

MONTEREY PARK

California



COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2019

MONTEREY PARK CITY OFFICIALS



PETER CHAN
Mayor



HANS LIANG
Mayor Pro Tem



MITCHELL ING
Councilmember



TERESA REAL SEBASTIAN
Councilmember



STEPHEN LAM
Councilmember

JOSEPH LEON
City Treasurer

VINCENT D. CHANG
City Clerk

Executive Team

- Ron Bow.....*City Manager*
- Hensley Law Group.....*City Attorney*
- Jim Smith.....*Police Chief*
- Scott Haberle.....*Fire Chief*
- Annie Yaung.....*Director of Management Services*
- Tom Cody.....*Director of Human Resources/Risk Management*
- Mark McAvoy..... *Director of Public Works*
- Inez Alvarez..... *Director of Recreation/Community Services*
- Diana Garcia.....*City Librarian*



City of Monterey Park, California

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Year ended June 30, 2019

Prepared by the Management Services Department

**Annie Yaung, CPFO
Director of Management Services**



Introductory Section

CITY OF MONTEREY PARK
Comprehensive Annual Financial Report
For the Year Ended June 30, 2019

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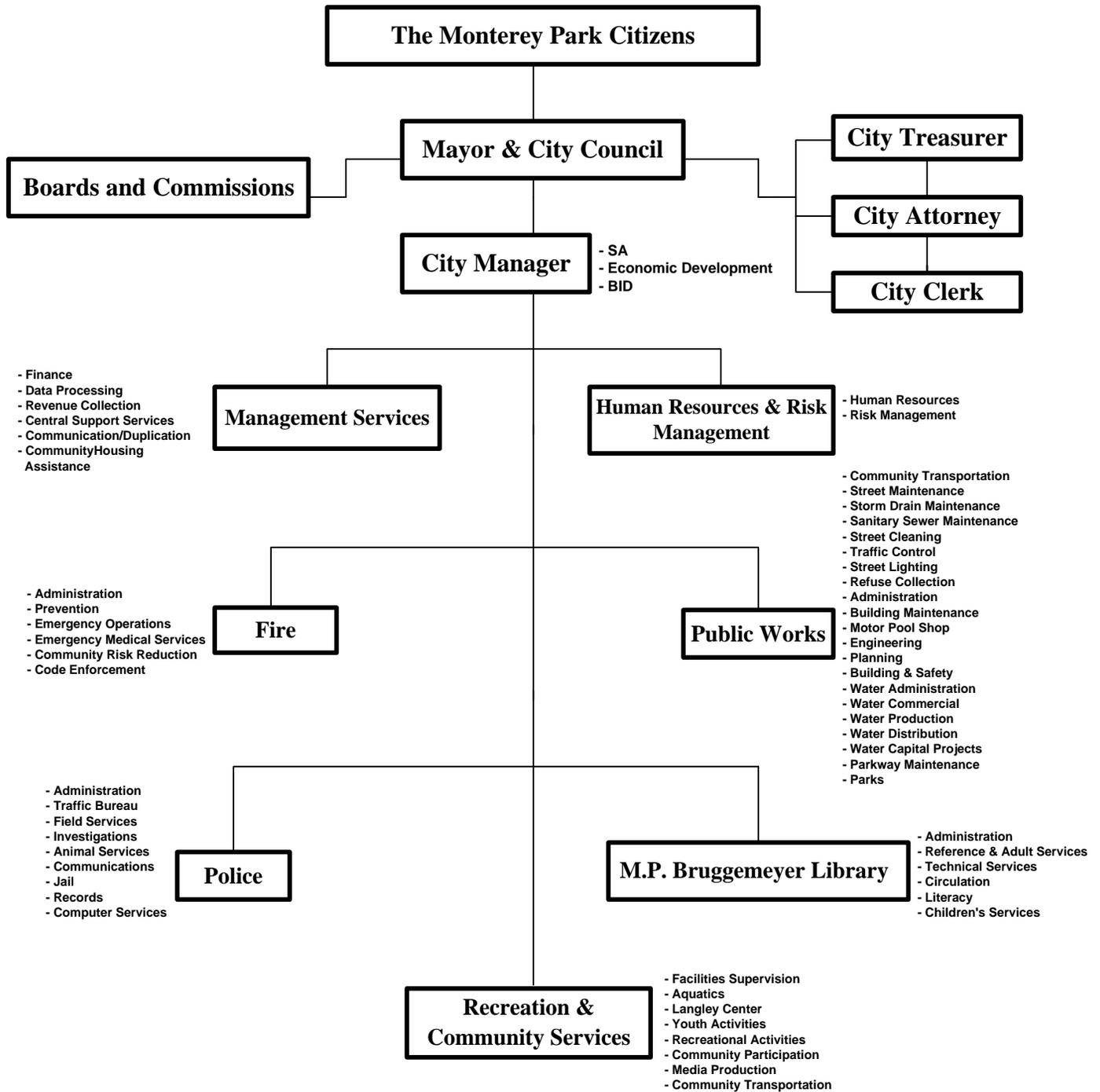
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City of Monterey Park Organizational Chart



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

CITY OF MONTEREY PARK

320 West Newmark Avenue • Monterey Park • California 91754-2896
www.MontereyPark.ca.gov



City Council
Peter Chan
Mitchell Ing
Stephen Lam
Hans Liang
Teresa Real Sebastian

City Clerk
Vincent D. Chang

City Treasurer
Joseph Leon

November 30, 2019

To the Honorable Mayor, Members of the City Council
and the Citizens of the City of Monterey Park, California

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP), as promulgated by the Government Accounting Standards Board (GASB) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that, we hereby submit, for your information and review, the Comprehensive Annual Financial Report for the City of Monterey Park, California, for the fiscal year ended June 30, 2019.

This report consists of management's representations concerning the finances of the City of Monterey Park. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management 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 control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements will be free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by White Nelson Diehl Evans LLP, a public accounting firm fully licensed and qualified to perform audits of the State and local governments within the State of California. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Monterey Park for the fiscal year ended June 30, 2019, fairly state the City's financial position. The independent audit involves 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; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Monterey Park's 2018-19 financial statements are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

Single Audit

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, which includes the federal assistance operations as well as the non-federal assistance operations, such as the City's financial statements, internal controls, and compliance with legal requirements involving the administration of Federal awards, will be issued in a separate *Single Audit Report*.

Management Discussion & Analysis

A narrative introduction, overview, and analysis accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A immediately follows the independent auditor's report in the financial section of the CAFR.

Profile of the City of Monterey Park

The City of Monterey Park was incorporated in 1916 as a general law city. The name of "Monterey Park" was taken from old government maps that described the oak-covered inclines that made up the area as Monterey Hills. The City operates under the council-manager form of municipal 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 Ordinance 2096 imposes term limits, no more than two consecutive terms, on all elected officials. 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 Public Financing Authority and the Housing Authority. The financial information of these component units has been included with the City. Please see Note 1 to Financial Statements for discussion of the component units.

Monterey Park is a full-service City, offering its residents a wide range of municipal services, including public safety, highways and streets, sanitation, water and sewer services, development and public infrastructure improvements, culture and leisure programming, and general government functions. The City strives to provide high-quality public services that emphasize organizational efficiency, infrastructure investment, and economic development. In 2017, the City was listed as one of the top three best places to live in America by the Money Magazine.

Local Economic Condition

Monterey Park is located six miles east of Los Angeles at the western gateway to the San Gabriel Valley. It encompasses an area of 7.73 square miles with a population of approximately 63,000. Monterey Park is primarily a residential community, with 78% of its land zoned for single and multiple family housing. In 2018-19, Monterey Park's housing market continued increasing in single-family home prices as reflected in an average single family Monterey Park home sold for about \$721,000, a seven percent increase from the previous year. Because of its desirable location, house values in Monterey Park are expected to remain strong.

In 2018-19, the City's financial prospects were moving forward. Stores in the Monterey Park Market Place Shopping Center continued their openings to the public, including Chick-fil-A, Guitar Center, America's Best Eyeglasses, Mattress Firm, In-N-Out, and Mod Pizza. The City anticipates more store openings in 2019-20, including Starbucks, Buffalo Wild Wings, and Ono Hawaiian BBQ.

There was also interest by the Hotel Industry in establishing several new hotels in the North Atlantic Area to meet the demands of the tourist industry in the greater San Gabriel Valley area. Currently, the construction of the Courtyard by Marriott is almost complete. It is anticipated that the hotel will be opening by the winter of 2019. The potential growth in the community is a clear sign that the economy continues to gain momentum and that the development industry is willing to invest in the City's economic future.



Financial Overview and Policies

For 2018-19, the City continued the reporting requirement per Governmental Accounting Standards Board (GASB) Statement No. 68 and 71, for pension liabilities as well as the GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, for other postemployment benefits liabilities on the face of the *Statement of Net Position*. Excluding all postemployment benefits (pensions and OPEB) liabilities, the City's end of year financial condition for 2018-19 displayed a positive operating position due to the City's conservative financial planning and management. As the City's development projects mentioned above continue to expand and move forward that will generate a large number of new jobs and tax revenues for the City.

The annual budget serves as the foundation for the City's financial planning and control. The City starts its budget process in mid-February. The budget development is based on the City's three-year citywide goals:

- Improve organizational effectiveness and efficiency;
- Attract and retain quality employees;
- Achieve financial stability;
- Improve communitywide beautification;
- Complete Marketplace and Towne Center.

These goals serve as the guidelines to identify community priorities and effectively align resources to achieve our mission. The City Manager presents the proposed budget to the City Council for review prior to the beginning of each fiscal year and the City Council holds public hearings to review and approve the proposed budget. The final adopted budget, reflecting the City Council's directions, is published no later than June 30.

Legal budgetary control for operating budgets is exercised at the department and fund level. The City is

required to adopt a balanced budget for its General Fund at the beginning of the fiscal year. Formal budgetary integration and encumbrance accounting are employed as management control devices during the year for all funds.

The 2019-2020 Adopted Budget includes a conservative fiscal spending plan and reflects \$8.7 million for infrastructure and capital improvements, specifically water, sewer, street projects, Police in-car camera system, and Fire Verdugo emergency system upgrade. The City continues improving efficiencies by aligning closely related programs to achieve long-term financial stability.

Major Accomplishments

The Monterey Park's major accomplishments during the fiscal year 2018-19, which displayed significant financial impacts, included:

- Invested \$9.6 million in infrastructure and capital improvement projects, including \$3.6 million for the Potrero Grande rehabilitation, traffic signal construction at Grandridge/Graves Avenues, Garvey Reservoir improvement, North Atlantic water and sewer system improvements, Barnes playground equipment and surface replacement, and various street rehabilitations;
- Finalized the license and services agreement with Tyler Technologies, Inc. for an operational intelligence-designed Munis ERP software solution;
- Implemented the final (5th) year water and sewer rate adjustments to cover operational and capital improvement costs;
- Continued prudent, conservative management of the City's investment portfolio to maximize investment earning and achieved \$ 1.8 million investment earnings;
- Continued implementing the required Governmental Accounting Standards Board (GASB) Statements, including the pension and other postemployment benefits (OPEB) liabilities on the face of the financial statements;
- Continued implementing solutions to reduce unfunded pension and other post-employment benefit (OPEB) liabilities, including (1) annual lump sum prepayment practice; (2) annual additional unfunded liability paydown; and (3) annual OPEB liability pre-funding practice;
- Implemented new contracts with the firefighter and police officer units.

Gann Spending Limitation

Article XIII B of the California Constitution, 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 2018-19 appropriations limit was \$91.6 million and the City's actual appropriation subject to the limit was 56% below the legal limit. Based on the past trend and projected future growth, the City believes its appropriations will continue remaining within the legal limit.

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 uses debt financing only for capital improvements or projects that cannot be financed from current revenues. The City has been successful in obtaining financing for various infrastructure improvements, such as library expansion, police 911 computer system, water treatment plants, and citywide smart meters/energy retrofit project. In 2018-2019, the City completed a lease-purchase financing arrangement with Bank of America for the purchase of the City's Fire Ladder and Engine trucks. This financing totaled \$2.6 million for a 7-year term (9/2025).

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) 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, 2018. This was the 30th 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 for Excellence in Financial Reporting is valid for a period of one year. We believe the City's Fiscal Year 2018-19 CAFR will continue to conform to the Certificate of Achievement Program's requirements and we are submitting it to the GFOA for award consideration. In addition, the City's 2019-20 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 (CSMFO).

We would like to express our sincere appreciation to the entire Management Services staff whose efficient and dedicated services have made this timely preparation of this report possible. We would also like to thank the Mayor and City Council for their unfailing support of excellence in financial reporting and fiscal integrity. The accomplishments and values for this community which are presented in this report are a testament to the leadership of the City Council and the dedication of all City employees.

Respectfully submitted,



Ron Bow
City Manager



Annie Yaung, CPFO
Director of Management Services



Government Finance Officers Association

**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, 2018

Christopher P. Morill

Executive Director/CEO



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Monterey Park
California**

For the Fiscal Year Beginning

July 1, 2018

Christopher P. Morill

Executive Director

California Society of Municipal Finance Officers

Certificate of Award

***Excellence Award for
Fiscal Year 2018-2019 Operating Budget***

Presented to the

City of Monterey Park

For meeting the criteria established to achieve the CSMFO Excellence Award for Budgeting.

December 19, 2018



Margaret Moggia

***Margaret Moggia
CSMFO President***

Sara J Roush

***Sara Roush, Chair
Recognition Committee***

Dedicated Excellence in Municipal Financial Reporting



Financial Section

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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 (the City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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 as of June 30, 2019, and the respective changes in its financial position where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of changes in net pension liability and related ratios, and the schedules of contributions - CalPERS and MMRP pension plans, the schedule of changes in net OPEB liability and related ratios and schedule of contributions - OPEB plan, and the budgetary comparison schedules for the General Fund, Special Revenue Grants Fund, Special Revenue Retirement/Pension Liability Fund, and Special Revenue Housing Fund, identified as Required Supplementary Information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining statements and individual fund schedules (supplementary information), and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Matters (Continued)

Other Information (Continued)

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2019, 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* in considering the City of Monterey Park's internal control over financial reporting and compliance.

White Nelson Dick Evans LLP

Irvine, California
November 22, 2019

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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 of June 30, 2019, the transmittal letter, and notes to the basic 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 position 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 position 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 position.

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

Both 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 system operations, waste management activities, and sanitary sewer activities.

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 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 1A of the Notes to the Basic Financial Statements.

Fund Financial Statements

A fund is a grouping of related accounts used to control 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 20 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, Special Revenue Grants Fund, Special Revenue Retirement/Pension Liability Fund, and Special Revenue Housing Fund, which are reported as major funds. Information for the other 16 governmental funds is combined into a single column under Nonmajor Special Revenue Governmental Funds. Data for the nonmajor 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 the Notes to Required Supplementary Information.

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 funds and internal service funds. The enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the operations for its water system, waste management activities, and sanitary sewer activities. Internal service funds are used to accumulate and allocate costs internally among the City's various functions, which include vehicle operation, workers compensation insurance, retiree medical benefits, 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 statements because the resources of those funds are not available to support the City's programs.

Notes to the Basic Financial Statements

The notes to the basic 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 for its employee pension program, other post-employment benefits program and the budgetary comparison for the General Fund, Special Revenue Grants Fund, Special Revenue Retirement/Pension Liability Fund, and Special Revenue Housing Fund.

Other Supplementary Information

Other supplementary information includes combining and individual budgetary comparison schedules for Nonmajor Governmental Funds, and combining statements for Agency Funds and Internal Service Funds.

Financial Highlights

- Total 2018-19 net position increased by \$3.4 million from 2017-18, which is the net of \$1.1 million decrease in governmental activities and \$4.5 million increase in business-type activities. The \$1.1 million decrease in governmental services was primarily attributed to the growing pension and other post-employment benefits (OPEB) costs. The \$4.5 million increase in business-type activities was primarily due to much lower operational costs for the water and refuse funds.
- As of June 30, 2019, the City's assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources by \$43.3 million, of which \$86.8 million was related to net investment in capital assets, \$28.3 million was restricted for special revenues, and (\$71.8) million was unrestricted.
- For 2018-19, the City Council approved additional capital improvement and operating expenditures of \$800,000 throughout the year.
- At the 2018-19 year-end, the General Fund total fund balance was \$32.6 million, an increase of \$2.6 million from last year. This increase was due to higher revenues of \$1.8 million in sales tax and \$1.0 million in property tax because of the stores opened in the Monterey Park Market Place and continuous strong housing market.
- The City Council approved a lease-purchase financing agreement for acquiring a Fire Ladder Truck and two Fire Engines in 2018-19. The principal financed amount is \$2,618,000 with a seven-year term tax-exempt fixed rate of 3.189% from Banc of America Public Capital Corp.

- The City continued the fifth-year water and sewer rates adjustments and the new rates were effective on September 1, 2018. Citizens adopted more resilient approaches to managing their water consumptions. As a result, the additional water revenues generated from rate increases were offset by lower water consumptions.
- The City kept the residential trash rates at the same level as 2017-18. However, the service contract cost for the trash provider was adjusted by the CPI per contractual agreement.
- The City approved 4-year contracts for two safety labor units to ensure the public services be delivered as optimally as possible.
- The City continuously served as the Successor Agency for its former Redevelopment Agency, and reported the former RDA assets and liabilities in the Fiduciary Fund as Private Purpose Trust Fund.

Government-wide Financial Analysis

Net position is derived from the total assets and deferred outflows of resources of the City less its liabilities and deferred inflows of resources at the end of a reporting period. It serves as an indicator of a government's financial position over time. As of June 30, 2019, the City's combined assets (governmental and business-type activities) totaled \$214.7 million, up \$12.6 million from last year. The increase was primarily attributed to \$11.5 million increase in cash and investments. The City's total deferred outflow of resources decreased \$7.5 million from \$26.4 million to \$18.9 million, and the decrease was mainly related to the City's pension plans. The City's liabilities totaled \$188.6 million, up \$2.7 million from last year. The \$2.7 million increase was solely related to the lease-purchase financing for the fire equipment. The City's total deferred inflow of resources decreased \$1.0 million from \$2.8 million to \$1.8 million, and the decrease was mainly related to the City's pension plans. As a result, the City's combined net position totaled \$43.3 million, up \$3.4 million from last year.

Net position consists of three categories: net investment in capital assets, restricted, and unrestricted. The largest portion of the City's net position, approximately \$86.8 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; they are not available to fund the City's day-to-day activities.

The City's restricted net position totaled \$28.3 million at June 30, 2019. These are assets subject to external restrictions, constitutional provisions, or enabling legislation that limit how these assets may be used. The restricted net position includes primarily grants, retirement/pension, and various nonmajor special revenue funds. Unrestricted net position is available for use by the City for any legal purpose. As of June 30, 2019, the City's total unrestricted net position was a negative (\$71.8) million.

Statement of Net Position
Fiscal Years Ended June 30, 2019 and June 30, 2018
(In thousands)

	<i>Governmental</i>		<i>Business-type</i>		<i>Total</i>	
	<i>Activities</i>	<i>Activities</i>	<i>Activities</i>	<i>Activities</i>	<i>Activities</i>	<i>Activities</i>
	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
<i>Assets:</i>						
<i>Current</i>	\$ 78,920	\$ 72,093	\$ 34,803	\$ 30,592	\$ 113,723	\$ 102,685
<i>Non Current</i>						
<i>Capital Assets</i>	56,135	53,866	41,511	42,050	97,646	\$ 95,916
<i>Other Assets</i>	3,343	3,532			3,343	\$ 3,532
<i>Total Assets:</i>	<u>\$ 138,398</u>	<u>\$ 129,491</u>	<u>\$ 76,314</u>	<u>\$ 72,642</u>	<u>\$ 214,712</u>	<u>\$ 202,133</u>
<i>Deferred Outflow of Resources</i>	<u>\$ 17,875</u>	<u>\$ 24,776</u>	<u>\$ 1,042</u>	<u>\$ 1,635</u>	<u>\$ 18,917</u>	<u>\$ 26,411</u>
<i>Liabilities:</i>						
<i>Current</i>	\$ 11,117	\$ 9,327	\$ 3,354	\$ 4,054	\$ 14,471	\$ 13,381
<i>Long-Term</i>	155,183	152,807	18,934	19,688	174,117	172,495
<i>Total liabilities:</i>	<u>\$ 166,300</u>	<u>\$ 162,134</u>	<u>\$ 22,288</u>	<u>\$ 23,742</u>	<u>\$ 188,588</u>	<u>\$ 185,876</u>
<i>Deferred inflow of Resources</i>	<u>\$ 1,687</u>	<u>\$ 2,712</u>	<u>\$ 100</u>	<u>\$ 128</u>	<u>\$ 1,787</u>	<u>\$ 2,840</u>
<i>Net Position:</i>						
<i>Net Investment in</i>						
<i>Capital Assets</i>	\$ 54,422	\$ 51,940	\$ 32,344	\$ 32,225	\$ 86,766	\$ 84,165
<i>Restricted</i>	28,309	22,191	-	-	28,309	22,191
<i>Unrestricted</i>	<u>(94,445)</u>	<u>(84,710)</u>	<u>22,624</u>	<u>18,182</u>	<u>(71,821)</u>	<u>(66,528)</u>
<i>Total Net Position</i>	<u>\$ (11,714)</u>	<u>\$ (10,579)</u>	<u>\$ 54,968</u>	<u>\$ 50,407</u>	<u>\$ 43,254</u>	<u>\$ 39,828</u>

Statement of Activities
For the Years Ended June 30, 2019 and June 30, 2018
(In thousands)

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
<i>Revenues:</i>						
<i><u>Program Revenues:</u></i>						
<i>Charges for Services</i>	\$ 10,397	\$ 12,234	\$ 25,472	\$ 24,138	\$ 35,869	\$ 36,372
<i>Operating Grants & Contributions</i>	12,120	8,282			12,120	8,282
<i>Capital Grants & Contributions</i>	1,209	160	1,362	2,342	2,571	2,502
<i><u>General Revenues:</u></i>						
<i>Taxes</i>	39,535	36,508			39,535	36,508
<i>Revenues from Use of Money and Property</i>	2,414	1,689	603		3,017	1,689
<i>Other</i>	1,734	1,737	1,806	1,053	3,540	2,790
<i>Gain on Sale of Capital Assets</i>						-
<i>Total Revenues:</i>	<u>\$ 67,409</u>	<u>\$ 60,610</u>	<u>\$ 29,243</u>	<u>\$ 27,533</u>	<u>\$ 96,652</u>	<u>\$ 88,143</u>
<i>Expenses:</i>						
<i>General Government</i>	8,675	13,277			8,675	13,277
<i>Public Safety</i>	41,058	35,443			41,058	35,443
<i>Comm. Development</i>	2,556	2,537			2,556	2,537
<i>Culture & Recreation</i>	8,394	8,038			8,394	8,038
<i>Highway & Streets</i>	6,779	5,856			6,779	5,856
<i>Health</i>	150	160			160	160
<i>Debt Services</i>	932	940			940	940
<i>Water/Refuse/Sewer</i>			24,683	20,463	24,683	20,463
<i>Total Expenses:</i>	<u>68,544</u>	<u>66,251</u>	<u>24,683</u>	<u>20,463</u>	<u>\$ 93,245</u>	<u>86,714</u>
<i>Increase in Net Position Before Extraordinary item</i>	(1,135)	(5,641)	4,560	7,070	3,425	1,429
<i>Extraordinary item</i>						
<i>Changes in Net Position</i>	<u>(1,135)</u>	<u>(5,641)</u>	<u>4,560</u>	<u>7,070</u>	<u>3,425</u>	<u>1,429</u>
<i>Net Position – July 1</i>	<u>(10,579)</u>	<u>(4,938)</u>	<u>50,407</u>	<u>43,337</u>	<u>39,828</u>	<u>38,399</u>
<i>Net Position – June 30</i>	<u>\$ (11,714)</u>	<u>\$ (10,579)</u>	<u>\$ 54,967</u>	<u>\$ 50,407</u>	<u>\$ 43,253</u>	<u>\$ 39,828</u>

Governmental Activities Financial Analysis

Overall governmental activities decreased the City's net position by \$1.1 million. The decrease in net position was primarily due to the growing pension and other post-employment benefits (OPEB) costs per GASB requirement.

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. Unassigned fund balance may serve as a useful measure of the City's net resources available for appropriation.

As of June 30, 2019, the City's governmental funds reported a combined ending fund balance of \$59.1 million, an increase of \$6.5 million from the prior year. The fund balance categories of governmental fund displayed \$76,000 as nonspendable, \$26.1 million as restricted, \$7.6 million as committed, \$20.1 million as assigned, and \$5.1 million as unassigned. This unassigned amount was solely comprised of a \$5.1 million from the General Fund. *(Please refer to Note 14 of the Notes to Basic Financial Statements for detailed breakdown.)*

There are four major funds in the governmental funds: General Fund, Special Revenue Grants Fund, Special Revenue Retirement/Pension Liability Fund, and Special Revenue Housing Fund.

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 and transfers for 2018-19 totaled \$45.1 million, an increase of \$4.0 million over 2017-18. The increase was primarily due to the stores opening of Market Place, strong assessed property valuation and better investment income revenues. Total 2018-19 general fund expenditures and transfers were \$42.5 million, reflecting an increase of \$1.2 million from 2017-18. As of June 30, 2019, the total fund balance of the General Fund was \$32.6 million, up \$2.6 million from last year.

Special Revenue Grants Fund reports the activities of various grants that the City received from the Federal, State, and County agencies. Unspent grant funds are accumulated for expenditures in the future years. Total grants received for governmental activities in 2018-19 were \$4.3 million, up \$1.2 million from last year. Total 2018-19 grant funded expenditures and transfers were \$3.9 million, reflecting an increase of \$1.4 million from 2017-18. Total fund balance of the Special Revenue Grants Fund as of June 30, 2019 was \$1.4 million.

Special Revenue Retirement/Pension Liability Fund accounts for revenue received from the voter-approved property tax levied to provide for employee retirement costs. Total revenues and transfers for 2018-19 were \$10.0 million, an increase of \$0.9 million over 2017-18. Total expenditures for 2018-19 were \$11.0 million, up \$0.7 million from 2017-18. The increase in expenditures was due to higher pension contribution rates required for both Safety Plan and Miscellaneous Plan. Total fund balance in the Retirement/Pension Liability Fund as of June 30, 2019 was \$8.0 million of which was restricted for employee retirement costs.

Special Revenue Housing Fund accounts for housing activities. The City assumed the responsibility of the housing assets and functions after the dissolution of the City's Redevelopment Agency. Total revenues were \$6,000 and there were no housing expenditures for 2018-19. As of June 30, 2019, the fund balance of the Special Revenue Housing Fund was \$2.4 million.

Nonmajor Governmental Funds account for various activities including street improvement, transportation, air quality improvement, lighting and landscaping district, public safety activity, and development impact improvements. Total revenues and transfer-in for 2018-19 were \$11.3 million, up \$1.4 million from 2017-18. Total expenditures and transfer-out for 2018-19 were \$6.8 million, decreased \$1.4 million over 2017-18. As of June 30, 2019, the fund balance of the Nonmajor Governmental Funds totaled \$14.6 million, up \$4.5 million from 2017-18.

Business-type Activities Financial Analysis

The business-type activities reflect the City's water system, which includes water operation and water treatment; waste management activities; and sanitary sewer activities.

Total 2018-19 water revenues, excluding water grant revenue of \$261,000, were \$17.2 million, up \$1.9 million from 2017-18. The increase in water revenues was primarily due to water rate adjustments made in September 2018. Water expenses were \$14.9 million, up \$3.7 million from 2017-18. The increase was primarily due to higher pension and medical costs for water production and water treatment in 2018-19. Net position for the Water Fund displayed \$50.4 million, increased of \$3.9 million due mainly to water rate adjustments and treatment reimbursements from WQA.

Refuse Fund revenues were \$6.7 million, down \$64,000 from last year. The decrease was due to lower service charges to customers. Operating expenditures were \$6.6 million, up \$0.3 million from last year. Net position for the Refuse Fund displayed \$636,000, an increase of \$58,000.

Sewer Fund revenues were \$3.7 million, up \$0.5 million from last year. The increase was due to sewer rate adjustments made in September 2018. Operating expenditures were \$1.9 million, down \$0.2 million from last year. Net position for the Sewer Fund changed to \$8.5 million, an increase of \$1.8 million.

General Fund Budgetary Highlights

The originally adopted General Fund budget for this fiscal year was \$45.7 million, including a \$2.6 million General Fund supplement for the pension costs. The final amended budget of \$46.4 million reflected Council approved amendments throughout the year as well as capital improvement carryovers from 2017-18.

The budget amendments included additional funds for the minimum wage mandates, security camera program, district voting outreach, street address printing, general plan updates, traffic signal project, and Enterprise Resource Planning (ERP) implementation.

Capital Asset Administration

The City's capital assets, net of accumulated depreciation, for its governmental and business-type activities as of June 30, 2019, totaled \$97.6 million, an increase of \$1.7 million from 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 the Basic Financial Statements.)

Capital Assets Net of Depreciation
Fiscal Years Ended June 30, 2019 and June 30, 2018
(In thousands)

	<i>Governmental</i>		<i>Business-type</i>		<i>Total</i>	
	<i>Activities</i>		<i>Activities</i>			
	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
<i>Land</i>	\$ 8,465	\$ 8,465	\$ 500	\$ 500	\$ 8,965	\$ 8,965
<i>Buildings</i>	16,010	16,635	147	153	16,157	16,788
<i>Improvements</i>	14,426	12,687	29,538	31,002	43,964	43,689
<i>Construction in Progress</i>	4,409	3,208	8,745	7,704	13,154	10,912
<i>Equipment</i>	2,355	1,940	722	733	3,077	2,673
<i>Infrastructure</i>	10,470	10,931	1,859	1,958	12,329	12,889
	<u>\$ 56,135</u>	<u>\$ 53,866</u>	<u>\$ 41,511</u>	<u>\$ 42,050</u>	<u>\$ 97,646</u>	<u>\$ 95,916</u>

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

- Continued IT software and hardware upgrades for the new Enterprise Resources Planning (ERP) System implementation
- Continued General Plan updates
- Continued traffic signal improvements
- Began Potrero Grande roadway improvements
- Continued Fire Station 62 replacement project
- Completed slurry seal and various street resurfacing
- Continued water well, water main, and pumping station upgrades per Water Master Plan
- Began Garvey Reservoir Drainage improvements

Debt Administration

As of June 30, 2019, the City's noncurrent portion of long-term debt totaled \$174.1 million, an increase of \$1.6 million from the prior year. This is resulting primarily from \$1.6 million increase in claims and judgment. (Please refer to Note Number 7 and 10 of the Notes to the Basic Financial Statements for detailed information.)

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 \$1.14 billion.

**Outstanding Debt
Noncurrent Portion**
Fiscal Years ended June 30, 2019 and June 30, 2018
(In thousands)

	<u>Government Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
<i>Capital Leases</i>	\$ 3,587	\$ 1,728	\$ 8,469	\$ 9,051	\$ 12,056	\$ 10,779
<i>Pension Obligation Bonds</i>	12,200	12,635	-	-	12,200	12,635
<i>Compensated Absences</i>	4,515	4,487	705	604	5,220	5,091
<i>Section 108 Loan</i>	1,526	1,977	-	-	1,526	1,977
<i>Claims and Judgments</i>	12,588	10,996	-	-	12,588	10,996
<i>Insurance Assessments Payable</i>	1,145	1,308	-	-	1,145	1,308
<i>Net Pension Liabilities</i>	94,040	94,302	4,997	5,308	99,037	99,610
<i>Other Post Employment Benefits (OPEB)</i>	25,581	25,374	4,763	4,725	30,344	30,099
	<u>\$ 155,182</u>	<u>\$ 152,807</u>	<u>\$ 18,934</u>	<u>\$ 19,688</u>	<u>\$ 174,116</u>	<u>\$ 172,495</u>

Economic Factors and Next Year's Budgets

- The City's total assessed valuation is \$7.6 billion, up 5% or \$382 million from 2018-19.
- The fiscal year 2019-20 City Budget is balanced. City is conservative in projecting future revenue. The City spending plan follows the City Council's directions in maintaining excellent community services, enhancing organizational efficiency, and funding much needed infrastructure and capital improvements. The City will conclude labor negotiations with the remaining safety units and three miscellaneous units. Any contract adjustment for additional salary and benefits will be amended to the budget.
- The City continues with the Fire Station 62 replacement project. The new facility will meet current laws, regulations and NFPA standards.
- The Centralized Groundwater Treatment System for the Delta Plant will start its operation by Spring of 2020.
- The Courtyard by Marriott hotel that includes 288 rooms, a restaurant and available retail space, is currently in the construction phase and the City anticipates its opening by the Winter of 2019. This hotel will increase additional transient occupancy tax, property tax, and sales tax revenues for the City.
- The Monterey Park Market Place Shopping Center is located directly off and visible from the SR-60 freeway. The Center now has stores, including Costco, Home Depot, Chick-fil-A, In-N-Out, Guitar Center, Starbucks, Buffalo Wild Wings, Panda, Mod Pizza, America Best Eyeglasses, and Mattress Firm. This regional power center will continue store-opening, thus increasing property and sales tax revenues for the City.
- The water, sewer, and trash rates study will be continued and new rates will be presented to the Council for approval.

