

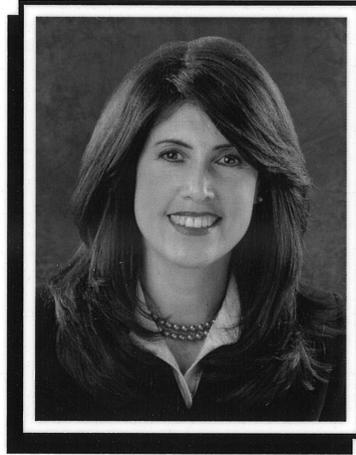
City of Monterey Park, California



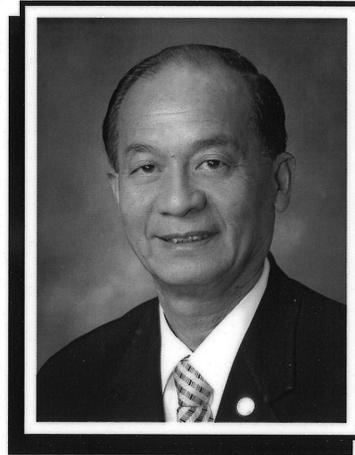
***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

Year ended June 30, 2013

City Council



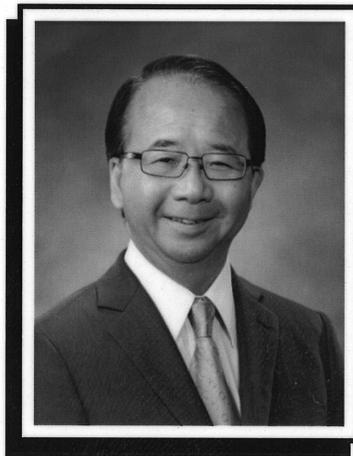
Mayor
Teresa Real Sebastian



Mayor Pro Tem
Anthony Wong



Council Member
Hans Liang



Council Member
Peter Chan



Council Member
Mitchell Ing

Joseph Leon - *City Treasurer*
Vincent D. Chang - *City Clerk*

City Officials

Paul Talbot *City Manager*
 Jenkins & Hogin *City Attorney*
 Ron Bow *Director of Public Works/Assistant City Manager*
 James Birrell *Fire Chief*
 Jim Smith *Police Chief*
 Michael Huntley *Director of Community Development*
 Tom Cody *Director of Human Resources/Risk Management*
 Dan Costley *Director of Recreation/Community Services*
 Norma Arvizu *City Librarian*



City of Monterey Park, California

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year ended June 30, 2013

Prepared by the Management Services Department

Annie Yaung, CPFO
Controller

CITY OF MONTEREY PARK
Comprehensive Annual Financial Report
For the Year Ended June 30, 2013

Table of Contents

	<i>Page(s)</i>
INTRODUCTORY SECTION	
Table of Contents	i
Organization Chart.....	iv
Letter of Transmittal	v
GFOA Certificate of Achievement	xii
GFOA Distinguished Budget Presentation Award	xiii
CSMFO Certificate of Award for Excellence in Operational Budgeting	xiv
FINANCIAL SECTION	
Independent Auditors' Report	1
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	5
Management's Discussion and Analysis (Required Supplementary Information - Unaudited)	7
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	21
Statement of Activities and Changes in Net Position	22
Fund Financial Statements:	
Balance Sheet – Governmental Funds	26
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position of Governmental Activities	29
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	30
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32
Statement of Net Position – Proprietary Funds	34
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	36
Statement of Cash Flows – Proprietary Funds.....	38
Statement of Fiduciary Net Position.....	44
Statement of Changes in Fiduciary Net Position	45
Notes to Basic Financial Statements	47

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)

CalPERS, MMRP and Other Post Employment Benefit (OPEB) Plan –
Schedules of Funding Progress 87
General Fund –
Budgetary Comparison Schedule 88
Special Revenue Grants Fund –
Budgetary Comparison Schedule 89
Special Revenue Retirement/Pension Liability Fund –
Budgetary Comparison Schedule 90
Special Revenue Housing Fund –
Budgetary Comparison Schedule 91
Notes to Required Supplementary Information..... 92

