606)
Net cash provided by (used for) operating activities	\$ (215,064)	\$ (8,001)

<u>Workers' Compensation</u>	<u>Shop</u>	<u>Technology</u>	<u>Totals</u>	
			<u>2008</u>	<u>2007</u>
\$ 358,963	\$ (253,984)	\$ 67,956	\$ 200,048	\$ (509,225)
-	647,976	57,632	705,608	613,844
-	-	-	17,157	(17,157)
-	102	-	102	4,109
(686)	41,796	15,957	(28,077)	112,048
338	2,133	-	4,047	
(46,501)	-	-	(231,580)	273,431
1,870	(12,089)	-	(8,907)	8,599
(44,979)	679,918	73,589	458,350	994,874
<u>\$ 313,984</u>	<u>\$ 425,934</u>	<u>\$ 141,545</u>	<u>\$ 658,398</u>	<u>\$ 485,649</u>

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AGENCY FUNDS

Agency Funds are used to account for assets held by the City in a fiduciary capacity for other governmental units, private organizations or individuals. Agency funds include the following:

Deposits Fund - used to account for various donations for specific purposes and refundable security deposits paid by developers.

Construction Agency Fund - used to account for deposits placed with the City by developers to pay for future services provided by City-retained consultants.

Manta Rays Swim Team Fund - used to account for funds held by the City for the Monterey Park Swim Team activities.

CITY OF MONTEREY PARK
Combining Statement of Assets and Liabilities - All Agency Funds
June 30, 2008
(with comparative total for Year Ended June 30, 2007)

	Deposits Fund	Construction Agency Fund	Manta Rays Swim Team Fund
Assets:			
Cash and investments	\$ 2,463,135	\$ 180,491	\$ 11,880
Total assets	\$ 2,463,135	\$ 180,491	\$ 11,880
Liabilities:			
Accounts payable	\$ 206,038	\$ 1,932	
Deposits payable	2,257,097	178,559	\$ 11,880
Total liabilities	\$ 2,463,135	\$ 180,491	\$ 11,880

Totals	
<u>2008</u>	<u>2007</u>
\$ 2,655,506	\$ 7,624,872
<u>\$ 2,655,506</u>	<u>\$ 7,624,872</u>
\$ 207,970	\$ 286,864
<u>2,447,536</u>	<u>7,338,008</u>
<u>\$ 2,655,506</u>	<u>\$ 7,624,872</u>

CITY OF MONTEREY PARK
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
Year Ended June 30, 2008

<u>Deposits Fund</u>	<u>Balance at June 30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2008</u>
Assets:				
Cash and investments	\$ 7,366,045	\$ 5,063,702	\$ 9,966,612	\$ 2,463,135
Liabilities:				
Accounts payable	\$ 282,736	\$ 2,185,044	\$ 2,261,742	\$ 206,038
Deposits payable	7,083,309	2,878,658	7,704,870	2,257,097
Total liabilities	<u>\$ 7,366,045</u>	<u>\$ 5,063,702</u>	<u>\$ 9,966,612</u>	<u>\$ 2,463,135</u>
 <u>Construction Agency Fund</u>				
Assets:				
Cash and investments	\$ 241,584	\$ 118,816	\$ 179,909	\$ 180,491
Liabilities:				
Accounts payable	4,128	\$ 89,823	\$ 92,019	\$ 1,932
Deposits payable	\$ 237,456	28,993	87,890	178,559
Total liabilities	<u>\$ 241,584</u>	<u>\$ 118,816</u>	<u>\$ 179,909</u>	<u>\$ 180,491</u>
 <u>Manta Rays Swim Team Fund</u>				
Assets:				
Cash and investments	\$ 17,243	\$ 33,384	\$ 38,747	\$ 11,880
Liabilities:				
Deposits payable	\$ 17,243	\$ 33,384	\$ 38,747	\$ 11,880

(Continued)

CITY OF MONTEREY PARK
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
Year Ended June 30, 2008

	<u>Balance at</u> <u>June 30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2008</u>
<u>Total - All Agency Funds</u>				
Assets:				
Cash and investments	\$ 7,624,872	\$ 5,215,902	\$ 10,185,268	\$ 2,655,506
Liabilities:				
Accounts payable	\$ 286,864	\$ 2,274,867	\$ 2,353,761	\$ 207,970
Deposits payable	7,338,008	2,941,035	7,831,507	2,447,536
Total liabilities	\$ 7,624,872	\$ 5,215,902	\$ 10,185,268	\$ 2,655,506

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GENERAL FUND

The General Fund is used to account for all general revenues of the City not specifically levied or collected for other City funds, and for the expenditures related to the rendering of general services by the City. The General Fund is used to account for all resources not required legally or by sound financial management to be accounted for in another fund.

CITY OF MONTEREY PARK
General Fund
Balance Sheet
June 30, 2008
(with comparative data June 30, 2007)

	Totals	
	2008	2007
Assets:		
Cash and investments	\$ 16,581,521	\$ 13,947,556
Accounts receivable	2,336,932	1,949,979
Due from other funds	2,459,742	2,216,007
Notes receivable	231,714	249,803
Advances to other funds	2,076,040	3,159,557
Total assets	\$ 23,685,949	\$ 21,522,902
Liabilities and fund balance:		
Liabilities:		
Accounts payable	\$ 1,080,287	\$ 1,081,819
Accrued payroll	1,273,645	1,104,093
Deposits and advances	884,704	711,196
Deferred revenue	1,997,531	2,552,410
Total liabilities	5,236,167	5,449,518
Fund Balance:		
Reserved for:		
Encumbrances	206,963	156,462
Unreserved		
Designated for:		
Advances to other funds	1,055,000	1,055,000
Capital improvements	5,150,000	3,350,000
Unemployment claims	340,000	340,000
Potential catastrophic events	2,000,000	2,000,000
Working capital	3,000,000	3,000,000
Undesignated	6,697,819	6,171,922
Total fund balance	18,449,782	16,073,384
Total liabilities and fund balance	\$ 23,685,949	\$ 21,522,902

CITY OF MONTEREY PARK
Statement of Revenues, Expenditures
and Changes in Fund Balance - General Fund
Year Ended June 30, 2008
(with comparative data for Year Ended June 30, 2007)

	Totals	
	2008	2007
Revenues:		
Taxes	\$ 21,960,929	\$ 21,593,335
Licenses and permits	2,929,898	2,151,806
Charges for services	6,077,637	4,970,149
Revenues from use of money and property	1,904,731	2,060,448
Fines and forfeitures	1,246,497	1,140,629
Other	291,804	388,765
Total revenues	34,411,496	32,305,132
Expenditures:		
Current:		
General government	2,967,090	3,629,338
Public safety	20,173,990	18,266,845
Community development	1,686,859	2,071,034
Culture and recreation	4,661,470	4,294,768
Highways and streets	823,660	839,580
Capital outlay	290,372	739,457
Debt service:		
Principal retirement	144,414	136,814
Interest and fiscal charges	5,963	13,562
Total expenditures	30,753,818	29,991,398
Exces (deficiency) of revenues over expenditures	3,657,678	2,313,734
Other financing sources (uses):		
Transfers in	300,720	250,000
Transfers out	(1,582,000)	(1,600,000)
Total other financing sources (uses)	(1,281,280)	(1,350,000)
Net change in fund balance	2,376,398	963,734
Fund balance, beginning of year	16,073,384	15,109,650
Fund balance, end of year	\$ 18,449,782	\$ 16,073,384

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MAJOR SPECIAL REVENUE FUND

Grants Fund – used to account for the grants requiring segregated fund accounting. Financing is provided by federal, state and county agencies.