Requests for Information

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

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BASIC FINANCIAL STATEMENTS



*Basic Financial
Statements*

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***Government-Wide
Financial Statements***

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF MONTEREY PARK
Statement of Net Position
June 30, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 69,667,062	\$ 31,410,003	\$ 101,077,065
Cash and investments held by fiscal agent	23,008	-	23,008
Accounts receivable	4,309,344	7,811,413	12,120,757
Interest receivable	304,461	121,472	425,933
Prepaid assets	75,778	-	75,778
Inventory	-	-	-
Internal balances	4,540,399	(4,540,399)	-
Total current assets	<u>78,920,052</u>	<u>34,802,489</u>	<u>113,722,541</u>
Noncurrent assets:			
Loans receivable, net	1,897,726	-	1,897,726
Receivable from Successor Agency	1,445,676	-	1,445,676
Capital assets:			
Not being depreciated	12,874,174	9,245,392	22,119,566
Being depreciated, net	43,260,464	32,265,559	75,526,023
Total capital assets	<u>56,134,638</u>	<u>41,510,951</u>	<u>97,645,589</u>
Total noncurrent assets	<u>59,478,040</u>	<u>41,510,951</u>	<u>100,988,991</u>
Total assets	<u>138,398,092</u>	<u>76,313,440</u>	<u>214,711,532</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Amounts related to pension plans	15,602,925	619,042	16,221,967
Amounts related to other post employment benefits	2,271,968	423,032	2,695,000
Total deferred outflows of resources	<u>17,874,893</u>	<u>1,042,074</u>	<u>18,916,967</u>

CITY OF MONTEREY PARK
Statement of Net Position, Continued
June 30, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 3,144,756	\$ 1,974,697	\$ 5,119,453
Accrued payroll	1,187,612	152,565	1,340,177
Interest payable	81,618	-	81,618
Deposits and advances	802,462	450,329	1,252,791
Due to other governmental agencies	711,504	-	711,504
Long-term liabilities - due within one year	5,189,338	776,632	5,965,970
Total current liabilities	<u>11,117,290</u>	<u>3,354,223</u>	<u>14,471,513</u>
Noncurrent liabilities:			
Long-term liabilities - due in more than one year	35,561,296	9,174,546	44,735,842
Net pension liabilities	94,040,259	4,996,687	99,036,946
Net OPEB liabilities	25,580,928	4,763,072	30,344,000
Total noncurrent liabilities	<u>155,182,483</u>	<u>18,934,305</u>	<u>174,116,788</u>
Total liabilities	<u>166,299,773</u>	<u>22,288,528</u>	<u>188,588,301</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Amounts related to pension plans	1,519,062	68,525	1,587,587
Amounts related to other post employment benefits	167,932	31,268	199,200
Total deferred inflows of resources	<u>1,686,994</u>	<u>99,793</u>	<u>1,786,787</u>
<u>NET POSITION</u>			
Net investment in capital assets	54,422,220	32,343,708	86,765,928
Restricted for:			
Grants	2,066,199	-	2,066,199
Retirement/pension	7,965,508	-	7,965,508
Housing	3,631,615	-	3,631,615
Public safety	1,872,936	-	1,872,936
Community development	143,275	-	143,275
Culture and recreation	1,256,434	-	1,256,434
Highways and streets	11,372,845	-	11,372,845
Unrestricted (deficit)	(94,444,814)	22,623,485	(71,821,329)
Total net position	<u>\$ (11,713,782)</u>	<u>\$ 54,967,193</u>	<u>\$ 43,253,411</u>

CITY OF MONTEREY PARK
Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 8,675,180	\$ 1,951,847	\$ -	\$ -
Public safety	41,058,210	3,263,720	2,503,926	588,852
Community development	2,555,488	2,828,385	990,520	-
Culture and recreation	8,394,326	1,012,436	883,647	20,630
Highway and streets	6,778,639	1,341,088	7,570,732	599,740
Health	150,000	-	170,788	-
Interest and fiscal charges	931,970	-	-	-
Total governmental activities	68,543,813	10,397,476	12,119,613	1,209,222
Business-type activities:				
Water Utility	15,975,908	15,251,324	-	1,362,136
Refuse	6,782,261	6,674,188	-	-
Sewer	1,925,498	3,546,475	-	-
Total business-type activities	24,683,667	25,471,987	-	1,362,136
Total	\$ 93,227,480	\$ 35,869,463	\$ 12,119,613	\$ 2,571,358

CITY OF MONTEREY PARK
Statement of Activities, Continued
For the Year Ended June 30, 2019

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
Governmental activities:			
General government	\$ (6,723,333)	\$ -	\$ (6,723,333)
Public safety	(34,701,712)	-	(34,701,712)
Community development	1,263,417	-	1,263,417
Culture and recreation	(6,477,613)	-	(6,477,613)
Highway and streets	2,732,921	-	2,732,921
Health	20,788	-	20,788
Interest and fiscal charges	(931,970)	-	(931,970)
Total governmental activities	<u>(44,817,502)</u>	<u>-</u>	<u>(44,817,502)</u>
Business-type activities:			
Water Utility	-	637,552	637,552
Refuse	-	(108,073)	(108,073)
Sewer	-	1,620,977	1,620,977
Total business-type activities	<u>-</u>	<u>2,150,456</u>	<u>2,150,456</u>
Total	<u>(44,817,502)</u>	<u>2,150,456</u>	<u>(42,667,046)</u>
General Revenues:			
Taxes:			
Property taxes	25,904,561	-	25,904,561
Sales taxes	7,156,102	-	7,156,102
Vehicle in-lieu taxes (Unrestricted, intergovernmental)	29,876	-	29,876
Utility user taxes	3,107,983	-	3,107,983
Franchise taxes	973,084	-	973,084
Business license taxes	1,140,840	-	1,140,840
Transient occupancy taxes	1,064,049	-	1,064,049
Other taxes	158,828	-	158,828
Revenues from use of money and property	2,413,637	603,163	3,016,800
Other	1,733,652	1,806,647	3,540,299
Total general revenues	<u>43,682,612</u>	<u>2,409,810</u>	<u>46,092,422</u>
Changes in net position	(1,134,890)	4,560,266	3,425,376
Net position (deficit) - beginning of year	<u>(10,578,892)</u>	<u>50,406,927</u>	<u>39,828,035</u>
Net position (deficit) - end of year	<u>\$ (11,713,782)</u>	<u>\$ 54,967,193</u>	<u>\$ 43,253,411</u>

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***Fund
Financial Statements***

FUND FINANCIAL STATEMENTS

CITY OF MONTEREY PARK
Balance Sheet - Governmental Funds
June 30, 2019

	Major Funds			
	General	Grants	Special Revenue	
			Retirement/Pension Liability	Housing
<u>Assets</u>				
Cash and investments	\$ 32,129,653	\$ 2,357,140	\$ 7,870,492	\$ 999,717
Cash and investments held by fiscal agents	-	-	23,008	-
Accounts receivable	2,354,109	1,410,124	84,097	-
Interest receivable	241,734	3,979	-	-
Prepaid assets	75,778	-	-	-
Due from other funds	1,521,106	-	-	-
Loans receivable, net	-	711,504	-	1,186,222
Receivable from Successor Agency	-	-	-	1,445,676
Total Assets	\$ 36,322,380	\$ 4,482,747	\$ 7,977,597	\$ 3,631,615
<u>Liabilities, Deferred Inflow of Resources and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,930,692	\$ 311,133	\$ -	\$ -
Accrued payroll	1,034,040	11,596	12,089	-
Deposits and advances	802,237	-	-	-
Due to other funds	-	1,382,315	-	-
Due to other governmental agencies	-	711,504	-	-
Total Liabilities	3,766,969	2,416,548	12,089	-
Deferred Inflow of Resources:				
Unavailable revenue	-	616,497	-	1,186,221
Total Deferred Inflow of Resources	-	616,497	-	1,186,221
Fund Balances:				
Nonspendable	75,778	-	-	-
Restricted	-	1,449,702	7,965,508	2,445,394
Committed	7,226,927	-	-	-
Assigned	20,147,039	-	-	-
Unassigned	5,105,667	-	-	-
Total Fund Balances	32,555,411	1,449,702	7,965,508	2,445,394
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 36,322,380	\$ 4,482,747	\$ 7,977,597	\$ 3,631,615

CITY OF MONTEREY PARK
Balance Sheet - Governmental Funds, Continued
June 30, 2019

	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets</u>		
Cash and investments	\$ 14,939,123	\$ 58,296,125
Cash and investments held by fiscal agents	-	23,008
Accounts receivable	461,014	4,309,344
Interest receivable	58,748	304,461
Prepaid assets	-	75,778
Due from other funds	-	1,521,106
Loans receivable, net	-	1,897,726
Receivable from Successor Agency	-	1,445,676
Total Assets	\$ 15,458,885	\$ 67,873,224
 <u>Liabilities, Deferred Inflow of Resources and Fund Balances</u>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 636,216	\$ 2,878,041
Accrued payroll	38,163	1,095,888
Deposits and advances	225	802,462
Due to other funds	138,791	1,521,106
Due to other governmental agencies	-	711,504
Total Liabilities	813,395	7,009,001
Deferred Inflow of Resources:		
Unavailable revenue	-	1,802,718
Total Deferred Inflow of Resources	-	1,802,718
Fund Balances:		
Nonspendable	-	75,778
Restricted	14,227,749	26,088,353
Committed	417,741	7,644,668
Assigned	-	20,147,039
Unassigned	-	5,105,667
Total Fund Balances	14,645,490	59,061,505
Total Liabilities, Deferred inflow of Resources and Fund Balances	\$ 15,458,885	\$ 67,873,224

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CITY OF MONTEREY PARK
Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Position of Governmental Activities
June 30, 2019

Total fund balance of governmental funds in fund statements	\$ 59,061,505
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 position. Total net deficit is \$(4,235,279) plus the portion of net deficit allocated to business-type activities of \$4,540,399.	305,120
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. (Total governmental assets of \$56,134,638 less internal service funds of \$4,263,292, which has already been accounted for in the reconciliation of internal service funds elimination).	51,871,346
Long-term liabilities in the amount of \$40,750,634, excluding net pension liabilities and net other post employment benefit (OPEB) liabilities, are not due and payable in the current period and therefore are not reported in the governmental funds, net of \$19,511,069 included in reconciliation of internal service funds.	(21,239,565)
Interest on long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	(81,618)
Net pension liability is not due and payable in the current period and therefore is not reported in the governmental funds.	(94,040,259)
Pension contributions made during the year after the measurement date are reported as expenditures in governmental funds and as deferred outflow of resources in the government-wide financial statements.	9,277,024
Other deferred outflows and inflows of resources related to the net pension liability are reported only in the government-wide financial statements:	
Net difference between projected and actual earnings on pension plan investments	594,781
Difference between expected and actual experience	937,165
Changes in assumptions	3,274,892
Net OPEB liability is not due and payable in the current period and therefore is not reported in the governmental funds.	(25,580,927)
OPEB contributions made during the year after the measurement date are reported as expenditures in governmental funds and as deferred outflow of resources in the government-wide financial statements.	2,271,968
Other deferred outflows and inflows of resources related to the net OPEB liability are reported only in the government-wide financial statements:	
Difference between expected and actual experience	(167,932)
Revenues earned but not available to pay for current expenditures for governmental funds are unavailable.	<u>1,802,718</u>
Net position of governmental activities	<u><u>\$ (11,713,782)</u></u>

CITY OF MONTEREY PARK
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2019

	Major Funds			
	General	Special Revenue		
		Grants	Retirement/Pension Liability	Housing
Revenues:				
Taxes	\$ 31,027,763	\$ -	7,366,720	\$ -
Licenses and permits	3,038,847	-	-	-
Intergovernmental revenues	-	4,247,826	-	-
Charges for services	6,191,400	-	-	-
Revenues from use of money and property	2,361,295	73,151	15,516	-
Fines and forfeitures	716,218	-	-	-
Other revenue	1,734,988	-	-	6,058
Total Revenues	<u>45,070,511</u>	<u>4,320,977</u>	<u>7,382,236</u>	<u>6,058</u>
Expenditures:				
Current:				
General government	4,563,000	7,536	1,564,973	-
Public safety	26,323,003	493,356	6,872,122	-
Community development	1,673,367	407,007	397,627	-
Culture and recreation	5,824,106	190,620	833,395	-
Highways and streets	847,797	20,372	117,700	-
Health	-	-	-	-
Capital outlay	538,807	1,833,140	-	-
Debt service:				
Principal retirement	66,223	536,000	440,000	-
Interest and fiscal charges	40,317	45,939	789,820	-
Total Expenditures	<u>39,876,620</u>	<u>3,533,970</u>	<u>11,015,637</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>5,193,891</u>	<u>787,007</u>	<u>(3,633,401)</u>	<u>6,058</u>
Other Financing Sources (Uses):				
Transfers in	-	-	2,600,000	-
Transfers out	<u>(2,600,000)</u>	<u>(376,264)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(2,600,000)</u>	<u>(376,264)</u>	<u>2,600,000</u>	<u>-</u>
Net Changes in Fund Balances	2,593,891	410,743	(1,033,401)	6,058
Fund Balances, Beginning of Year	<u>29,961,520</u>	<u>1,038,959</u>	<u>8,998,909</u>	<u>2,439,336</u>
Fund Balances, End of Year	<u>\$ 32,555,411</u>	<u>\$ 1,449,702</u>	<u>\$ 7,965,508</u>	<u>\$ 2,445,394</u>

CITY OF MONTEREY PARK
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds, Continued
For the Year Ended June 30, 2019

	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:		
Taxes	\$ 8,799,431	\$ 47,193,914
Licenses and permits	-	3,038,847
Intergovernmental revenues	-	4,247,826
Charges for services	970,252	7,161,652
Revenues from use of money and property	251,183	2,701,145
Fines and forfeitures	906,821	1,623,039
Other revenue	-	1,741,046
Total Revenues	10,927,687	67,707,469
Expenditures:		
Current:		
General government	1,079	6,136,588
Public safety	1,019,629	34,708,110
Community development	85,516	2,563,517
Culture and recreation	535,561	7,383,682
Highways and streets	4,361,168	5,347,037
Health	150,000	150,000
Capital outlay	555,460	2,927,407
Debt service:		
Principal retirement	36,926	1,079,149
Interest and fiscal charges	18,942	895,018
Total Expenditures	6,764,281	61,190,508
Excess (Deficiency) of Revenues Over Expenditures	4,163,406	6,516,961
Other Financing Sources (Uses):		
Transfers in	403,264	3,003,264
Transfers out	(27,000)	(3,003,264)
Total Other Financing Sources (Uses)	376,264	-
Net Changes in Fund Balances	4,539,670	6,516,961
Fund Balances, Beginning of Year	10,105,820	52,544,544
Fund Balances, End of Year	\$ 14,645,490	\$ 59,061,505

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, 2019

Net change in fund balance - total governmental funds	\$ 6,516,961
Amount reported for governmental activities in the Statement of Activities are different because:	
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 income/(expense) of certain activities of internal service fund is reported with governmental activities. This amount excludes \$(1,191,841) charged to the Water and Refuse Enterprise Funds.	(1,936,893)
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:	
Capitalizable capital outlay, net of internal service fund capital additions of \$3,251,094.	1,732,237
Depreciation expense, net of internal service fund depreciation expense of \$306,409	(2,408,477)
Revenues that do not provide current financial resources are not recognized as revenues in the governmental funds.	(298,546)
Principal debt repayment was recorded as an expenditure. However, this transaction is not recorded in the Statement of Activities. Instead, this transaction is reported as long-term debt payable in the Statement of Net Position.	1,079,149
Changes in net pension liability and related deferred outflows and inflows of resources reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.	(5,709,183)
Changes in compensated absences which are not due and payable in the governmental funds are charged to expenses in the Statement of Activities.	(2,976)
Changes in net OPEB liability and related deferred outflows and inflows of resources reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.	(111,954)
Interest on long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	4,792
Change in net position of governmental activities	<u>\$ (1,134,890)</u>

PROPRIETARY FUND FINANCIAL STATEMENTS

CITY OF MONTEREY PARK
Statement of Net Position -
Proprietary Funds
June 30, 2019

	Enterprise			
	Water Utility	Refuse	Sewer	Total
<u>Assets</u>				
Current Assets:				
Cash and investments	\$ 23,204,603	\$ 1,207,741	\$ 6,997,659	\$ 31,410,003
Accounts receivable	6,606,982	757,493	446,938	7,811,413
Interest receivable	89,135	4,749	27,588	121,472
Inventory	-	-	-	-
Total Current Assets	<u>29,900,720</u>	<u>1,969,983</u>	<u>7,472,185</u>	<u>39,342,888</u>
Noncurrent Assets:				
Nondepreciable capital assets	9,189,073	-	56,319	9,245,392
Depreciable capital assets, net of accumulated depreciation	29,916,886	19,837	2,328,836	32,265,559
Total Capital Assets	<u>39,105,959</u>	<u>19,837</u>	<u>2,385,155</u>	<u>41,510,951</u>
Total Noncurrent Assets	<u>39,105,959</u>	<u>19,837</u>	<u>2,385,155</u>	<u>41,510,951</u>
Total Assets	<u>69,006,679</u>	<u>1,989,820</u>	<u>9,857,340</u>	<u>80,853,839</u>
<u>Deferred Outflows of Resources</u>				
Amounts related to pension plans	432,770	94,682	91,590	619,042
Amounts related to other post employment benefit plans	308,513	50,974	63,545	423,032
Total Deferred Outflows of Resources	<u>741,283</u>	<u>145,656</u>	<u>155,135</u>	<u>1,042,074</u>
<u>Liabilities</u>				
Current Liabilities:				
Accounts payable	1,940,758	20,885	13,054	1,974,697
Accrued payroll	116,094	19,651	16,820	152,565
Deposits and advances	450,220	-	109	450,329
Insurance assessments payable - due within one year	-	-	-	-
Claims and judgments payable - due within one year	-	-	-	-
Capital lease obligations - due within one year	698,239	-	-	698,239
Compensated absences payable - due within one year	61,651	10,605	6,138	78,393
Total Current Liabilities	<u>3,266,962</u>	<u>51,141</u>	<u>36,121</u>	<u>3,354,223</u>
Noncurrent Liabilities:				
Insurance assessments payable - due in more than one year	-	-	-	-
Claims and judgments payable - due in more than one year	-	-	-	-
Capital lease obligations - due in more than one year	8,469,004	-	-	8,469,004
Compensated absences payable - due in more than one year	554,861	95,441	55,239	705,542
Net OPEB liabilities	3,473,660	573,938	715,474	4,763,072
Net pension liabilities	3,493,495	764,915	738,277	4,996,687
Total Noncurrent Liabilities	<u>15,991,020</u>	<u>1,434,294</u>	<u>1,508,990</u>	<u>18,934,305</u>
Total Liabilities	<u>19,257,982</u>	<u>1,485,435</u>	<u>1,545,111</u>	<u>22,288,528</u>
<u>Deferred Inflows of Resources</u>				
Amounts related to pension plans	47,910	10,490	10,125	68,525
Amounts related to other post employment benefit plans	22,803	3,768	4,697	31,268
Total Deferred Inflows of Resources	<u>70,713</u>	<u>14,258</u>	<u>14,822</u>	<u>99,793</u>
<u>Net Position</u>				
Net investment in capital assets	29,938,716	19,837	2,385,155	32,343,708
Unrestricted	20,480,551	615,946	6,067,387	27,163,884
Total Net Position	<u>\$ 50,419,267</u>	<u>\$ 635,783</u>	<u>\$ 8,452,542</u>	<u>\$ 59,507,592</u>
Adjustment to reflect the consolidation of internal service funds activities to related enterprise fund				
	(4,005,039)	(535,360)	-	(4,540,399)
Net Position of Business-type Activities	<u>\$ 46,414,228</u>	<u>\$ 100,423</u>	<u>\$ 8,452,542</u>	<u>\$ 54,967,193</u>

CITY OF MONTEREY PARK
Statement of Net Position -
Proprietary Funds, Continued
June 30, 2019

	Internal Service
<u>Assets</u>	
Current Assets:	
Cash and investments	\$ 11,370,937
Accounts receivable	-
Interest receivable	-
Inventory	-
Total Current Assets	11,370,937
Noncurrent Assets:	
Nondepreciable capital assets	2,862,640
Depreciable capital assets, net of accumulated depreciation	1,400,652
Total Capital Assets	4,263,292
Total Noncurrent Assets	4,263,292
Total Assets	15,634,229
<u>Deferred Outflow of Resources</u>	
Amounts related to pension plans	-
Amounts related to other post employment benefit plans	-
Total Deferred Outflows of Resources	-
<u>Liabilities</u>	
Current Liabilities:	
Accounts payable	266,715
Accrued payroll	91,724
Deposits and advances	-
Insurance assessments payable - due within one year	163,514
Claims and judgments payable - due within one year	3,063,499
Capital lease obligations - due within one year	344,867
Compensated absences payable - due within one year	10,189
Total Current Liabilities	3,940,508
Noncurrent Liabilities:	
Insurance assessments payable - due in more than one year	1,144,600
Claims and judgments payable - due in more than one year	12,587,944
Capital lease obligations - due in more than one year	2,104,748
Compensated absences payable - due in more than one year	91,708
Net OPEB liabilities	-
Net pension liabilities	-
Total Noncurrent Liabilities	15,929,000
Total Liabilities	19,869,508
<u>Deferred Inflow of Resources</u>	
Amounts related to pension plans	-
Amounts related to other post employment benefit plans	-
Total Deferred Inflows of Resources	-
<u>Net Position</u>	
Net investment in capital assets	4,263,292
Unrestricted	(8,498,571)
Total Net (Deficit) Position	\$ (4,235,279)

CITY OF MONTEREY PARK
Statement of Revenues, Expenses and Changes in
Net Position - Proprietary Funds
For the Year Ended June 30, 2019

	Enterprise			Total
	Water Utility	Refuse	Sewer	
Operating Revenues:				
Charges for services	\$ 15,134,633	\$ 6,674,188	\$ 3,546,475	\$ 25,355,296
Meter installations	116,691	-	-	116,691
Other revenue	1,806,647	-	-	1,806,647
Total Operating Revenues	<u>17,057,971</u>	<u>6,674,188</u>	<u>3,546,475</u>	<u>27,278,634</u>
Operating Expenses:				
Administration	3,789,425	1,068,888	-	4,858,313
Commercial - water	951,425	-	-	951,425
Production - water	3,132,904	-	-	3,132,904
Distribution - water	1,360,177	-	-	1,360,177
Treatment plant	3,808,671	-	-	3,808,671
Street maintenance - refuse	-	3,539	-	3,539
Storm drain maintenance - refuse	-	157,689	-	157,689
Refuse collection	-	5,407,685	-	5,407,685
Sanitary sewer maintenance	-	-	1,683,161	1,683,161
Depreciation	1,609,320	1,004	242,337	1,852,661
Salaries and benefits	-	-	-	-
Materials and supplies	-	-	-	-
Insurance and claims	-	-	-	-
Miscellaneous	-	-	-	-
Total Operating Expenses	<u>14,651,922</u>	<u>6,638,805</u>	<u>1,925,498</u>	<u>23,216,225</u>
Operating Income (Loss)	<u>2,406,049</u>	<u>35,383</u>	<u>1,620,977</u>	<u>4,062,409</u>
Nonoperating Revenues (Expenses):				
Interest revenue	448,388	22,010	132,765	603,163
Interest expense	(275,601)	-	-	(275,601)
Total Nonoperating Revenues (Expenses)	<u>172,787</u>	<u>22,010</u>	<u>132,765</u>	<u>327,562</u>
Net Income (Loss) Before Capital Contributions and Transfers	2,578,836	57,393	1,753,742	4,389,971
Capital Contributions	1,362,136	-	-	1,362,136
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Change in Net Position	3,940,972	57,393	1,753,742	5,752,107
Net Position, Beginning of Year	46,478,295	578,390	6,698,800	53,755,485
Net Position, End of Year	<u>\$ 50,419,267</u>	<u>\$ 635,783</u>	<u>\$ 8,452,542</u>	<u>\$ 59,507,592</u>
Changes in Net Position	\$ 3,940,972	\$ 57,393	\$ 1,753,742	\$ 5,752,107
Adjustment to reflect the consolidation of internal service fund activities to related enterprise fund	(1,048,385)	(143,456)	-	(1,191,841)
Changes in Net Position of Business-type Activities	<u>\$ 2,892,587</u>	<u>\$ (86,063)</u>	<u>\$ 1,753,742</u>	<u>\$ 4,560,266</u>

CITY OF MONTEREY PARK
Statement of Revenues, Expenses and Changes in
Net Position - Proprietary Funds, Continued
For the Year Ended June 30, 2019

	<u>Internal Service</u>
Operating Revenues:	
Charges for services	\$ 7,465,127
Meter installations	-
Other revenue	136,563
Total Operating Revenues	<u>7,601,690</u>
Operating Expenses:	
Administration	-
Commercial - water	-
Production - water	-
Distribution - water	-
Treatment plant	-
Street maintenance - refuse	-
Storm drain maintenance - refuse	-
Refuse collection	-
Sanitary sewer maintenance	-
Depreciation	306,409
Salaries and benefits	1,648,388
Materials and supplies	904,602
Insurance and claims	7,486,407
Miscellaneous	342,874
Total Operating Expenses	<u>10,688,680</u>
Operating Income (Loss)	<u>(3,086,990)</u>
Nonoperating Revenues (Expenses):	
Interest revenue	-
Interest expense	(41,744)
Total Nonoperating Revenues (Expenses)	<u>(41,744)</u>
Net Income (Loss) Before Capital Contributions and Transfers	(3,128,734)
Capital Contributions	-
Transfers In	500,000
Transfers Out	(500,000)
Changes in Net Position	(3,128,734)
Net Position, Beginning of Year	<u>(1,106,545)</u>
Net Position (Deficit), End of Year	<u><u>\$ (4,235,279)</u></u>

CITY OF MONTEREY PARK
Statement of Cash Flows -
Proprietary Funds
For the Year Ended June 30, 2019

	Enterprise Funds			Total
	Water Utility	Refuse	Sewer	
Cash Flows from Operating Activities:				
Cash receipts from customers	\$ 18,477,208	\$ 6,652,571	\$ 3,481,604	\$ 28,611,383
Cash receipts from interfund services provided	-	-	-	-
Cash receipts from reimbursements and other operating revenue	-	-	-	-
Cash payments to suppliers for goods and services	(7,974,063)	(6,416,925)	(1,090,520)	(15,481,508)
Cash payments to employees for services	(4,598,843)	(578,540)	(952,242)	(6,129,625)
Cash payments for insurance premiums and self-insurance claims	-	-	-	-
Net Cash Provided by (Used in) Operating Activities	<u>5,904,302</u>	<u>(342,894)</u>	<u>1,438,842</u>	<u>7,000,250</u>
Cash Flows from Noncapital and Related Financing Activities:				
Cash received from other funds	-	-	-	-
Cash paid to other funds	-	-	-	-
Net Cash Provided by (Used In) Noncapital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(1,165,068)	(4,215)	(144,271)	(1,313,554)
Principal paid on lease financing	(641,703)	-	-	(641,703)
Interest paid on lease financing	(275,601)	-	-	(275,601)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(720,236)</u>	<u>(4,215)</u>	<u>(144,271)</u>	<u>(868,722)</u>
Cash Flows from Investing Activities:				
Interest received	359,253	17,261	105,177	481,691
Net Cash Provided by Investing Activities	<u>359,253</u>	<u>17,261</u>	<u>105,177</u>	<u>481,691</u>
Net Increase (Decrease) in Cash and Cash Equivalents	5,543,319	(329,848)	1,399,748	6,613,219
Cash and Cash Equivalents, Beginning of Year	<u>17,661,284</u>	<u>1,537,589</u>	<u>5,597,911</u>	<u>24,796,784</u>
Cash and Cash Equivalents, End of Year	<u>\$ 23,204,603</u>	<u>\$ 1,207,741</u>	<u>\$ 6,997,659</u>	<u>\$ 31,410,003</u>
Cash and investments	<u>\$ 23,204,603</u>	<u>\$ 1,207,741</u>	<u>\$ 6,997,659</u>	<u>\$ 31,410,003</u>
Total Cash and Cash Equivalents	<u>\$ 23,204,603</u>	<u>\$ 1,207,741</u>	<u>\$ 6,997,659</u>	<u>\$ 31,410,003</u>
Noncash from Capital and Related Financing Activities:				
Vehicle capital lease acquisitions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MONTEREY PARK
Statement of Cash Flows -
Proprietary Funds, Continued
For the Year Ended June 30, 2019

	Internal Service
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ -
Cash receipts from interfund services provided	7,465,127
Cash receipts from reimbursements and other operating revenue	136,563
Cash payments to suppliers for goods and services	(1,372,349)
Cash payments to employees for services	(1,600,125)
Cash payments for insurance premiums and self-insurance claims	(5,177,970)
Net Cash Provided by (Used in) Operating Activities	(548,754)
Cash Flows from Noncapital and Related Financing Activities:	
Cash received from other funds	500,000
Cash paid to other funds	(500,000)
Net Cash Provided by (Used In) Noncapital and Related Financing Activities	-
Cash Flows from Capital and Related Financing Activities:	
Acquisition and construction of capital assets	(633,095)
Principal paid on lease financing	(168,385)
Interest paid on lease financing	(41,744)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(843,224)
Cash Flows from Investing Activities:	
Interest received	-
Net Cash Provided by Investing Activities	-
Net Increase (Decrease) in Cash and Cash Equivalents	(1,391,978)
Cash and Cash Equivalents, Beginning of Year	12,762,915
Cash and Cash Equivalents, End of Year	\$ 11,370,937
Cash and investments	\$ 11,370,937
Total Cash and Cash Equivalents	\$ 11,370,937
Noncash from Capital and Related Financing Activities:	
Vehicle capital lease acquisitions	\$ 2,618,000

CITY OF MONTEREY PARK
Statement of Cash Flows -
Proprietary Funds, Continued
For the Year Ended June 30, 2018

	Enterprise Funds			Total
	Water Utility	Refuse	Sewer	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (Loss)	\$ 2,406,049	\$ 35,383	\$ 1,620,977	\$ 4,062,409
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation	1,609,320	1,004	242,337	1,852,661
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	1,419,237	(21,617)	(64,871)	1,332,749
(Increase) decrease in inventory	-	-	-	-
(Increase) decrease in deferred outflows or resources - pension plans	428,678	93,936	90,459	613,073
(Increase) decrease in deferred outflows of resources - OPEB plan	(14,882)	(2,459)	(3,065)	(20,406)
Increase (decrease) in accounts payable	520,901	(407,827)	(413,540)	(300,466)
Increase (decrease) in accrued payroll	5,222	3,687	1,809	10,718
Increase (decrease) in deposits and advances	(362,161)	-	109	(362,052)
Increase (decrease) in insurance assessment payable	-	-	-	-
Increase (decrease) in claims and judgments payable	-	-	-	-
Increase (decrease) in compensated absences payable	101,331	2,463	9,039	112,833
Increase (decrease) in net pension liabilities	47,996	(47,701)	(46,039)	(45,744)
Increase (decrease) in net OPEB liability	(237,691)	4,653	5,800	(227,238)
Increase (decrease) in deferred inflows or resources - pension plans	(21,621)	(4,734)	(4,569)	(30,924)
Increase (decrease) in deferred inflows of resources - OPEB plan	1,923	318	396	2,637
Total Adjustments	3,498,253	(378,277)	(182,135)	2,937,841
Net Cash Provided by (Used in) Operating Activities	\$ 5,904,302	\$ (342,894)	\$ 1,438,842	\$ 7,000,250

(Continued)

CITY OF MONTEREY PARK
Statement of Cash Flows -
Proprietary Funds, Continued
For the Year Ended June 30, 2018

	Internal Service
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating income (Loss)	\$ (3,086,990)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Depreciation	306,409
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	-
(Increase) decrease in inventory	4,520
(Increase) decrease in deferred outflows or resources - pension plans	-
(Increase) decrease in deferred outflows of resources - OPEB plan	-
Increase (decrease) in accounts payable	(24,478)
Increase (decrease) in accrued payroll	17,757
Increase (decrease) in deposits and advances	-
Increase (decrease) in claims and judgments payable	(163,515)
Increase (decrease) in claims and judgments payable	2,369,497
Increase (decrease) in compensated absences payable	28,046
Increase (decrease) in net pension liabilities	-
Increase (decrease) in OPEB obligations payable	-
Increase (decrease) in deferred inflows of resources - pension plans	-
Increase (decrease) in deferred inflows of resources - OPEB plan	-
Total Adjustments	2,538,236
Net Cash Provided by (Used in) Operating Activities	\$ (548,754)

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FIDUCIARY FUND FINANCIAL STATEMENTS

CITY OF MONTEREY PARK
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	Private-Purpose Trust Fund	Agency Funds
Current Assets:		
Cash and investments	\$ 165,368	\$ 3,352,404
Cash and investments with fiscal agent	1,799,866	-
Accounts receivable	-	16,958
Total Assets	1,965,234	\$ 3,369,362
Current Liabilities:		
Accounts payable	3,864	\$ 45,003
Deposits payable	-	3,324,359
Interest payable	225,487	-
Current portion of noncurrent liabilities	1,812,200	-
Total Current Liabilities	2,041,551	3,369,362
Noncurrent Liabilities:		
Advances from City of Monterey Park	1,445,675	-
Bonds payable, net of current portion	13,661,025	-
Tax increment deferred loans	67,698,932	-
Low/Mod Housing deferred loans	1,186,222	-
Total Noncurrent Liabilities	83,991,854	-
Total Liabilities	86,033,405	\$ 3,369,362
Net Position (Deficit):		
Net position (deficit) held in trust for debt service and certain administrative expenses	\$ (84,068,171)	

CITY OF MONTEREY PARK
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2019

	Private-Purpose Trust Fund
Additions:	
Redevelopment Property Tax Trust Fund	\$ 2,867,719
Investment income	16,471
Total Additions	2,884,190
Deductions:	
Administration	189,999
Disbursement to City of Monterey Park	5,358
Interest expense and fiscal charges	4,928,380
Total Deductions	5,123,737
Change in net position	(2,239,547)
Net Position, Beginning of Year	(81,828,624)
Net Position, End of Year	\$ (84,068,171)

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*Notes to
Financial Statements*

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Reporting Entity

The City of Monterey Park, California (the “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 in the United States of America, the financial statements include the financial activities of the City (the primary government), 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 Monterey Park Public Financing Authority

The Monterey Park Public Financing Authority (the “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 former Redevelopment Agency of Monterey Park. The members of the City Council act as the governing board of the Financing Authority and there is a financial benefit or burden relationship between the City and the Financing Authority. The Financing Authority does not issue separate financial statements.