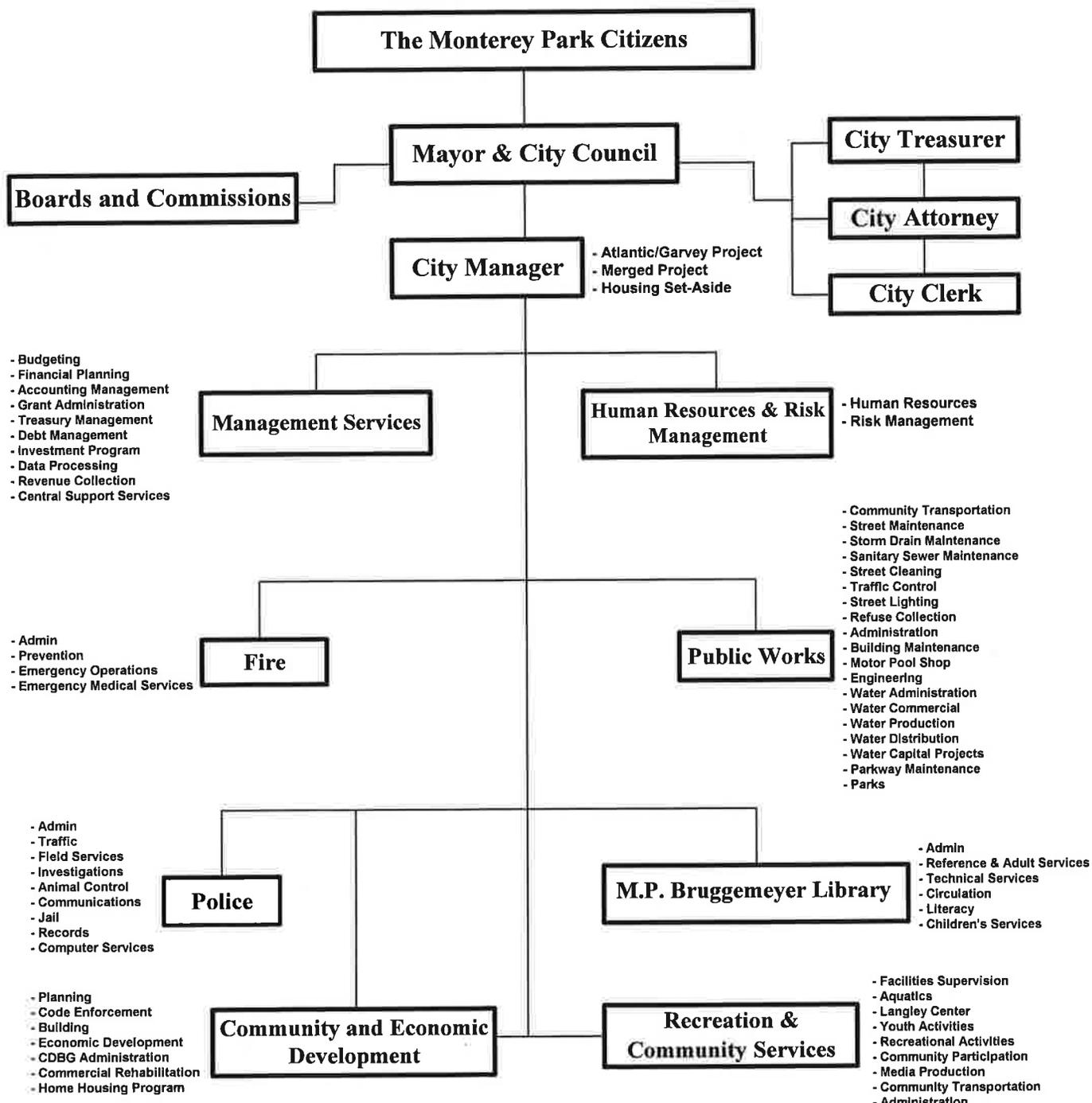
SUPPLEMENTARY INFORMATION

Nonmajor Funds:

Description of Nonmajor Governmental Funds 95
Combining Balance Sheet – Nonmajor Governmental Funds..... 98
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Nonmajor Governmental Funds 102
Nonmajor Special Revenue Funds – Budgetary Comparison Schedules:
Proposition A 106
Gas Tax 107
Bike Route 108
Proposition C 109
Air Quality Improvement..... 110
Asset Forfeiture 111
Park Facilities 112
Business Improvement Area #1 113
Maintenance District 93-1 114
Public Safety Impact Fee 115
Public Safety Augmentation 116
Measure R 117
Library Tax 118
CERCLA Liability..... 119
Nonmajor Debt Service Fund – Budgetary Comparison Schedule 120
Nonmajor Capital Projects Fund – Budgetary Comparison Schedule 121
Internal Service Funds..... 123
Combining Statement of Net Position – Internal Service Funds..... 124
Combining Statement of Revenues, Expenses and
Changes in Net Position – Internal Service Funds 126
Combining Statement of Cash Flows – Internal Service Funds..... 128
Agency Funds 131
Combining Statement of Assets and
Liabilities – All Agency Funds 132
Combining Statement of Changes in
Assets and Liabilities – All Agency Funds 133

General Fund.....	135
Balance Sheet	136
Statement of Revenues, Expenditures and Changes in Fund Balance	137
Major Special Revenue Funds	139
Major Special Revenue Grants Fund:	
Balance Sheet	140
Statement of Revenues, Expenditures and Changes in Fund Balance	141
Major Special Revenue Retirement/Pension Liability Fund:	
Balance Sheet	142
Statement of Revenues, Expenditures and Changes in Fund Balance	143
Major Special Revenue Housing Fund:	
Balance Sheet	144
Statement of Revenues, Expenditures and Changes in Fund Balance	145
Major Enterprise Funds.....	147
Major Water Enterprise Fund:	
Schedule of Assets, Liabilities and Net Position by Function	148
Schedule of Revenues, Expenses and Changes in Net Position by Function.....	150
Major Refuse Enterprise Fund:	
Schedule of Assets, Liabilities and Net Position by Function	152
Schedule of Revenues, Expenses and Changes in Net Position by Function.....	153
 STATISTICAL SECTION (Unaudited)	 155
Net Position by Component	156
Changes in Net Position.....	158
Fund Balances of Governmental Funds	162
Changes in Fund Balances of Governmental Funds	164
Assessed and Estimated Actual Value of Taxable Property	166
Direct and Overlapping Property Tax Rates	168
Principal Property Taxpayers.....	170
Property Tax Levies and Collections	172
Ratios of Outstanding Debt by Type	174
Ratios of General Bonded Debt Outstanding.....	176
Direct and Overlapping Debt	178
Legal Debt Margin Information.....	180
Tax Allocation Bonds Pledged-Revenue Coverage.....	182
Demographic and Economic Statistics.....	183
Principal Employers.....	184
Full-Time and Part-Time City Employees by Function.....	186
Operating Indicators by Function	188
Capital Asset Statistics by Function.....	190
 Water District Schedules for Revenue Capacity:	
Water Sold by Type of Customer	192
Water Rates.....	194
Top Twelve Water Customers	195

City of Monterey Park Organization 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.ci.monterey-park.ca.us



City Council
Peter Chan
Mitchell Ing
Hans Liang
Teresa Real Sebastian
Anthony Wong

City Clerk
Vincent D. Chang

City Treasurer
Joseph Leon

December 2, 2013

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

Re: 2012-13 Comprehensive Annual Financial Report

We submit, for your information and review, the Comprehensive Annual Financial Report for the City of Monterey Park, California (the City), for the fiscal year ended June 30, 2013.

Monterey Park Municipal Code requires that the City annually publishes its financial statements audited by a firm of licensed certified public accountants. The goal of the audit was to provide reasonable assurance that the City's financial statements are free of material misstatements. The audit involves examining the City's books and records supporting the amounts and disclosures in the financial statements, assessing the accounting principles used by City management, and evaluating the overall financial statement presentation. Based on the audit, the auditor issued an unqualified (or clean) opinion indicating that the City's 2012-13 financial statements are presented in conformity with generally accepted accounting principles. The auditor's report is included in the financial section of this report.

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

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, including the grant expenditures and auditors' findings, will be issued in a separate Single Audit Report.

Budget

The annual budget serves as the foundation for the City's financial planning and control. The City starts its budget process in January with the publication of a midyear review report. The budget development is based on the City's three-year citywide goals. These goals serve as the guidelines to identify community priorities and effectively align resources to achieve our mission.

Departments begin their budget preparation in accordance with the City's strategic plan in March. After preliminary review by management, Finance compiles and submits to the City Council a proposed budget in May. In June, 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 by June 30.

Legal budgetary control for operating budgets is exercised at the department and fund level. Formal budgetary integration and encumbrance accounting are employed as management control devices during the year for all funds. The City is required to adopt a balanced budget for its General Fund at the beginning of the fiscal year.