CITY OF MONTEREY PARK
Special Revenue Grants Fund
Balance Sheet
June 30, 2008
(with comparative data June 30, 2007)

	Totals	
	2008	2007
Assets:		
Cash and investments	\$ 2,661,570	\$ 1,546,307
Accounts receivable	1,526,240	2,209,972
Notes receivable	3,132,555	3,035,737
	\$ 7,320,365	\$ 6,792,016
 Liabilities and fund balance:		
Liabilities:		
Accounts payable	\$ 412,856	\$ 216,252
Accrued payroll	2,775	-
Deposits and advances	753	753
Due to other funds	1,356,617	2,058,125
Due to other governmental agencies	1,285,893	1,266,679
Deferred revenue	2,926,389	3,051,066
	5,985,283	6,592,875
 Fund Balance:		
Reserved for:		
Encumbrances	3,663,482	2,912,819
Unreserved:		
Undesignated	(2,328,400)	(2,713,678)
	1,335,082	199,141
Total fund balance	\$ 7,320,365	\$ 6,792,016
Total liabilities and fund balance	\$ 7,320,365	\$ 6,792,016

CITY OF MONTEREY PARK
Statement of Revenues, Expenditures
and Changes in Fund Balances - Special Revenue Grants Fund
Year Ended June 30, 2008
(with comparative data for Year Ended June 30, 2007)

	<u>Totals</u>	
	<u>2008</u>	<u>2007</u>
Revenues:		
Intergovernmental revenues	\$ 4,185,040	\$ 6,311,434
Charges for services	2,463	14,850
Revenues from use of money and property	27,415	4,646
	<u>4,214,918</u>	<u>6,330,930</u>
Expenditures:		
Current:		
Public safety	390,124	292,074
Community development	609,132	1,540,280
Culture and recreation	373,573	335,468
Highways and streets	19,570	44,714
Capital outlay	1,017,435	3,207,397
Debt service:		
Principal retirement	311,445	221,251
Interest and fiscal charges	318,978	417,228
	<u>3,040,257</u>	<u>6,058,412</u>
Excess (deficiency) of revenues over expenditures	1,174,661	272,518
Other financing sources (uses):		
Transfers out	<u>(38,720)</u>	<u>(43,051)</u>
Net change in fund balance	1,135,941	229,467
Fund balance, beginning of year	<u>199,141</u>	<u>(30,326)</u>
Fund balance, end of year	<u>\$ 1,335,082</u>	<u>\$ 199,141</u>

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DEBT SERVICE FUND

Debt Service Funds account for the accumulation of resources that are used to make the payments of principal, interest, and related costs on general long-term debt of the City of Monterey Park Community Redevelopment Agency.

Debt Service Fund – used to account for the principal, interest, and related costs of the redevelopment project areas.

CITY OF MONTEREY PARK
Debt Service Fund
Balance Sheet
June 30, 2008
(with comparative data June 30, 2007)

	Totals	
	2008	2007
Assets:		
Cash and investments held by fiscal agent	\$ 2,534,349	\$ 2,545,150
Accounts receivable	668,024	317,671
Total assets	\$ 3,202,373	\$ 2,862,821
Liabilities and fund balance:		
Liabilities:		
Accounts payable	\$ 88,512	\$ 225,857
Total liabilities	88,512	225,857
Fund Balance:		
Reserved	3,113,861	2,636,964
Total fund balance	3,113,861	2,636,964
Total liabilities and fund balance	\$ 3,202,373	\$ 2,862,821

CITY OF MONTEREY PARK
Statement of Revenues, Expenditures and
Changes in Fund Balance - Debt Service Fund
Year Ended June 30, 2008
(with comparative data for Year Ended June 30, 2007)

	<u>Totals</u>	
	<u>2008</u>	<u>2007</u>
Revenues:		
Taxes	\$ 7,796,621	\$ 6,507,808
Revenues from use of money and property	<u>166,358</u>	<u>231,983</u>
Total revenues	<u>7,962,979</u>	<u>6,739,791</u>
 Expenditures:		
Current:		
General government	155,512	115,259
Community development	3,455,843	3,081,443
Debt service:		
Principal retirement	1,015,000	985,000
Interest and fiscal charges	<u>1,436,775</u>	<u>1,467,587</u>
Total expenditures	<u>6,063,130</u>	<u>5,649,289</u>
Excess (deficiency) of revenues over expenditures	<u>1,899,849</u>	<u>1,090,502</u>
 Other financing sources (uses):		
Transfers out	(4,418,560)	(4,366,379)
Issuance of tax increment deferred loan	<u>2,995,608</u>	<u>2,587,736</u>
Total other financing sources	<u>(1,422,952)</u>	<u>(1,778,643)</u>
Net change in fund balances	476,897	(688,141)
Fund balance, beginning of year	<u>2,636,964</u>	<u>3,325,105</u>
Fund balance, end of year	<u>\$ 3,113,861</u>	<u>\$ 2,636,964</u>

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CAPITAL PROJECTS FUNDS

Capital Projects Funds account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds. The Capital Projects fund is the following:

Capital Projects Fund - used to account for financial resources segregated for the acquisition and rehabilitation of capital facilities within the redevelopment project areas.

CITY OF MONTEREY PARK
Capital Projects Fund
Balance Sheet
June 30, 2008
(with comparative data June 30, 2007)

	Totals	
	2008	2007
Assets:		
Cash and investments	\$ 31,113,628	\$ 28,918,403
Accounts receivable	355,477	374,954
Notes receivable	7,075,953	4,669,771
Land held for resale	8,523,237	8,523,237
	<u>8,523,237</u>	<u>8,523,237</u>
Total assets	<u>\$ 47,068,295</u>	<u>\$ 42,486,365</u>
Liabilities and fund balance:		
Liabilities:		
Accounts payable	\$ 290,253	\$ 231,828
Accrued payroll	5,603	-
Deposits and advances	-	1,170
Deferred revenue	888,441	598,060
Advances from other funds	2,225,578	2,474,422
	<u>2,225,578</u>	<u>2,474,422</u>
Total liabilities	<u>3,409,875</u>	<u>3,305,480</u>
Fund balance:		
Reserved for:		
Encumbrances	696,319	137,098
Land held for resale	8,523,237	8,523,237
Long term receivable	6,076,634	3,961,935
Contractual obligation	5,577,800	4,375,578
Housing set-aside commitment	7,284,998	5,908,226
Unreserved		
Designated for:		
Capital projects	15,499,432	16,274,811
	<u>15,499,432</u>	<u>16,274,811</u>
Total fund balance	<u>43,658,420</u>	<u>39,180,885</u>
Total liabilities and fund balance	<u>\$ 47,068,295</u>	<u>\$ 42,486,365</u>

CITY OF MONTEREY PARK
Statement of Revenues, Expenditures and
Changes in Fund Balance - Capital Projects Fund
Year Ended June 30, 2008
(with comparative data for Year Ended June 30, 2007)

	Totals	
	2008	2007
Revenues:		
Taxes	\$ 1,949,158	\$ 1,626,953
Revenues from use of money and property	1,213,269	1,223,869
Other	40,351	52,960
Total revenues	3,202,778	2,903,782
Expenditures:		
Capital outlay	3,143,803	2,578,516
Excess (deficiency) of revenues over expenditures	58,975	325,266
Other financing sources (uses):		
Transfers in	4,418,560	4,366,379
(Loss) on sale of property		(510,178)
Total other financing sources	4,418,560	3,856,201
Net change in fund balance	4,477,535	4,181,467
Fund balance, beginning of year	39,180,885	34,999,418
Fund balance, end of year	\$ 43,658,420	\$ 39,180,885

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WATER ENTERPRISE FUND

Water Fund accounts for the City's water system operations. The Water Fund has the following two major activities.