The Monterey Park Housing Authority

The Monterey Park Housing Authority (the “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 Housing Authority and there is a financial benefit or burden relationship between the City and the Housing Authority. The Housing Authority does not issue separate financial statements.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. 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.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States.

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 revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred. 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, state gas tax subventions, franchise fees, transient occupancy tax, charges for services, and interests 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.

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

The ***Special Revenue Retirement/Pension Liability Fund*** was established 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 and to account for the financial resources provided by the City in anticipation of estimated increases in retirement costs.

The ***Special Revenue Housing Fund*** is used to account for housing activities for the City and revenue received from housing loan repayments and rental income.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major proprietary funds:

The ***Water Utility 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.

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

The ***Sewer Enterprise Fund*** is used to account for receipts and expenses for construction and improvement to deficient sanitary mains identified in the Sewer Master Plan.

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.

Fiduciary Funds

The ***Private Purpose Trust Fund*** is used to account for activities of the Successor Agency to the Former Monterey Park Redevelopment Agency (the "Successor Agency").

The ***Agency Funds*** are used to account for money and property held by the City as trustee or custodian, including special deposits and construction agency funds.

The fiduciary funds are reported using the accrual basis of accounting. The private-purpose trust fund is also reported using the economic resources measurement focus. The agency funds have no measurement focus.

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.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Utility Enterprise Fund, Refuse Enterprise Fund, Sewer Enterprise Fund, and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds 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 nonoperating revenues and expenses.

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 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

E. 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.

F. Investments

Investments are reported in the accompanying financial statements at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments in external pools are valued based on the stated fair value represented by the external pool.

G. Inventories

Inventories held by the Internal Service Funds 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.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (roads, sidewalks, 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 acquisition value.

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

I. Compensated Absences

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.

J. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 10). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Pensions (Continued)

The following timeframes are used for pension reporting:

<u>CalPERS</u>	
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

<u>MMRP</u>	
Valuation Date	June 30, 2017
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over five years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

K. Other Post Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City’s California Public Employees Medical and Hospital Care Act (PEMCHA) plans (OPEB Plans) and additions to/deductions from the OPEB Plans’ fiduciary net position have been determined on the same basis as they are reported by PEMCHA. For this purpose, the City’s OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

L. 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, 2018 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 12).

M. Fund Equity and Net Position

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable Fund Balance - This amount indicates the portion of fund balances which cannot be spent because they are either not in spendable form, such as prepaid items, inventories or loans receivable, or legally or contractually required to be maintained intact, such as the principal portion of an endowment.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity and Net Position (Continued)

Restricted Fund Balance - This amount indicates the portion of fund balances which has been restricted a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance - This amount indicates the portion of fund balances which can only be used for specific purposes pursuant to formal resolution or ordinance of the City Council. The City Council is considered the highest authority for the City. Adoption of a resolution by the City Council is required to commit resources or to rescind the commitment.

Assigned Fund Balance - This amount indicates the portion of fund balances which is constrained by the City's intent to be used for specific purpose, but is neither restricted nor committed. The City Manager is authorized by the City Council by resolution to determine and define the amount of assigned fund balances.

Unassigned Fund Balance - This amount indicates the portion of fund balances that do not fall into one of the above categories. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount.

When expenditures are incurred for purposes in which both restricted and unrestricted fund balances are available, the City's policy is to apply restricted fund balances first, and then unrestricted fund balances as they are needed.

When expenditures are incurred for purposes where only unrestricted fund balances are available, the City uses the unrestricted resources in the following order: committed, assigned, and unassigned.

Net position represents the difference between all other elements in the statement of net position and should be displayed in the following three components:

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - This component of net position consists of restricted amounts by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted - This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When expenses are incurred for purposes in which both restricted and unrestricted components of net position are available, the City's policy is to apply the restricted component of net position assets first.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Use of Estimates

The preparation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

O. New Accounting Pronouncements

Current Year Standards

GASB 83 - *Certain Asset Retirement Obligations*, effective for periods beginning after June 15, 2018. This standard did not impact the City.

GASB 88 - *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, effective for periods beginning after June 15, 2018. This standard did not impact the City.

GASB 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for periods beginning after December 15, 2019 was early implemented by the City in fiscal year 2018-19. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in an enterprise fund. Accounting changes adopted to conform to this provision for this statement should be applied prospectively. There was no material impact on the City’s financial statements resulting from the implementation of GASB 89.

Pending Accounting Standards

GASB has issued the following statements, which may impact the City’s financial reporting requirements in the future:

- GASB 84 - *Fiduciary Activities*, effective for periods beginning after December 15, 2018.
- GASB 87 - *Leases*, effective for periods beginning after December 15, 2019.
- GASB 90 - *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*, effective for periods beginning after December 15, 2018.
- GASB 91 - *Conduit Debt Obligations*, effective for periods beginning after December 15, 2020.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

2. CASH AND INVESTMENTS

Cash and Investments

Cash and investments at June 30, 2019 are classified in the accompanying financial statements as follows:

	<u>Government-Wide</u>			<u>Fiduciary</u>	<u>Total</u>
	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>		
	<u>Activities</u>	<u>Activities</u>			
Cash and investments	\$ 69,667,062	\$ 31,410,003	\$ 101,077,065	\$ 3,517,772	\$ 104,594,837
Cash and investments held by fiscal agent	23,008	-	23,008	1,799,866	1,822,874
Total cash and investments	\$ 69,690,070	\$ 31,410,003	\$ 101,100,073	\$ 5,317,638	\$ 106,417,711

Cash and investments at June 30, 2019 consisted of the following:

Deposits:	
Cash on hand	\$ 28,550
Demand deposits with financial institutions	3,545,646
Time certificates of deposit	635,000
Total Cash	4,209,196
Investments:	
U.S. treasury bills	12,239,340
Negotiable certificates of deposit	11,273,321
Local Agency Investment Fund (LAIF)	75,135,400
Los Angeles County Treasury Pool	1,736,958
Money market mutual fund	1,823,496
Total Investments	102,208,515
Total Cash and Investments	\$ 106,417,711

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 and certain designated Special Revenue 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.

Tax allocation bonds reserve balances held by fiscal agents were transferred to the Successor Agency from the Former Monterey Park Redevelopment Agency and were reported in the Fiduciary Fund.

Deposits

At June 30, 2019, the carrying amount of the City's demand deposits was \$3,545,646 and the bank balance was \$3,061,093. The \$484,553 difference represents outstanding checks, deposits in transit, and other reconciling items.

Investments Authorized by 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 Basic Financial Statements
For the Year Ended June 30, 2019

2. CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by the City's Investment Policy (Continued)

Authorized Investment Type	Maximum % of Portfolio	Maximum Maturity	Minimum Quality
<u>Local Agency Bonds</u> Bonds issued by the City, including bonds payable solely out of revenues from a revenue producing property owned, controlled, or operated by the City or authority of the City	None	5 years	None
<u>U.S. Treasury Obligations</u> - United States Treasury Notes, Bonds, Bills or other certificates of indebtedness backed by the US government - U.S. Treasury Zero Coupons	None	5 years	None
<u>State Obligations - CA and Others</u> Bonds, notes or other evidence of indebtedness of any local agency within this state	None	5 years	None
<u>U.S. Agency Obligations</u> Discount notes or notes issued by Agencies of the Federal Government	None	5 years	None
<u>Collateralized Bank Deposits</u> Non - negotiable Certificate of Deposit issued by a nationally or state - chartered bank or association or a State - licensed branch or a foreign bank (insured by the federal government); Bank Collateralized Savings.	None	5 years	None
Medium-term notes issued by corporations	30%	5 years	"A" or better ranking by nationally recognized rating service U.S. domiciled corporations or U.S. licensed depository
<u>Local Agency Investment Fund (LAIF)</u> State of California Local Agency Investment Fund (LAIF) or other Local Government Investment Pools established by public entities	None	Not applicable	None
<u>Los Angeles County Pooled Investment Fund</u> California Government Code Section 53684 allows local agencies in the County of Los Angeles to deposit excess funds in the Los Angeles County Treasury Pool for the purpose of investment by the Treasurer and Tax Collector of the County	10% of LACPIF pool balance	None	None
Mutual Funds and Money Market Mutual Funds	20%	Not applicable	Highest ranking by not less 2 largest rating services Have an SEC registered investment advisor with more than 5 years' experience Assets under management greater than \$500 million
"Banker's acceptance"	40% of portfolio (no more than 30% in any one commercial bank)	180 days	None
Commercial Paper	40% of portfolio for counties, cities and other local agencies (No more than 10% of agency's money in the commercial paper of any one corporate issuer)	270 days	"A" or higher rating for issuer's debt within U.S. corporations and have assets in excess of \$500 million.
Repurchase Agreements	Not Allowable	Not Allowable	Not Allowable
<u>Negotiable Certificates of Deposit</u> Negotiable Certificates of Deposit issued by a nationally or State - chartered Bank, a federal association, or a State - licensed branch of a foreign - owned bank (insured by the federal government).	30%	5 years	None
Financial Futures and Financial option contracts.	None	5 years	None
Reverse Repurchase Agreements and Securities Lending Agreements	Not Allowable	Not Allowable	Not Allowable
<u>Mortgage Pass-Through Securities</u> - Mortgage-backed securities (Corporate issued)	Not specified		
- Diversified Management Companies	20%	5 years	"A" or better ranking by nationally recognized rating service

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

2. CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by Debt Agreements

In addition to the investment types listed above, the City may also invest appropriate funds in money market mutual funds and LAIF 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. LAIF, LACPIF, and negotiable certificates of deposit do not have a rating provided by a nationally recognized statistical rating organization. U.S. treasury bills are not required to be rated.

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 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 to custodial credit risk for deposits: The City's investment policy limits investments in Certificates of Deposits to those insured up to \$250,000 by the Federal Deposit Insurance Corporation.

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 the face value of the 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 by federal depository insurance. However, the City has not waived the collateralization requirements.

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 173 days and in the Los Angeles County Treasury Pool is approximately 547 days.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

2. CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Interest Rate Risk (Continued)

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:

Investments	Credit Rating	Fair Value June 30, 2019	Maturity		
			12 Months or Less	1 to 2 Years	2 to 3 Years
Treasury Investments:					
U.S. Treasury Bills	N/A *	\$ 12,239,340	\$ 12,239,340	-	-
Negotiable Certificates of Deposit	N/A *	11,273,321	7,838,362	3,434,959	-
LAIF	N/A *	75,135,400	75,135,400	-	-
Los Angeles County Treasury Pool	N/A *	1,736,958	1,736,958	-	-
Total Treasury Investments		<u>100,385,019</u>	<u>96,950,060</u>	<u>3,434,959</u>	<u>-</u>
Investments Held by Fiscal Agents:					
Money Market Mutual Fund	AAA	1,823,496	1,823,496	-	-
Total Investments Held by Fiscal Agents		<u>1,823,496</u>	<u>1,823,496</u>	<u>-</u>	<u>-</u>
Total Investments		<u>\$ 102,208,515</u>	<u>\$ 98,773,556</u>	<u>\$ 3,434,959</u>	<u>\$ -</u>

* - There is no rating for the negotiable certificates of deposits and investments in LAIF and Los Angeles County Treasury Pool. U.S. treasury bills are not required to be rated.

Investment in State Investment Pool

The City is a voluntary participant in LAIF which 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 amounts based upon the City's prorated 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.

The City's investments with LAIF at June 30, 2019 included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

Structured Notes: debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities: generally mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

As of June 30 2019, the City had \$75,135,400 invested in LAIF, which had invested 74.16% of the pool investment funds in Structured notes and Medium-term Asset-backed Securities.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

2. CASH AND INVESTMENTS (CONTINUED)

Investment in Los Angeles County Investment Pool

The City is a voluntary participant in the Los Angeles County Investment Pool pursuant to Government Code Section 53684. The cash flow needs of participants are monitored daily to ensure that sufficient liquidity is maintained to meet the needs of those participants. At the time deposits are made, the Los Angeles County Investment Pool's Treasurer may require the depositing entity to provide annual cash flow projections or an anticipated withdrawal schedule for deposits in excess of \$1 million. Projections are to be performed no less than semi-annually. In accordance with Government Code Section 27136, all requests for withdrawal of funds for the purpose of investing or depositing the funds elsewhere shall be evaluated to ensure the proposed withdrawal will not adversely affect the principal deposits of the other participants. At June 30, 2019, the City had \$1,736,958 invested in the Los Angeles County Investment Pool.

Fair Value Measurements

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

The fair value of the City's investments in U.S. treasury bills and negotiable certificates of deposit were determined using Level 2 inputs (quoted prices of similar assets in active markets). The City's other investments were not subject to the fair value hierarchy requirement.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

3. RECEIVABLES

Receivables of the City as of June 30, 2019 were:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts Receivable:			
Property taxes	\$ 491,591	\$ -	\$ 491,591
Sales taxes	1,531,475	-	1,531,475
Utility taxes	235,538	-	235,538
Water, sewer and refuse sales	-	5,730,206	5,730,206
Subvention and grants	1,525,111	2,081,207	3,606,318
Other	525,629	-	525,629
	<u>4,309,344</u>	<u>7,811,413</u>	<u>12,120,757</u>
Total Accounts Receivable	<u>\$ 4,309,344</u>	<u>\$ 7,811,413</u>	<u>\$ 12,120,757</u>
Interest Receivable	<u>\$ 304,461</u>	<u>\$ 121,472</u>	<u>\$ 425,933</u>
Loans Receivable, Net:			
Residential Rehabilitation (CDBG) (Note 9)	\$ 48,015	\$ -	\$ 48,015
SERA Program (Note 9)	4,322	-	4,322
Pacific Housing Loan (Note 9)	246,190	-	246,190
Pacific Bridge Loan (Note 9)	412,977	-	412,977
First-Time Homebuyers (Housing)	98,951	-	98,951
Critical Maintenance (Housing)	45,561	-	45,561
Critical Maintenance (Grants)	869,912	-	869,912
Abajo del Sol Loan (Grants)	2,224,602	-	2,224,602
LINC Community Development (Housing)	2,306,464	-	2,306,464
LINC Community Development (Grants)	919,162	-	919,162
Low/Mod Housing Deferred Loans	1,186,222	-	1,186,222
Subtotal	8,362,378	-	8,362,378
Less: Allowance for Uncollectible Loans	(6,464,652)	-	(6,464,652)
	<u>1,897,726</u>	<u>-</u>	<u>1,897,726</u>
Total Loans Receivable, Net	<u>\$ 1,897,726</u>	<u>\$ -</u>	<u>\$ 1,897,726</u>
Total Receivables	<u>\$ 6,511,531</u>	<u>\$ 7,932,885</u>	<u>\$ 14,444,416</u>

Following is the detail of Loans Receivable:

- A. Residential Rehabilitation:** 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 balance at June 30, 2019 is \$48,015 and has been recorded as notes receivable in the Special Revenue Grants Fund.
- B. SERA Program:** 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 \$4,322 at June 30, 2019 and has been recorded as notes receivable in the Special Revenue Grants Fund.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

3. RECEIVABLES (CONTINUED)

- C. *Pacific Housing Loan:*** 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. The subordinated construction loan has been paid off by Pacific Housing in 2008-09. Other remaining amounts bear interest at the rate of three percent per annum until paid. The loan was funded by use of Federal HOME Program funds and is reported in the Special Revenue Grants Fund. At June 30, 2019, outstanding principal and interest are \$175,000 and \$71,190, respectively.
- D. *Pacific Bridge Loan:*** In 1995, the former Redevelopment 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 former Redevelopment Agency agreed to loan to Pacific Bridge Housing Corporation 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. 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 Special Revenue Grants Fund. At June 30, 2019, outstanding principal and interest are \$240,478 and \$172,499, respectively.
- E. *First Time Homebuyers:*** 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. The loans were transferred from the former Redevelopment Agency's Housing Capital Projects Fund to the City's Special Revenue Housing Fund on February 1, 2012 due to the dissolution of the former Redevelopment Agency. At June 30, 2019, \$98,951 is the amount of outstanding loan balances, and has been reported as notes receivable with an offset of allowance for uncollectible notes in the Special Revenue Housing Fund in the fund level financial statements and in the government-wide statements.
- F. *Critical Maintenance:*** 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, 2019, the loans outstanding totaled \$915,473. Of this amount, \$45,561 is funded by the former Redevelopment Agency's Housing Capital Projects Fund and \$869,912 is funded by the Federal HOME Program Grants Fund. The outstanding loan balance of \$45,561 was transferred from the former Redevelopment Agency's Housing Set Aside Fund to the City's Special Revenue Housing Fund and has been reported as notes receivable with an offset of allowance for uncollectible notes in the fund level financial statements and in the government-wide statements. The outstanding loan balance of \$869,912 has been reported as notes receivable with an offset of allowance for uncollectible notes in the Special Revenue Grants Fund in the fund level financial statements and in the government-wide statements.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

3. RECEIVABLES (CONTINUED)

- G. *Abajo del Sol:*** In 1998, the Housing Authority and the Abajo del Sol, Limited Partnership had entered into a housing development agreement. Under the agreement, the Authority 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 Grants Fund. At June 30, 2019, outstanding principal and interest being recorded as notes receivable are \$1,187,344 and \$1,037,258, respectively, in the Special Revenue Grants Fund with an offset of allowance for uncollectible notes in the fund level financial statement and in the government-wide statements.
- H. *LINC Community Development:*** In 2015, the Monterey Park Successor Housing Agency and City entered into a housing development agreement with LINC Community Development Corporation (“LINC”). Under the agreement, the Monterey Park Successor Housing Agency sold 5 properties to the developer in exchange for a \$2,080,000 loan bearing compound interest at the rate of 2.41 percent per annum for 5 units of affordable rental housings. At June 30, 2019, outstanding principal and interest being recorded as notes receivable are \$2,080,000 and \$226,464, respectively, in the Housing Fund with an offset of allowance for uncollectible notes in the fund level financial statement and in the government-wide statements. The properties were purchased with former Redevelopment Agency’s Housing Set Aside fund. As a result, the loan was reported in the City’s Special Revenue Housing Fund and with an offset of allowance for uncollectible notes in the fund level financial statements and in the government-wide statements. As part of the development agreement, the City also sold one of the City’s parking lots to the LINC for development of a 6-unit affordable rental housing. The City also used the Federal HOME Program Grants Fund to provide construction loan bearing simple interest at the rate of 3 percent per annum. As of June 30, 2019, \$919,162 has been funded and is reported as loans receivables in the Special Revenue Grants Fund with an offset of allowance for uncollectible notes in the fund level financial statement and in the government-wide statements.
- I. *Low/Mod Housing Deferred Loans:*** State law requires redevelopment agencies to set aside 20 percent of their tax increment revenues for low/mod housing. In 1997, the former Redevelopment Agency approved a plan to set aside future tax increment revenue in addition to the regular 20 percent set aside requirements. The former Redevelopment Agency was dissolved on February 1, 2012. This commitment became a liability to the Successor Agency due to the City’s Special Revenue Housing Fund. A summary of the repayment plan is presented below:

<u>For the Years Ending June 30,</u>	<u>Amount</u>
2024 - 2029	\$ 500,000
2030 - 2034	450,000
2035 - 2039	236,221
	<u>\$ 1,186,221</u>

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

4. INTERFUND TRANSACTIONS

There were no internal receivables and payables at June 30, 2019 between the governmental activities and business-type activities.

Individual interfund receivables and payables were as follows at June 30, 2019:

Due To/From Other Funds

Due from Other Funds	Due to Other Funds	Amount
General Fund	Special Revenues Grants Fund	\$ 1,382,315
General Fund	Nonmajor Governmental Funds	138,791
		\$ 1,521,106

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.

Transfers

Transfers In	Transfers Out	Amount
Retirement/Pension Liability Special Revenue Fund	General Fund	\$ 2,600,000
Nonmajor Governmental Funds	Grants Special Revenue Fund	376,264
	Nonmajor Governmental Funds	27,000
General Liability Internal Service Fund	Separation Benefits Internal Service Fund	500,000
		\$ 3,503,264

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. In 2018-19, transfers of \$2,600,000 from the General Fund to the Retirement/Pension Liability Special Revenue Fund were Council-approved pension contributions. The transfer of \$376,264 from the Grants Special Revenue Fund to the nonmajor MTA Proposition C25 Fund was to reclassify qualifying expenditures. The \$27,000 transfer from the nonmajor Proposition C Special Revenue Fund to the nonmajor Proposition A Special Revenue Fund represents excess revenue received and to be refunded to MTA. A transfer of \$500,000 from the Separation Benefits Internal Service Fund to the General Liability Internal Service Fund was a Council-approved supplement to strengthen net position.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

5. RECEIVABLES FROM SUCCESSOR AGENCY

In 2009, the State passed legislation in taking away redevelopment funds from local Agencies as part of an effort to address its budget deficit. Furthermore, SB 68 was signed into law which allowed agencies to use accumulated housing funds to pay for the State required Supplemental Educational Revenue Augmentation Funds (SERAF) payments. On August 4, 2010, the former Redevelopment Agency passed two resolutions, RA 661 and 662, authorizing the Takeaway Loan to be made from the former Redevelopment Agency Capital Projects Fund (Housing Set Aside Fund) to the former Redevelopment Agency Debt Service Fund (Atlantic-Garvey and Merged Project Areas), in an amount of \$1,459,258 and \$1,142,640, respectively, without interest.

On May 4, 2011, the former Redevelopment Agency passed two resolutions, RA 682 and 683, authorizing additional Takeaway Loans to be made from the Redevelopment Agency Capital Projects Fund (Housing Set Aside Fund) to the Redevelopment Agency Debt Service Fund (Atlantic-Garvey and Merged Project Areas), in an amount of \$300,436 and \$235,249, respectively. The interest is accumulated at LAIF rate.

On February 1, 2012, \$2,617,203 was transferred from the former Redevelopment Agency Debt Service Fund to the Successor Agency due to the dissolution of the former Redevelopment Agency.

The Receivable from Successor Agency balance at June 30, 2019 amounted to \$1,445,676. This loan will be paid back to the Special Revenue Housing Fund according to a specific formula through the Recognized Obligation Payment Schedule distribution per the State of California Department of Finance (DOF).

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

6. CAPITAL ASSETS

At June 30, 2019, the capital assets balances for the City are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Capital assets, Not Being Depreciated:			
Land	\$ 8,465,051	\$ 499,975	\$ 8,965,026
Construction in progress	4,409,123	8,745,417	13,154,540
Total Capital Assets, Not Being Depreciated	<u>12,874,174</u>	<u>9,245,392</u>	<u>22,119,566</u>
Capital Assets, Being Depreciated:			
Buildings	30,391,663	285,050	30,676,713
Improvements	20,322,125	54,572,923	74,895,048
Equipment	24,644,973	3,679,718	28,324,691
Infrastructure	32,244,519	10,939,521	43,184,040
Total Capital Assets, Being Depreciated	<u>107,603,280</u>	<u>69,477,212</u>	<u>177,080,492</u>
Less Accumulated Depreciation:			
Buildings	(14,382,129)	(137,912)	(14,520,041)
Improvements	(5,895,679)	(25,035,364)	(30,931,043)
Equipment	(22,290,263)	(2,957,544)	(25,247,807)
Infrastructure	(21,774,745)	(9,080,833)	(30,855,578)
Total Accumulated Depreciation	<u>(64,342,816)</u>	<u>(37,211,653)</u>	<u>(101,554,469)</u>
Total Capital Assets, Being Depreciated, Net	<u>43,260,464</u>	<u>32,265,559</u>	<u>75,526,023</u>
Total Capital Assets, Net	<u>\$ 56,134,638</u>	<u>\$ 41,510,951</u>	<u>\$ 97,645,589</u>

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

6. CAPITAL ASSETS (CONTINUED)

Governmental Activities

A summary of changes in capital asset activity for the year ended June 30, 2019 is as follows:

	Balance at July 1, 2018	Additions	Deletions	Transfers	Balance at June 30, 2019
Capital Assets, Not Being Depreciated:					
Land	\$ 8,465,051	\$ -	\$ -	\$ -	\$ 8,465,051
Construction in progress	3,208,315	3,481,095	-	(2,280,287)	4,409,123
Total Capital Assets, Not Being Depreciated	11,673,366	3,481,095	-	(2,280,287)	12,874,174
Capital Assets, Being Depreciated:					
Buildings	30,391,663	-	-	-	30,391,663
Improvements	18,017,436	24,402	-	2,280,287	20,322,125
Equipment	23,496,133	1,246,000	(97,160)	-	24,644,973
Infrastructures	32,012,685	231,834	-	-	32,244,519
Total Capital Assets, Being Depreciated	103,917,917	1,502,236	(97,160)	2,280,287	107,603,280
Less Accumulated Depreciation:					
Buildings	(13,756,829)	(625,300)	-	-	(14,382,129)
Improvements	(5,330,453)	(565,226)	-	-	(5,895,679)
Equipment	(21,555,688)	(831,735)	97,160	-	(22,290,263)
Infrastructures	(21,082,120)	(692,625)	-	-	(21,774,745)
Total Accumulated Depreciation	(61,725,090)	(2,714,886)	97,160	-	(64,342,816)
Total Capital Assets, Being Depreciated, Net	42,192,827	(1,212,650)	-	2,280,287	43,260,464
Total Capital Assets, Net	\$ 53,866,193	\$ 2,268,445	\$ -	\$ -	\$ 56,134,638

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

6. CAPITAL ASSETS (CONTINUED)

Business-Type Activities

A summary of changes in capital asset activity for the year ended June 30, 2019 is as follows:

	Balance at July 1, 2018	Additions	Deletions	Transfers	Balance at June 30, 2019
Capital Assets, Not Being Depreciated:					
Land	\$ 499,975	\$ -	\$ -	\$ -	\$ 499,975
Construction in progress	7,703,898	1,085,268	-	(43,749)	8,745,417
Total Capital Assets, Not Being Depreciated	8,203,873	1,085,268	-	(43,749)	9,245,392
Capital Assets, Being Depreciated:					
Buildings	285,050	-	-	-	285,050
Improvements	54,496,057	33,117	-	43,749	54,572,923
Equipment	3,484,548	195,170	-	-	3,679,718
Infrastructures	10,939,521	-	-	-	10,939,521
Total Capital Assets, Being Depreciated	69,205,176	228,287	-	43,749	69,477,212
Less Accumulated Depreciation:					
Buildings	(132,327)	(5,585)	-	-	(137,912)
Improvements	(23,493,671)	(1,541,693)	-	-	(25,035,364)
Equipment	(2,750,898)	(206,646)	-	-	(2,957,544)
Infrastructures	(8,982,096)	(98,737)	-	-	(9,080,833)
Total Accumulated Depreciation	(35,358,992)	(1,852,661)	-	-	(37,211,653)
Total Capital Assets, Being Depreciated, Net	33,846,184	(1,624,374)	-	43,749	32,265,559
Total Capital Assets, Net	\$ 42,050,057	\$ (539,106)	\$ -	\$ -	\$ 41,510,951

Depreciation expense was charged to the following functions:

	Governmental Activities	Business-Type Activities	Total
General government	\$ 210,725	\$ -	\$ 210,725
Public safety	409,987	-	409,987
Public safety/shop	391,263	-	391,263
Community development	41,735	-	41,735
Culture and recreation	763,902	-	763,902
Street and highways	897,274	-	897,274
Water utility	-	1,609,320	1,609,320
Refuse	-	1,004	1,004
Sewer	-	242,337	242,337
Total	\$ 2,714,886	\$ 1,852,661	\$ 4,567,547

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

7. LONG-TERM LIABILITIES

Changes in long-term liabilities for the City for the year June 30, 2019 are as follows:

<u>Governmental Activities</u>	<u>Balance at July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2019</u>	<u>Due Within One Year</u>	<u>Due in More Than One Year</u>
Direct Borrowings:						
Capitalized Lease Obligations (Note 8)	\$ 1,925,567	\$ 2,618,000	\$ (381,534)	\$ 4,162,033	\$ 574,621	\$ 3,587,412
HUD Section 108 Loans Payable	2,403,000	-	(426,000)	1,977,000	451,000	1,526,000
Total Direct Borrowings	<u>4,328,567</u>	<u>2,618,000</u>	<u>(807,534)</u>	<u>6,139,033</u>	<u>1,025,621</u>	<u>5,113,412</u>
Other Debt:						
2004 Taxable Pension Obligation Bonds	13,075,000	-	(440,000)	12,635,000	435,000	12,200,000
Total Other Debt	<u>13,075,000</u>	<u>-</u>	<u>(440,000)</u>	<u>12,635,000</u>	<u>435,000</u>	<u>12,200,000</u>
Other Long-term Liabilities:						
Compensated Absences	4,986,022	499,624	(468,602)	5,017,044	501,704	4,515,340
Insurance Assessments Payable (Note 12)	1,471,629	-	(163,515)	1,308,114	163,514	1,144,600
Claims and Judgments (Note 12)	13,281,946	11,713,744	(9,344,247)	15,651,443	3,063,499	12,587,944
Total Other Long-term Liabilities	<u>19,739,597</u>	<u>12,213,368</u>	<u>(9,976,364)</u>	<u>21,976,601</u>	<u>3,728,717</u>	<u>18,247,884</u>
Total Governmental Activities	<u>\$ 37,143,164</u>	<u>\$ 14,831,368</u>	<u>\$ (11,223,898)</u>	<u>\$ 40,750,634</u>	<u>\$ 5,189,338</u>	<u>\$ 35,561,296</u>
<u>Business-Type Activities</u>	<u>Balance at July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2019</u>	<u>Due Within One Year</u>	<u>Due in More Than One Year</u>
Direct Borrowings:						
Capitalized Lease Obligations (Note 8)	\$ 9,808,945	\$ -	\$ (641,702)	\$ 9,167,243	\$ 698,239	\$ 8,469,004
Total Direct Borrowings	<u>9,808,945</u>	<u>-</u>	<u>(641,702)</u>	<u>9,167,243</u>	<u>698,239</u>	<u>8,469,004</u>
Other Long-term Liabilities:						
Compensated Absences	671,102	179,943	(67,110)	783,935	78,393	705,542
Total Other Long-term Liabilities	<u>671,102</u>	<u>179,943</u>	<u>(67,110)</u>	<u>783,935</u>	<u>78,393</u>	<u>705,542</u>
Total Business-Type Activities	<u>\$ 10,480,047</u>	<u>\$ 179,943</u>	<u>\$ (708,812)</u>	<u>\$ 9,951,178</u>	<u>\$ 776,632</u>	<u>\$ 9,174,546</u>

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities are included as part of the above totals for governmental activities. At June 30, 2019, \$101,897 in compensated absences, \$15,651,443 in claims and judgments, and \$1,308,114 in insurance assessments payable, all related to internal service funds, are included as part of the totals of long-term debt for governmental activities.

Typically, the General Fund has been used to liquidate the liability for compensated absences, net pension liabilities and net OPEB liability for the governmental activities. The General Liability and Workers' Compensation Internal Service Funds have been used to liquidate the liabilities for claims and judgements. The General Liability Internal Service Fund is used to liquidate the liabilities for the insurance assessments.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

7. LONG-TERM LIABILITIES (CONTINUED)

HUD 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. On May 28, 2015, the City participated in the Department of Housing and Urban Development (“HUD”) refinancing program and refinanced the Section 108 Loan for a fixed rate note (Series 2015 A Certificates). Interest payments are made semiannually on August 1 and February 1. Principal payments are made on August 1 of each year and continue until August 2022. The aggregate difference in debt service as result of the refinancing was in the amount of \$630,458. The economic gain on the refinancing was \$558,682.

The outstanding balance of the HUD Section 108 Loan was \$1,977,000 at June 30, 2019.

The annual debt service requirements on the HUD Section 108 Loan are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 451,000	\$ 38,867	\$ 489,867
2021	479,000	29,886	508,886
2022	508,000	19,174	527,174
2023	539,000	6,603	545,603
Total	\$ 1,977,000	\$ 94,530	\$ 2,071,530

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

7. LONG-TERM LIABILITIES (CONTINUED)

2004 Taxable Pension Obligation Bonds

On June 29, 2004, the City 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 fund 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.

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.

Optional Redemption: The bonds maturing on or before June 1, 2016 were not 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.

The outstanding balance of the 2004 Taxable Pension Obligation Bonds was \$12,635,000 at June 30, 2019.