Management Discussion & Analysis

Discussions concerning the City's financial positions and activities for the 2012-13 fiscal year are included in Management's Discussion and Analysis (MD&A) and Notes to Financial Statements. We encourage readers to read these sections in conjunction with this transmittal letter as well as the City's financial statements.

Profile of Monterey Park

The City of Monterey Park was incorporated in 1916 as a general law city. 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 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 Notes 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.

Local Economy

The nation's economy slowly moves ahead and the labor market are improving gradually. Financial prospects are brightening, though tempered. Stable fuel prices, low interest rates and the increased availability of credit made vehicle sales strong. The housing market has rebounded in many parts of the country. While there continue to be signs the economy is slowly emerging from the severe economic downturn, local governments' fiscal conditions remain weak as traditional pillars of revenue, state and federal aid, were simultaneously cut from beneath them.



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 61,500. Monterey Park is primarily a residential community, with 78% of its land zoned for single and multiple family housing. Major businesses include food and drug, auto sales, banking, restaurants, hospitals and medical offices, and light manufacturing. As a result of the Assembly Bill X1 26, the City's

Community Redevelopment Agency was dissolved on February 1, 2012. The City serves as "Successor Agency" and continues administering dissolution to wind down its former redevelopment agency. This dissolution has a great impact to the City's future economic development activities.

We anticipate a slow recovery and there is potential for the City revenues to stay stagnant for a few years despite the City's stable property tax base that supports the City's property tax revenue. The City is stretching its dollars farther through implementation of various efficiency initiatives and is dedicated to maintaining its community to be a vibrant, livable, and successful place for both its residents and businesses. Two major commercial development projects will be soon underway. When completed, these projects will generate a large number of new jobs and tax revenues for the City. These two major development projects are as follows:

Market Place This is a proposed 500,000 square feet retail center located on an Environmental Protection Agency Superfund site. The development of the shopping center includes the remediation of the site. Currently the City is processing approvals with the developers and various agencies on development related issues. Construction is anticipated to begin in 2014 and completion is anticipated within 18 to 24 months from start of construction.

Towne Centre Towne Centre is a proposed mixed-use project at the southeast corner of Garvey and Garfield Avenues, in the downtown Monterey Park. Construction is scheduled to begin in 2015. Completion is expected within 18 to 24 months from start of construction.

Financial Overview and Policies

The economic downturn that began in 2008 has, indeed, proved to be among the most difficult challenges faced by the nation in many years. Despite economic weaknesses in many sectors, especially in construction permits and charges for services categories, the City's end of year

financial condition for the 2012-13 fiscal year was a surprisingly upbeat due to receipts of higher residual distributions from redevelopment dissolution, Proposition 1A State loan repayment, and an one-time administrative fee refund from the County. 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 2013-14 Budget includes a conservative fiscal spending plan and reflects modest personnel and operating budget increases. In addition, the budget includes major capital improvement expenditures of \$3.2 million for the park improvement master plan projects. The City continues improving efficiencies by aligning closely related programs to achieve long-term financial stability. Priority financial issues for the future are summarized as follows.

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

The City has another defined retirement plan, Massachusetts Mutual Retirement Plan, which provides retirement benefits to miscellaneous employees who were employed prior to April 1, 1976. Of the 68 participants that remain in the plan as of the June 30, 2013 valuation date, all of whom are no longer employed by the City or are currently participating in PERS.

AB 340 and 197 (*Public Pension Reform*) make substantial and wide-ranging changes to the public employee pension laws in California. The measures took effect January 1, 2013. The City's current MOUs adopted with our labor associations include employees picking up their full share of their PERS contribution, Miscellaneous 8% and Safety 9%. We have also changed our retirement formulas for new hires effective January 1, 2013. The dissolution of our former redevelopment agency also has a great impact to the pension override receipts. As a result, it will be the City's efforts to continue to explore options to permanently resolve the pension funding issue.

Water System Funding The City's water system serves 95% of the area in Monterey Park with 13,000 accounts. The water system has 12 wells, 13 reservoirs, 5 treatment plants, 11 pumping stations, and 134 miles of water mains. Due to the change in water quality standards since 1999, the City had to construct five treatment facilities to remove the contaminants. A total construction cost of \$10.2 million was funded by grants, settlements, loans from the City's Water Operation Fund, and loans from external sources.