Water Operation Activity – used to account for financial resources for the water operation including commercial, production, distribution, and implementation of Water Master Plan.

Water Treatment Activity – used to account for financial resources for the treatment of certain chemical contaminations to meet water quality standards.

CITY OF MONTEREY PARK
Schedule of Assets, Liabilities and Net Assets by Function - Water Enterprise Fund
June 30, 2008
(with comparative total June 30, 2007)

	<u>Water Operations Activity</u>	<u>Water Treatment Activity</u>
Assets:		
Current assets:		
Cash and investments	\$ 5,485,598	\$ -
Accounts receivable	1,614,435	-
Due from water treatment activity	2,305,914	-
Total current assets	<u>9,405,947</u>	<u>-</u>
Noncurrent assets:		
Capital assets, net of accumulated depreciation	<u>15,703,209</u>	<u>8,791,487</u>
Total assets	<u>25,109,156</u>	<u>8,791,487</u>
Liabilities and net assets:		
Current liabilities:		
Accounts payable	229,410	231,789
Accrued payroll	17,552	2,634
Capital lease obligation - current portion	124,930	69,156
Compensated absences payable - current portion	25,762	3,044
Deposits and advances	362,577	-
Due to water operations activity	-	2,305,914
Total current liabilities	<u>760,231</u>	<u>2,612,537</u>
Noncurrent Liabilities:		
Capital lease obligation	3,301,298	1,771,230
Compensated absences payable	231,851	27,401
Total noncurrent liabilities	<u>3,533,149</u>	<u>1,798,631</u>
Total liabilities	<u>4,293,380</u>	<u>4,411,168</u>
Net assets:		
Invested in capital assets, net of related debt	12,276,981	6,951,101
Unrestricted-designated for capital improvements	<u>8,538,795</u>	<u>(2,570,782)</u>
Total net assets	20,815,776	4,380,319
Adjustment to reflect the consolidation of internal service funds activities to related activity	<u>(169,280)</u>	<u>-</u>
Net assets related to Water Enterprise activities	<u>\$ 20,646,496</u>	<u>\$ 4,380,319</u>

Totals	
2008	2007
\$ 5,485,598	\$ 2,872,250
1,614,435	1,753,087
2,305,914	2,730,331
<u>9,405,947</u>	<u>7,355,668</u>
24,494,696	24,758,932
<u>33,900,643</u>	<u>32,114,600</u>
461,199	985,022
20,186	-
194,086	265,082
28,806	31,003
362,577	355,677
2,305,914	2,730,331
<u>3,372,768</u>	<u>4,336,112</u>
5,072,528	4,291,477
259,252	279,026
<u>5,331,780</u>	<u>4,601,506</u>
<u>8,704,548</u>	<u>8,937,618</u>
19,228,082	20,202,373
5,968,013	2,974,609
<u>25,196,095</u>	<u>23,176,982</u>
(169,280)	(270,538)
<u>\$ 25,026,815</u>	<u>\$ 22,906,444</u>

CITY OF MONTEREY PARK
Schedule of Revenues, Expenses and Changes in Net Assets by Function - Water Enterprise Fund
Year Ended June 30, 2008
(With comparative total for Year Ended June 30, 2007)

	<u>Water Operations Activity</u>	<u>Water Treatment Activity</u>
Operating revenues:		
Charges for services	\$ 7,623,360	\$ 2,492,209
Meter installations	408,046	-
Grants	-	-
Other revenue	290,065	673,238
Total operating revenues	<u>8,321,471</u>	<u>3,165,447</u>
Operating expenses:		
Water purchased	53,020	119,359
Administration-water	2,412,380	-
Commercial-water	693,955	-
Production-water	1,642,635	-
Distribution-water	1,052,266	-
Treatment plant operations	-	2,581,498
Depreciation	739,564	338,652
Total operating expenses	<u>6,593,820</u>	<u>3,039,509</u>
Operating income (loss)	1,727,651	125,938
Nonoperating income (loss):		
(Loss) on sale of surplus property	(17,379)	-
Total Nonoperating Income (Loss)	<u>(17,379)</u>	<u>-</u>
Net income (loss) before transfers and contributions	1,710,272	125,938
Capital contributions	444,903	-
Transfers out	(262,000)	-
Total transfers and capital contributions	<u>182,903</u>	<u>-</u>
Changes in net assets	1,893,175	125,938
Net assets (deficits), beginning of year	18,922,601	4,254,381
Net assets (deficits), end of year	<u>\$ 20,815,776</u>	<u>\$ 4,380,319</u>
Changes in net assets	\$ 1,893,175	\$ 125,938
Adjustment to reflect consolidation of internal service fund activities to related enterprise activity	101,258	-
Changes in net activities of Water Enterprise activities	<u>\$ 1,994,433</u>	<u>\$ 125,938</u>

Totals	
2008	2007
\$ 10,115,569	\$ 10,028,187
408,046	419,981
-	287,506
963,303	593,713
<u>11,486,918</u>	<u>11,329,387</u>
172,379	616,007
2,412,380	2,247,628
693,955	680,223
1,642,635	1,660,969
1,052,266	1,004,336
2,581,498	2,693,070
1,078,216	1,022,772
<u>9,633,329</u>	<u>9,925,005</u>
1,853,589	1,404,382
(17,379)	-
<u>(17,379)</u>	
1,836,210	1,404,382
444,903	280,959
<u>(262,000)</u>	<u>(250,000)</u>
182,903	30,959
2,019,113	1,435,341
<u>23,176,982</u>	<u>21,741,641</u>
<u>\$ 25,196,095</u>	<u>\$ 23,176,982</u>
\$ 2,019,113	\$ 1,435,341
101,258	(328,817)
<u>\$ 2,120,371</u>	<u>\$ 1,106,524</u>

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STATISTICAL SECTION
(Unaudited)