The annual debt service requirements on the 2004 Taxable Pension Obligation Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 435,000	\$ 763,878	\$ 1,198,878
2021	430,000	738,230	1,168,230
2022	425,000	712,877	1,137,877
2023	425,000	687,819	1,112,819
2024	410,000	662,761	1,072,761
2025 - 2029	4,490,000	2,679,212	7,169,212
2030 - 2034	6,020,000	1,140,769	7,160,769
Total	\$ 12,635,000	\$ 7,385,546	\$ 20,020,546

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

7. LONG-TERM LIABILITIES (CONTINUED)

Changes in long-term debt for the Successor Agency for the year ended June 30, 2019 are as follows:

<u>Successor Agency</u>	<u>Balance at July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2019</u>	<u>Due Within One Year</u>	<u>Due in More Than One Year</u>
Other Debt:						
Bonds Payable						
2013A Tax Refunding Bonds - Atlantic-Garvey Project Redevelopment Project	\$ 10,180,000	\$ -	\$ (965,000)	\$ 9,215,000	\$ 1,010,000	\$ 8,205,000
2013B Tax Refunding Bonds - Merged Redevelopment Project	<u>5,555,000</u>	<u>-</u>	<u>(400,000)</u>	<u>5,155,000</u>	<u>420,000</u>	<u>4,735,000</u>
	15,735,000	-	(1,365,000)	14,370,000	1,430,000	12,940,000
Add deferred amounts:						
Bond premium	<u>814,442</u>	<u>-</u>	<u>(93,417)</u>	<u>721,025</u>	<u>-</u>	<u>721,025</u>
Total Bonds Payable	<u>16,549,442</u>	<u>-</u>	<u>(1,458,417)</u>	<u>15,091,025</u>	<u>1,430,000</u>	<u>13,661,025</u>
Advances from the						
City of Monterey Park (Note 5)	<u>1,646,331</u>	<u>-</u>	<u>(200,656)</u>	<u>1,445,675</u>	<u>-</u>	<u>1,445,675</u>
Total Other Debt	<u>18,195,773</u>	<u>-</u>	<u>(1,659,073)</u>	<u>16,536,700</u>	<u>1,430,000</u>	<u>15,106,700</u>
Direct Borrowings:						
Tax Increment Deferred Loan - Atlantic/Garvey Project	11,279,449	789,562	-	12,069,011	-	12,069,011
Tax Increment Deferred Loan - Merged Project	52,830,966	3,544,398	(363,243)	56,012,121	382,200	55,629,921
Low/Mod Housing Deferred Loans	<u>1,186,222</u>	<u>-</u>	<u>-</u>	<u>1,186,222</u>	<u>-</u>	<u>1,186,222</u>
Total Direct Borrowings	<u>65,296,637</u>	<u>4,333,960</u>	<u>(363,243)</u>	<u>69,267,354</u>	<u>382,200</u>	<u>68,885,154</u>
Total Successor Agency	<u>\$ 83,492,410</u>	<u>\$ 4,333,960</u>	<u>\$ (2,022,316)</u>	<u>\$ 85,804,054</u>	<u>\$ 1,812,200</u>	<u>\$ 83,991,854</u>

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

7. LONG-TERM LIABILITIES (CONTINUED)

Tax Allocation Bonds

Tax Allocation Refunding Bond, Series 2013A (Atlantic-Garvey Redevelopment Project No. 1)

On December 1, 2013, the County of Los Angeles Redevelopment Refunding Authority assisted the Successor Agency to issue the \$13,835,000 Tax Allocation Refunding Bond, Series 2013A, for the Atlantic-Garvey Redevelopment Project No. 1. These Bonds were issued to redeem the outstanding 2002 Tax Allocation Revenue Bonds. The Bonds are secured by a pledge of the tax revenues from the Project area and were issued in denominations of \$1, with interest rates ranging from 3.0% 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 2026.

Optional Redemption: The Bonds maturing on or before September 1, 2024, are not subject to optional redemption prior to maturity. The Bonds maturing on and after September 1, 2024, are subject to optional redemption on any date on and after September 1, 2023, in integral multiples of \$5,000, from any available source of funds, at the times, 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.

The Bonds are secured by a first and prior lien on tax increment revenues, excluding any portion of revenues that are required to be deposited to the Rebate Fund. Annual principal and interest payments on the Bonds are expected to require less than 90% of net revenues. The amount of principal and interest outstanding at June 30, 2019 totaled \$10,941,708. Interest paid for the current year is \$455,756, and the net tax increment revenue is collected and withheld by the County of Los Angeles due to the dissolution of the former Redevelopment Agency.

The annual debt service requirements on the Tax Allocation Refunding Bond, Series 2013A (Atlantic-Garvey Redevelopment Project No. 1) are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 1,010,000	\$ 406,381	\$ 1,416,381
2021	1,065,000	354,506	1,419,506
2022	1,115,000	300,006	1,415,006
2023	1,175,000	242,756	1,417,756
2024	1,165,000	184,256	1,349,256
2025 - 2027	3,685,000	238,803	3,923,803
Total	\$ 9,215,000	\$ 1,726,708	\$ 10,941,708

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

7. LONG-TERM LIABILITIES (CONTINUED)

Tax Allocation Bonds (Continued)

Tax Allocation Refunding Bond, Series 2013B (Merged Redevelopment Project Area)

On December 1, 2013, the County of Los Angeles Redevelopment Refunding Authority assisted the Successor Agency to issue this \$7,080,000 Tax Allocation Refunding Bond, Series 2013B, for the Merged Redevelopment Project No. 1. These Bonds were issued to redeem the outstanding 1998 Tax Allocation Revenue Bonds. The Bonds are secured by a pledge of the tax revenues from the Project area and were issued in denominations of \$1, with interest rates ranging from 3.0% 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.

Optional Redemption: The Bonds maturing on or before September 1, 2024, are not subject to optional redemption prior to maturity. The Bonds maturing on and after September 1, 2024, are subject to optional redemption on any date on and after September 1, 2023, in integral multiples of \$5,000, from any available source of funds, at the times, 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.

The Bonds are secured by a first and prior lien on tax increment revenues, excluding any portion of revenues that are required to be deposited to the Rebate Fund. Annual principal and interest payments on the bonds are expected to require less than 90% of net revenues. The amount of principal and interest outstanding at June 30, 2019 totaled \$6,453,171. Interest paid for the current year is \$254,831 and the net tax increment revenue is collected and withheld by the County of Los Angeles due to the dissolution of the former Redevelopment Agency.

The annual debt services requirement on the Tax Allocation Refunding Bond, Series 2013B (Merged Redevelopment Project Area) are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 420,000	\$ 234,331	\$ 654,331
2021	435,000	212,956	647,956
2022	460,000	190,581	650,581
2023	480,000	167,081	647,081
2024	505,000	142,456	647,456
2025 - 2029	2,855,000	350,766	3,205,766
Total	\$ 5,155,000	\$ 1,298,171	\$ 6,453,171

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

7. LONG-TERM LIABILITIES (CONTINUED)

Tax Increment Deferred Loan - (Atlantic/Garvey Project)

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

The outstanding balance of the Tax Increment Deferred Loan - (Atlantic/Garvey Project) was \$12,069,011 at June 30, 2019.

Tax Increment Deferred Loan - (Merged Project)

The former Redevelopment 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 the Southeast Project area, Freeway '99 Annex area, Central Commercial Project area, and Merged Monterey Pass Road area to the former Redevelopment 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.

The outstanding balance of the Tax Increment Deferred Loan - (Merged Project) was \$56,012,121 at June 30, 2019.

Low/Mod Housing Deferred Loans

State law required former redevelopment agencies to set aside 20 percent of their tax increment revenues for low/mod housing. In 1997, the former Redevelopment Agency approved a plan to set aside future tax increment revenue in addition to the regular 20 percent set aside requirements. On February 1, 2012, the commitment was transferred to the Successor Agency due to the dissolution of the former Redevelopment Agency and was approved by the DOF as a payable to the City's Special Revenue Housing Fund.

A summary of the repayment plan is presented below:

<u>For the Years Ending June 30,</u>	<u>Amount</u>
2024 - 2029	\$ 500,000
2030 - 2034	450,000
2035 - 2039	236,221
	<u>\$ 1,186,221</u>

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

8. CAPITALIZED LEASE OBLIGATIONS

The City has entered into lease agreements with Municipal Leasing Associates, San Gabriel Valley Municipal Water District and California Infrastructure and Economic Development Bank, to finance water system energy retrofit programs, water volatile organic chemicals treatment and La Loma and Highland Reservoirs project, Police Computer Aided Dispatch and Records Management System (CAD/RMS), and has recorded the transactions in the Governmental Funds and Water Utility Fund. These leases are classified as capital leases for accounting purposes and therefore have been recorded at the present value of the future minimum lease payments at the date of inception of the leases.

On September 23, 2014, the City (Lessee) and the Siemens Public, Inc. (Lessor) signed into a Lease-Purchase Agreement for an amount of \$10,511,901. The City will use the monies for energy efficiency improvements throughout city parks, facilities and infrastructure. The term of the agreement is 15 years, commencing on September 23, 2014 through June 23, 2030, at an interest rate of 2.80%. The transactions are shared by the General Fund and the Water Utility Fund.

The assets acquired through capital leases are included in the City's capital assets (Note 6) and are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Machinery and Equipment	\$ 4,230,957	\$ -	\$ 4,230,957
Improvements	-	22,566,772	22,566,772
Subtotal	<u>4,230,957</u>	<u>22,566,772</u>	<u>26,797,729</u>
Less Accumulated Depreciation	<u>(2,054,897)</u>	<u>(5,713,622)</u>	<u>(7,768,519)</u>
Total	<u>\$ 2,176,060</u>	<u>\$ 16,853,150</u>	<u>\$ 19,029,210</u>

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Fiscal Year:			
2020	\$ 700,684	\$ 959,359	\$ 1,660,043
2021	706,809	794,013	1,500,822
2022	547,522	831,237	1,378,759
2023	554,587	871,209	1,425,796
2024	562,276	914,719	1,476,995
2025 - 2029	1,451,517	5,201,739	6,653,256
2030 - 2031	<u>192,676</u>	<u>1,310,754</u>	<u>1,503,430</u>
Subtotal	4,716,071	10,883,030	15,599,101
Less: Amount representing Interest	<u>(554,038)</u>	<u>(1,715,787)</u>	<u>(2,269,825)</u>
Total	<u>\$ 4,162,033</u>	<u>\$ 9,167,243</u>	<u>\$ 13,329,276</u>

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

9. DUE TO OTHER GOVERNMENTAL AGENCIES

In the Special Revenue Grants Fund, an amount equal to the total outstanding balance of the identified loans receivable for the CDBG Residential Rehabilitation Program in the amount of \$48,015, State Earthquake Rehabilitation Assistance (SERA) Program in the amount of \$4,322, the Pacific Housing Corporation loan in the amount of \$246,190, and the Pacific Bridge Loan in the amount of \$412,977, described in Note 3 at June 30, 2019 have been recorded as Due to Other Governmental Agencies. As these notes are repaid, the repayment proceeds must be returned to the applicable government agency.

	Amount
Due to Other Governmental Agencies:	
CDBG Residential Rehabilitation Program	\$ 48,015
SERA Program	4,322
Pacific Housing Corporation Loan	246,190
Pacific Bridge Loan	412,977
Total	\$ 711,504

10. PENSION PLANS

A. Defined Benefit Pension Plans

a. California Public Employees' Retirement System Plan

General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

10. PENSION PLANS (CONTINUED)

A. *Defined Benefit Pension Plans (Continued)*

a. *California Public Employees' Retirement System Plan (Continued)*

General Information about the Pension Plan (Continued)

Benefit Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A classic CalPERS member or PEPRA Safety member becomes eligible for Service Retirement upon attainment of age 55 with at least 5 years of credited service. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 or 12 consecutive months' full-time equivalent monthly pay. Retirement benefits for classic miscellaneous employees are calculated as 2% to 2.7% of the average final 12 months compensation. Retirement benefits for PEPRA miscellaneous employees are calculated as 2% of the average final 36 months compensation. Retirement benefits for classic safety employees are calculated as 3% of the average final 12 months compensation. Retirement benefits for PEPRA safety employees are calculated as 2.7% of the average final 36 months compensation.

Participant is eligible for non-industrial disability retirement if becomes disabled and has at least 5 years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8 percent of final compensation, multiplied by service.

Industrial disability benefits are not offered to miscellaneous employees. The City provides industrial disability retirement benefit to safety employees. The industrial disability retirement benefit is a monthly allowance equal to 50 percent of final compensation.

An employee's beneficiary may receive the basic death benefit if the employee dies while actively employed. The employee must be actively employed with the City to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.15 percent per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

Upon the death of a retiree, a one-time lump sum payment of \$5,000 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2 percent.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

10. PENSION PLANS (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

a. California Public Employees' Retirement System Plan (Continued)

General Information about the Pension Plan (Continued)

Employees Covered by Benefit Terms

At June 30, 2018, the measurement date, the following employees were covered by the benefit terms

	Plans	
	Miscellaneous	Safety
Active employees	186	120
Transferred and terminated employees	327	107
Retired employees and beneficiaries	318	248
Total	831	475

Contributions

Section 20814(c) of the California Public Employees' Retirement Law ("PERL") requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions. The liability for governmental activities is primarily liquidated from the general fund and the liability for business-type activities is liquidated from the applicable enterprise funds.

Net Pension Liability

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

10. PENSION PLANS (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

a. California Public Employees' Retirement System Plan (Continued)

The total pension liability in the June 30, 2017 actuarial valuations were determined using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry-Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by entry age and service.
Mortality Rate Table	The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) available on the CalPERS website.
Post Retirement Benefit Increase	Contract COLA up to 2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter.

Discount Rate

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

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

10. PENSION PLANS (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

a. California Public Employees' Retirement System Plan (Continued)

Net Pension Liability (Continued)

Long-term Expected Rate of Return (Continued)

The table below reflects the long-term expected real rate of return by asset class.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10 (a)</u>	<u>Real Return Years 11+ (b)</u>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	77.00%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	<u>100.00%</u>		

(1) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

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

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

Subsequent Events

There were no subsequent events that would materially affect the results in this disclosure.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

10. PENSION PLANS (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

a. California Public Employees' Retirement System Plan (Continued)

Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period.

	Miscellaneous Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (c) = (a) - (b)
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2017 (Measurement Date)	\$ 132,194,209	\$ 91,765,550	\$ 40,428,659
Changes Recognized for the Measurement Period:			
Service cost	2,094,764	-	2,094,764
Interest on the total pension liability	9,247,324	-	9,247,324
Changes in benefit terms	-	-	-
Changes in assumptions	(692,460)	-	(692,460)
Differences between expected and actual experience	(117,357)	-	(117,357)
Plan to Plan resource movement	-	(229)	229
Contributions from the employer	-	4,603,513	(4,603,513)
Contributions from employees	-	866,540	(866,540)
Net investment income	-	7,850,165	(7,850,165)
Benefit payments, including refunds of employee contributions	(6,197,134)	(6,197,134)	-
Administrative expenses	-	(142,996)	142,996
Other miscellaneous income/(expense)	-	(271,552)	271,552
Net Changes during July 1, 2017 to June 30, 2018	4,335,137	6,708,307	(2,373,170)
Balance at June 30, 2018 (Measurement Date)	\$ 136,529,346	\$ 98,473,857	\$ 38,055,489

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

10. PENSION PLANS (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

a. California Public Employees' Retirement System Plan (Continued)

Changes in the Net Pension Liability (Continued)

	Safety Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (c) = (a) - (b)
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2017 (Measurement Date)	\$ 203,258,351	\$ 146,985,250	\$ 56,273,101
Changes Recognized for the Measurement Period:			
Service cost	3,527,711	-	3,527,711
Interest on the total pension liability	14,480,120	-	14,480,120
Changes in benefit terms	-	-	-
Changes in assumptions	(449,040)	-	(449,040)
Differences between expected and actual experience	2,778,709	-	2,778,709
Plan to Plan resource movement	-	(361)	361
Contributions from the employer	-	4,724,661	(4,724,661)
Contributions from employees	-	1,224,504	(1,224,504)
Net investment income	-	12,263,342	(12,263,342)
Benefit payments, including refunds of employee contributions	(9,665,441)	(9,665,441)	-
Administrative expenses	-	(229,044)	229,044
Other miscellaneous income/(expense)	-	(434,958)	434,958
Net Changes during July 1, 2017 to June 30, 2018)	10,672,059	7,882,703	2,789,356
Balance at June 30, 2018 (Measurement Date)	\$ 213,930,410	\$ 154,867,953	\$ 59,062,457

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

10. PENSION PLANS (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

a. California Public Employees' Retirement System Plan (Continued)

Changes in the Net Pension Liability (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

	Miscellaneous	Safety
1% Decrease	6.15%	6.15%
Net Pension Liability	\$ 55,939,651	\$ 88,187,277
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 38,055,489	\$ 59,062,457
1% Increase	8.15%	8.15%
Net Pension Liability	\$ 23,239,697	\$ 35,138,055

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued CalPERS financial report.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the measurement period ended June 30, 2018, the City incurred a pension expense/(income) of \$6,472,907 and \$10,289,561 for the miscellaneous plan and safety plan, respectively.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

10. PENSION PLANS (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

a. California Public Employees' Retirement System Plan (Continued)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)

As of measurement date of June 30, 2018, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

Miscellaneous Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after the measurement date	\$ 4,363,256	\$ -
Difference between expected and actual experience	-	(128,781)
Changes of assumptions	349,888	(377,705)
Net differences between projected and actual earnings on pension plan investments	-	(15,406)
Total	\$ 4,713,144	\$ (521,892)
Safety Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after the measurement date	\$ 5,486,870	\$ -
Difference between expected and actual experience	1,820,533	(771,496)
Changes of assumptions	3,593,256	(294,199)
Net differences between projected and actual earnings on pension plan investments	449,564	-
Total	\$ 11,350,223	\$ (1,065,695)

The expected average remaining service lifetime ("EARSL") is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). The EARSL for the miscellaneous plan and safety plan for the 2017-18 measurement period is 2.2 and 2.9 years, respectively, which was obtained by dividing the total service years of 1,808 and 1,366 (the sum of remaining service lifetimes of the active employees), respectively, by 831 and 475 (the total number of participants: active, inactive, and retired), respectively.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

10. PENSION PLANS (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

a. California Public Employees' Retirement System Plan (Continued)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)

For the miscellaneous plan and safety plan, \$4,363,256 and \$5,486,870, respectively, reported as deferred outflows of resources related to pensions resulting from City's contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Year Ending June 30,	Amounts	
	Miscellaneous Plan	Safety Plan
2019	\$ 983,551	\$ 5,547,898
2020	111,435	1,153,906
2021	(998,641)	(1,520,731)
2022	(268,349)	(383,415)
2023	-	-
Thereafter	-	-

Payable to the Pension Plans

At June 30, 2019, the City had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2019.

b. Massachusetts Mutual Retirement Plan - Defined Benefit Plan

General Information about the Pension Plan

Plan Description

Certain miscellaneous employees are covered by a retirement plan through the Massachusetts Mutual Life Insurance Company (MMRP), 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 CalPERS on and after 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 of 55 (on or before April 1, 1976) could not participate in CalPERS and remain wholly in the MMRP.

The City does not issue a publicly available financial report for the MMRP.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

10. PENSION PLANS (CONTINUED)

A. *Defined Benefit Pension Plans (Continued)*

b. *Massachusetts Mutual Retirement Plan - Defined Benefit Plan (Continued)*

General Information about the Pension Plan (Continued)

Benefits Provided

The MMRP was amended in 1976 to provide equivalent retirement benefits to all miscellaneous employees, whether totally vested in CalPERS, totally vested in the MMRP or partially vested in both plans. Eligibility requirements for the MMRP are the same as those for CalPERS.

Employee Covered by Benefit Terms

MMRP is a closed plan. There are 56 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, 2019 was zero.

Contributions

MMRP is a contributory plan deriving funds from employee contributions as well as from employer contributions and earnings from investments. Employer contributions were based upon the actuarial methods and assumptions and there were no current year employee contributions required. The City is required to contribute \$994,000 for the year ended June 30, 2019, which was determined as part of the June 30, 2017 actuarial valuation.

Net Pension Liability

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2019, the total pension liability was determined by rolling forward the June 30, 2017 total pension liability to June 30, 2019 based on actual benefit payments.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

10. PENSION PLANS (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

b. Massachusetts Mutual Retirement Plan - Defined Benefit Plan (Continued)

Net Pension Liability (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability (Continued)

The total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Valuation Date	June 30, 2017
Actuarial Assumptions:	
Discount Rate	4.50%
Expected Long-term Rate of Return on Investment	4.50%
Inflation	2.75%
Mortality Rate	CalPERS 1997-2015 experience study
Mortality Improvement Scale	Fully generational projection with Scale AA
Cost of Living Adjustment/PPPA	2%; PPPA valued for each annuitant

Discount Rate

Plan assets currently invested in Mass Mutual general investment account. Expected long term return on assets was 4.50% for June 30, 2017 valuation and rounded to nearest 0.25%. Noninvestment expenses of \$25,000 were added to actuarially determined contribution amount. Cross-over analysis showed benefit payments always fully funded by plan assets based on 4.50% discount rate.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

10. PENSION PLANS (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

b. Massachusetts Mutual Retirement Plan - Defined Benefit Plan (Continued)

Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (c) = (a) - (b)
Balance at June 30, 2018	\$ 6,153,000	\$ 3,244,000	\$ 2,909,000
Changes Recognized for the Measurement Period:			
Service cost	-	-	-
Interest on the total pension liability	263,000	-	263,000
Changes in benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes in assumptions	-	-	-
Contributions from the employer	-	1,000,000	(1,000,000)
Contributions from employees	-	-	-
Net investment income	-	269,000	(269,000)
Benefit payments, including refunds	(641,000)	(641,000)	-
Administrative Expense	-	(16,000)	16,000
Net Changes	<u>(378,000)</u>	<u>612,000</u>	<u>(990,000)</u>
Balance at June 30, 2019 (Measurement Date)	<u>\$ 5,775,000</u>	<u>\$ 3,856,000</u>	<u>\$ 1,919,000</u>

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

10. PENSION PLANS (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

b. Massachusetts Mutual Retirement Plan - Defined Benefit Plan (Continued)

Changes in the Net Pension Liability (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 4.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (3.50%) or 1 percentage-point higher (5.50%) than the current rate:

1% Decrease		3.50%
Net Pension Liability	\$	2,367,000
Current Discount Rate		4.50%
Net Pension Liability	\$	1,919,000
1% Increase		5.50%
Net Pension Liability	\$	1,531,000

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

10. PENSION PLANS (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

b. Massachusetts Mutual Retirement Plan - Defined Benefit Plan (Continued)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the measurement period ending June 30, 2018, the City incurred a pension expense/(income) of \$198,400 for MMRP. As of measurement date of June 30, 2018, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net differences between projected and actual earnings on pension plan investments	158,600	-
Total	\$ 158,600	\$ -

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

Measurement Period Ending June 30,	Amount
2020	\$ 84,600
2021	56,800
2022	35,800
2023	(18,600)
2024	-
Thereafter	-

B. Defined Contribution Pension Plan

Monterey Park Part-Time Retirement Plan

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.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

10. PENSION PLANS (CONTINUED)

B. *Defined Contribution Pension Plan (Continued)*

Monterey Park Part-Time Retirement Plan (Continued)

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.

Part-time, nonbenefited, nonpersable employees of the City must participate in the plan. During the year ended June 30, 2019, 370 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 CalPERS 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 deferred compensation plan were established by City Council resolution at 4% and 3.5% for the City and nonbenefited, nonpersable part-time employees, respectively.

During the year, total required and actual contributions amounted to \$121,258 and covered payroll for the year ended June 30, 2019 totaled \$1,616,777. The City contributed \$64,671 (4% of current covered payroll) and employees contributed \$56,587 (3.5% of current covered payroll). Total plan assets at June 30, 2019 were \$870,675. 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. OTHER POST EMPLOYMENT BENEFITS

A. *Plan Description*

In addition to the pension benefits, 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 with CalPERS pension benefits immediately upon termination of employment from the City. The City has established a California Retiree Benefit Trust (CERBT), an agent-multiple employer trust which CalPERS serves as trustee. . 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 (implied subsidy).

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

11. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

A. Plan Description (Continued)

Members are eligible for the following benefits:

	General	Management	Safety
Benefit Types Provided	Medical Only	Medical Only	Medical Only
Duration of Benefits	Lifetime	Lifetime	Lifetime
Minimum Age	50	50	50
Dependent Coverage	Yes	Yes	Yes
Required Years of Service	5 Years	5 Years	5 Years
City Contribution %	100%	100%	100%
City Cap:			
Calendar Year 2018	\$340-\$1,125 per month	\$435-\$1,375	\$346-\$1,325
Calendar Year 2019	\$340-\$1,250 per month	\$435-\$1,375	\$346-\$1,375

Employees Covered

As of measurement date June 30, 2018, the following current and former employees were covered by the benefit terms under the plan:

Inactive employees or beneficiaries currently receiving benefits	239
Inactive employees or beneficiaries entitled to but not yet receiving benefits	59
Active employees	289
	587

Contributions

The contribution requirements are established and amended by the City. The contribution is based on pay-as-you-go financing requirements. The City contributes between \$340 and \$1,375 per month toward medical insurance coverage for retired employees. 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. 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.

For the measurement period July 1, 2017 to June 30, 2018, the City's contributions to the plan included \$985,000 to the irrevocable CERBT, an implied subsidy of \$266,000, and \$1,314,000 as the pay-as-you-go portion, resulting in total contributions of \$2,565,000. The contributions to the OPEB plan are generally made from the general fund.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

11. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

B. Total OPEB Liability

For the measurement period ended June 30, 2018, the City's total OPEB liability was determined by rolling forward the June 30, 2017 total OPEB liability determined in the June 30, 2017 actuarial accounting valuation. A summary of the principal assumptions and methods used to determine the net OPEB liability is shown below.

Actuarial Assumptions

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Contribution Policy	Pre-funded through CERBT with Strategy 1 asset allocation.
Actuarial Assumptions:	
Discount Rate	6.5% at June 30, 2018 and 6.5% at June 30, 2017
General Inflation	2.75%
Cap Increase	All except Executive Management, CM and Elected Officials - 0% until end of current MOU, 5% every 3 years thereafter. Executive Management, CM and Elected Officials - 5% per year.
Long-Term Expected Rate of Return on Assets	6.75%
Medical Trend	Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4% in 2076 and later years Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4% in 2076 and later years
Mortality, Retirement, Disability, Termination	CalPERS 1997-2011 experience study
Mortality Improvement	Mortality projected fully generational with Scale MP-16

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

11. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

B. Total OPEB Liability (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized in the following table.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
CERBT Strategy 1:		
Global Equity	57.00%	4.82%
Fixed Income	27.00%	1.47%
TIPS	5.00%	1.29%
Commodities	3.00%	0.84%
Real Estate Investment Trusts	8.00%	3.76%
Total	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that the City's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

11. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

C. Changes in the Net OPEB Liability

The changes in the net OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2017 (Measurement Date)	\$ 35,291,000	\$ 5,193,000	\$ 30,098,000
Changes in the Year:			
Service cost	985,000	-	985,000
Interest on the total OPEB liability	2,307,000	-	2,307,000
Contributions - employer	-	2,565,000	(2,565,000)
Net investment income	-	491,000	(491,000)
Benefit payments	(1,580,000)	(1,580,000)	-
Administrative expenses	-	(10,000)	10,000
Net Changes	<u>1,712,000</u>	<u>1,466,000</u>	<u>246,000</u>
Balance at June 30, 2018 (Measurement Date)	<u>\$ 37,003,000</u>	<u>\$ 6,659,000</u>	<u>\$ 30,344,000</u>

Change of Assumptions

There were no changes of assumptions.

Change of Benefit Terms

There were no changes of benefit terms.

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB Liability	\$ 35,423,000	\$ 30,344,000	\$ 26,186,000

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

11. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

C. Changes in the Net OPEB Liability (Continued)

Sensitivity of the Total OPEB Liability to Changes in Medical Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using medical trend rates that are 1-percentage point lower:

	1% Decrease	Current Trend	1% Increase
Net OPEB Liability	\$ 28,457,000	\$ 30,344,000	\$ 32,491,000

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the City recognized OPEB expense of \$2,827,000. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 2,695,000	\$ -
Differences between projected and actual earnings	-	199,200
Total	\$ 2,695,000	\$ 199,200

The differences between projected and actual earnings on plan investments is amortized over five years.

\$2,695,000 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30,	Amount
2020	\$ (61,200)
2021	(61,200)
2022	(61,200)
2023	(15,600)
2024	-
Thereafter	-

Payable to the OPEB Plan

At June 30, 2019, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2019.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

12. RISK MANAGEMENT

The City 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.

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 \$5,000,000 per occurrence. Excess workers' compensation insurance has also been purchased up to statutory limits. 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, emergency vehicle physical damage and special events.

The Independent Cities Risk Management Authority (ICRMA) is comprised of 21 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 ICRMA are based on losses incurred by the insured, and rebates are possible if the losses are minimal.

On November 17, 2016, the ICRMA Board approved an assessment on the member cities to fund deficits in its Liability Program for the fiscal years ended 2004, and 2012 through 2015. The City's share of this assessment was determined to be \$1,635,143 and is due and payable in equal installments of \$163,514 over the next ten years. This insurance assessment liability is recorded in the General Liability Internal Service Fund. At June 30, 2019, the assessment liability balance was \$1,308,114.

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

At June 30, 2018 total estimated claims payable were as follows:

General Liability	\$ 4,693,870
Workers' Compensation	10,957,573
Total	\$ 15,651,443

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

12. RISK MANAGEMENT (CONTINUED)

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Claims Liabilities - Beginning Balance	\$ 13,281,946	\$ 10,264,077	\$ 9,364,303
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	4,655,497	4,796,478	2,851,077
Payments on claims attributable to events of both the current fiscal year and prior fiscal years	<u>(2,286,000)</u>	<u>(1,778,609)</u>	<u>(1,951,303)</u>
Claims Liabilities - Ending Balance	<u>\$ 15,651,443</u>	<u>\$ 13,281,946</u>	<u>\$ 10,264,077</u>

The claims liabilities are reported in the Statement of Net Position in the Government-Wide Financial Statements and in the Statement of Revenues, Expenses and Changes in Net Position in the Proprietary Fund Statements in the Internal Service Funds.

13. OTHER REQUIRED DISCLOSURES

Deficit Net Position

Fund Financial Statements

At June 30, 2019, deficit net position was reported for the Workers' Compensation Internal Service Fund in the amount of \$(6,835,073). City management intends to eliminate the deficit net position of the Workers' Compensation Funds over time by increased charges to City departments, and making transfers from excess in other internal service funds. City management believes the present cash position of this fund is adequate to meet current needs.

At June 30, 2019, deficit net position was reported for the General Liability Internal Service Fund in the amount of \$(4,286,033). City management intends to eliminate the deficit net position of the General Liability Internal Service Fund over time by increased charges to City departments, and making transfers from excess in other internal service funds. City management believes the present cash position of this fund is adequate to meet current needs.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

13. OTHER REQUIRED DISCLOSURES (CONTINUED)

Deficit Net Position (Continued)

Fund Financial Statements (Continued)

At June 30, 2019, deficit net position was reported for the Successor Agency Private-Purpose Trust Fund in the amount of \$(84,068,171). The deficit is expected to be eliminated with future payments from the Redevelopment Property Tax Trust Fund to the Successor Agency for its long-term debt.

Excess of Expenditures over Appropriations

Total expenditures exceeded budgeted appropriation in the following funds.

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Major Fund:			
Retirement/Pension Liability Fund	\$ 10,841,676	\$ 11,015,637	\$ (173,961)
Nonmajor Special Revenue			
Governmental Funds:			
Maintenance District 93-1	\$ 1,018,567	\$ 1,031,649	\$ (13,082)
Public Safety Augmentation	\$ 750,000	\$ 752,004	\$ (2,004)

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

14. FUND BALANCE CLASSIFICATIONS

	Major Funds					Totals
	General	Special Revenue Funds			Nonmajor Governmental	
		Grants	Retirement/ Pension	Housing		
Nonspendable:						
Prepaid items	\$ 75,778	\$ -	\$ -	\$ -	\$ -	\$ 75,778
Advances to other funds	-	-	-	-	-	-
Total Nonspendable	75,778	-	-	-	-	75,778
Restricted:						
Housing	-	-	-	2,445,394	-	2,445,394
Grants:						
Highways and Streets	-	174,087	-	-	-	174,087
Public safety	-	733,373	-	-	-	733,373
Economic development	-	542,242	-	-	-	542,242
Retirement	-	-	7,965,508	-	-	7,965,508
OPA Proposition A	-	-	-	-	3,337,975	3,337,975
State Gas Tax	-	-	-	-	1,058,721	1,058,721
Proposition C	-	-	-	-	1,120,700	1,120,700
Air Quality Improvement	-	-	-	-	233,420	233,420
Asset Forfeiture	-	-	-	-	1,001,565	1,001,565
Business Improvement Area #1	-	-	-	-	143,275	143,275
Maintenance District 93-1	-	-	-	-	6	6
Measure R	-	-	-	-	2,042,348	2,042,348
Measure M	-	-	-	-	1,494,491	1,494,491
SB1-RMRA	-	-	-	-	1,667,446	1,667,446
Park Facilities	-	-	-	-	977,133	977,133
Public Safety Impact	-	-	-	-	871,371	871,371
Circulation Development Impact	-	-	-	-	279,298	279,298
Total Restricted	-	1,449,702	7,965,508	2,445,394	14,227,749	26,088,353
Committed:						
Catastrophic event	2,340,000	-	-	-	-	2,340,000
Working capital	3,000,000	-	-	-	-	3,000,000
Economic development	1,886,927	-	-	-	-	1,886,927
CERCLA Liability	-	-	-	-	417,741	417,741
Total Committed	7,226,927	-	-	-	417,741	7,644,668
Assigned:						
City capital improvements	20,147,039	-	-	-	-	20,147,039
Total Assigned	20,147,039	-	-	-	-	20,147,039
Unassigned:						
General Fund	5,105,667	-	-	-	-	5,105,667
Total Unassigned	5,105,667	-	-	-	-	5,105,667
Total Fund Balances	\$ 32,555,411	\$ 1,449,702	\$ 7,965,508	\$ 2,445,394	\$ 14,645,490	\$ 59,061,505

15. SUBSEQUENT EVENTS

Events occurring after June 30, 2019, have been evaluated for possible adjustments to the financial statements or disclosure as of November 22, 2019, which is the date these financial statements were available to be issued.