This part of the City of Monterey Park's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Index</u>	<u>Page</u>
Financial Trends - These schedules contain information to help the reader to understand how the City's financial performance and well-being have changed over time.	
1 Net Assets by Component	136
2 Change in Net Assets	138-141
3 Fund Balances of Governmental Funds	142
4 Changes in Fund Balances of Governmental Funds	144
Revenue Capacity - These schedules contain information to help the reader assess the City's property tax.	
5 Assessed Value and Estimated Actual Value of Taxable Property	146
6 Direct and Overlapping Property Tax Rates	148-149
7 Principal Property Tax Payers	150-151
8 General Fund Property Tax Levies and Collections	152
Debt Capacity - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
9 Ratios of Outstanding Debt by Type	154-156
10 Ratios of General Bonded Debt Outstanding	157
11 Direct and Overlapping Debt	158
12 Legal Debt Margin Information	160-161
13 Pledged-Revenue Coverage	162
Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
14 Demographic and Economic Statistics	163
15 Principal Employers	164-165
Operating Information - These schedules contain service and infrastructure data to help the reader understanding how the information in the City's financial report relates to the services the City provides and the activates it performs.	
16 Full-time and Part-time City Government Employees by Function	166
17 Operating Indicators by Function	168-169
18 Capital Assets Statistics by Function	170-171
19 Water Sold by Type of Customer	172-173
20 Water Rates	174
21 Water Customers	175

CITY OF MONTEREY PARK
Net Assets by Component
Last Six Fiscal Years
(accrual basis of accounting)

	Fiscal Year		
	2003	2004	2005
Governmental activities:			
Invested in capital assets, net of related debt	\$ 28,473,823	\$ 28,995,314	\$ 33,316,889
Restricted	35,032,907	37,577,409	44,040,390
Unrestricted	(34,029,791)	(32,196,829)	(34,565,344)
Total governmental activities net assets	<u>\$ 29,476,939</u>	<u>\$ 34,375,894</u>	<u>\$ 42,791,935</u>
Business-type Activities:			
Invested in capital assets, net of related debt	\$ 13,267,529	\$ 17,067,003	\$ 19,880,710
Restricted	-	-	-
Unrestricted	1,300,140	1,608,386	1,210,407
Total business-type activities net assets	<u>\$ 14,567,669</u>	<u>\$ 18,675,389</u>	<u>\$ 21,091,117</u>
Primary Government:			
Invested in capital assets, net of related debt	\$ 41,741,352	\$ 46,062,317	\$ 53,197,599
Restricted	15,474,589	6,139,301	44,040,390
Unrestricted	(13,171,333)	849,665	(33,354,937)
Total primary government net assets	<u>\$ 44,044,608</u>	<u>\$ 53,051,283</u>	<u>\$ 63,883,052</u>

The City of Monterey Park implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation of GASB 34 is not available.

Source: City of Monterey Park, Finance Division

Fiscal Year		
2006	2007	2008
\$ 39,935,338	\$ 41,243,683	\$ 42,188,514
40,358,826	41,256,879	50,363,018
(31,003,360)	(28,542,889)	(29,746,073)
\$ 49,290,804	\$ 53,957,673	\$ 62,805,459
\$ 19,700,171	\$ 20,202,373	\$ 19,228,082
-	-	-
2,099,749	2,704,071	5,798,733
\$ 21,799,920	\$ 22,906,444	\$ 25,026,815
\$ 59,635,509	\$ 61,446,056	\$ 61,416,596
40,358,826	41,256,879	50,363,018
(28,903,611)	(25,838,818)	(23,947,340)
\$ 71,090,724	\$ 76,864,117	\$ 87,832,274

CITY OF MONTEREY PARK
Changes in Net Assets
Last Six Fiscal Years
(accrual basis of accounting)

	Fiscal Year		
	2003	2004	2005
Expenses:			
Governmental activities:			
General government	\$ 3,875,042	\$ 3,766,150	\$ 4,110,311
Public safety	19,712,262	19,275,515	20,418,214
Community development	5,601,070	6,494,687	6,880,151
Culture and recreation	5,322,394	5,380,342	5,348,469
Highway and streets	4,421,007	5,595,749	4,776,390
Health	4,722,742	4,587,644	4,924,369
Interest and fiscal charges	2,008,899	3,040,713	4,079,124
Total governmental activities			
expenses	<u>45,663,416</u>	<u>48,140,800</u>	<u>50,537,028</u>
Business-type activities:			
Water	<u>8,877,261</u>	<u>6,296,717</u>	<u>8,620,295</u>
Total business-type activities			
expenses	<u>8,877,261</u>	<u>6,296,717</u>	<u>8,620,295</u>
Total primary government			
expenses	<u>54,540,677</u>	<u>54,437,517</u>	<u>59,157,323</u>
Program revenues:			
Governmental activities:			
Charges for services:			
General government	1,442,693	1,331,238	1,449,459
Public safety	2,994,168	2,564,364	3,018,772
Community development	1,623,800	957,673	2,106,140
Culture and recreation	877,441	937,278	792,172
Highway and Streets	1,208,418	1,186,860	1,303,633
Health	5,004,307	4,933,367	5,139,373
Operating grants and contributions	1,809,654	1,969,482	2,302,117
Capital grants and contributions	1,768,359	3,081,881	6,125,743
Total government activities			
program revenues	<u>16,728,840</u>	<u>16,962,143</u>	<u>22,237,409</u>
Business-type activities:			
Water			
Charges for services:	7,860,078	6,718,386	7,590,509
Capital grants and contributions	4,672,557	855,628	3,331,675
Total business-type activities			
revenues	<u>12,532,635</u>	<u>7,574,014</u>	<u>10,922,184</u>
Total primary government			
revenues	<u>\$ 29,261,475</u>	<u>\$ 24,536,157</u>	<u>\$ 33,159,593</u>

Fiscal Year		
2006	2007	2008
\$ 3,805,164	\$ 5,740,916	\$ 4,338,308
22,168,220	23,991,371	25,259,657
7,206,979	9,550,291	8,388,572
5,536,176	5,776,367	6,914,716
5,283,276	6,550,763	5,184,431
5,289,520	5,575,305	5,729,874
4,292,781	3,211,151	3,040,769
<u>53,582,116</u>	<u>60,396,164</u>	<u>58,856,327</u>
<u>8,594,316</u>	<u>10,253,822</u>	<u>9,549,450</u>
<u>8,594,316</u>	<u>10,253,822</u>	<u>9,549,450</u>
<u>62,176,432</u>	<u>70,649,986</u>	<u>68,405,777</u>
1,458,109	1,469,072	765,334
3,309,549	3,521,884	4,961,930
2,166,424	1,840,229	3,960,929
697,239	766,051	801,478
1,457,019	1,422,080	1,569,903
5,550,377	5,792,895	6,066,956
2,572,146	6,794,692	4,472,472
2,955,297	2,055,895	1,620,031
<u>20,166,160</u>	<u>23,662,798</u>	<u>24,219,033</u>
8,842,158	10,729,127	10,523,615
319,059	287,506	444,903
<u>9,161,217</u>	<u>11,016,633</u>	<u>10,968,518</u>
<u>\$ 29,327,377</u>	<u>\$ 34,679,431</u>	<u>\$ 35,187,551</u>

(Continued)

CITY OF MONTEREY PARK
Changes in Net Assets
Last Six Fiscal Years
(accrual basis of accounting)

	Fiscal Year		
	2003	2004	2005
General revenues and other			
Changes in net assets:			
Governmental activities:			
Taxes:			
Property taxes	\$ 20,323,727	\$ 18,883,567	\$ 18,859,161
Sales tax	4,763,934	4,504,133	5,261,458
Vehicle in-lieu tax	2,861,427	3,681,334	691,143
Vehicle in-lieu tax gap loan repayment	-	-	1,075,194
Utility users tax	3,143,376	3,154,439	3,103,159
Utility franchise tax			978,880
Business license tax	880,448	909,816	917,106
Transient occupancy tax			500,011
Other taxes	1,020,713	1,414,928	3,465,501
Revenues from use of money and property	583,883	617,980	1,461,509
Other	6,023	2,798	152,538
Gain/(loss) on sale of property	-	-	-
Transfers	250,000	234,987	250,000
Total general revenues and transfers	<u>33,833,531</u>	<u>33,403,982</u>	<u>36,715,660</u>
Business-type activities:			
Investment income	702,346	11,779	363,839
Transfers	(250,000)	(234,987)	(250,000)
Total business-type activities	<u>452,346</u>	<u>(223,208)</u>	<u>113,839</u>
Total primary government	<u>34,285,877</u>	<u>33,180,774</u>	<u>36,829,499</u>
Changes in net assets			
Governmental activities	4,898,955	2,225,325	8,416,041
Business-type activities	4,107,720	1,054,089	2,415,728
Total primary government	<u>\$ 9,006,675</u>	<u>\$ 3,279,414</u>	<u>\$ 10,831,769</u>

*The City of Monterey Park implemented GASB34 for the fiscal year ended June 30, 2003
Information prior to the implementation of GASB34 is not available.*

Source: City of Monterey Park, Finance Division

Fiscal Year		
2006	2007	2008
\$ 21,338,420	\$ 23,059,597	\$ 25,506,057
5,255,486	5,620,979	5,407,689
386,524	429,693	275,591
-	-	-
3,186,345	3,330,631	3,417,647
1,023,947	1,073,341	1,043,237
957,513	996,629	1,028,436
608,376	783,505	908,694
3,794,098	1,607,587	1,763,576
2,709,920	3,797,283	3,540,097
407,783	450,990	332,056
(3,587)	-	-
250,000	250,000	262,000
39,914,825	41,400,235	43,485,080
391,902	593,713	963,303
(250,000)	(250,000)	(262,000)
141,902	343,713	701,303
40,056,727	41,743,948	44,186,383
6,498,869	4,666,869	8,847,786
708,803	1,106,524	2,120,371
\$ 7,207,672	\$ 5,773,393	\$ 10,968,157

CITY OF MONTEREY PARK
Fund Balances of Governmental Funds
Last Six Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year		
	2003	2004	2005
General fund:			
Reserved	\$ 226,000	\$ 383,513	\$ 1,609,646
Unreserved	10,186,471	10,896,390	10,992,733
Total General fund	\$ 10,412,471	\$ 11,279,903	\$ 12,602,379
All other governmental funds:			
Reserved	\$ 13,948,449	\$ 14,330,817	\$ 18,247,285
Unreserved, reported in:			
Debt Service	2,533,418	2,242,233	2,532,000
Non major special revenue funds	11,681,532	12,893,288	13,919,706
Special revenue funds	262,089	365,292	(4,125,038)
Capital project funds	17,614,834	18,845,681	22,395,185
Total all other governmental funds	\$ 56,452,793	\$ 59,957,214	\$ 52,969,138

Source: City of Monterey Park, Finance Division

Fiscal Year		
2006	2007	2008
\$ 1,024,501	\$ 156,462	\$ 206,963
14,085,149	15,916,922	18,242,819
<u>\$ 15,109,650</u>	<u>\$ 16,073,384</u>	<u>\$ 18,449,782</u>
\$ 13,898,628	\$ 26,330,589	\$ 36,141,704
3,325,105	-	-
11,322,367	11,082,491	13,046,931
(2,227,083)	(2,713,678)	(2,328,400)
24,700,708	20,236,746	15,499,432
<u>\$ 51,019,725</u>	<u>\$ 54,936,148</u>	<u>\$ 62,359,667</u>

CITY OF MONTEREY PARK
Changes in Fund Balances of Governmental Funds
Last Six Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year		
	2003	2004	2005
Revenues:			
Taxes	\$ 30,223,473	\$ 31,092,464	\$ 33,934,508
Licenses and permits	1,379,372	1,734,977	2,116,292
Intergovernmental revenues	4,182,276	4,294,490	8,070,587
Charges for services	10,429,472	10,978,471	11,424,156
Revenues from use of money & forfeitures	1,414,928	1,020,713	1,461,509
Fines and forfeitures	1,011,753	1,317,827	1,186,206
Other	617,980	583,883	152,538
Total revenues	<u>49,259,254</u>	<u>51,022,825</u>	<u>58,345,796</u>
Expenditures:			
Current:			
General government	3,737,025	3,733,425	3,682,512
Public safety	18,195,887	19,032,152	20,245,495
Community development	3,840,611	3,345,680	4,745,306
Culture and recreation	4,912,447	5,083,891	4,864,355
Highways and streets	3,959,725	4,150,407	4,242,132
Health	4,848,948	4,754,430	4,850,680
Capital outlay	5,491,346	4,367,246	11,110,466
Debt service:			
Principal retirement	592,733	1,511,613	1,539,534
Interest and fiscal charges	2,951,236	1,965,964	3,912,459
Cost of issuance	775,614	391,855	-
Total expenditures	<u>49,305,572</u>	<u>48,336,663</u>	<u>59,192,939</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(46,318)</u>	<u>2,686,162</u>	<u>(847,143)</u>
Other financing sources (uses):			
Transfers in	11,325,647	2,655,885	5,204,198
Transfers out	(11,090,660)	(2,405,885)	(4,954,198)
(Loss) on sale of property	-	-	-
Proceeds from sale of property	2,798	35,000	-
Proceeds from tax increment deferred	1,615,499	6,826	-
Proceeds from section 108 loan	6,500,000	134,274	1,940,741
Issuance of tax increment deferred loan	-	-	-
Issue of long term debt	-	-	-
Issuance of bonds	24,270,000	17,405,000	3,900,000
Payment to bond escrow agent	(20,242,200)	(17,012,841)	-
Total other financing sources (uses)	<u>12,381,084</u>	<u>818,259</u>	<u>6,090,741</u>
Net change in fund balances	<u>\$ 12,334,766</u>	<u>\$ 3,504,421</u>	<u>\$ 5,243,598</u>
Debt service as a percentage of noncapital expenditures	10.94%	9.65%	12.79%

Source: City of Monterey Park, Finance Division

Fiscal Year		
2006	2007	2008
\$ 35,533,276	\$ 37,981,560	\$ 40,432,674
2,355,310	2,151,806	2,929,898
5,147,213	6,311,434	4,185,040
12,087,372	12,243,396	13,878,802
2,695,272	3,786,117	3,540,095
1,218,183	1,484,320	2,347,916
446,828	441,725	332,155
59,483,454	64,400,358	67,646,580
3,617,431	4,175,114	3,543,528
21,702,423	22,882,590	24,843,834
4,887,781	6,954,496	5,990,947
5,153,714	5,449,379	5,953,354
4,251,299	4,372,836	4,602,434
5,289,411	5,523,633	5,749,284
10,488,775	9,164,797	5,189,775
1,801,611	1,776,129	1,753,079
4,229,442	3,148,785	2,979,373
-	-	-
61,421,887	63,447,759	60,605,608
(1,938,433)	952,599	7,040,972
3,131,496	6,059,430	5,801,280
(2,881,496)	(6,009,430)	(6,039,280)
-	(510,178)	-
6,306	-	1,337
-	-	-
2,239,985	2,587,736	-
-	-	2,995,608
-	1,800,000	-
-	-	-
-	-	-
2,496,291	3,927,558	2,758,945
\$ 557,858	\$ 4,880,157	\$ 9,799,917
13.43%	9.17%	8.89%