*Required Supplementary
Information*

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios
June 30, 2019

Last Ten Fiscal Years¹

California Public Employees' Retirement System (CalPERS) - Miscellaneous Plan

Fiscal Year Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement period	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total pension liability					
Service cost	\$ 2,094,764	\$ 2,228,391	\$ 2,069,087	\$ 1,980,088	\$ 1,910,429
Interest	9,247,324	8,924,469	8,653,522	8,290,095	7,992,845
Changes of benefit terms	-	-	-	-	-
Changes of assumptions	(692,460)	7,347,650	-	(2,040,465)	-
Differences between expected and actual experience	(117,357)	(1,360,108)	(944,621)	(1,849,112)	-
Benefit payments, including refunds of employee contributions	(6,197,134)	(5,324,401)	(4,855,567)	(4,383,243)	(4,121,783)
Net change in total pension liability	4,335,137	11,816,001	4,922,421	1,997,363	5,781,491
Total pension liability - beginning	132,194,209	120,378,208	115,455,787	113,458,424	107,676,933
Total pension liability - ending (a)	\$136,529,346	\$132,194,209	\$120,378,208	\$115,455,787	\$113,458,424
Pension fiduciary net position					
Contributions - employer	\$ 4,603,513	\$ 3,511,958	\$ 3,019,357	\$ 2,466,015	\$ 2,203,100
Contributions - employee	866,540	907,755	917,401	940,132	838,784
Net plan to plan resource movement	(229)	-	-	-	-
Net investment income ²	7,707,169	9,429,350	385,286	1,789,792	12,387,447
Benefit payments, including refunds of employee contributions	(6,197,134)	(5,324,401)	(4,855,567)	(4,383,243)	(4,121,783)
Other miscellaneous income/(expense)	(271,552)	-	-	-	-
Net change in plan fiduciary net position	6,708,307	8,524,662	(533,523)	812,696	11,307,548
Plan fiduciary net position - beginning	91,765,550	83,240,888	83,774,411	82,961,715	71,654,167
Plan fiduciary net position - ending (b)	\$ 98,473,857	\$ 91,765,550	\$ 83,240,888	\$ 83,774,411	\$ 82,961,715
Plan net pension liability - ending (a) - (b)	\$ 38,055,489	\$ 40,428,659	\$ 37,137,320	\$ 31,681,376	\$ 30,496,709
Plan fiduciary net position as a percentage of the total pension liability	72.13%	69.42%	69.15%	72.56%	73.12%
Covered-employee payroll	\$ 11,745,064	\$ 11,093,630	\$ 11,429,792	\$ 11,412,611	\$ 10,708,680
Plan net pension liability as a percentage of covered-employee payroll	324.01%	364.43%	324.92%	277.60%	284.78%

¹ This schedule is intended to show information for ten years. Additional information will be displayed as it becomes available.

² Net of administrative expenses.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2015. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: For measurement period 2018, there were no significant changes. For the measurement period 2017, the discount rate was changed from 7.65 percent (net of administrative expense) to 7.15 percent. For the measurement period 2016, there were no changes. For the measurement period 2015, the discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expenses.) For measurement period 2014, amounts reported were based on the 7.5% discount rate.

CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios, Continued
June 30, 2019

Last Ten Fiscal Years¹

California Public Employees' Retirement System (CalPERS) - Safety Plan

Fiscal Year Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement period	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total pension liability					
Service cost	\$ 3,527,711	\$ 3,386,209	\$ 2,947,888	\$ 2,923,036	\$ 3,003,645
Interest	14,480,120	13,751,245	13,417,480	12,911,065	12,482,279
Changes of benefit terms	-	-	-	-	-
Changes of assumptions	(449,040)	11,578,272	-	(3,224,562)	-
Differences between expected and actual experience	2,778,709	(2,485,932)	(950,812)	(1,936,767)	-
Benefit payments, including refunds of employee contributions	(9,665,441)	(9,022,216)	(8,465,095)	(8,086,742)	(7,798,383)
Net change in total pension liability	<u>10,672,059</u>	<u>17,207,578</u>	<u>6,949,461</u>	<u>2,586,030</u>	<u>7,687,541</u>
Total pension liability - beginning	<u>203,258,351</u>	<u>186,050,773</u>	<u>179,101,312</u>	<u>176,515,282</u>	<u>168,827,741</u>
Total pension liability - ending (a)	<u>\$213,930,410</u>	<u>\$203,258,351</u>	<u>\$186,050,773</u>	<u>\$179,101,312</u>	<u>\$176,515,282</u>
Pension fiduciary net position					
Contributions - employer	\$ 4,724,661	\$ 4,231,618	\$ 3,647,109	\$ 3,220,567	\$ 2,924,318
Contributions - employee	1,224,504	1,181,754	1,075,386	1,046,298	1,022,948
Net plan to plan resource movement	(361)	-	-	-	-
Net investment income ²	12,034,298	15,034,493	609,810	2,899,581	21,032,695
Benefit payments, including refunds of employee contributions	(9,665,441)	(9,022,216)	(8,465,095)	(8,086,742)	(7,798,383)
Other miscellaneous income/(expense)	(434,958)	-	-	-	-
Net change in plan fiduciary net position	<u>7,882,703</u>	<u>11,425,649</u>	<u>(3,132,790)</u>	<u>(920,296)</u>	<u>17,181,578</u>
Plan fiduciary net position - beginning	<u>146,985,250</u>	<u>135,559,601</u>	<u>138,692,391</u>	<u>139,612,687</u>	<u>122,431,109</u>
Plan fiduciary net position - ending (b)	<u>\$154,867,953</u>	<u>\$146,985,250</u>	<u>\$135,559,601</u>	<u>\$138,692,391</u>	<u>\$139,612,687</u>
Plan net pension liability - ending (a) - (b)	<u>\$ 59,062,457</u>	<u>\$ 56,273,101</u>	<u>\$ 50,491,172</u>	<u>\$ 40,408,921</u>	<u>\$ 36,902,595</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>72.39%</u>	<u>72.31%</u>	<u>72.86%</u>	<u>77.44%</u>	<u>79.09%</u>
Covered-employee payroll	<u>\$ 11,847,348</u>	<u>\$ 12,149,124</u>	<u>\$ 11,565,157</u>	<u>\$ 11,541,643</u>	<u>\$ 11,410,291</u>
Net pension liability as a percentage of covered-employee payroll	<u>498.53%</u>	<u>463.19%</u>	<u>436.58%</u>	<u>350.11%</u>	<u>323.42%</u>

¹ This schedule is intended to show information for ten years. Additional information will be displayed as it becomes available.

² Net of administrative expenses.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2015. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: For measurement period 2018, there were no significant changes. For the measurement period 2017, the discount rate was changed from 7.65 percent (net of administrative expense) to 7.15 percent. For the measurement period 2016, there were no changes. For the measurement period 2015, the discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expenses.) For measurement period 2014, amounts reported were based on the 7.5% discount rate.

CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios, Continued
June 30, 2019

Last Ten Fiscal Years¹

Massachusetts Mutual Retirement Plan (MMRP)

Fiscal year ended/Measurement period ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Total pension liability					
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	263,000	269,000	287,000	305,004	321,000
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	170,000	-	-	(53,000)
Changes of assumptions	-	377,000	-	-	76,000
Benefit payments, including refunds of employee contributions	(641,000)	(659,004)	(666,000)	(691,000)	(702,000)
Net change in total pension liability	(378,000)	156,996	(379,000)	(385,996)	(358,000)
Total pension liability - beginning	6,153,000	5,996,004	6,375,004	6,761,000	7,119,000
Total pension liability - ending (a)	\$ 5,775,000	\$ 6,153,000	\$ 5,996,004	\$ 6,375,004	\$ 6,761,000
Pension fiduciary net position					
Contributions - employer	\$ 1,000,000	\$ 950,000	\$ 950,000	\$ 950,000	\$ 950,000
Contributions - employee	-	-	-	-	-
Net investment income	269,000	(98,000)	53,000	(12,000)	57,000
Benefit payments, including refunds of employee contributions	(641,000)	(659,000)	(666,000)	(691,000)	(702,000)
Administrative expense	(16,000)	(18,000)	(15,000)	(14,000)	(16,000)
Other	-	-	-	-	-
Net change in plan fiduciary net position	612,000	175,000	322,000	233,000	289,000
Plan fiduciary net position - beginning	3,244,000	3,069,000	2,747,000	2,514,000	2,225,000
Plan fiduciary net position - ending (b)	\$ 3,856,000	\$ 3,244,000	\$ 3,069,000	\$ 2,747,000	\$ 2,514,000
Plan's net pension liability - ending (a) - (b)	\$ 1,919,000	\$ 2,909,000	\$ 2,927,004	\$ 3,628,004	\$ 4,247,000
Plan fiduciary net position as a percentage of the total pension liability	66.77%	52.72%	51.18%	43.09%	37.18%
Covered-employee payroll	\$ -				
Plan's net pension liability as a percentage of covered-employee payroll	n/a	n/a	n/a	n/a	n/a

¹ This schedule is intended to show information for ten years. Additional information will be displayed as it becomes available.

Notes to Schedule:

Benefit Changes: None.

Changes of Assumptions: For 2019, there were none. For 2018, the discount rate is changed from 4.75% to 4.5%, inflation from 3% to 2.75%, and mortality is based on CalPERS 1997-2015 experience study. For 2017 and 2016, there were none. For 2015, the discount rate was 4.75%; inflation 3% and mortality was per CalPERS 1997-2011 experience study.

CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited)
Schedule of Contributions
June 30, 2019

Last Ten Fiscal Years¹

California Public Employees' Retirement System (CalPERS) - Miscellaneous Plan

Fiscal year ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined)	\$ 4,363,256	\$ 3,272,991	\$ 3,125,350	\$ 2,764,898	\$ 2,466,015
Contributions in relation to the actuarially determined contributions	<u>(4,363,256)</u>	<u>(4,555,991)</u>	<u>(3,395,350)</u>	<u>(3,004,898)</u>	<u>(2,466,015)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (1,283,000)</u>	<u>\$ (270,000)</u>	<u>\$ (240,000)</u>	<u>\$ -</u>
Covered - employee payroll	\$ 11,235,594	\$ 11,745,064	\$ 11,093,630	\$ 11,429,792	\$ 11,412,611
Contributions as a percentage of covered-employee payroll	38.83%	38.79%	30.61%	26.29%	21.61%

Notes to Schedule:

Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial cost method	Entry Age				
Amortization method	(1)	(1)	(1)	(1)	(1)
	Market Value	Market Value	Market Value	Market Value	15 Year Smoothed Market
Asset valuation method					
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)
Investment rate of return	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

- (1) Level percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) 50 for all plans with the exception of 52 for Miscellaneous PEPRA 2% @ 62
- (5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

¹ Fiscal year 2015 was the 1st year of implementation, therefore only four years are shown.

CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited)
Schedule of Contributions, Continued
June 30, 2019

Last Ten Fiscal Years¹

California Public Employees' Retirement System (CalPERS) - Safety Plan

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially determined contribution	\$ 5,486,870	\$ 4,641,176	\$ 4,079,592	\$ 3,644,930	\$ 3,220,567
Contributions in relation to the actuarially determined contributions	<u>(5,486,870)</u>	<u>(4,641,176)</u>	<u>(4,079,592)</u>	<u>(3,644,930)</u>	<u>(3,220,567)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered - employee payroll	\$ 12,387,062	\$ 11,847,348	\$ 12,149,124	\$ 11,565,157	\$ 11,541,643
Contributions as a percentage of covered - employee payroll	44.30%	39.17%	33.58%	31.52%	27.90%

Notes to Schedule:

Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	(1)	(1)	(1)	(1)	(1)
					15 Year
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Smoothed
Inflation	2.75%	2.75%	2.75%	2.75%	Market
Salary increases	(2)	(2)	(2)	(2)	2.75%
Investment rate of return	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	(2)
Retirement age	(4)	(4)	(4)	(4)	7.50% (3)
Mortality	(5)	(5)	(5)	(5)	(4)
					(5)

- (1) Level percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) 50 for all plans with the exception of 52 for Miscellaneous PEPRA 2% @ 62
- (5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

¹ Fiscal year 2015 was the 1st year of implementation, therefore only four years are shown.

CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited)
Schedule of Contributions, Continued
June 30, 2019

Last Ten Fiscal Years¹

Massachusetts Mutual Retirement Plan (MMRP)

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Actuarially determined contribution	\$ 994,000	\$ 961,000	\$ 961,000	\$ 950,000	\$ 950,000
Contributions in relation to the actuarially determined contribution	<u>(1,000,000)</u>	<u>(950,000)</u>	<u>(950,000)</u>	<u>(950,000)</u>	<u>(950,000)</u>
Contribution deficiency (excess)	<u>\$ (6,000)</u>	<u>\$ 11,000</u>	<u>\$ 11,000</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	<u>\$ -</u>				
Contributions as a percentage of covered-employee payroll	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>

Notes to Schedule:

Valuation Date	6/30/2017	6/30/2017	6/30/2015	6/30/2015	6/30/2015
<u>Methods and assumptions used to determine contribution rates:</u>					
Actuarial cost method	Entry Age				
Amortization method	Level Dollar				
Remaining amortization period	(1)	(1)	(1)		
Asset valuation method	(2)	(2)	(2)	(2)	(2)
Non investment expenses	(3)	(3)	(3)	(3)	(3)
Discount rate	4.50%	4.50%	4.75%	4.75%	4.75%
General inflation	2.75%	2.75%	3.00%	3.00%	3.00%
Cost of Living Adjustment	2.00%	2.00%	2.00%	2.00%	2.00%
Mortality	(4)	(4)	(4)	(4)	(4)

(1) 2.8 years (closed) fresh start of 06/30/18 UAAL for 2018/19 ADC and 4.1 years (closed) fresh start of June 30, 2016 UAAL for FY 2016-17 ADC.

(2) Market value investment gains and losses spreading over 5-year rolling period. No less than 80% nor more than 120% of market value.

(3) Assumed to average \$25,000 per year

(4) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

¹ This schedule is intended to show information for ten years. Additional information will be displayed as it becomes available.

CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited)
Schedule of Changes in Net OPEB Liability and Related Ratios
June 30, 2019

Last Ten Fiscal Years¹

Fiscal year ended	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Measurement period	June 30, 2018	June 30, 2017
Total OPEB liability		
Service cost	\$ 985,000	\$ 956,000
Interest	2,307,000	2,204,000
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	-	-
Benefit payments, including refunds of employee contributions	<u>(1,580,000)</u>	<u>(1,653,000)</u>
Net change in total pension liability	1,712,000	1,507,000
Total pension liability - beginning	<u>35,291,000</u>	<u>33,784,000</u>
Total pension liability - ending (a)	<u><u>\$ 37,003,000</u></u>	<u><u>\$ 35,291,000</u></u>
Pension fiduciary net position		
Contributions - employer	\$ 2,565,000	\$ 2,703,000
Net investment income	491,000	475,000
Benefit payments, including refunds of employee contributions	(1,580,000)	(1,653,000)
Administrative expense	(10,000)	(2,000)
Other	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	1,466,000	1,523,000
Plan fiduciary net position - beginning	<u>5,193,000</u>	<u>3,670,000</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 6,659,000</u></u>	<u><u>\$ 5,193,000</u></u>
Plan's net pension liability - ending (a) - (b)	<u><u>\$ 30,344,000</u></u>	<u><u>\$ 30,098,000</u></u>
Plan fiduciary net position as a percentage of the total pension liability	<u>18.00%</u>	<u>14.71%</u>
Covered-employee payroll	<u><u>\$ 28,530,000</u></u>	<u><u>\$ 27,659,000</u></u>
Plan's net pension liability as a percentage of covered-employee payroll	<u>106.36%</u>	<u>108.82%</u>

¹ This schedule is intended to show information for ten years. Additional information will be displayed as it becomes available.

Notes to Schedule:

Benefit Changes: None

Changes of Assumptions: None

CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited)
Schedule of Contributions
June 30, 2019

Last Ten Fiscal Years¹

Other Post Employment Benefit Plan

	June 30, 2019	June 30, 2018
Actuarially determined contribution	\$ 2,925,000	\$ 2,855,000
Contributions in relation to the actuarially determined contribution	(2,695,000)	(2,565,000)
Contribution deficiency (excess)	\$ 230,000	\$ 290,000
Covered-employee payroll	\$ 29,952,000	\$ 28,530,000
Contributions as a percentage of covered-employee payroll	9.00%	8.99%

Notes to Schedule:

	June 30, 2017	June 30, 2017
Valuation date:		
<u>Methods and assumptions used to determine contribution rates:</u>		
Actuarial cost method	Entry Age	Entry Age
Amortization method	(1)	(1)
Asset valuation method	(2)	(2)
Discount rate	6.50%	6.50%
Inflation	2.75%	2.75%
Medical Trend (3)		
Non-Medicare	7.5% to 4.0%	7.5% to 4.0%
Medicare	6.5% to 4.0%	6.5% to 4.0%
Mortality	(4)	(4)

- (1) Level percentage of pay; 25-year amortization period
- (2) Investment gains and losses spread over 5-year rolling period
- (3) Rate decreasing to an ultimate rate in 2076 and later years.
- (4) CalPERS 1997-2011 experience study. Mortality projected fully generational with Scale MP-16.

¹ This schedule is intended to show information for ten years. Additional information will be displayed as it becomes available.

CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited)
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	General Fund			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 30,708,900	\$ 30,708,900	\$ 31,027,763	\$ 318,863
Licenses and permits	2,601,900	2,601,900	3,038,847	436,947
Charges for services	6,014,916	6,014,916	6,191,400	176,484
Revenues from use of money and property	1,346,919	1,346,919	2,361,295	1,014,376
Fines and forfeitures	700,000	700,000	716,218	16,218
Other revenue	1,175,400	1,175,400	1,734,988	559,588
Total Revenues	<u>42,548,035</u>	<u>42,548,035</u>	<u>45,070,511</u>	<u>2,522,476</u>
Expenditures:				
Current:				
General government	5,439,511	5,226,440	4,563,000	663,440
Public safety	24,917,128	24,934,011	26,323,003	(1,388,992)
Community development	2,054,230	2,061,170	1,673,367	387,803
Culture and recreation	6,058,895	6,070,401	5,824,106	246,295
Highways and streets	822,703	909,877	847,797	62,080
Capital outlay	3,678,534	4,535,846	538,807	3,997,039
Debt service:				
Principal retirement	66,225	66,225	66,223	2
Interest and fiscal charges	40,319	40,319	40,317	2
Total Expenditures	<u>43,077,545</u>	<u>43,844,289</u>	<u>39,876,620</u>	<u>3,967,669</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(529,510)</u>	<u>(1,296,254)</u>	<u>5,193,891</u>	<u>6,490,145</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	<u>(2,600,000)</u>	<u>(2,600,000)</u>	<u>(2,600,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(2,600,000)</u>	<u>(2,600,000)</u>	<u>(2,600,000)</u>	<u>-</u>
Extraordinary Item	-	-	-	-
Net Change in Fund Balance	<u>\$ (3,129,510)</u>	<u>\$ (3,896,254)</u>	2,593,891	<u>\$ 6,490,145</u>
Fund Balance, Beginning of Year			29,961,520	
Fund Balance, End of Year			<u>\$ 32,555,411</u>	

CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited)
Special Revenue Grants Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Special Revenue Grants Fund			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 2,159,023	3,730,201	\$ 4,247,826	\$ 517,625
Revenues from use of money and property	-	-	73,151	73,151
Total Revenues	<u>2,159,023</u>	<u>3,730,201</u>	<u>4,320,977</u>	<u>590,776</u>
Expenditures:				
Current:				
General government	1,000	1,000	7,536	(6,536)
Public safety	255,057	748,978	493,356	255,622
Community development	747,927	758,947	407,007	351,940
Culture and recreation	174,035	166,058	190,620	(24,562)
Highways and streets	32,240	77,240	20,372	56,868
Capital outlay	-	1,567,341	1,833,140	(265,799)
Debt service:				
Principal retirement	536,000	572,930	536,000	36,930
Interest and fiscal charges	45,941	64,881	45,939	18,942
Total Expenditures	<u>1,792,200</u>	<u>3,957,375</u>	<u>3,533,970</u>	<u>423,405</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>366,823</u>	<u>(227,174)</u>	<u>787,007</u>	<u>1,014,181</u>
Other Financing Uses:				
Transfers out	-	-	(376,264)	(376,264)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>(376,264)</u>	<u>(376,264)</u>
Net Change in Fund Balance	<u>\$ 366,823</u>	<u>\$ (227,174)</u>	410,743	<u>\$ 637,917</u>
Fund Balance, Beginning of Year, as Restated			<u>1,038,959</u>	
Fund Balance, End of Year			<u>\$ 1,449,702</u>	

CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited)
Special Revenue Retirement/Pension Liability Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Special Revenue Retirement/Pension Liability			
	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual	
Revenues:				
Taxes	\$ 6,831,000	6,827,139	\$ 7,366,720	\$ 539,581
Revenues from use of money and property	-	3,861	15,516	11,655
Total Revenues	<u>6,831,000</u>	<u>6,831,000</u>	<u>7,382,236</u>	<u>551,236</u>
Expenditures:				
Current:				
General government	1,480,920	1,532,031	1,564,973	(32,942)
Public safety	6,591,940	6,648,525	6,872,122	(223,597)
Community development	387,399	422,080	397,627	24,453
Culture and recreation	782,559	864,662	833,395	31,267
Highways and streets	120,931	144,558	117,700	26,858
Debt service:				
Principal retirement	440,000	440,000	440,000	-
Interest and fiscal charges	789,820	789,820	789,820	-
Total Expenditures	<u>10,593,569</u>	<u>10,841,676</u>	<u>11,015,637</u>	<u>(173,961)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,762,569)</u>	<u>(4,010,676)</u>	<u>(3,633,401)</u>	<u>377,275</u>
Other Financing Sources:				
Transfers in	<u>2,600,000</u>	<u>2,600,000</u>	<u>2,600,000</u>	<u>-</u>
Total Other Financing Sources	<u>2,600,000</u>	<u>2,600,000</u>	<u>2,600,000</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (1,162,569)</u>	<u>\$ (1,410,676)</u>	<u>(1,033,401)</u>	<u>\$ 377,275</u>
Fund Balance, Beginning of Year			<u>8,998,909</u>	
Fund Balance, End of Year			<u>\$ 7,965,508</u>	

CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited)
Special Revenue Housing Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Special Revenue Housing			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Other revenue	\$ 82,671	\$ 82,671	\$ 6,058	\$ (76,613)
Total Revenues	<u>82,671</u>	<u>82,671</u>	<u>6,058</u>	<u>(76,613)</u>
Expenditures:				
Current:				
Community development	60,000	60,000	-	60,000
Total Expenditures	<u>60,000</u>	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>22,671</u>	<u>22,671</u>	<u>6,058</u>	<u>(16,613)</u>
Other Financing Sources (Uses):				
Transfers in	-	5,358	-	(5,358)
Total Other Financing Sources (Uses)	<u>-</u>	<u>5,358</u>	<u>-</u>	<u>(5,358)</u>
Net Change in Fund Balance	<u>\$ 22,671</u>	<u>\$ 28,029</u>	6,058	<u>\$ (21,971)</u>
Fund Balance, Beginning of Year			<u>2,439,336</u>	
Fund Balance, End of Year			<u>\$ 2,445,394</u>	

CITY OF MONTEREY PARK
Notes to the Required Supplementary Information (Unaudited)
June 30, 2019

Budgetary Control and Accounting

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

The annual budget adopted by the City Council serves as a guideline for the operations of the City. It includes proposed expenditures and estimated revenues and is legally adopted for the 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 2018-2019, the City Council approved a \$766,744 additional General Fund budgetary appropriation, related to various Council-approved projects, including \$350,000 for General Plan Update, \$100,618 for district voting, census outreach and curb painting, and \$316,126 for traffic and street improvements; a \$2,165,175 increase in the Special Revenue Grants Fund related to various grants received; and a \$248,107 increase in the Retirement/Pension Liability Fund related to adjustments for safety units.

Budgets for the General and Special Revenue Fund Types are adopted on a basis consistent with the 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 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.

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, 2019, based on calculations by City Management, proceeds of taxes did not exceed the appropriations limit.

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Supplementary Information

SUPPLEMENTARY INFORMATION

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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.

Parks/Library/Public Facilities DIF Fund - used to account for the acquisition and development of parks, library facilities space and collections, that are financed by developer fees, established pursuant to Monterey Park Municipal Code Section 66006.

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.

Law Enforcement/Fire/Medic DIF 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.

Measure R Fund - used to account for the City's share of ½-cent sales tax which was approved by Los Angeles County voters in November 2008 to pay for transportation needs. The proceeds are used exclusively for streets and roads, traffic control, public transit, and bicycle and pedestrian improvements.

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS, *Continued*

Circulation DIF Fund - used to account for fees collected on new commercial and residential development. These funds will be used exclusively to improve street lanes, intersections, and traffic management.

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).

SBI - RMRA Fund - used to account for the City's 12-cent per gallon gas tax began on November 2017 and new vehicle registration taxes began January 2018. The funds are to address basic road maintenance, rehabilitation and critical safety needs on the local street and road system.

Measure M Fund - used to account for the City's share of an additional half-cent sales tax that became effective on July 1, 2017. The funds are allocated to jurisdictions on a per capita basis. The funds are to improve transportation and ease traffic congestion.

CITY OF MONTEREY PARK
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2019

	Special Revenue Funds				
	Proposition A	Gas Tax	Bike Route	Proposition C	Air Quality Improvement
<u>Assets</u>					
Cash and investments	\$ 3,277,343	\$ 1,153,061	\$ -	\$ 1,251,828	\$ 240,371
Accounts receivable	106,430	-	8,557	-	-
Interest receivable	12,838	4,481	-	4,434	920
Total Assets	<u>\$ 3,396,611</u>	<u>\$ 1,157,542</u>	<u>\$ 8,557</u>	<u>\$ 1,256,262</u>	<u>\$ 241,291</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 46,126	\$ 83,912	\$ -	\$ 133,831	\$ 7,871
Accrued payroll	12,510	14,909	-	1,731	-
Deposits and advances	-	-	-	-	-
Due to other funds	-	-	8,557	-	-
Total Liabilities	<u>58,636</u>	<u>98,821</u>	<u>8,557</u>	<u>135,562</u>	<u>7,871</u>
Fund Balances (Deficits):					
Restricted	3,337,975	1,058,721	-	1,120,700	233,420
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	<u>3,337,975</u>	<u>1,058,721</u>	<u>-</u>	<u>1,120,700</u>	<u>233,420</u>
Total Liabilities and Fund Balances	<u>\$ 3,396,611</u>	<u>\$ 1,157,542</u>	<u>\$ 8,557</u>	<u>\$ 1,256,262</u>	<u>\$ 241,291</u>

CITY OF MONTEREY PARK
Combining Balance Sheet - Nonmajor Governmental Funds, Continued
June 30, 2019

	Special Revenue Funds				
	Asset Forfeiture	Parks/Library/ Facilities DIF	Business Improvement Area #1	Maintenance District 93-1	Law Enforcement/ Fire/Medic DIF
<u>Assets</u>					
Cash and investments	\$ 1,009,183	\$ 974,774	\$ 155,396	\$ 309,931	\$ 863,938
Accounts receivable	-	-	-	11,042	-
Interest receivable	3,957	2,359	592	-	7,433
Total Assets	<u>\$ 1,013,140</u>	<u>\$ 977,133</u>	<u>\$ 155,988</u>	<u>\$ 320,973</u>	<u>\$ 871,371</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 10,777	\$ -	\$ 12,713	\$ 314,945	\$ -
Accrued payroll	798	-	-	6,022	-
Deposits and advances	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	<u>11,575</u>	<u>-</u>	<u>12,713</u>	<u>320,967</u>	<u>-</u>
Fund Balances (Deficits):					
Restricted	1,001,565	977,133	143,275	6	871,371
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	<u>1,001,565</u>	<u>977,133</u>	<u>143,275</u>	<u>6</u>	<u>871,371</u>
Total Liabilities and Fund Balances	<u>\$ 1,013,140</u>	<u>\$ 977,133</u>	<u>\$ 155,988</u>	<u>\$ 320,973</u>	<u>\$ 871,371</u>

(Continued)

CITY OF MONTEREY PARK
Combining Balance Sheet - Nonmajor Governmental Funds, Continued
June 30, 2019

	Special Revenue Funds				
	Public Safety Augmentation	Measure R	Circulation DIF	CERCLA Liability	SB1 - RMRA
<u>Assets</u>					
Cash and investments	\$ -	\$ 2,060,824	\$ 278,983	\$ 415,043	\$ 1,457,962
Accounts receivable	130,234	-	-	1,050	203,701
Interest receivable	-	8,080	315	1,648	5,783
Total Assets	<u>\$ 130,234</u>	<u>\$ 2,068,904</u>	<u>\$ 279,298</u>	<u>\$ 417,741</u>	<u>\$ 1,667,446</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ -	\$ 24,138	\$ -	\$ -	\$ -
Accrued payroll	-	2,193	-	-	-
Deposits and advances	-	225	-	-	-
Due to other funds	130,234	-	-	-	-
Total Liabilities	<u>130,234</u>	<u>26,556</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits):					
Restricted	-	2,042,348	279,298	-	1,667,446
Committed	-	-	-	417,741	-
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	<u>-</u>	<u>2,042,348</u>	<u>279,298</u>	<u>417,741</u>	<u>1,667,446</u>
Total Liabilities and Fund Balances	<u>\$ 130,234</u>	<u>\$ 2,068,904</u>	<u>\$ 279,298</u>	<u>\$ 417,741</u>	<u>\$ 1,667,446</u>

(Continued)

CITY OF MONTEREY PARK
Combining Balance Sheet - Nonmajor Governmental Funds, Continued
June 30, 2019

	Special Revenue Funds	Total Nonmajor Governmental Funds
<u>Assets</u>	Measure M	Funds
Cash and investments	\$ 1,490,486	\$ 14,939,123
Accounts receivable	-	461,014
Interest receivable	5,908	58,748
Total Assets	\$ 1,496,394	\$ 15,458,885
<u>Liabilities and Fund Balances</u>		
Liabilities:		
Accounts payable	\$ 1,903	\$ 636,216
Accrued payroll	-	38,163
Deposits and advances	-	225
Due to other funds	-	138,791
Total Liabilities	1,903	813,395
Fund Balances (Deficits):		
Restricted	1,494,491	14,227,749
Committed	-	417,741
Unassigned	-	-
Total Fund Balances (Deficits)	1,494,491	14,645,490
Total Liabilities and Fund Balances	\$ 1,496,394	\$ 15,458,885

CITY OF MONTEREY PARK
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Special Revenue Funds				
	Proposition A	Gas Tax	Bike Route	Proposition C	Air Quality Improvement
Revenues:					
Taxes	\$ 1,342,075	\$ 1,196,187	\$ 8,557	\$ 1,025,898	\$ 80,082
Charges for services	66,354	-	-	-	-
Revenues from use of money and property	62,966	21,973	618	19,851	4,534
Fines and forfeitures	-	-	-	-	-
Total Revenues	<u>1,471,395</u>	<u>1,218,160</u>	<u>9,175</u>	<u>1,045,749</u>	<u>84,616</u>
Expenditures:					
Current:					
General government	-	-	-	1,079	-
Public safety	5,075	10,257	-	-	-
Community development	-	-	-	-	-
Culture and recreation	10,683	-	-	-	-
Highways and streets	1,200,063	1,562,814	-	803,349	15,704
Health	-	-	-	-	-
Capital outlay	151,394	-	80,175	15,756	71,172
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>1,367,215</u>	<u>1,573,071</u>	<u>80,175</u>	<u>820,184</u>	<u>86,876</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>104,180</u>	<u>(354,911)</u>	<u>(71,000)</u>	<u>225,565</u>	<u>(2,260)</u>
Other Financing Sources (Uses):					
Transfers in	27,000	-	-	-	-
Transfers out	0	-	-	(27,000)	-
Total Other Financing Sources (Uses)	<u>27,000</u>	<u>-</u>	<u>-</u>	<u>(27,000)</u>	<u>-</u>
Net Changes in Fund Balances	131,180	(354,911)	(71,000)	198,565	(2,260)
Fund Balances (Deficits),					
Beginning of Year	<u>3,206,795</u>	<u>1,413,632</u>	<u>71,000</u>	<u>922,135</u>	<u>235,680</u>
Fund Balances (Deficits), End of Year	<u>\$ 3,337,975</u>	<u>\$ 1,058,721</u>	<u>\$ -</u>	<u>\$ 1,120,700</u>	<u>\$ 233,420</u>

CITY OF MONTEREY PARK
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds, Continued
For the Year Ended June 30, 2019