CITY OF MONTEREY PARK
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year Ended June 30	Secured	Unsecured	Taxable Assessed Value	Total Direct Tax Rate(2)
1999	\$ 2,838,771	\$ 101,731	\$ 2,940,502	0.091170
2000	2,913,861	101,623	3,015,484	0.091170
2001	3,038,055	99,766	3,137,821	0.091170
2002	3,213,424	119,505	3,332,929	0.091170
2003	3,394,637	125,783	3,520,420	0.091170
2004	3,636,665	95,329	3,731,994	0.091170
2005	3,861,942	100,106	3,962,048	0.091170
2006	4,157,522	116,538	4,274,060	0.091170
2007	4,526,381	114,503	4,640,884	0.091170
2008	4,895,657	102,978	4,998,635	0.091170

NOTE:

(1) In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

(2) Retirement Tax at 0.091175 per \$100 of Assessed Valuation.

Source: County of Los Angeles Department of Auditor-Controller

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CITY OF MONTEREY PARK
Direct and Overlapping Property Tax Rates
(Rate per \$100 of assessed value)
Last Ten Fiscal Years

	Fiscal Year			
	1999	2000	2001	2002
City Direct Rates:				
Monterey Park	0.09117	0.09117	0.09117	0.09117
Overlapping Rates:				
Los Angeles County General	0.00145	0.00142	0.00131	0.00113
Garvey School District	0.00000	0.00000	0.00000	0.03118
Control District	0.00195	0.00177	0.00155	0.00047
Metropolitan Water District	0.00890	0.00890	0.00880	0.00770
San Gabriel Valley Water District	N/A	N/A	N/A	N/A
Total Direct Rate	0.10347	0.10326	0.10284	0.13165

NOTE:

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of the Los Angeles Unified School District bonds.

Source: HDL Coren & Cone

Fiscal Year					
2003	2004	2005	2006	2007	2008
0.09117	0.09117	0.09117	0.09117	0.09117	0.09117
0.00103	0.00099	0.00092	0.01510	0.02932	0.00878
0.05287	0.02471	0.02319	0.06379	0.05942	0.05460
0.00088	0.00046	0.00025	0.00002	0.00005	0.00000
0.00670	0.00610	0.00580	N/A	N/A	N/A
N/A	N/A	N/A	0.02000	0.02000	0.02000
<u>0.15265</u>	<u>0.12343</u>	<u>0.12133</u>	<u>0.19008</u>	<u>0.19996</u>	<u>0.17455</u>

**CITY OF MONTEREY PARK
Principal Property Tax Payers
Current Year and Nine Years Ago**

Taxpayer	2008	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Union Bank	\$ 51,154,686	1.02%
1977 Saturn LLC	33,410,025	0.67%
GMS Five LLC	41,149,724	0.82%
Arden Realty Limited Partnership	84,306,873	1.69%
CA Medical Office	32,447,185	0.65%
Monterey Park Calmed Investment	35,170,381	0.70%
Care 1st Health Plan	15,605,999	0.31%
MPM Partners LLC	16,026,126	0.32%
Atlantic Shopping Center Limited Partnership	21,200,000	0.42%
Mar Investment	18,602,905	0.37%
	\$ 349,073,904	6.98%

The amounts shown above include assessed value data for both the City and the Redevelopment Agency.

Source: HDL Coren & Cone

Taxpayer	1999	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Union Bank	\$ 35,774,510	1.19%
Arden Realty Finance Partnership	34,812,600	1.15%
GMS Realty	34,527,000	1.15%
National Medical Hospital	27,577,780	0.91%
Lloyds Bank California	24,200,000	0.80%
Mar Investments Et. Al.	14,228,125	0.47%
Aespace America Inc.	12,750,000	0.42%
Pacifica Monetary Park LLC	12,520,576	0.42%
Monterey Atlantic Place Partnership	10,828,881	0.36%
TSL Development Inc.	10,541,324	0.35%
	\$ 217,760,796	7.22%

**City of Monterey Park
General Fund Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collection in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
1999	3,585,241	3,469,500	96.77%	112,167	3,581,667	99.90%
2000	3,693,733	3,573,222	96.74%	115,741	3,688,963	99.87%
2001	3,844,072	3,736,076	97.19%	120,511	3,856,587	100.33%
2002	4,104,989	3,958,207	96.42%	107,996	4,066,203	99.06%
2003	4,355,132	4,221,523	96.93%	146,782	4,368,305	100.30%
2004	4,605,963	4,361,754	94.70%	133,609	4,495,363	97.60%
2005	4,930,941	4,833,603	98.03%	244,209	5,077,812	102.98%
2006	5,373,194	5,191,875	96.63%	97,338	5,289,213	98.44%
2007	5,822,423	5,701,063	97.92%	181,319	5,882,382	101.03%
2008	6,234,528	5,980,368	95.92%	121,360	6,101,728	97.87%

Note: The amounts presented is general fund secured property tax (not including retirement tax or Redevelopment Agency tax increment)

Source: City of Monterey Park, Finance Division

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CITY OF MONTEREY PARK
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(In Thousands)

Fiscal Year Ended June 30	Governmental Activities				
	Pension Obligation Bonds	1998 Merged Bonds	2002 Atlantic/Garvey Bonds	Tax Allocation Bonds	Tax Increment Deferred Loan
1999	\$ -	\$ 11,430	\$ 22,540	\$ 33,970	\$ 8,271
2000	-	11,245	21,700	32,945	9,468
2001	-	11,050	20,810	31,860	10,870
2002	-	10,850	19,865	30,715	12,401
2003	-	10,640	24,270	34,910	14,017
2004	17,405	10,420	23,685	34,105	14,151
2005	17,405	10,190	22,990	33,180	16,092
2006	17,405	9,950	22,275	32,225	18,332
2007	17,405	9,700	21,540	31,240	20,919
2008	17,405	9,435	20,790	30,225	23,915

Note: Business-type activities, Percentage of Personal Income was based on data from Los Angeles County State of California Employment Department. Debt per capita data was based on the number of population within the City of Monterey Park.

Source: City of Monterey Park, Finance Division

Governmental Activities

HUD Section 108 Loans	Library Special tax Revenue Note	Capital Lease Obligation	Claims & Compensated Payable	Total Governmental Activities
\$ -	\$ -	\$ 2,332	\$ 3,804	\$ 48,377
-	-	2,185	3,816	48,414
-	-	1,915	4,440	49,085
-	-	2,858	8,806	54,780
-	-	2,322	8,845	60,094
6,330	-	2,264	9,090	83,345
6,145	3,900	1,578	9,703	88,003
5,948	3,663	961	10,128	88,662
5,739	3,417	2,337	10,567	91,624
5,518	3,161	1,856	10,187	92,267

(Continued)

CITY OF MONTEREY PARK
Ratios of Outstanding Debt by Type (Continued)
Last Ten Fiscal Years
(In Thousands)

Fiscal Year Ended June 30	Business-type Activities				Debt Per Capita
	Capital Lease Obligation	Compensated Absences Payable	Total Primary Government	Percentage of Personal Income	
1999	\$ 1,244	\$ 191	\$ 49,812	0.02%	748
2000	1,816	165	50,395	0.02%	748
2001	1,642	199	50,926	0.02%	819
2002	3,056	204	58,040	0.02%	927
2003	3,190	222	63,506	0.02%	1,002
2004	5,170	220	88,735	0.03%	1,388
2005	3,954	237	92,194	0.03%	1,427
2006	3,628	272	92,562	0.03%	1,438
2007	4,557	310	96,491	N/A	1,496
2008	5,267	288	97,822	N/A	1,518

Note: Business-type activities, Percentage of Personal Income was based on data from Los Angeles County State of California Employment Department. Debt per capita data was based on the number of population within the City of Monterey Park.

Source: City of Monterey Park, Finance Division

CITY OF MONTEREY PARK
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years
(In Thousands, except Per Capita)

Fiscal Year Ended June 30	Outstanding General Bonded Debt			Percent of Assessed Value ¹	Per Capita
	Pension Obligation Bonds	Tax Allocation Bonds	Total		
1999	\$ -	\$ 33,970	\$ 33,970	1.1552%	510
2000	-	32,945	32,945	1.0925%	489
2001	-	31,860	31,860	1.0154%	512
2002	-	30,715	30,715	0.9216%	490
2003	-	34,910	34,910	0.9916%	551
2004	17,405	34,105	51,510	1.3802%	806
2005	17,405	33,180	50,585	1.2767%	783
2006	17,405	32,225	49,630	1.1612%	771
2007	17,405	31,240	48,645	1.0482%	754
2008	17,405	30,225	47,630	0.9529%	737

¹ Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

Source: City of Monterey Park Finance Division

CITY OF MONTEREY PARK
Direct and Overlapping Debt
June 30, 2008

City Assessed Valuation		\$ 4,256,018,052	
Redevelopment Agency Incremental Valuation		742,616,583	
Total Assessed Valuation		<u>\$ 4,998,634,635</u>	
			Estimated
			Share of
			Overlapping
			Debt
	Percentage	Net Bonded Debt	
	Applicable(%)	Debt 6/30/08	
Overlapping debt repaid with property taxes:			
Metropolitan Water District	0.024	\$ 300,108,672	\$ 72,026
Garvey School District	29.548	42,766,020	12,636,504
LA CCD DS	0.920	1,370,820,000	12,611,544
Los Angeles Unif DS	0.039	7,325,045,000	2,856,768
Montebello Unif DS	7.975	101,975,301	8,132,530
Alhambra USD	32.441	72,624,201	23,560,017
Total overlapping debt repaid with property taxes		<u>\$ 9,213,339,194</u>	<u>\$ 59,869,389</u>

Source: HDL Coren & Cone

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CITY OF MONTEREY PARK
Legal Debt Margin Information
Last Ten Fiscal Years
(In Thousands)

	Fiscal Year			
	1999	2000	2001	2002
Assessed valuation	2,940,502	3,015,484	3,137,821	3,332,929
Debt limit percentage	15%	15%	15%	15%
Debt limit	441,075	452,323	470,673	499,939
Total net debt applicable to limit: Pension obligation bonds	-	-	-	-
Legal debt margin	<u>\$ 441,075</u>	<u>\$ 452,323</u>	<u>\$ 470,673</u>	<u>\$ 499,939</u>
Total debt applicable to the limit as a percentage of debt limit	0.0000%	0.0000%	0.0000%	0.0000%

In accordance with California Government Code Section 43605, total general obligation bonds outstanding cannot exceed 15 percent of total assessed valuation.

Source: City of Monterey Park, Finance Division
County of Los Angeles Department of Auditor-Controller

Fiscal Year					
2003	2004	2005	2006	2007	2008
3,520,420	3,731,994	3,962,048	4,274,060	4,640,884	4,998,635
15%	15%	15%	15%	15%	15%
528,063	559,799	594,307	641,109	696,133	749,795
-	17,405	17,405	17,405	17,405	17,405
\$ 528,063	\$ 542,394	\$ 576,902	\$ 623,704	\$ 678,728	\$ 732,390
0.0000%	3.1092%	2.9286%	2.7148%	2.5002%	2.3213%

CITY OF MONTEREY PARK
Pledged-Revenue Coverage
Last Ten Fiscal Years
(In Thousands)

Fiscal Year Ended June 30	Tax Allocation Bonds			
	Tax Increment	Debt Service		Coverage
		Principal	Interest	
1999	3,990	1,170	1,827	1.33
2000	4,669	1,025	2,088	1.50
2001	4,888	1,085	1,970	1.60
2002	5,721	1,145	1,965	1.84
2003	5,791	210	1,894	2.75
2004	6,214	805	1,552	2.64
2005	6,555	925	1,526	2.67
2006	7,533	955	1,497	3.07
2007	8,134	985	1,469	3.31
2008	9,746	1,015	1,436	3.98

Source: City of Monterey Park, Finance Division

CITY OF MONTEREY PARK
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
1999	66,572	263,987,283	27,973	6.8%
2000	67,409	279,049,532	29,232	3.8%
2001	62,181	294,508,314	30,503	4.0%
2002	62,629	301,002,945	30,828	4.8%
2003	63,406	310,043,501	31,452	4.9%
2004	63,928	329,048,068	33,179	4.6%
2005	64,614	342,231,121	34,426	3.7%
2006	64,387	369,174,348	37,362	3.5%
2007	64,508	N/A	N/A	3.6%
2008	64,614	N/A	N/A	4.7%

NOTE: Personal income and Per capita personal income are the data shown for Los Angeles County from Bureau of Economic Analysis

Sources: Bureau of Economic Analysis
State of California Employment Development Department (data shown is for the county)

CITY OF MONTEREY PARK
Principal Employers
Current Year and Nine Years Ago

Employer	2008	
	Number of Employees	Percent of Total Employment
East Los Angeles Community College	1,969	0.042%
Union Bank Processing Center	1,800	0.039%
Garfield Medical Center	952	0.020%
Los Angeles County Sheriff's department	791	0.017%
L.A County Children's Court	736	0.016%
United California Bank Processing Center	700	0.015%
City of Monterey Park	538	0.012%
Monterey Park Hospital	362	0.008%
Care 1st Health Plan	299	0.006%
Pacific Bell	265	0.006%
Southern California Gas Company	259	0.006%
Ralph's Grocery Store (2 Locations)	173	0.004%
Remitco LLC	170	0.004%
Chinese Daily News	167	0.004%
CVS Pharmacies (2 Locations)	136	0.003%
California Highway Patrol	131	0.003%
La Colonial Tortilla Products (2 Locations)	131	0.003%

"Total Employment" used above represents the total employment of Los Angeles County.