	Special Revenue Funds				
	Asset Forfeiture	Parks/Library/ Facilities DIF	Business Improvement Area #1	Maintenance District 93-1	Law Enforcement/ Fire/Medic DIF
Revenues:					
Taxes	\$ -	\$ -	\$ 73,084	\$ 996,506	\$ -
Charges for services	-	587,899	-	-	315,999
Revenues from use of money and property	13,631	11,950	2,363	-	24,943
Fines and forfeitures	906,821	-	-	-	-
Total Revenues	<u>920,452</u>	<u>599,849</u>	<u>75,447</u>	<u>996,506</u>	<u>340,942</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	190,240	-	-	-	62,053
Community development	-	-	85,516	-	-
Culture and recreation	-	-	-	524,878	-
Highways and streets	-	-	-	506,771	-
Health	-	-	-	-	-
Capital outlay	54,480	15,064	-	-	-
Debt service:					
Principal retirement	36,926	-	-	-	-
Interest and fiscal charges	18,942	-	-	-	-
Total Expenditures	<u>300,588</u>	<u>15,064</u>	<u>85,516</u>	<u>1,031,649</u>	<u>62,053</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>619,864</u>	<u>584,785</u>	<u>(10,069)</u>	<u>(35,143)</u>	<u>278,889</u>
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	619,864	584,785	(10,069)	(35,143)	278,889
Fund Balances (Deficits),					
Beginning of Year	<u>381,701</u>	<u>392,348</u>	<u>153,344</u>	<u>35,149</u>	<u>592,482</u>
Fund Balances (Deficits), End of Year	<u>\$ 1,001,565</u>	<u>\$ 977,133</u>	<u>\$ 143,275</u>	<u>\$ 6</u>	<u>\$ 871,371</u>

(Continued)

CITY OF MONTEREY PARK
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Nonmajor Governmental Funds, Continued
For the Year Ended June 30, 2019

	Special Revenue Funds				
	Public Safety Augmentation	Measure R	Circulation DIF	CERCLA Liability	SB1 - RMRA
Revenues:					
Taxes	\$ 752,004	\$ 769,644	\$ 277,992	\$ 122,446	\$ 1,288,559
Charges for services	-	-	-	-	-
Revenues from use of money and property	-	32,351	1,306	7,869	22,683
Fines and forfeitures	-	-	-	-	-
Total Revenues	<u>752,004</u>	<u>801,995</u>	<u>279,298</u>	<u>130,315</u>	<u>1,311,242</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	752,004	-	-	-	-
Community development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Highways and streets	-	227,479	-	-	-
Health	-	-	-	150,000	-
Capital outlay	-	167,419	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>752,004</u>	<u>394,898</u>	<u>-</u>	<u>150,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>407,097</u>	<u>279,298</u>	<u>(19,685)</u>	<u>1,311,242</u>
Other Financing Sources (Uses):					
Transfers in	-	376,264	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>376,264</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	-	783,361	279,298	(19,685)	1,311,242
Fund Balances (Deficits), Beginning of Year	-	1,258,987	-	437,426	356,204
Fund Balances (Deficits), End of Year	<u>\$ -</u>	<u>\$ 2,042,348</u>	<u>\$ 279,298</u>	<u>\$ 417,741</u>	<u>\$ 1,667,446</u>

(Continued)

CITY OF MONTEREY PARK
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Nonmajor Governmental Funds, Continued
For the Year Ended June 30, 2019

	Special Revenue Funds	Total Nonmajor Governmental Funds
	Measure M	
Revenues:		
Taxes	\$ 866,397	\$ 8,799,431
Charges for services	-	970,252
Revenues from use of money and property	24,145	251,183
Fines and forfeitures	-	906,821
Total Revenues	<u>890,542</u>	<u>10,927,687</u>
Expenditures:		
Current:		
General government	-	1,079
Public safety	-	1,019,629
Community development	-	85,516
Culture and recreation	-	535,561
Highways and streets	44,988	4,361,168
Health	-	150,000
Capital outlay	-	555,460
Debt service:		
Principal retirement	-	36,926
Interest and fiscal charges	-	18,942
Total Expenditures	<u>44,988</u>	<u>6,764,281</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>845,554</u>	<u>4,163,406</u>
Other Financing Sources (Uses):		
Transfers in	-	403,264
Transfers out	-	(27,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>376,264</u>
Net Changes in Fund Balances	845,554	4,539,670
Fund Balances (Deficits), Beginning of Year	<u>648,937</u>	<u>10,105,820</u>
Fund Balances (Deficits), End of Year	<u>\$ 1,494,491</u>	<u>\$ 14,645,490</u>

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Proposition A Fund
For the Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 1,270,000	\$ 1,342,075	\$ 72,075
Charges for services	86,000	66,354	(19,646)
Revenues from use of money and property	17,000	62,966	45,966
Total Revenues	1,373,000	1,471,395	98,395
Expenditures:			
Current:			
Public safety	1,200	5,075	(3,875)
Culture and recreation	26,099	10,683	15,416
Highways and streets	1,335,650	1,200,063	135,587
Capital outlay	207,373	151,394	55,979
Total Expenditures	1,570,322	1,367,215	203,107
Excess (Deficiency) of Revenues Over Expenditures	(197,322)	104,180	301,502
Other Financing Sources:			
Transfers in	0	27,000	27,000
Total Other Financing Sources	-	27,000	27,000
Net Change in Fund Balance	\$ (197,322)	131,180	\$ 328,502
Fund Balance, Beginning of Year		3,206,795	
Fund Balance, End of Year		\$ 3,337,975	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Gas Tax Fund
For the Year Ended June 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	\$ 1,242,500	\$ 1,196,187	\$ (46,313)
Revenues from use of money and property	<u>12,500</u>	<u>21,973</u>	<u>9,473</u>
Total Revenues	<u>1,255,000</u>	<u>1,218,160</u>	<u>(36,840)</u>
Expenditures:			
Current:			
Highways and streets	<u>1,825,473</u>	<u>1,562,814</u>	<u>262,659</u>
Total Expenditures	<u>1,831,473</u>	<u>1,573,071</u>	<u>258,402</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (576,473)</u>	<u>(354,911)</u>	<u>\$ 221,562</u>
Fund Balance, Beginning of Year		<u>1,413,632</u>	
Fund Balance, End of Year		<u>\$ 1,058,721</u>	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Bike Route Fund
For the Year Ended June 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	35,000	\$ 8,557	\$ (26,443)
Revenues from use of money and property	<u>-</u>	<u>618</u>	<u>618</u>
Total Revenues	<u>35,000</u>	<u>9,175</u>	<u>(25,825)</u>
Expenditures:			
Capital outlay	<u>80,715</u>	<u>80,175</u>	<u>540</u>
Total Expenditures	<u>80,715</u>	<u>80,175</u>	<u>540</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (45,715)</u>	<u>(71,000)</u>	<u>\$ (25,285)</u>
Fund Balance, Beginning of Year		<u>71,000</u>	
Fund Balance, End of Year		<u>\$ -</u>	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Proposition C Fund
For the Year Ended June 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	\$ 942,000	\$ 1,025,898	\$ 83,898
Revenues from use of money and property	8,300	19,851	11,551
Total Revenues	<u>950,300</u>	<u>1,045,749</u>	<u>95,449</u>
Expenditures:			
Current:			
General Government	-	1,079	(1,079)
Highways and streets	869,718	803,349	66,369
Capital outlay	<u>480,000</u>	<u>15,756</u>	<u>464,244</u>
Total Expenditures	<u>1,349,718</u>	<u>820,184</u>	<u>529,534</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(399,418)</u>	<u>225,565</u>	<u>624,983</u>
Other Financing Uses:			
Transfers out	<u>-</u>	<u>(27,000)</u>	<u>(27,000)</u>
Total Other Financing Sources	<u>-</u>	<u>(27,000)</u>	<u>(27,000)</u>
Net Change in Fund Balance	<u>\$ (399,418)</u>	198,565	<u>\$ 597,983</u>
Fund Balance, Beginning of Year		<u>922,135</u>	
Fund Balance, End of Year		<u>\$ 1,120,700</u>	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Air Quality Improvement Fund
For the Year Ended June 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	\$ 80,000	\$ 80,082	\$ 82
Revenues from use of money and property	<u>1,700</u>	<u>4,534</u>	<u>2,834</u>
Total Revenues	<u>81,700</u>	<u>84,616</u>	<u>2,916</u>
Expenditures:			
Current:			
Highways and streets	22,000	15,704	6,296
Capital outlay	<u>103,344</u>	<u>71,172</u>	<u>32,172</u>
Total Expenditures	<u>125,344</u>	<u>86,876</u>	<u>38,468</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (43,644)</u>	<u>\$ (2,260)</u>	<u>\$ 41,384</u>
Fund Balance, Beginning of Year		<u>235,680</u>	
Fund Balance, End of Year		<u>\$ 233,420</u>	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Asset Forfeiture Fund
For the Year Ended June 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Revenues from use of money and property	\$ 4,500	\$ 13,631	\$ 9,131
Fines and forfeitures	<u>140,000</u>	<u>906,821</u>	<u>766,821</u>
Total Revenues	<u>144,500</u>	<u>920,452</u>	<u>775,952</u>
Expenditures:			
Current:			
Public safety	201,710	190,240	11,470
Capital outlay	76,000	54,480	21,520
Debt service:			
Principal retirement	36,930	36,926	4
Interest and fiscal charges	<u>18,940</u>	<u>18,942</u>	<u>(2)</u>
Total Expenditures	<u>333,580</u>	<u>300,588</u>	<u>32,992</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (189,080)</u>	<u>619,864</u>	<u>\$ 808,944</u>
Fund Balance, Beginning of Year		<u>381,701</u>	
Fund Balance, End of Year		<u>\$ 1,001,565</u>	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Parks/Library/Facilities DIF Fund
For the Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	\$ 200,000	\$ 587,899	\$ 387,899
Revenues from use of money and property	-	11,950	11,950
Total Revenues	<u>200,000</u>	<u>599,849</u>	<u>399,849</u>
Expenditures:			
Capital outlay	<u>465,100</u>	<u>15,064</u>	<u>450,036</u>
Total Expenditures	<u>465,100</u>	<u>15,064</u>	<u>450,036</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(265,100)</u>	584,785	<u>\$ 849,885</u>
Fund Balance (Deficit), Beginning of Year		<u>392,348</u>	
Fund Balance (Deficit), End of Year		<u>\$ 977,133</u>	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Business Improvement Area #1 Fund
For the Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 72,000	\$ 73,084	\$ 1,084
Revenues from use of money and property	1,000	2,363	1,363
Total Revenues	<u>73,000</u>	<u>75,447</u>	<u>2,447</u>
Expenditures:			
Current:			
Community development	<u>105,651</u>	<u>85,516</u>	<u>20,135</u>
Total Expenditures	<u>105,651</u>	<u>85,516</u>	<u>20,135</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (32,651)</u>	<u>(10,069)</u>	<u>\$ 22,582</u>
Fund Balance, Beginning of Year		<u>153,344</u>	
Fund Balance, End of Year		<u>\$ 143,275</u>	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Maintenance District 93-1 Fund
For the Year Ended June 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	\$ 983,000	\$ 996,506	\$ 13,506
Total Revenues	<u>983,000</u>	<u>996,506</u>	<u>13,506</u>
Expenditures:			
Current:			
Culture and recreation	415,310	524,878	(109,568)
Highways and streets	598,257	506,771	91,486
Capital outlay	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total Expenditures	<u>1,018,567</u>	<u>1,031,649</u>	<u>(13,082)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (35,567)</u>	<u>(35,143)</u>	<u>\$ 424</u>
Fund Balance, Beginning of Year		<u>35,149</u>	
Fund Balance, End of Year		<u>\$ 6</u>	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Law Enforcement/Fire/Medic DIF Fund
For the Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	\$ 450,000	\$ 315,999	\$ (134,001)
Revenues from use of money and property	-	24,943	24,943
Total Revenues	450,000	340,942	(109,058)
Expenditures:			
Current:			
Public safety	231,092	62,053	169,039
Capital outlay	420,521	-	420,521
Total Expenditures	651,613	62,053	589,560
Excess (Deficiency) of Revenues Over Expenditures	\$ (201,613)	278,889	\$ 480,502
Fund Balance (Deficit), Beginning of Year		592,482	
Fund Balance (Deficit), End of Year		\$ 871,371	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Public Safety Augmentation Fund
For the Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 750,000	\$ 752,004	\$ 2,004
Total Revenues	<u>750,000</u>	<u>752,004</u>	<u>2,004</u>
Expenditures:			
Current:			
Public safety	<u>750,000</u>	<u>752,004</u>	<u>(2,004)</u>
Total Expenditures	<u>750,000</u>	<u>752,004</u>	<u>(2,004)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance, Beginning of Year		<u>-</u>	
Fund Balance, End of Year		<u>\$ -</u>	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Measure R Fund
For the Year Ended June 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	\$ 707,000	\$ 769,644	\$ 62,644
Revenues from use of money and property	<u>12,500</u>	<u>32,351</u>	<u>19,851</u>
Total Revenues	<u>719,500</u>	<u>801,995</u>	<u>82,495</u>
Expenditures:			
Current:			
Highways and streets	296,253	227,479	68,774
Capital outlay	<u>860,284</u>	<u>167,419</u>	<u>692,865</u>
Total Expenditures	<u>1,156,537</u>	<u>394,898</u>	<u>761,639</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (437,037)</u>	<u>407,097</u>	<u>\$ 844,134</u>
Other Financing Sources:			
Transfers in	<u>-</u>	<u>376,264</u>	<u>376,264</u>
Total Other Financing Sources	<u>-</u>	<u>376,264</u>	<u>376,264</u>
Net Change in Fund Balance	<u>\$ (437,037)</u>	783,361	<u>\$ 1,220,398</u>
Fund Balance, Beginning of Year		<u>1,258,987</u>	
Fund Balance, End of Year		<u>\$ 2,042,348</u>	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Circulation DIF Fund
For the Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 40,000	\$ 277,992	\$ 237,992
Revenues from use of money and property	-	1,306	1,306
Total Revenues	40,000	279,298	239,298
Excess (Deficiency) of Revenues Over Expenditures	\$ 40,000	279,298	\$ 239,298
Fund Balance (Deficit), Beginning of Year		-	
Fund Balance (Deficit), End of Year		\$ 279,298	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue CERCLA Liability Fund
For the Year Ended June 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	\$ 120,000	\$ 122,446	\$ 2,446
Revenues from use of money and property	4,500	7,869	3,369
Total Revenues	<u>124,500</u>	<u>130,315</u>	<u>5,815</u>
Expenditures:			
Current:			
Health	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Total Expenditures	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (25,500)</u>	<u>(19,685)</u>	<u>\$ 5,815</u>
Fund Balance, Beginning of Year		<u>437,426</u>	
Fund Balance, End of Year		<u>\$ 417,741</u>	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue SB1-RMRA Fund
For the Year Ended June 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	\$ 1,093,067	\$ 1,288,559	\$ 195,492
Revenues from use of money and property	-	22,683	22,683
Total Revenues	<u>1,093,067</u>	<u>1,311,242</u>	<u>218,175</u>
Expenditures:			
Current:			
Highways and streets	<u>1,023,000</u>	-	<u>1,023,000</u>
Total Expenditures	<u>1,023,000</u>	-	<u>1,023,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 70,067</u>	1,311,242	<u>\$ 1,241,175</u>
Fund Balance, Beginning of Year		<u>356,204</u>	
Fund Balance, End of Year		<u>\$ 1,667,446</u>	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Measure M Fund
For the Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 530,000	\$ 866,397	\$ 336,397
Revenues from use of money and property	-	24,145	24,145
Total Revenues	530,000	890,542	360,542
Expenditures:			
Current:			
Highways and streets	50,000	44,988	5,012
Total Expenditures	50,000	44,988	5,012
Excess (Deficiency) of Revenues Over Expenditures	\$ 480,000	845,554	\$ 365,554
Fund Balance, Beginning of Year		648,937	
Fund Balance, End of Year		\$ 1,494,491	

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WATER UTILITY ENTERPRISE FUND

Water Utility Enterprise Fund accounts for the City's water system operations. The Water Utility Enterprise 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 water treatment of certain chemical contaminations to meet water quality standards.

CITY OF MONTEREY PARK
Water Utility Enterprise Fund
Combining Schedule of Net Position
June 30, 2019

<u>Assets</u>	Water Operations Activity	Water Treatment Activity	Total
Current Assets:			
Cash and investments	\$ 9,525,355	\$ 13,679,248	\$ 23,204,603
Accounts receivable	3,095,917	3,511,065	6,606,982
Interest receivable	36,204	52,931	89,135
Total Current Assets	<u>12,657,476</u>	<u>17,243,244</u>	<u>29,900,720</u>
Noncurrent Assets:			
Nondepreciable capital assets	544,715	8,644,358	9,189,073
Depreciable capital assets, net of accumulated depreciation	24,497,222	5,419,664	29,916,886
Total Noncurrent Assets	<u>25,041,937</u>	<u>14,064,022</u>	<u>39,105,959</u>
Total Assets	<u>37,699,413</u>	<u>31,307,266</u>	<u>69,006,679</u>
 <u>Deferred Outflows of Resources</u>			
Amounts related to pension plans	349,374	83,396	432,770
Amounts related to other post employment benefit plans	229,463	79,050	308,513
Total Deferred Outflows of Resources	<u>578,837</u>	<u>162,446</u>	<u>741,283</u>
 <u>Liabilities</u>			
Current Liabilities:			
Accounts payable	1,700,511	240,247	1,940,758
Accrued payroll	80,930	35,164	116,094
Deposits and advances	450,220	-	450,220
Capital lease obligations - due within one year	498,239	200,000	698,239
Compensated absences payable - due within one year	32,998	28,653	61,651
Total Current Liabilities	<u>2,762,898</u>	<u>504,064</u>	<u>3,266,962</u>
Noncurrent Liabilities:			
Capital lease obligation	8,469,004	-	8,469,004
Compensated absences payable	296,986	257,875	554,861
Net OPEB liability	2,583,603	890,057	3,473,660
Net pension liabilities	2,819,913	673,582	3,493,495
Total Non Current Liabilities	<u>14,169,506</u>	<u>1,821,514</u>	<u>15,991,020</u>
Total Liabilities	<u>16,932,404</u>	<u>2,325,578</u>	<u>19,257,982</u>
 <u>Deferred Inflows of Resources</u>			
Amounts related to pension plans	38,672	9,238	47,910
Amounts related to other post employment benefit plans	16,960	5,843	22,803
Total Deferred Inflows of Resources	<u>55,632</u>	<u>15,081</u>	<u>70,713</u>
 <u>Net Position</u>			
Net investment in capital assets	16,074,694	13,864,022	29,938,716
Unrestricted	5,215,520	15,265,031	20,480,551
Total Net Position	<u>\$ 21,290,214</u>	<u>\$ 29,129,053</u>	<u>\$ 50,419,267</u>
Adjustment to reflect the consolidation of internal service funds activities to related enterprise activity	<u>(4,005,039)</u>	<u>-</u>	<u>(4,005,039)</u>
Net Position Related to Water Utility Enterprise Activities	<u>\$ 17,285,175</u>	<u>\$ 29,129,053</u>	<u>\$ 46,414,228</u>

CITY OF MONTEREY PARK
Water Utility Enterprise Fund
Combining Schedule of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2019

	Water Operations Activity	Water Treatment Activity	Total
Operating Revenues:			
Charges for services	\$ 11,101,617	\$ 4,033,016	\$ 15,134,633
Meter installations	116,691	-	116,691
Other revenue	30,947	1,775,700	1,806,647
Total Operating Revenues	<u>11,249,255</u>	<u>5,808,716</u>	<u>17,057,971</u>
Operating Expenses:			
Administration	3,789,425	-	3,789,425
Commercial - water	951,425	-	951,425
Production - water	3,132,904	-	3,132,904
Distribution - water	1,360,177	-	1,360,177
Treatment plant operations	-	3,808,671	3,808,671
Depreciation	1,239,456	369,864	1,609,320
Total Operating Expenses	<u>10,473,387</u>	<u>4,178,535</u>	<u>14,651,922</u>
Operating Income (Loss)	<u>775,868</u>	<u>1,630,181</u>	<u>2,406,049</u>
Nonoperating Income (Loss):			
Interest income	162,972	285,416	448,388
Interest expense	(275,601)	-	(275,601)
Total Nonoperating Income (Loss)	<u>(112,629)</u>	<u>285,416</u>	<u>172,787</u>
Net Income (Loss) Before Capital Contributions	<u>663,239</u>	<u>1,915,597</u>	<u>2,578,836</u>
Capital Contributions	594,889	767,247	1,362,136
Total Capital Contributions	<u>594,889</u>	<u>767,247</u>	<u>1,362,136</u>
Changes in Net Position	1,258,128	2,682,844	3,940,972
Net Position, Beginning of Year	20,032,086	26,446,209	46,478,295
Net Position, End of Year	<u>\$ 21,290,214</u>	<u>\$ 29,129,053</u>	<u>\$ 50,419,267</u>
Changes in Net Position	\$ 1,258,128	\$ 2,682,844	\$ 3,940,972
Adjustment to reflect consolidation of internal service fund activities to related enterprise activity	<u>(1,048,385)</u>	<u>-</u>	<u>(1,048,385)</u>
Changes in Net Position Related to Water Utility Enterprise Activities	<u>\$ 209,743</u>	<u>\$ 2,682,844</u>	<u>\$ 2,892,587</u>

CITY OF MONTEREY PARK
Water Utility Enterprise Fund
Combining Schedule of Cash Flows
For the Year Ended June 30, 2019

	Water Operations Activity	Water Treatment Activity	Total
Cash Flows from Operating Activities:			
Cash receipts from customers	\$ 10,869,559	\$ 7,607,649	\$ 18,477,208
Cash payments to suppliers for goods and services	(5,194,744)	(2,779,319)	(7,974,063)
Cash payments to employees for services	(3,514,622)	(1,084,221)	(4,598,843)
Net Cash Provided by Operating Activities	<u>2,160,193</u>	<u>3,744,109</u>	<u>5,904,302</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(112,266)	(1,052,802)	(1,165,068)
Grant proceeds	-	-	-
Capital contributions	594,889	767,247	1,362,136
Proceeds from sale of surplus assets	-	-	-
Proceeds from lease purchase agreement	-	-	-
Principal paid on lease financing	(441,703)	(200,000)	(641,703)
Interest paid on lease financing	(275,601)	-	(275,601)
Net Cash Used in Capital and Related Financing Activities	<u>(234,681)</u>	<u>(485,555)</u>	<u>(720,236)</u>
Cash Flows from Investing Activities:			
Interest income	126,767	232,486	359,253
Net Cash Provided by Investing Activities	<u>126,767</u>	<u>232,486</u>	<u>359,253</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,052,279	3,491,040	5,543,319
Cash and Cash Equivalents, Beginning of Year	<u>7,473,076</u>	<u>10,188,208</u>	<u>17,661,284</u>
Cash and Cash Equivalents, End of Year	<u>\$ 9,525,355</u>	<u>\$ 13,679,248</u>	<u>\$ 23,204,603</u>
Cash and investments			
Cash and investments	\$ 9,525,355	\$ 13,679,248	\$ 23,204,603
Cash and investments with fiscal agent	-	-	-
Total Cash and Cash Equivalents	<u>\$ 9,525,355</u>	<u>\$ 13,679,248</u>	<u>\$ 23,204,603</u>
Reconciliation of Operating Income (Loss) to Net			
Cash Provided by Operating Activities:			
Operating income (loss)	\$ 775,868	\$ 1,630,181	\$ 2,406,049
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided by Operating Activities:			
Depreciation	1,239,456	369,864	1,609,320
Changes in assets, deferred outflows, liabilities			
and deferred inflows:			
(Increase) decrease in accounts receivable	(379,696)	1,798,933	1,419,237
(Increase) decrease in deferred outflows of resources - pension plans	345,978	82,700	428,678
(Increase) decrease in deferred outflows of resources - OPEB plan	(11,069)	(3,813)	(14,882)
Increase (decrease) in accounts payable	388,540	132,361	520,901
Increase (decrease) in accrued payroll	1,081	4,141	5,222
Increase (decrease) in deposits and advances	6,587	(368,748)	(362,161)
Increase (decrease) in compensated absences payable	(35,623)	136,954	101,331
Increase (decrease) in net pension liabilities	257,255	(209,259)	47,996
Increase (decrease) in net OPEB liabilities	(412,161)	174,470	(237,691)
Increase (decrease) in deferred inflows of resources - pension plans	(17,453)	(4,168)	(21,621)
Increase (decrease) in deferred inflows of resources - OPEB plan	1,430	493	1,923
Total Adjustments	<u>1,384,325</u>	<u>2,113,928</u>	<u>3,498,253</u>
Net Cash Provided by Operating Activities	<u>\$ 2,160,193</u>	<u>\$ 3,744,109</u>	<u>\$ 5,904,302</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 Schedule of Net Position - Internal Service Funds
June 30, 2019

<u>Assets</u>	<u>Separation Benefits</u>	<u>General Liability</u>	<u>Workers' Compensation</u>
Current Assets:			
Cash and investments	2,319,736	1,798,632	4,264,566
Total Current Assets	2,319,736	1,798,632	4,264,566
Noncurrent Assets:			
Nondepreciable capital assets	-	-	-
Depreciable capital assets, net of accumulated depreciation	-	-	-
Total Capital Assets	-	-	-
Total Noncurrent Assets	-	-	-
Total Assets	2,319,736	1,798,632	4,264,566
 <u>Liabilities</u>			
Current Liabilities:			
Accounts payable	-	55,438	110,759
Accrued payroll	63,033	6,981	8,776
Insurance assessment payable - due within one year	-	163,514	-
Claims and judgments payable - due within one year	-	1,081,840	1,981,659
Capital leases payable - due within one year	-	-	-
Compensated absences payable - due within one year	-	2,026	2,253
Total Current Liabilities	63,033	1,309,799	2,103,447
Noncurrent:			
Insurance assessment payable - due in more than one year	-	1,144,600	-
Claims and judgments payable - due in more than one year	-	3,612,030	8,975,914
Capital leases obligations - due in more than one year	-	-	-
Compensated absences payable - due in more than one year	-	18,236	20,278
Total Noncurrent Liabilities	-	4,774,866	8,996,192
Total Liabilities	63,033	6,084,665	11,099,639
 <u>Net Position</u>			
Net investment in capital assets	-	-	-
Unrestricted	2,256,703	(4,286,033)	(6,835,073)
Total Net Position (Deficit)	\$ 2,256,703	\$ (4,286,033)	\$ (6,835,073)

CITY OF MONTEREY PARK
Combining Schedule of Net Position - Internal Service Funds, Continued
June 30, 2019

<u>Assets</u>	<u>Shop</u>	<u>Technology</u>	<u>Total</u>
Current Assets:			
Cash and investments	1,846,710	1,141,293	\$ 11,370,937
Total Current Assets	1,846,710	1,141,293	11,370,937
Noncurrent Assets:			
Nondepreciable capital assets	2,617,378	245,262	2,862,640
Depreciable capital assets, net of accumulated depreciation	1,090,360	310,292	1,400,652
Total Capital Assets	3,707,738	555,554	4,263,292
Total Noncurrent Assets	3,707,738	555,554	4,263,292
Total Assets	5,554,448	1,696,847	15,634,229
 <u>Liabilities</u>			
Current Liabilities:			
Accounts payable	70,755	29,763	266,715
Accrued payroll	12,934	-	91,724
Insurance assessment payable - due within one year	-	-	163,514
Claims and judgments payable - due within one year	-	-	3,063,499
Capital leases payable - due within one year	344,867	-	344,867
Compensated absences payable - due within one year	5,910	-	10,189
Total Current Liabilities	434,466	29,763	3,940,508
Noncurrent:			
Insurance assessment payable - due in more than one year	-	-	1,144,600
Claims and judgments payable - due in more than one year	-	-	12,587,944
Capital leases obligations - due in more than one year	2,104,748	-	2,104,748
Compensated absences payable - due in more than one year	53,194	-	91,708
Total Noncurrent Liabilities	2,157,942	-	15,929,000
Total Liabilities	2,592,408	29,763	19,869,508
 <u>Net Position</u>			
Net investment in capital assets	3,707,738	555,554	4,263,292
Unrestricted	(745,698)	1,111,530	(8,498,571)
Total Net Position (Deficit)	\$ 2,962,040	\$ 1,667,084	\$ (4,235,279)

CITY OF MONTEREY PARK
Combining Schedule of Revenues, Expenses and
Changes in Net Position - Internal Service Funds
For the Year Ended June 30, 2019

	Separation Benefits	General Liability	Workers' Compensation
Operating Revenues:			
Charges for services	1,372,423	1,976,520	1,836,109
Other revenue	-	-	132,449
Total Operating Revenues	<u>1,372,423</u>	<u>1,976,520</u>	<u>1,968,558</u>
Operating Expenses:			
Salaries and benefits	884,723	136,957	133,363
Materials and supplies	-	-	-
Insurance and claims	-	3,957,685	3,528,722
Miscellaneous	-	-	-
Depreciation	-	-	-
Total Operating Expenses	<u>884,723</u>	<u>4,094,642</u>	<u>3,662,085</u>
Operating Income (Loss)	<u>487,700</u>	<u>(2,118,122)</u>	<u>(1,693,527)</u>
Nonoperating Income:			
Gain on sale of surplus property	-	-	-
Interest expense	-	-	-
Total Nonoperating Income	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):			
Transfers in	-	500,000	-
Transfers out	(500,000)	-	-
Total Other Financing Sources (Uses)	<u>(500,000)</u>	<u>500,000</u>	<u>-</u>
Changes in Net Position	(12,300)	(1,618,122)	(1,693,527)
Net Position (Deficit), Beginning of Year	<u>2,269,003</u>	<u>(2,667,911)</u>	<u>(5,141,546)</u>
Net Position (Deficit), End of Year	<u>\$ 2,256,703</u>	<u>\$ (4,286,033)</u>	<u>\$ (6,835,073)</u>

CITY OF MONTEREY PARK
Combining Schedule of Revenues, Expenses and
Changes in Net Position - Internal Service Funds, Continued
For the Year Ended June 30, 2019

	<u>Shop</u>	<u>Technology</u>	<u>Total</u>
Operating Revenues:			
Charges for services	1,992,816	287,259	\$ 7,465,127
Other revenue	4,114	-	136,563
Total Operating Revenues	<u>1,996,930</u>	<u>287,259</u>	<u>7,601,690</u>
Operating Expenses:			
Salaries and benefits	490,885	2,460	1,648,388
Materials and supplies	900,799	3,803	904,602
Insurance and claims	-	-	7,486,407
Miscellaneous	313,111	29,763	342,874
Depreciation	252,985	53,424	306,409
Total Operating Expenses	<u>1,957,780</u>	<u>89,450</u>	<u>10,688,680</u>
Operating Income (Loss)	<u>39,150</u>	<u>197,809</u>	<u>(3,086,990)</u>
Nonoperating Income:			
Gain on sale of surplus property	-	-	-
Interest expense	(41,744)	-	(41,744)
Total Nonoperating Income	<u>(41,744)</u>	<u>-</u>	<u>(41,744)</u>
Other Financing Sources (Uses):			
Transfers in	-	-	500,000
Transfers out	-	-	(500,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Changes in Net Position	(2,594)	197,809	(3,128,734)
Net Position (Deficit), Beginning of Year	<u>2,964,634</u>	<u>1,469,275</u>	<u>(1,106,545)</u>
Net Position (Deficit), End of Year	<u>\$ 2,962,040</u>	<u>\$ 1,667,084</u>	<u>\$ (4,235,279)</u>

CITY OF MONTEREY PARK
Combining Schedule of Cash Flows - Internal Service Funds
For the Year Ended June 30, 2019

	Separation Benefits	General Liability	Workers' Compensation
Cash Flows from Operating Activities:			
Cash receipts from interfund services provided	\$ 1,372,423	\$ 1,976,520	\$ 1,836,109
Cash receipts from reimbursements and other operating revenues	-	-	132,449
Cash payments to suppliers for goods and services	-	-	-
Cash payments to employees for services	(880,264)	(125,430)	(111,379)
Cash payments for insurance premiums and self-insurance claims	-	(2,995,823)	(2,182,147)
Net Cash Provided by (Used in) Operating Activities	<u>492,159</u>	<u>(1,144,733)</u>	<u>(324,968)</u>
Cash Flows from Noncapital and Related Financing Activities:			
Cash received from other funds	-	500,000	-
Cash paid to other funds	(500,000)	-	-
Net Cash Provided by (Used in) Noncapital and Related Financing Activities	<u>(500,000)</u>	<u>500,000</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	-	-
Principal paid on lease financing	-	-	-
Interest paid on lease financing	-	-	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(7,841)	(644,733)	(324,968)
Cash and Cash Equivalents, Beginning of Year	<u>2,327,577</u>	<u>2,443,365</u>	<u>4,589,534</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,319,736</u>	<u>\$ 1,798,632</u>	<u>\$ 4,264,566</u>
Noncash Capital and Related Financing Activities			
Vehicle capital lease acquisitions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	<u>\$ 487,700</u>	<u>\$ (2,118,122)</u>	<u>\$ (1,693,527)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation	-	-	-
Changes in assets and liabilities:			
(Increase) decrease in inventory	-	-	-
Increase (decrease) in accounts payable	-	12,681	89,774
Increase (decrease) in accrued payroll	4,459	2,877	7,995
Increase (decrease) in insurance assessment payable	-	(163,515)	-
Increase (decrease) in claims and judgments payable	-	1,112,696	1,256,801
Increase (decrease) in compensated absences payable	-	8,650	13,989
Total Adjustments	<u>4,459</u>	<u>973,389</u>	<u>1,368,559</u>
Net Cash Provided by Operating Activities	<u>\$ 492,159</u>	<u>\$ (1,144,733)</u>	<u>\$ (324,968)</u>

CITY OF MONTEREY PARK
Combining Schedule of Cash Flows - Internal Service Funds, Continued
For the Year Ended June 30, 2019

	Shop	Technology	Totals
Cash Flows from Operating Activities:			
Cash receipts from interfund services provided	\$ 1,992,816	\$ 287,259	\$ 7,465,127
Cash receipts from reimbursements and other operating revenues	4,114	-	136,563
Cash payments to suppliers for goods and services	(1,365,831)	(6,518)	(1,372,349)
Cash payments to employees for services	(483,052)	-	(1,600,125)
Cash payments for insurance premiums and self-insurance claims	-	-	(5,177,970)
Net Cash Provided by (Used in) Operating Activities	148,047	280,741	(548,754)
Cash Flows from Capital and Related Financing Activities:			
Cash received from other funds	-	-	500,000
Cash paid to other funds	-	-	(500,000)
Net Cash Provided by (Used in) Noncapital and Related Financing Activities	-	-	-
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(387,833)	(245,262)	(633,095)
Principal paid on lease financing	(168,385)	-	(168,385)
Interest paid on lease financing	(41,744)	-	(41,744)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(597,962)	(245,262)	(843,224)
Net Increase (Decrease) in Cash and Cash Equivalents	(449,915)	35,479	(1,391,978)
Cash and Cash Equivalents, Beginning of Year	2,296,625	1,105,814	12,762,915
Cash and Cash Equivalents, End of Year	\$ 1,846,710	\$ 1,141,293	\$ 11,370,937
Noncash Capital and Related Financing Activities			
Vehicle capital lease acquisitions	\$ 2,618,000	\$ -	2,618,000
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ 39,150	\$ 197,809	\$ (3,086,990)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation	252,985	53,424	306,409
Changes in assets and liabilities:			
(Increase) decrease in inventory	4,520	-	4,520
Increase (decrease) in accounts payable	(156,441)	29,508	(24,478)
Increase (decrease) in accrued payroll	2,426	-	17,757
Increase (decrease) in insurance assessment payable	-	-	(163,515)
Increase (decrease) in claims and judgments payable	-	-	2,369,497
Increase (decrease) in compensated absences payable	5,407	-	28,046
Total Adjustments	108,897	82,932	2,538,236
Net Cash Provided by Operating Activities	\$ 148,047	\$ 280,741	\$ (548,754)

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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.

CITY OF MONTEREY PARK
Combining Schedule of Assets and Liabilities - All Agency Funds
June 30, 2019

<u>Assets</u>	Deposits Fund	Construction Agency Fund	Totals
Cash and investments	\$ 2,582,382	770,022	\$ 3,352,404
Accounts Receivable	16,958	-	16,958
Total Assets	<u>\$ 2,599,340</u>	<u>\$ 770,022</u>	<u>\$ 3,369,362</u>
<u>Liabilities</u>			
Accounts payable	\$ 44,996	\$ 7	\$ 45,003
Deposits payable	<u>2,554,344</u>	<u>770,015</u>	<u>3,324,359</u>
Total Liabilities	<u>\$ 2,599,340</u>	<u>\$ 770,022</u>	<u>\$ 3,369,362</u>

CITY OF MONTEREY PARK
Combining Schedule of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended June 30, 2019

<u>Deposits Fund</u>	Balance at July 1, 2018	Additions	Deletions	Balance at June 30, 2019
Assets:				
Cash and investments	\$ 2,883,243	\$ 785,224	\$ (1,086,085)	\$ 2,582,382
Accounts receivable	1,581	32,674	(17,297)	16,958
	<u>\$ 2,884,824</u>	<u>\$ 817,898</u>	<u>\$ (1,103,382)</u>	<u>\$ 2,599,340</u>
Liabilities:				
Accounts payable	\$ 17,665	\$ 986,030	\$ (958,699)	\$ 44,996
Deposits payable	2,867,159	780,331	(1,093,146)	2,554,344
Total Liabilities	<u>\$ 2,884,824</u>	<u>\$ 1,766,361</u>	<u>\$ (2,051,845)</u>	<u>\$ 2,599,340</u>
 <u>Construction Agency Fund</u>				
Assets:				
Cash and investments	<u>\$ 206,926</u>	<u>\$ 707,995</u>	<u>\$ (144,899)</u>	<u>\$ 770,022</u>
Liabilities:				
Accounts payable	\$ 57,263	\$ 87,477	\$ (144,733)	\$ 7
Deposits payable	149,663	707,995	(87,643)	770,015
Total Liabilities	<u>\$ 206,926</u>	<u>\$ 795,472</u>	<u>\$ (232,376)</u>	<u>\$ 770,022</u>
 <u>Total - All Agency Funds</u>				
Assets:				
Cash and investments	\$ 3,090,169	\$ 1,493,219	\$ (1,230,984)	\$ 3,352,404
Accounts receivable	1,581	32,674	(17,297)	16,958
	<u>\$ 3,091,750</u>	<u>\$ 1,525,893</u>	<u>\$ (1,248,281)</u>	<u>\$ 3,369,362</u>
Liabilities:				
Accounts payable	\$ 74,928	\$ 1,073,507	\$ (1,103,432)	\$ 45,003
Deposits payable	3,016,822	1,488,326	(1,180,789)	3,324,359
Total Liabilities	<u>\$ 3,091,750</u>	<u>\$ 2,561,833</u>	<u>\$ (2,284,221)</u>	<u>\$ 3,369,362</u>

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Statistical Section

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.

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Financial Trends Information - These schedules contain trend information to help the reader to understand how the City's financial performance and well-being have changed over time.

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CITY OF MONTEREY PARK
Net Position by Components
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2009/10	2010/11	2011/12	2012/13	2013/14
Governmental Activities:					
Net investment in capital assets	\$ 44,779,820	\$ 42,184,114	\$ 47,380,971	\$ 50,018,559	\$ 50,805,697
Restricted	54,638,570	29,449,081	26,824,487	20,629,264	18,330,529
Unrestricted	<u>(43,282,599)</u>	<u>(21,658,335)</u>	<u>6,298,370</u>	<u>9,341,223</u>	<u>11,318,896</u>
Total governmental activities net position	<u>\$ 56,135,791</u>	<u>\$ 49,974,860</u>	<u>\$ 80,503,828</u>	<u>\$ 79,989,046</u>	<u>\$ 80,455,122</u>
Business-Type Activities:					
Net investment in capital assets	\$ 17,254,986	\$ 19,372,272	\$ 20,439,644	\$ 20,381,489	\$ 20,020,776
Restricted	-	-	-	-	-
Unrestricted	<u>10,911,685</u>	<u>17,752,724</u>	<u>19,943,174</u>	<u>25,700,563</u>	<u>26,197,066</u>
Total business-type activities net position	<u>\$ 28,166,671</u>	<u>\$ 37,124,996</u>	<u>\$ 40,382,818</u>	<u>\$ 46,082,052</u>	<u>\$ 46,217,842</u>
Primary Government:					
Net investment in capital assets	\$ 62,034,806	\$ 61,556,386	\$ 67,820,615	\$ 70,400,048	\$ 70,826,473
Restricted	54,638,570	29,449,081	26,824,487	20,629,264	18,330,529
Unrestricted	<u>(32,370,914)</u>	<u>(3,905,611)</u>	<u>26,241,544</u>	<u>35,041,786</u>	<u>37,515,962</u>
Total primary government net position	<u>\$ 84,302,462</u>	<u>\$ 87,099,856</u>	<u>\$ 120,886,646</u>	<u>\$ 126,071,098</u>	<u>\$ 126,672,964</u>

CITY OF MONTEREY PARK
Net Position by Components
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2014/15	2015/16	2016/17	2017/18	2018/19
Governmental Activities:					
Net investment in capital assets	\$ 46,057,423	\$ 47,995,442	\$ 49,245,097	\$ 51,940,625	\$ 54,422,220
Restricted	20,198,282	22,221,698	20,689,401	22,583,024	28,308,812
Unrestricted	<u>(79,297,776)</u>	<u>(68,990,541)</u>	<u>(63,742,375)</u>	<u>(85,102,541)</u>	<u>(94,444,814)</u>
Total governmental activities net position	<u>\$ (13,042,071)</u>	<u>\$ 1,226,599</u>	<u>\$ 6,192,123</u>	<u>\$ (10,578,892)</u>	<u>\$ (11,713,782)</u>
Business-Type Activities:					
Net investment in capital assets	\$ 15,083,212	\$ 23,132,584	\$ 27,583,180	\$ 32,224,486	\$ 32,343,708
Restricted	-	514,518	-	-	-
Unrestricted	<u>24,186,095</u>	<u>18,629,778</u>	<u>19,078,479</u>	<u>18,182,441</u>	<u>22,623,485</u>
Total business-type activities net position	<u>\$ 39,269,307</u>	<u>\$ 42,276,880</u>	<u>\$ 46,661,659</u>	<u>\$ 50,406,927</u>	<u>\$ 54,967,193</u>
Primary Government:					
Net investment in capital assets	\$ 61,140,635	\$ 71,128,006	\$ 76,828,277	\$ 84,165,111	\$ 86,765,928
Restricted	20,198,282	22,736,216	20,689,401	22,583,024	28,308,812
Unrestricted	<u>(55,111,681)</u>	<u>(50,360,763)</u>	<u>(44,663,896)</u>	<u>(66,920,100)</u>	<u>(71,821,329)</u>
Total primary government net position	<u>\$ 26,227,236</u>	<u>\$ 43,503,459</u>	<u>\$ 52,853,782</u>	<u>\$ 39,828,035</u>	<u>\$ 43,253,411</u>

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

	Fiscal Year				
	2009/10	2010/11	2011/2012	2012/2013	2013/2014
Expenses:					
Governmental activities:					
General government	\$ 3,393,846	\$ 3,497,432	\$ 4,405,489	\$ 6,522,107	\$ 4,050,482
Public safety	29,652,341	27,575,013	27,764,258	26,233,074	27,352,152
Community development	13,427,547	11,027,820	5,673,116	8,521,044	2,343,881
Culture and recreation	7,009,277	6,685,623	6,378,055	5,909,468	6,277,461
Highway and streets	5,981,608	5,209,925	4,886,331	5,380,336	6,434,924
Health	88,940	120,000	120,000	119,999	120,000
Interest and fiscal charges	2,909,194	2,785,485	2,128,198	1,275,063	1,207,716
Total governmental activities expenses	<u>62,462,753</u>	<u>56,901,298</u>	<u>51,355,447</u>	<u>53,961,091</u>	<u>47,786,616</u>
Business-type activities:					
Water	9,506,799	10,907,990	11,542,663	10,706,980	11,775,078
Refuse	5,793,221	5,812,305	5,944,116	6,040,457	6,985,344
Sewer	181,271	310,115	331,683	238,551	221,078
Total business-type activities expenses	<u>15,481,291</u>	<u>17,030,410</u>	<u>17,818,462</u>	<u>16,985,988</u>	<u>18,981,500</u>
Total primary government expenses	<u>77,944,044</u>	<u>73,931,708</u>	<u>69,173,909</u>	<u>70,947,079</u>	<u>66,768,116</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	640,487	626,842	627,769	909,328	907,537
Public safety	3,292,950	3,186,391	2,926,775	3,037,155	3,076,644
Community development	2,250,642	1,567,774	1,608,072	1,541,110	1,442,835
Culture and recreation	816,852	770,602	692,083	738,884	690,289
Highway and Streets	1,400,245	1,360,611	369,180	451,744	400,382
Health	-	-	-	-	-
Operating grants and contributions	5,394,275	4,952,726	4,667,552	5,258,202	1,516,481
Capital grants and contributions	2,929,631	1,646,048	3,725,194	1,988,468	627,628
Total government activities program revenues	<u>16,725,082</u>	<u>14,110,994</u>	<u>14,616,625</u>	<u>13,924,891</u>	<u>8,661,796</u>
Business-type activities:					
Charges for services:					
Water	9,740,486	10,533,780	12,853,684	13,302,811	10,747,045
Refuse	5,796,888	5,980,597	6,001,641	5,832,841	6,028,436
Sewer	269,338	271,984	273,496	273,556	287,548
Operating grants and contributions	336,862	225,000	-	-	-
Capital grants and contributions	80,322	74,414	91,894	41,834	169,783
Total business-type activities revenues	<u>16,223,896</u>	<u>17,085,775</u>	<u>19,220,715</u>	<u>19,451,042</u>	<u>17,232,812</u>
Total primary government revenues	<u>\$ 32,948,978</u>	<u>\$ 31,196,769</u>	<u>\$ 33,837,340</u>	<u>\$ 33,375,933</u>	<u>\$ 25,894,608</u>

Source: City of Monterey Park Management Services Department

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

	Fiscal Year				
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Expenses:					
Governmental activities:					
General government	\$ 4,610,081	\$ 3,771,179	\$ 4,935,827	\$ 13,276,893	\$ 8,675,180
Public safety	26,907,556	27,479,974	30,527,993	35,442,619	41,058,210
Community development	7,049,958	2,456,567	2,368,605	2,536,781	2,555,488
Culture and recreation	8,665,230	7,151,089	7,383,391	8,037,936	8,394,326
Highway and streets	5,512,170	6,223,450	5,555,218	5,856,197	6,778,639
Health	488,697	116,629	250,000	160,000	150,000
Interest and fiscal charges	1,269,034	990,315	993,823	940,605	931,970
Total governmental activities expenses	54,502,726	48,189,203	52,014,857	66,251,032	68,543,813
Business-type activities:					
Water	12,906,852	11,962,698	13,197,497	11,978,551	15,975,908
Refuse	6,657,089	7,562,168	7,648,908	6,364,504	6,782,261
Sewer	522,245	1,117,677	1,332,184	2,120,013	1,925,498
Total business-type activities expenses	20,086,186	20,642,543	22,178,589	20,463,068	24,683,667
Total primary government expenses	74,588,912	68,831,746	74,193,446	86,714,100	93,227,480
Program revenues:					
Governmental activities:					
Charges for services:					
General government	1,005,102	1,157,100	1,216,968	1,290,795	1,951,847
Public safety	2,956,084	3,766,713	2,665,634	4,239,502	3,263,720
Community development	2,023,271	2,607,075	3,660,518	3,364,687	2,828,385
Culture and recreation	1,320,369	1,289,483	1,327,230	1,956,845	1,012,436
Highway and Streets	1,462,323	1,403,282	1,688,010	1,382,500	1,341,088
Health					
Operating grants and contributions	7,963,721	7,953,884	6,928,332	8,281,863	12,119,613
Capital grants and contributions	557,625	502,276	1,134,757	159,994	1,209,222
Total government activities program revenues	17,288,495	18,779,813	18,621,449	20,676,186	23,726,311
Business-type activities:					
Charges for services:					
Water	11,452,592	12,323,342	13,439,676	14,213,398	15,251,324
Refuse	6,371,405	6,954,603	7,124,768	6,760,312	6,674,188
Sewer	1,714,098	2,673,585	2,843,412	3,164,108	3,546,475
Operating grants and contributions					
Capital grants and contributions	98,776	97,507	1,916,453	2,341,781	1,362,136
Total business-type activities revenues	19,636,871	22,049,037	25,324,309	26,479,599	26,834,123
Total primary government revenues	\$ 36,925,366	\$ 40,828,850	\$ 43,945,758	\$ 47,155,785	\$ 50,560,434

(Continued)

Source: City of Monterey Park Management Services Department

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

(Continued)

	Fiscal Year				
	2009/10	2010/11	2011/2012	2012/2013	2013/2014
Net (expense)/revenue:					
Governmental activities:	\$ (45,737,671)	\$ (42,790,304)	\$ (36,738,822)	\$ (40,036,200)	\$ (39,124,820)
Business-type activities:	742,605	55,365	1,402,253	2,465,054	(1,748,688)
Total primary government revenues	<u>\$ (44,995,066)</u>	<u>\$ (42,734,939)</u>	<u>\$ (35,336,569)</u>	<u>\$ (37,571,146)</u>	<u>\$ (40,873,508)</u>
General revenues and other					
Changes in net assets:					
Governmental activities:					
Taxes:					
Property taxes	\$ 27,059,553	\$ 27,331,232	\$ 24,537,300	\$ 24,066,354	\$ 19,794,165
Sales tax	4,100,798	4,803,406	5,057,132	5,437,244	4,942,821
Vehicle in-lieu tax	191,604	345,406	32,170	33,334	27,588
Utility users tax	3,349,907	3,219,600	3,092,796	3,041,163	3,202,264
Utility franchise tax	934,505	967,322	942,985	942,736	970,212
Business license tax	925,037	944,837	945,367	941,005	974,816
Transient occupancy tax	660,897	756,873	876,482	957,024	1,049,070
Other taxes	1,263,874	1,837,784	1,868,862	2,760,446	7,282,605
Revenues from use of money and property	1,021,730	891,671	776,649	827,781	872,174
Other	917,403	249,075	685,026	499,923	731,679
Gain/(Loss) on sale of property	(29,528)	6,627	1,842,182	14,408	-
Transfers	<u>278,000</u>	<u>281,400</u>	<u>350,000</u>	<u>-</u>	<u>18,000</u>
Total general revenues and transfers	<u>40,673,780</u>	<u>41,635,233</u>	<u>41,006,951</u>	<u>39,521,418</u>	<u>39,865,394</u>
Extraordinary item	-	-	26,752,439	-	-
Business-type activities:					
Revenues from use of money and property					
Other	1,345,322	4,168,640	2,205,569	3,230,138	1,897,638
Gain/(Loss) on sale of property	-	9,865	-	4,042	4,840
Transfers	<u>(278,000)</u>	<u>(281,400)</u>	<u>(350,000)</u>	<u>-</u>	<u>(18,000)</u>
Total business-type activities	<u>1,067,322</u>	<u>3,897,105</u>	<u>1,855,569</u>	<u>3,234,180</u>	<u>1,884,478</u>
Total primary government	<u>41,741,102</u>	<u>45,532,338</u>	<u>42,862,520</u>	<u>42,755,598</u>	<u>41,749,872</u>
Changes in net position					
Governmental activities	(5,063,891)	(1,155,071)	31,020,568	(514,782)	740,574
Business-type activities	1,809,927	3,952,470	3,257,822	5,699,234	135,790
Total primary government	<u>\$ (3,253,964)</u>	<u>\$ 2,797,399</u>	<u>\$ 34,278,390</u>	<u>\$ 5,184,452</u>	<u>\$ 876,364</u>

Source: City of Monterey Park Management Services Department

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

(Continued)

	Fiscal Year				
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Net (expense)/revenue:					
Governmental activities:	\$ (37,214,231)	\$ (29,409,390)	\$ (33,393,408)	\$ (45,574,846)	\$ (44,817,502)
Business-type activities:	(449,315)	1,406,494	3,145,720	6,016,531	2,150,456
Total primary government revenues	<u>\$ (37,663,546)</u>	<u>\$ (28,002,896)</u>	<u>\$ (30,247,688)</u>	<u>\$ (39,558,315)</u>	<u>\$ (42,667,046)</u>
General revenues and other					
Changes in net assets:					
Governmental activities:					
Taxes:					
Property taxes	\$ 22,600,233	\$ 22,235,616	\$ 23,154,960	\$ 24,306,944	\$ 25,904,561
Sales tax	5,245,208	6,427,211	6,517,491	5,341,854	7,156,102
Vehicle in-lieu tax	26,649	25,041	27,482	32,428	29,876
Utility users tax	3,257,450	3,212,890	3,212,912	2,964,825	3,107,983
Utility franchise tax	1,028,025	992,615	938,802	966,346	973,084
Business license tax	1,340,197	1,052,086	1,244,295	1,146,838	1,140,840
Transient occupancy tax	1,158,767	1,248,578	1,261,777	1,163,775	1,064,049
Other taxes	346,203	285,845	269,734	585,106	158,828
Revenues from use of money and property	929,648	1,155,649	701,151	1,689,011	2,413,637
Other	1,153,382	1,403,883	1,030,348	1,736,642	1,733,652
Gain/(Loss) on sale of property	-	-	-	-	-
Transfers	-	-	-	-	-
Total general revenues and transfers	<u>37,085,762</u>	<u>38,039,414</u>	<u>38,358,952</u>	<u>39,933,769</u>	<u>43,682,612</u>
Extraordinary item	-	5,638,626	-	-	-
Business-type activities:					
Revenues from use of money and property	-	-	105	-	-
Other	2,192	1,601,079	1,238,954	1,053,244	2,409,810
Gain/(Loss) on sale of property	1,258,626	-	-	-	-
Transfers	18,485	-	-	-	-
Total business-type activities	<u>1,279,303</u>	<u>1,601,079</u>	<u>1,239,059</u>	<u>1,053,244</u>	<u>2,409,810</u>
Total primary government	<u>38,365,065</u>	<u>39,640,493</u>	<u>39,598,011</u>	<u>40,987,013</u>	<u>46,092,422</u>
Changes in net position					
Governmental activities	(128,469)	14,268,650	4,965,544	(5,641,077)	(1,134,890)
Business-type activities	829,988	3,007,573	4,384,779	7,069,775	4,560,266
Total primary government	<u>\$ 701,519</u>	<u>\$ 17,276,223</u>	<u>\$ 9,350,323</u>	<u>\$ 1,428,698</u>	<u>\$ 3,425,376</u>

Source: City of Monterey Park Management Services Department

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

	Fiscal Year				
	2009/10	2010/11	2011/12	2012/13	2013/14
General Fund:					
Nonspendable	\$ 695,930	\$ 710,330	\$ 703,230	\$ -	\$ -
Restricted	-	-	-	-	-
Committed	5,340,000	5,340,000	7,173,519	7,173,519	7,173,519
Assigned	5,207,133	4,589,465	5,145,940	9,653,901	9,321,463
Unassigned	<u>2,519,641</u>	<u>2,505,441</u>	<u>2,505,441</u>	<u>3,554,425</u>	<u>3,554,425</u>
Total general fund	<u>\$ 13,762,704</u>	<u>\$ 13,145,236</u>	<u>\$ 15,528,130</u>	<u>\$ 20,381,845</u>	<u>\$ 20,049,407</u>
All other governmental funds:					
Nonspendable	\$ 22,447,581	\$ 22,336,060	-	\$ 1,989,686	\$ 1,989,686
Restricted	21,025,370	29,449,081	\$ 26,824,487	18,684,533	17,449,555
Committed	2,524,270	3,524,270	-	-	1,496,211
Assigned	17,344,673	10,523,233	-	-	-
Unassigned	<u>-</u>	<u>(105,492)</u>	<u>(153,120)</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 63,341,894</u>	<u>\$ 65,727,152</u>	<u>\$ 26,671,367</u>	<u>\$ 20,674,219</u>	<u>\$ 20,935,452</u>
Total for Governmental Funds:	<u>\$ 77,104,598</u>	<u>\$ 78,872,388</u>	<u>\$ 42,199,497</u>	<u>\$ 41,056,064</u>	<u>\$ 40,984,859</u>

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

	Fiscal Year				
	2014/15	2015/16	2016/17	2017/18	2018/19
General Fund:					
Nonspendable	\$ 741,556	\$ 741,556	\$ 816,495	\$ 74,939	\$ 75,778
Restricted	-	78,799	-	-	-
Committed	7,173,519	10,979,027	10,826,927	10,826,927	7,226,927
Assigned	10,095,120	12,052,503	14,414,724	15,064,826	20,147,039
Unassigned	<u>3,556,499</u>	<u>4,554,426</u>	<u>4,144,661</u>	<u>3,994,828</u>	<u>5,105,667</u>
Total general fund	<u>\$ 21,566,694</u>	<u>\$ 28,406,311</u>	<u>\$ 30,202,807</u>	<u>\$ 29,961,520</u>	<u>\$ 32,555,411</u>
All other governmental funds:					
Nonspendable	\$ 1,921,015	\$ -	\$ -	\$ -	\$ -
Restricted	19,872,630	21,597,574	21,426,308	22,145,598	26,088,353
Committed	699,188	584,570	472,919	437,426	417,741
Assigned	-	-	-	-	-
Unassigned	<u>(931,973)</u>	<u>(168,139)</u>	<u>(1,369,489)</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 21,560,860</u>	<u>\$ 22,014,005</u>	<u>\$ 20,529,738</u>	<u>\$ 22,583,024</u>	<u>\$ 26,506,094</u>
Total for Governmental Funds:	<u>\$ 43,127,554</u>	<u>\$ 50,420,316</u>	<u>\$ 50,732,545</u>	<u>\$ 52,544,544</u>	<u>\$ 59,061,505</u>

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

	Fiscal Year				
	2009/10	2010/11 ⁽¹⁾	2011/12	2012/13	2013/14
Revenues:					
Taxes	\$ 38,619,421	\$ 42,568,610	\$ 37,442,373	\$ 41,087,434	\$ 38,059,146
Licenses and permits	2,419,414	1,661,496	1,856,887	967,662	848,949
Intergovernmental revenues	6,318,925	4,262,737	6,006,714	4,693,489	2,035,035
Charges for services	11,584,210	4,554,131	4,360,368	4,981,641	4,922,983
Revenues from use of money & property	939,476	767,652	744,346	822,143	943,369
Fines and forfeitures	1,393,098	1,272,417	952,992	822,779	931,718
Other	996,867	376,314	720,230	1,374,275	767,790
Total revenues	<u>62,271,411</u>	<u>55,463,357</u>	<u>52,083,910</u>	<u>54,749,423</u>	<u>48,508,990</u>
Expenditures					
Current:					
General government	3,633,847	3,771,085	3,621,179	4,454,906	3,859,127
Public safety	26,459,263	25,692,272	25,681,372	25,080,613	25,647,992
Community development	11,424,004	10,826,979	5,633,982	7,808,273	2,345,099
Culture and recreation	5,870,577	5,561,337	5,577,207	5,677,937	5,587,721
Highways and streets	4,721,343	4,434,810	4,207,740	4,362,120	5,672,512
Health	6,094,492	120,000	120,000	119,999	120,000
Capital outlay	9,045,208	8,114,199	8,114,199	5,928,361	2,957,442
Debt service:					
Principal	2,229,221	2,284,269	2,020,927	1,204,215	1,229,166
Interest and fiscal charges	2,853,313	2,731,427	1,990,861	1,270,840	1,217,331
Total expenditures	<u>72,331,268</u>	<u>63,536,378</u>	<u>56,967,467</u>	<u>55,907,264</u>	<u>48,636,390</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,059,857)</u>	<u>(8,073,021)</u>	<u>(4,883,557)</u>	<u>(1,157,841)</u>	<u>(127,400)</u>
Other financing sources (uses):					
Transfers in	5,344,657	13,451,752	776,146	9,466	943,350
Transfers out	(5,066,657)	(13,170,352)	(426,146)	(9,466)	(903,905)
(Loss) on sale of property	-	-	-	-	-
Proceeds from sale of property	599,751	6,627	1,842,182	14,408	16,750
Proceeds from tax increment deferred	3,705,856	3,775,724	-	-	-
Proceeds from section 108 loan	-	-	-	-	-
Issue of long term debt	-	-	-	-	-
Total other financing Sources (uses)	<u>4,583,607</u>	<u>4,063,751</u>	<u>2,192,182</u>	<u>14,408</u>	<u>56,195</u>
Net change in fund balances before Extraordinary Item	<u>\$ (5,476,250)</u>	<u>\$ (4,009,270)</u>	<u>\$ (2,691,375)</u>	<u>\$ (1,143,433)</u>	<u>\$ (71,205)</u>
Extraordinary Items	-	-	(33,981,516)	-	-
Net change in fund balances	<u>\$ (5,476,250)</u>	<u>\$ (4,009,270)</u>	<u>\$ (36,672,891)</u>	<u>\$ (1,143,433)</u>	<u>\$ (71,205)</u>
Debt services as a percentage of noncapital expenditures ⁽²⁾	8.03%	9.05%	8.21%	4.95%	5.36%

Notes:

- Starting 2010-11, Refuse and Sewer funds were classified as Enterprise Fund.
- The ratio of total debt service to noncapital expenditures is calculated as total debt service expenditures (principal and interest) / total noncapital expenditures (the difference between total expenditures and capitalized capital outlay expenditures).

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

	Fiscal Year				
	2014/15	2015/16	2016/17	2017/18	2018/19
Revenues:					
Taxes	\$ 41,748,001	\$ 41,158,303	\$ 41,891,277	\$ 42,680,203	\$ 47,193,914
Licenses and permits	775,135	2,428,895	2,913,671	2,729,412	3,038,847
Intergovernmental revenues	3,072,957	3,203,752	1,851,272	2,927,646	4,247,826
Charges for services	5,521,035	6,110,829	6,721,667	8,417,372	7,161,652
Revenues from use of money & property	919,998	1,207,629	694,820	1,727,784	2,701,145
Fines and forfeitures	1,043,704	1,295,647	605,957	680,133	1,623,039
Other	1,180,868	1,414,172	1,074,799	1,756,785	1,741,046
Total revenues	<u>54,261,698</u>	<u>56,819,227</u>	<u>55,753,463</u>	<u>60,919,335</u>	<u>67,707,469</u>
Expenditures					
Current:					
General government	4,609,650	5,744,019	5,844,104	7,146,292	6,136,588
Public safety	27,076,488	28,396,653	29,258,673	30,235,225	34,708,110
Community development	3,015,194	2,261,895	2,392,374	2,497,952	2,563,517
Culture and recreation	6,738,804	6,464,589	6,634,294	6,981,663	7,383,682
Highways and streets	4,938,939	5,103,275	4,780,221	4,812,085	5,347,037
Health	488,697		250,000	160,000	150,000
Capital outlay	4,855,050	4,594,721	3,415,464	4,413,196	2,927,407
Debt service:					
Principal	1,255,802	1,291,263	1,370,156	1,416,257	1,079,149
Interest and fiscal charges	1,279,276	1,058,676	995,948	944,666	895,018
Total expenditures	<u>54,257,900</u>	<u>54,915,091</u>	<u>54,941,234</u>	<u>58,607,336</u>	<u>61,190,508</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,798</u>	<u>1,904,136</u>	<u>812,229</u>	<u>2,311,999</u>	<u>6,516,961</u>
Other financing sources (uses):					
Transfers in	1,380,000	2,327,332	2,246,686	2,225,885	3,003,264
Transfers out	(1,380,000)	(2,577,332)	(2,746,686)	(2,725,885)	(3,003,264)
(Loss) on sale of property	-	-	-	-	-
Proceeds from sale of property	562,114	-	-	-	-
Proceeds from tax increment deferred	-	-	-	-	-
Proceeds from section 108 loan	-	-	-	-	-
Issue of long term debt	1,576,783	-	-	-	-
Total other financing sources (uses)	<u>2,138,897</u>	<u>(250,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Net change in fund balances before Extraordinary Item	<u>\$ 2,142,695</u>	<u>\$ 1,654,136</u>	<u>\$ 312,229</u>	<u>\$ 1,811,999</u>	<u>\$ 6,516,961</u>
Extraordinary Items	-	5,638,626	-	-	-
Net change in fund balances	<u>\$ 2,142,695</u>	<u>\$ 7,292,762</u>	<u>\$ 312,229</u>	<u>\$ 1,811,999</u>	<u>\$ 6,516,961</u>
Debt services as a percentage of noncapital expenditures ⁽²⁾	5.13%	4.67%	4.59%	4.36%	3.39%

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CITY OF MONTEREY PARK
Assessed Value of Taxable Property ⁽¹⁾
Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property	Tax-Exempt Property ⁽²⁾	Total Taxable	Total
						Assessed Value	Direct Tax Rate ^{(3) (4)}
2009/10	3,987,237,477	954,666,779	138,347,522	316,094,962	29,710,040	5,396,346,740	0.39330
2010/11	4,063,980,933	919,141,515	136,429,404	329,231,172	43,696,766	5,448,783,024	0.39312
2011/12	4,176,308,316	914,084,645	141,375,663	330,098,283	34,278,620	5,561,866,907	0.39069
2012/13	4,392,899,226	1,016,937,428	146,514,412	265,303,532	33,633,996	5,821,654,598	0.40086
2013/14	4,589,336,142	1,037,976,948	156,760,121	268,842,451	33,633,996	6,052,915,662	0.24388
2014/15	4,819,968,671	1,058,583,010	160,416,355	276,605,994	29,479,877	6,315,574,030	0.24412
2015/16	5,057,044,107	1,093,431,570	164,909,195	276,512,462	29,538,778	6,591,897,334	0.24437
2016/17	5,307,806,812	1,140,647,311	173,217,543	312,397,210	28,011,283	6,934,068,876	0.24460
2017/18	5,602,078,820	1,173,225,228	186,112,221	308,114,143	27,269,372	7,269,530,412	0.24384
2018/19	5,900,997,427	1,246,669,672	202,037,631	301,345,786	27,122,190	7,651,050,516	0.24490

Notes:

- (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) Exempt values are not included in total.
- (3) Total direct rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.
- (4) Retirement tax at 0.091170 per \$100 of Assessed Valuation.