Source: City of Monterey Park Supporting Services Division
State of California Employment Development Department-Labor Market Information

Employer	1999	
	Number of Employees	Percent of Total Employment
East Los Angeles Community College	2,381	0.055%
Union Processing Center	1,200	0.028%
Sanwa Processing Center	1,000	0.023%
Garfield Medical Center	840	0.019%
LA County Children's Court	800	0.019%
Los Angeles County Sheriff's Department	532	0.012%
Community Development Commission	500	0.012%
City of Monterey Park	399	0.009%
Lyte Optronics, Inc.	336	0.008%
Monterey Park Hospital	319	0.007%
Southern California Gas Company	200	0.005%
La Colonial Tortilla Products, Inc.	193	0.004%
First Union Bank	183	0.004%
Ralph's Grocery Store (2 Locations)	176	0.004%
Chinese Daily News	150	0.003%
California Highway Patrol	135	0.003%
AT&T Communications	125	0.003%

CITY OF MONTEREY PARK
Full-time and Part-time City Employees
by Function
Last Ten Fiscal Years

Function	Full-Time and Part-time Employees as of June 30									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government	122	123	126	127	126	127	114	116	126	127
Public safety	188	188	188	193	193	193	193	193	194	196
Public works	59	60	60	60	60	60	61	63	63	63
Community										
Development	28	28	29	28	29	28	27	28	28	28
Total	397	399	403	408	408	408	395	400	411	414

Source: City of Monterey Park Annual Budget.

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CITY OF MONTEREY PARK
Operating Indicators
by Function
Last Ten Fiscal Years

	Fiscal Year			
	1999	2000	2001	2002
Police:				
Number of service calls	36,465	42,514	58,342	47,073
Response time Priority I (emergency) (minutes/seconds)	3:52	3:44	4:04	4:34
Fire:				
Number of emergency calls	3,312	3,460	3,636	3,286
Inspections	2,270	\$2,261	2,059	1,578
Public works:				
Street resurfacing (miles)		0.12	1.54	0.64
Parks and recreation:				
Hours of recreation classes	300	550	600	650
Number of facility rentals	269	269	269	269
Water:				
Meters changed and upgrades	1,903	1,846	1,853	799
Water turn-ons and turn-offs	840	2,190	2,182	2,387
Average daily consumption (thousand of gallons)	10,000	10,000	10,000	10,000

Source: City of Monterey Park Annual Budget
City of Monterey Park Supporting Services Division
City of Monterey Park Engineering Division

Fiscal Year					
2003	2004	2005	2006	2007	2008
46,237 3:54	50,587 3:47	55,883 4:28	56,197 4:24	50,908 4:05	52,834 4:08
3,528 2,148	3,484 1,911	3,587 2,165	3,640 2,566	3,895 2,597	4,120 2,710
	0.82			2.22	2.38
602 247	650 250	723 235	770 269	770 235	770 242
504 3,514 10,000	520 3,277 10,000	459 3,744 10,000	641 3,574 11,000	653 3,744 11,000	584 3,513 11,000

CITY OF MONTEREY PARK
Capital Asset Statistics
by Function
Last Ten Fiscal Years

	Fiscal Year			
	1999	2000	2001	2002
Police:				
Stations	1	1	1	1
Fire:				
Fire stations	3	3	3	3
Public works:				
Streets (miles)	115	115	115	115
Streetlights	3,359	3,359	3,359	3,359
Traffic signals	75	75	75	75
Parks and recreation:				
Parks	13	13	13	13
Community centers				
Water:				
Water mains (miles)	132	132	132	134
Maximum daily capacity (thousands of gallons)	12,125	12,246	12,369	12,493
Wastewater:				
Sanitary sewers (miles)	126	126	126	126
Storm sewers (miles)	12.43	12.43	12.43	12.43

Source: City of Monterey Park Annual Budget
City of Monterey Park Water Division

Fiscal Year						
2003	2004	2005	2006	2007	2008	
1	1	1	1	1	1	1
3	3	3	3	3	3	3
115	115	119	119	119	119	119
3,359	3,359	3,359	3,359	3,359	3,359	3,359
75	75	75	75	75	75	75
13	13	14	14	14	14	14
134	134	134	134	134	134	134
12,618	12,744	12,871	13,000	13,130	13,540	
126	126	126	126	126	126	126
12.43	12.43	12.43	12.43	12.43	12.43	12.43

CITY OF MONTEREY PARK
Water Sold by Type of Customer
Last Ten Fiscal Years
(in millions of gallons)

	Fiscal Year					
	1999	2000	2001	2002	2003	2004
Type of Customer:						
Residential	2,253.0	2,288.0	2,325.0	2,367.0	2,394.0	2,354.0
Commercial	884.0	864.0	894.0	905.0	910.0	908.0
Institutional	38.0	34.0	41.0	42.0	43.0	54.0
Government	40.0	44.0	39.0	41.0	40.0	44.1
Total	3,215.0	3,230.0	3,299.0	3,355.0	3,387.0	3,360.1

Source: City of Monterey Park Supporting Services Division

Fiscal Year			
2005	2006	2007	2008
2,390.3	2,390.2	2,442.3	2,482.5
885.0	891.4	916.4	874.0
66.0	76.7	81.2	76.7
50.0	52.4	61.8	62.0
3,391.3	3,410.7	3,501.7	3,495.2

**CITY OF MONTEREYPARK
Water Rates
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Monthly Base Rate	Rate per 1,000 Gallons
1999	\$ 8.49	1.47
2000	8.74	1.52
2001	9.08	1.58
2002	9.52	1.66
2003	9.86	1.72
2004	10.16	1.77
2005	10.60	1.84
2006	11.13	1.94
2007	11.69	2.04
2008	12.11	2.11

NOTE:

Rates are based on 5/8" meter and 3/4 meters (the City is standardizing to 3/4 meters), which is the standard household meter size. The City charges an excess-use rate above the 4488 gallons allowed in the base rate.

Source: City of Monterey Park Supporting Services Division

**CITY OF MONTEREY PARK
Water Customers
Current Year and Five Years Ago**

<u>Water Customer</u>	<u>2008</u>		<u>2003*</u>	
	<u>Water Charges</u>	<u>Percent of Total Water Revenues</u>	<u>Water Charges</u>	<u>Percent of Total Water Revenues</u>
Aespace America Inc.	\$ 50,076	0.68%	\$ 66,791	0.99%
Garfield Medical Center	47,547	0.64%	44,926	0.67%
Monterey Park Golf Course	41,479	0.56%	34,778	0.52%
Emerald Hills LLC	37,289	0.51%	n/a	
Southern California Edison (Mesa)	35,118	0.48%	13,655	0.20%
Continental Homes	34,306	0.46%	25,027	0.37%
Garfield Estates	34,214	0.46%	29,759	0.44%
Ocean Star Seafood	32,974	0.45%	33,340	0.50%
Union Bank of California #24	29,125	0.39%	23,128	0.34%
Empress Harbor Seafood	28,405	0.38%	n/a	
Monterey Park Intercome Hospital	25,273	0.34%	5044.36	0.08%
Tay Pao Soukaphay	24,857	0.34%	n/a	
	<u>\$ 420,662</u>	<u>5.69%</u>	<u>\$ 276,448</u>	<u>4.11%</u>

Source: City of Monterey Park Supporting Services Division

** City of Monterey Park Supporting Services Division only maintains five years data in the system.
Information prior to Year 2003 is not available.*

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