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

Agency	Fiscal Year				
	2009/10	2010/11	2011/12	2012/13	2013/14
Basic Levy ⁽¹⁾	1.00000	1.00000	1.00000	1.00000	1.00000
City Direct Rates:					
Monterey Park - Pension Obligation Bonds	<u>0.09117</u>	<u>0.09117</u>	<u>0.09117</u>	<u>0.09117</u>	<u>0.09117</u>
Total Direct Rates	<u>1.09117</u>	<u>1.09117</u>	<u>1.09117</u>	<u>1.09117</u>	<u>1.09117</u>
Overlapping Rates:					
Alhambra Unified School District	0.04881	0.05477	0.06923	0.06228	0.04906
Garvey School District	0.05378	0.05733	0.05686	0.06037	0.05978
Garvey-Alhambra	0.02728	0.03289	0.03205	0.03327	0.04914
Los Angeles Community College District	0.02311	0.04031	0.03530	0.04875	0.04454
Los Angeles Unified School District	0.15181	0.18695	0.16819	0.17561	0.14644
Metropolitan Water District	0.01800	0.01800	0.01800	0.01800	0.01800
Montebello Unified School District	0.09673	0.09792	0.10001	0.09630	0.09457
Monterey Park GO Debt	0.09117	0.09117	0.09117	0.09117	0.09117
Total Overlapping Rates	<u>0.51069</u>	<u>0.57934</u>	<u>0.57081</u>	<u>0.58575</u>	<u>0.55270</u>
Total Direct & Overlapping ⁽²⁾ Tax Rates	<u>1.60186</u>	<u>1.67051</u>	<u>1.66198</u>	<u>1.67692</u>	<u>1.64387</u>
City's Share of 1% Levy Per Prop 13 ⁽³⁾	0.15778	0.15778	0.15778	0.15778	0.15778
General Obligation Debt Rate	0.09117	0.09117	0.09117	0.09117	0.09117
Redevelopment Rate ⁽⁴⁾	1.10918	1.10918	1.10918	0.00000	0.00000
Total Direct Rate ⁽⁵⁾	0.39330	0.39312	0.39069	0.40086	0.24388

Notes:

- (1) 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 any voter approved bonds.
- (2) Overlapping rates are those of local and county governments that apply to property owners within the city. Not all overlapping rates apply to all City property owners.
- (3) City's share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figure.
- (4) Redevelopment rate is based on the largest RDA tax rate area and only includes rates(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.
- (5) Total direct rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information and excludes revenue derived from aircraft. Beginning in 2013/14 the total direct rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.
- (6) Because basic and debt rates vary by tax rate area, individual rates cannot be summed.

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

Agency	Fiscal Year				
	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
Basic Levy ⁽¹⁾	1.00000	1.00000	1.00000	1.00000	1.00000
City Direct Rates:					
Monterey Park - Pension Obligation Bonds	<u>0.09117</u>	<u>0.09117</u>	<u>0.09117</u>	<u>0.09117</u>	<u>0.09117</u>
Total Direct Rates	<u>1.09117</u>	<u>1.09117</u>	<u>1.09117</u>	<u>1.09117</u>	<u>1.09117</u>
Overlapping Rates:					
Alhambra Unified School District	0.04985	0.04926	0.03615	0.05786	0.05404
Garvey School District	0.05947	0.05874	0.06067	0.08332	0.08705
Garvey-Alhambra	0.04522	0.04538	0.05303	0.09319	0.08800
Los Angeles Community College District	0.04017	0.03575	0.03596	0.04599	0.04621
Los Angeles Unified School District	0.14688	0.12971	0.13110	0.12219	0.12323
Metropolitan Water District	0.01800	0.01800	0.02300	0.03000	0.03000
Montebello Unified School District	0.08750	0.08715	0.14705	0.13514	0.13921
Monterey Park GO Debt	0.09117	0.09117	0.09117	0.09117	0.09117
Total Overlapping Rates	<u>0.53826</u>	<u>0.51516</u>	<u>0.57813</u>	<u>0.65886</u>	<u>0.65891</u>
Total Direct & Overlapping ⁽²⁾ Tax Rates	<u>1.62943</u>	<u>1.60633</u>	<u>1.66930</u>	<u>1.75003</u>	<u>1.75008</u>
City's Share of 1% Levy Per Prop 13 ⁽³⁾	0.15778	0.15778	0.15778	0.15778	0.15778
General Obligation Debt Rate	0.09117	0.09117	0.09117	0.09117	0.09117
Redevelopment Rate ⁽⁴⁾	0.00000	0.00000	0.00000	0.00000	0.00000
Total Direct Rate ⁽⁵⁾	0.24412	0.24437	0.24460	0.24384	0.24490

Source: County of Los Angeles Tax Assessor and HDL Coren & Cone.

CITY OF MONTEREY PARK
Principal Property Taxpayers
(Current Year and Nine Years Ago)

Taxpayers	2018/19	
	Taxable Assessed Valuation	Percent of Total City Taxable Assessed Valuation
Atlantic Times Square II LLC	\$ 107,434,751	1.40%
Omninet LACC LLC ET AL	82,722,000	1.08%
Union Bank	65,297,084	0.85%
Garfield Calmed Investment LP	53,440,295	0.70%
BRE California Saturn LLC	50,979,600	0.67%
Atlantic Square LLC	48,453,685	0.63%
Atlantic Times Square X LLC	37,340,729	0.49%
Emerald Hills LLC	34,288,043	0.45%
Monterey Park Calmed Invest LP	29,197,147	0.38%
MPM Partners LLC	28,629,470	0.37%
	\$ 537,782,804	7.03%
 Total City Assessed Value	 \$ 7,651,050,516	

Sources: 1. HDL Coren & Cone
2. County of Los Angeles Department of Auditor-Controller

CITY OF MONTEREY PARK
Principal Property Taxpayers
(Current Year and Nine Years Ago)

<u>Taxpayers</u>	<u>2009/10</u>	
	<u>Taxable Assessed Valuation</u>	<u>Percent of Total City Taxable Assessed Valuation</u>
Los Angeles Corporate Center LLC	\$ 92,916,900	1.72%
Garfield Calmed Investment LP	70,141,362	1.30%
Union Bank	54,713,878	1.01%
Atlantic Times Square II LLC	54,368,444	1.01%
1977 Saturn LLC	50,370,000	0.93%
GMS Five LLC	33,779,241	0.63%
Emerald Hills LLC	30,006,726	0.56%
Atlantic Shopping Center LP	22,056,480	0.41%
Real Estate Investors 1984 1	22,000,000	0.41%
901 Corporation Center LP	21,640,320	0.40%
	<u>\$ 451,993,351</u>	<u>8.38%</u>
 Total City Assessed Value	 <u>\$ 5,396,346,740</u>	

Sources: 1. HDL Coren & Cone
2. County of Los Angeles Department of Auditor-Controller

CITY OF MONTEREY PARK
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Original Levy			1% - CY PER BOOK			
	Taxes Levied for the Fiscal Year			Collected within the Fiscal Year of Levy			Percentage of Levy
	1%	D.S.	Amount	1%	D.S.	Amount	
2009/10	6,852,571	4,071,933	10,924,504	6,414,087	3,812,164	10,226,251	93.61%
2010/11	6,927,221	4,121,586	11,048,807	6,541,366	3,887,804	10,429,170	94.39%
2011/12	7,098,802	4,243,185	11,341,986	6,565,780	4,551,806	11,117,586	98.02%
2012/13	7,286,613	5,305,437	12,592,050 ⁽²⁾	6,986,871	4,290,564	11,277,435	89.56%
2013/14	7,634,155	4,523,042	12,157,197	7,425,568	4,437,271	11,862,839	97.58%
2014/15	8,065,770	4,540,488	12,606,259	7,796,253	4,443,105	12,239,358	97.09%
2015/16	8,455,052	4,956,680	13,411,732	8,163,466	4,837,739	13,001,205	96.94%
2016/17	8,824,332	5,182,017	14,006,349	8,497,606	5,046,043	13,543,649	96.70%
2017/18	9,279,439	5,447,199	14,726,639	8,918,736	5,290,647	14,209,382	96.49%
2018/19	9,729,981	5,745,652	15,475,634	9,348,499	5,629,544	14,978,043	96.78%

Note: The amounts presented are the City's property tax including secured and unsecured, but excluding interest and penalties.

- (1) This percentage may exceed 100% due to information provided by Tax Assessor may not clearly identify the year collected.
- (2) Amount included pension override voter approved portion generated from the former redevelopment project areas.

CITY OF MONTEREY PARK
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	1% - PY PER BOOK			Total Collections to Date			Percentage of Levy ⁽¹⁾
	Collections in Subsequent Years						
	1%	D.S.	Amount	1%	D.S.	Amount	
2009/10	359,301	109,069	468,370	6,773,388	3,921,233	10,694,621	98%
2010/11	287,500	99,043	386,544	6,828,866	3,986,847	10,815,713	98%
2011/12	72,698	110,634	183,332	6,638,478	4,662,440	11,300,918	100%
2012/13	196,955	50,990	247,945	7,183,826	4,341,554	11,525,380	92%
2013/14	273,471	95,500	368,971	7,699,039	4,532,770	12,231,809	101%
2014/15	143,686	77,728	221,414	7,939,938	4,520,833	12,460,772	99%
2015/16	196,898	120,616	317,514	8,360,364	4,958,355	13,318,719	99%
2016/17	265,175	110,404	375,579	8,762,781	5,156,448	13,919,228	99%
2017/18	109,223	150,134	259,357	9,027,959	5,440,781	14,468,740	98%
2018/19	196,298	130,331	326,629	9,544,797	5,759,875	15,304,672	99%

Note: The amounts presented are the City's property tax including secured and unsecured, but excluding interest and penalties.

- (1) This percentage may exceed 100% due to information provided by Tax Assessor may not clearly identify the year collected.
- (2) Amount included pension override voter approved portion generated from the former redevelopment project areas.

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

<u>Fiscal Year</u>	<u>Governmental Activities</u>						<u>Total Governmental Activities</u>
	<u>Pension Obligation Bonds</u>	<u>Tax Allocation Bonds</u>	<u>Tax Increment Deferred Loan</u>	<u>HUD Section 108 Loans</u>	<u>Library Special Tax Revenue Note</u>	<u>Capital Lease Obligation</u>	
2009/10	16,855	28,095	30,835	5,033	2,621	1,430	84,869
2010/11	16,345	26,975	34,611	4,768	2,335	1,326	86,360
2011/12 ⁽³⁾	15,850	-	-	4,487	2,038	1,219	23,594
2012/13	15,365	-	-	4,189	1,729	1,106	22,389
2013/14	14,890	-	-	3,873	1,409	988	21,160
2014/15	14,425	-	-	3,538	1,077	2,442	21,482
2015/16	13,970	-	-	3,182	731	2,307	20,190
2016/17	13,520	-	-	2,804	373	2,123	18,820
2017/18	13,075	-	-	2,403	-	1,926	17,404
2018/19	12,635	-	-	1,977	-	4,162	18,774

Notes:

- (1) Percentage of Personal Income was based on data from Los Angeles County State of California Employment Department.
- (2) Debt per capita data was based on the number of population within the City of Monterey Park.
- (3) Starting February 1, 2012, Redevelopment Agency was dissolved and the City became the Successor Agency for the former Redevelopment Agency.

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

Fiscal Year	Business-Type Activity	Total Primary Government	⁽¹⁾ Percentage of Personal Income	Population	⁽²⁾ Debt Per Capita	
2009/10	Capital Lease Obligation	6,651	91,520	0.02%	65,027	1,407
2010/11		6,095	92,455	0.02%	60,435	1,530
2011/12 ⁽³⁾		5,533	29,127	0.01%	61,153	476
2012/13		4,966	27,355	0.01%	61,445	445
2013/14		4,392	25,552	0.01%	61,777	414
2014/15		12,747	34,229	0.01%	62,063	552
2015/16		12,127	32,317	0.01%	61,346	527
2016/17		10,567	29,387	0.00%	61,606	477
2017/18		9,809	27,213	N/A	62,240	437
2018/19		9,167	27,941	N/A	61,828	452

Notes:

- (1) Percentage of Personal Income was based on data from Los Angeles County State of California Employment Department.
- (2) Debt per capita data was based on the number of population within the City of Monterey Park.
- (3) Starting February 1, 2012, Redevelopment Agency was dissolved and the City became the Successor Agency for the former Redevelopment Agency.

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

Fiscal Year	Pension Obligation Bonds ⁽¹⁾	Actual Taxable Value of Property	Percent of Actual Taxable Value of Property ⁽²⁾	Population	Net Bonded Debt Per Capita
2009/10	16,855	5,396,347	0.31%	65,027	259
2010/11	16,345	5,448,783	0.30%	60,435	270
2011/12 ⁽³⁾	15,850	5,561,867	0.28%	61,153	259
2012/13	15,365	5,821,655	0.26%	61,445	250
2013/14	14,890	6,052,916	0.25%	61,777	241
2014/15	14,425	6,315,574	0.23%	62,063	232
2015/16	13,970	6,591,897	0.21%	61,346	228
2016/17	13,520	6,934,069	0.19%	61,606	219
2017/18	13,075	7,269,530	0.18%	62,240	210
2018/19	12,635	7,651,050	0.17%	61,828	204

Note:

- (1) The City has Pension Obligation bonds and does not have any other General Obligation Bonds.
- (2) Assessed value has been used because the actual value of taxable property is not readily available in the State of California.
- (3) Starting February 1, 2012, Redevelopment Agency was dissolved and the City became the Successor Agency for the former Redevelopment Agency.

CITY OF MONTEREY PARK
Direct and Overlapping Debt
As of June 30, 2019

	Gross Bonded Debt Balance	Percent Applicable To City	Net Bonded Debt
Overlapping Debt			
METROPOLITAN WATER DISTRICT	23,317,224	0.030	7,049
GARVEY SD DS 2004 SERIES 2006	12,674,618	29.532	3,743,082
GARVEY SD DS 2004 SERIES C	8,317,964	29.532	2,456,470
GARVEY SD DS 2011 REFUND BONDS	3,175,000	29.532	937,644
GARVEY SD DS 2013 REF BONDS	950,000	29.532	280,555
GARVEY SD DS 2014 REF BONDS	3,575,000	29.532	1,055,773
GARVEY SD DS 2016 SERIES A	19,500,000	29.532	5,758,761
LA CCD DS 2003 TAXABLE SERIES 2004B	2,115,000	0.900	19,026
LA CCD DS 2001 TAXABLE SERIES 2004A	31,555,000	0.900	283,858
LA CCD DS 2008, 2009 TAXABLE SER B	75,000,000	0.900	674,675
LA CCD DS 2008, 2010 TAX SERIES D	125,000,000	0.900	1,124,458
LA CCD DS 2008, 2010 TAX SERE (BABS)	900,000,000	0.900	8,096,100
LA CCD DS 2008 2012 SERIES F	202,000,000	0.900	1,817,125
LA CCD DS 2013 REF BONDS	38,945,000	0.900	350,336
LA CCD DS 2008 SERIES G	212,070,000	0.900	1,907,711
LA CCD DS 2015 REF SERIES A	1,429,435,000	0.900	12,858,721
LA CCD DS 2015 REF SERIES B	28,830,000	0.900	259,345
LA CCD DS 2015 REF SERIES C	252,150,000	0.900	2,268,257
LA CCD DS 2008 SERIES I	210,570,000	0.900	1,894,218
LA CCD DS 2008 SERIES J	174,965,000	0.900	1,573,927
LA CCD DS 2016 REF BONDS	247,755,000	0.900	2,228,721
LOS ANGELES UNIF DS 2002 SERIES D	8,155,000	0.036	2,904
LOS ANGELES UNIF DS 2004 SERIES I	18,155,000	0.036	6,464
LOS ANGELES UNIF DS 2005 SERIES F	4,945,000	0.036	1,761
LOS ANGELES UNIF DS 2002 SERIES E	200,000,000	0.036	71,208
LOS ANGELES UNIF DS 2005 SERIES H-QSCBS	318,800,000	0.036	113,506
LOS ANGELES UNIF MEASURE R SERIES 2009	5,645,000	0.036	2,010
LOS ANGELES UNIF MEASURE R SERIES KRY BABS	363,005,000	0.036	129,245
LOS ANGELES UNIF MEASURE Y 2009 SERIES KRY BABS	806,795,000	0.036	287,252
LOS ANGELES UNIF DS 2009 REFUNDING PROP BB BONDS	23,635,000	0.036	8,415
LOS ANGELES UNIF MEASURE K 2010 SERIES KRY	145,250,000	0.036	51,715
LOS ANGELES UNIF MEASURE R 2010 SERIES KRY	152,165,000	0.036	54,177
LOS ANGELES UNIF MEASURE Y 2010 SERIES KRY	95,770,000	0.036	34,098
LOS ANGELES UNIF MEASURE R 2010 SERIES RY BABS	477,630,000	0.036	170,056
LOS ANGELES UNIF MEASURE Y 2010 SERIES RY BABS	772,955,000	0.036	275,204
LOS ANGELES UNIF DS 2005 2010 SERIES J-1 QSCBS	172,285,000	0.036	61,341
LOS ANGELES UNIF DS 2005 2010 SERIES J-2 QSCBS	90,580,000	0.036	32,250
LOS ANGELES UNIF DS 2011 REFUNDING BOND SERIES A 1	104,935,000	0.036	37,361
Sub-Total Overlapping Debt			\$ 50,934,780

2018/19 Assessed Valuation: \$6,202,484,609 After Deducting \$1,448,565,907 Incremental Value.

Debt to Assessed Valuation Ratios:	Direct Debt	0.00%
	Overlapping debt	2.06%
	Total debt	2.06%

Notes:

- (1) This fund is a portion of a larger agency, and is responsible for debt in areas outside the city.
- (2) This report reflects debt which is being repaid through voter-approved property tax indebtedness. It excludes mortgage revenue, tax allocation bonds, interim financing obligations, non-bonded capital lease obligations, and certificates of participation, unless provided by the city.
- (3) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

Source: HDL Coren & Cone

CITY OF MONTEREY PARK
Direct and Overlapping Debt
As of June 30, 2019

	<u>Gross Bonded Debt Balance</u>	<u>Percent Applicable To City</u>	<u>Net Bonded Debt</u>
Overlapping Debt (Continued)			
LOS ANGELES UNIF DS 2011 REFUNDING BOND SERIES A 2	142,915,000	0.036	50,884
LOS ANGELES UNIF DS 2012 REFUNDING BOND SERIES A	110,985,000	0.036	39,515
LOS ANGELES UNIF DS 2014 REF BOND SERIES A	76,285,000	0.036	27,161
LOS ANGELES UNIF DS 2014 REF BOND SERIES B	174,540,000	0.036	62,143
LOS ANGELES UNIF DS 2014 REF BOND SERIES C	875,070,000	0.036	311,561
LOS ANGELES UNIF DS 2014 REF BOND SERIES D	143,555,000	0.036	51,112
LOS ANGELES UNIF DS 2005 SERIES K	3,725,000	0.036	1,326
LOS ANGELES UNIF DS 2015 REF BONDS SERIES A	318,085,000	0.036	113,251
LOS ANGELES UNIF DS 2008 SERIES A 2016	617,295,000	0.036	219,783
LOS ANGELES UNIF DS 2016 REF BONDS SERIES A	504,630,000	0.036	179,669
LOS ANGELES UNIF DS 2016 REF BONDS SERIES B	498,240,000	0.036	177,394
LOS ANGELES UNIF DS 2017 REF BONDS SER A PROP BB	134,800,000	0.036	47,994
LOS ANGELES UNIF DS 2017 REF BONDS SER A MEAS K	921,240,000	0.036	328,000
LOS ANGELES UNIF DS 2005 SERIES M 1 2018	1,202,445,000	0.036	428,120
LOS ANGELES UNIF DS 2008 SERIES B 1 2018	594,605,000	0.036	211,704
MONTEBELLO USD DS 1998 SERIES 1998	3,556,797	8.803	313,099
MONTEBELLO USD DS 1998 SERIES 1999	6,109,304	8.803	537,791
MONTEBELLO USD DS 1998 SERIES 2004	6,124,071	8.803	539,091
MONTEBELLO USD DS 1998 SERIES 2002	5,489,737	8.803	483,252
MONTEBELLO USD DS 2004 SERIES 2009-1	950,000	8.803	83,627
MONTEBELLO USD DS 2004 SERIES 2009A-2 BABS	12,640,000	8.803	1,112,677
MONTEBELLO USD DS 2010 REFUNDING BONDS	2,320,000	8.803	204,225
MONTEBELLO USD DS REF 2004 SERIES 2013A	17,245,000	8.803	1,518,047
MONTEBELLO USD DS REF BOND SERIES 2015	28,215,000	8.803	2,483,716
MONTEBELLO USD DS REF BONDS 2016 SERIES A	14,705,000	8.803	1,294,455
MONTEBELLO USD DS 2016 SERIES A	84,765,000	8.803	7,461,712
ALHAMBRAUSD DS 1999 SERIESA	6,512,345	32.703	2,129,751
ALHAMBRA USD DS 2005 REF BONDS	4,565,000	32.703	1,492,905
ALHAMBRA USD DS 2008 SERIES A SFID	11,324,708	32.703	3,703,553
ALHAMBRA USO-GARVEY DS 2004 SERIES B	21,694,695	32.703	7,094,880
ALHAMBRA USD DS 2008 SERIES 8-1 QSCB	7,934,000	32.703	2,594,679
ALHAMBRA USO-GARVEY DS 2012 REF SERIES A	34,315,000	32.703	11,222,135
ALHAMBRA USD DS 2012 REF SERIES B	3,455,000	32.703	1,129,899
ALHAMBRA USO-GARVEY DS 2016 REF SERIES A	10,670,000	32.703	3,489,441
ALHAMBRA USD DS 2016 REF BOND SERIES B	22,985,000	32.703	7,516,852
ALHAMBRA USD DS 2016 SERIES A	30,000,000	32.703	9,810,988
ALHAMBRA USO-GARVEY DS 2016 SERIES A	25,000,000	32.703	8,175,823
Sub-Total Overlapping Debt			\$ 76,642,215
Total Overlapping Debt			\$ 127,576,995
Direct Debt:			
Pension Obligation Bonds	12,635,000	100%	12,635,000
HUD Section 108 Loan	1,977,000	100%	1,977,000
Capital Lease Obligation	4,162,033	100%	4,162,033
Total Direct Debt			\$ 18,774,033
Total Direct and Overlapping Debt			\$ 146,351,028

Source: HDL Coren & Cone

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

	Fiscal Year				
	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
Assessed valuation	5,396,347	5,448,783	5,561,867	5,821,655	6,052,916
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	809,452	817,317	834,280	873,248	907,937
Total net debt applicable to limit:					
Pension obligation bonds	<u>16,855</u>	<u>16,345</u>	<u>15,850</u>	<u>15,365</u>	<u>14,890</u>
Legal debt margin	<u>\$ 792,597</u>	<u>\$ 800,972</u>	<u>\$ 818,430</u>	<u>\$ 857,883</u>	<u>\$ 893,047</u>
Total debt applicable to the limit as a percentage of debt limit	2.08%	2.00%	1.90%	1.76%	1.64%

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

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

	Fiscal Year				
	2014/15	2015/16	2016/17	2017/18	2018/19
Assessed valuation	6,315,574	6,591,897	6,934,068	7,269,530	7,651,050
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	947,336	988,785	1,040,110	1,090,430	1,147,657
Total net debt applicable to limit:					
Pension obligation bonds	<u>14,425</u>	<u>13,970</u>	<u>13,520</u>	<u>13,075</u>	<u>12,635</u>
Legal debt margin	<u>\$ 932,911</u>	<u>\$ 974,815</u>	<u>\$ 1,026,590</u>	<u>\$ 1,077,355</u>	<u>\$ 1,135,022</u>
Total debt applicable to the limit as a percentage of debt limit	1.52%	1.41%	1.30%	1.20%	1.10%

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

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

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2009/10	65,027	410,674,615	41,791	9.4%
2010/11	60,435	420,913,463	42,564	9.3%
2011/12	61,153	443,088,010	44,474	9.0%
2012/13	61,445	466,098,988	46,530	7.0%
2013/14	61,777	499,767,889	49,400	6.5%
2014/15	62,063	544,324,900	53,521	5.2%
2015/16	61,346	563,907,868	55,624	5.2%
2016/17	61,606	593,741,110	58,419	4.5%
2017/18	62,240	N/A	N/A	3.9%
2018/19	61,828	N/A	N/A	4.1%

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

-
- Sources:
1. Bureau of Economic Analysis
 2. State of California Employment Development Department (data shown is for the county)
 3. State of California, Department of Finance

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

Employers	2018/19	
	Number of Employees	Percentage of Total Employment ⁽¹⁾
Garfield Medical Center	988	0.020%
Monterey Park Hospital	416	0.008%
Costco	348	0.007%
Blue Shield of California Promise Health (Ac#32957)	224	0.005%
Southern California Gas Company	199	0.004%
California Psychcare Inc	190	0.004%
Home Depot	179	0.004%
Blue Shield of California Promise Health (Ac#37195)	150	0.003%
Chinese Daily News	142	0.003%
Camino Real Chevrolet	131	0.003%
Remitco LLC	130	0.003%
Ralph's Grocery Store	108	0.002%

Note:

(1) Percentage of total employment is calculated based on Los Angeles County's total employment annual force of 4,896,500 in 2018 and 4,302,300 in 2010.

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

Employers	2009/10	
	Number of Employees	Percentage of Total Employment ⁽¹⁾
Garfield Medical Center	970	0.023%
Monterey Park Hospital	362	0.008%
Care 1st Health Plan	316	0.007%
Southern California Gas Company	279	0.006%
Pacific Bell	228	0.005%
Syner Med Inc	217	0.005%
Ralph's Grocery Store	158	0.004%
Remitco LLC	133	0.003%
Chinese Daily News	128	0.003%
Southern California Edison Company	125	0.003%
Camino Real Chevrolet	121	0.003%
CVS Pharmacies	117	0.003%

Note:

(1) Percentage of total employment is calculated based on Los Angeles County's total employment annual force of 4,896,500 in 2018 and 4,302,300 in 2010.

Sources: 1. City of Monterey Park Management Services Department
2. State of California Employment Development Department

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CITY OF MONTEREY PARK
City Employees by Function
Last Ten Fiscal Years

<u>Function</u>	Fiscal Year									
	<u>09-10</u>	<u>10-11</u>	<u>11-12</u>	<u>12-13</u>	<u>13-14</u>	<u>14-15</u>	<u>15-16</u>	<u>16-17</u>	<u>17-18</u>	<u>18-19</u>
General Government	32	35	32	32	32	31	32	33	33	35
Public Safety										
Police	123	113	113	114	114	114	116	119	119	122
Fire	62	59	58	58	58	58	58	59	61	61
Public Works	59	70	70	70	70	71	71	71	71	71
Culture and Recreation										
Library	25	24	24	25	25	26	26	26	26	26
Recreation/Community Services	49	36	36	36	36	37	37	37	37	37
Community/Economic Development	24	15	12	13	13	14	14	15	17	17
Total	<u>374</u>	<u>352</u>	<u>345</u>	<u>348</u>	<u>347</u>	<u>350</u>	<u>352</u>	<u>359</u>	<u>364</u>	<u>368</u>

Note: Numbers represent Full-Time-Equivalent positions.

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

	Fiscal Year					
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Police:						
Number of service calls	54,925	53,863	54,363	54,128	51,130	51,735
Response time priority I (emergency) (minutes/seconds)	4:25	4:00	4:03	4:10	3:55	4:28
Fire:						
Number of emergency calls	4,094	4,378	3,757	4,103	4,565	4,538
Inspections	3,372	3,438	3,438	2,570	2,385	2,955
Public works:						
Street resurfacing (miles)	-	7.66	0.47	2.05	14.68	0.48
Parks and recreation:						
Hours of recreation classes	770	700	770	770	540	640
Number of hours of facility rentals ⁽¹⁾	241	141	141	177	145	167
Water:						
Meters changed and upgrades ⁽²⁾	518	513	564	1,149	739	329
Water turn-ons and turn-offs	2,939	2,521	2,079	2,436	2,856	2,412
Average daily consumption (thousand of gallons)	11,000	11,000	8,000	8,000	8,000	8,000

Note:

(1) Start FY 2016/17, number of hours of facility rentals are being used.

(2) Start FY 2017/18, total meters installed to field-testable and/or field-repairable standards was being omitted.

Sources: 1. City of Monterey Park Annual Budget
2. City of Monterey Park Management Services Department
3. City of Monterey Park Engineering Division

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

	Fiscal Year				
	2014/15	2015/16	2016/17	2017/18	2018/19
Police:					
Number of service calls	54,568	54,183	53,646	54,696	52,597
Response time priority I (emergency) (minutes/seconds)	3:56	4:49	4:46	4:22	4:09
Fire:					
Number of emergency calls	4,605	4,985	5,047	5,121	5,203
Inspections	2,424	5,139	3,523	3,523	3,193
Public works:					
Street resurfacing (miles)	0.16	2.12	2.71	2.80	-
Parks and recreation:					
Hours of recreation classes	640	650	600	922	950
Number of facility rentals / Number of hours of facility rentals ⁽¹⁾	165	175	1,197	1,230	1,500
Water:					
Meters changed and upgrades ⁽²⁾	10,994	98	112	8	3
Water turn-ons and turn-offs	2,412	2,682	2,440	2,440	2,000
Average daily consumption (thousand of gallons)	8,000	8,000	8,000	8,000	8,000

Note:

- (1) Start FY 2016/17, number of hours of facility rentals are being used.
(2) Start FY 2017/18, total meters installed to field-testable and/or field-repairable standards was being omitted.

Sources: 1. City of Monterey Park Annual Budget
2. City of Monterey Park Management Services
Department
3. City of Monterey Park Engineering Division

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

	Fiscal Year				
	2009/10	2010/11	2011/12	2012/13	2013/14
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	3	3	3	3	3
Public works:					
Streets (miles)	119	119	119	119	119
Streetlights	3,359	3,359	3,359	3,359	3,359
Traffic signals	75	75	75	75	75
Parks and recreation:					
Parks	14	14	14	14	14
Community centers					
Water:					
Water mains (miles)	134	134	134	134	134
Maximum Actual Daily Pumped (thousands of gallons)	11,733	11,140	11,340	12,810	11,510
Wastewater:					
Sanitary sewers (miles)	126	126	126	126	126
Storm sewers (miles)	12.43	12.43	12.43	12.43	12.43

Sources: 1. City of Monterey Park Annual Budget
2. City of Monterey Park Water Division

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

	Fiscal Year				
	2014/15	2015/16	2016/17	2017/18	2018/19
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	3	3	3	3	3
Public works:					
Streets (miles)	119	119	119	119	119
Streetlights	3,359	3,359	3,359	3,359	3,359
Traffic signals	75	75	75	75	75
Parks and recreation:					
Parks	14	14	14	14	14
Community centers					
Water:					
Water mains (miles)	134	134	134	134	134
Maximum Actual Daily Pumped (thousands of gallons)	9,680	7,200	6,800	7,000	6,700
Wastewater:					
Sanitary sewers (miles)	126	126	126	126	126
Storm sewers (miles)	12.43	12.43	12.43	12.43	12.43

Sources: 1. City of Monterey Park Annual Budget
2. City of Monterey Park Water Division

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

	Fiscal Year				
	2009/10	2010/11	2011/12	2012/13	2013/14
Type of Customers:					
Residential	2,693.5	2,718.3	2,570.3	2,825.1	2,824.1
Commercial	925.8	935.0	861.8	893.6	893.8
Institutional	127.8	130.0	175.0	163.0	160.0
Government	<u>90.1</u>	<u>89.1</u>	<u>90.0</u>	<u>88.0</u>	<u>82.0</u>
 Total	 <u>3,837.2</u>	 <u>3,872.4</u>	 <u>3,697.1</u>	 <u>3,969.7</u>	 <u>3,959.9</u>

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

	Fiscal Year				
	2014/15	2015/16	2016/17	2017/18	2018/19
Type of Customers:					
Residential	2,431.1	2,504.0	2,151.5	2,355.5	2,435.4
Commercial	896.6	914.5	835.8	876.9	901.5
Institutional	159.1	163.9	161.1	163.3	165.4
Government	<u>80.0</u>	<u>81.6</u>	<u>80.3</u>	<u>83.1</u>	<u>85.3</u>
 Total	 <u>3,566.8</u>	 <u>3,664.0</u>	 <u>3,228.7</u>	 <u>3,478.8</u>	 <u>3,587.6</u>

CITY OF MONTEREYPARK
Water Rates
Last Ten Fiscal Years

Fiscal Year	Monthly Base Rate	Rate per 1,000 Gallons
2009/10	12.63	2.21
2010/11	12.63	2.21
2011/12	12.63	2.21
2012/13	12.63	2.21
2013/14	12.63	2.21
2014/15	14.50	2.39
2015/16	15.95	2.49
2016/17	17.55	2.89
2017/18	19.30	3.02
2018/19	21.25	3.15

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.

CITY OF MONTEREY PARK
Top Ten Water Customers
(Current Year and Four Years Ago)

Water Customer	2018/19		2014/2015	
	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues
Atlantic Times Square #740	\$ 155,091	1.52%	\$ 108,590	1.45%
Garfield Estates	117,732	1.15%	95,696	1.28%
Aespace America Inc.	111,915	1.09%	76,597	1.02%
Atlantic Times Square #750	104,822	1.02%	59,200	0.79%
Continental Homes	83,107	0.81%	64,625	0.86%
Garfield Medical Ctr	76,941	0.75%	29,520	0.39%
Judicial Council	67,560	0.66%	-	0.00%
Ridgewood Apts	62,360	0.61%	41,935	0.56%
Moon Valley Nursery of CA Inc.	62,256	0.61%	8,724	0.12%
MP 3600 LLC	59,274	0.58%	-	0.00%
	\$ 901,057	8.80%	\$ 484,887	6.47%