The ongoing water treatment cost is estimated to be \$75 million for the next 30 years. The City has established a water treatment surcharge to pay for the ongoing treatment operation. Based on a recent survey, the City's water rates are well below average by 68% for residential and 70% for commercial. It's the City's goal to ensure an appropriate rate structure in order to maintain the high standards of water services.

The City has completed a comprehensive cost of services analysis for its water and sewer rates. The analysis has indicated that a rate increase must be implemented and staff is currently working on the issue.

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

Infrastructure Improvements and Funding Continued investment in capital improvements is the key to a long-term economic success and better quality of life for our community. The City has made progress in updating its infrastructure through financing, maintenance fees, and grants. 2012-13 projects included various street resurfacing, emergency operations center construction, fire stations roof and carpet replacements, transit center construction, three (3) new transit buses, Police dispatcher center equipment upgrades, ADA park improvements, zoning ordinance updates, and water main, water wells, and pumping station upgrades. Technology development to improve overall IT performance is also a priority of the City. IT projects included the online timecard program, City Hall wireless access, electronic payroll distribution, and server upgrades.



The City will continue seeking grants and financial assistances to fund the City's capital improvements, including water capital improvements, sewer system upgrades, energy savings programs, and public safety equipment. At the same time, the City will explore financing options as well as self-funded projects that support the debt service payments with cost savings.

Other Post Employment Benefits (OPEB) The City provides retiree healthcare benefits for employees who retire from the City. Eligible retirees and dependents may elect lifetime coverage through the City's healthcare plans. The City makes contributions towards the retiree's premium up to specified caps that vary depending on bargaining unit and whether the participant has more or less than 20 years of service. Retirees pay the portion of premium not paid by the City. In addition to the direct City paid contribution, retirees also receive pre-65 benefits that are subsidized as they are eligible to receive coverage based on blended (active and retiree) premium rates instead of normally higher retiree rates. The City is in a transition to change the retiree medical funding from a pay-as-you-go model to an advance-funded account. To achieve this goal, the City sets aside additional funds annually in the *Other Post Employment Benefits Internal Service Fund* for retiree medical costs. As of June 30, 2013, the OPEB Internal Service Fund has a total of \$1 million in the balance.

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 2012-13 appropriations limit was \$68.3 million and the City's actual appropriation subject to the limit was \$28.1 million.

Debt Administration

The primary objective of the City's debt administration is to maintain its accessibility to capital market at the lowest possible cost; i.e. interest cost, without endangering its ability to finance essential services. The City has been successful in obtaining financing for various infrastructure improvements, such as library expansion, water main replacement, police 911 computer system, and water treatment plants. The City's Other Post Employment Benefits Obligations are in compliance with GASB 45 and are reflected in its long-term debt.

Cash Management

While the City monitors its cash balance daily and invests temporarily idle funds in accordance with the Government Code and the City's Investment Policy, there is potential to further enhance our returns and cash management. The City's investment and cash management is through pooling of various City funds to maximize safe and efficient investment operations. Investment earnings are distributed based on average cash balance. In accordance with the City's Investment Policy, the Investment Committee, which consists of the City Treasurer, City Manager, and the Controller, plans and develops investment strategies. The Finance staff carries out the daily investment operations. During 2012-13, interest earnings were approximately \$290,000 and at June 30, 2013, the City's investment balances were \$76.4 million.

The City periodically submits its Investment Policy to the Municipal Treasurers Association of United States and Canada for certification to ensure the Policy meets the criteria established by the Association's Investment Policy Certification Program. The City's Investment Policy continued being recertified for the Certificate of Excellence Award.

Risk Management

Monterey Park is self-insured for general liability and workers' compensation. The City has acquired excess coverage for both from the Independent Cities Risk Management Authority, a joint power authority servicing 22 cities throughout Southern California. To finance risk management, the City maintains internal service funds for general liability and workers' compensation insurances. The claims payable includes incurred-but-not-reported claims. The City actively administers various risk management programs including employee accident prevention training, claims review, and monthly safety meetings to reduce the City's exposure to loss.

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, 2012. This was the 22nd 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. Much credit for these awards goes to the Finance staff and the leadership of the City Controller.

The Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year. We believe the City's Fiscal Year 2012-13 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 2012-13 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 finance 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. Their leadership is the foundations for maintaining the highest standards of professionalism in the financial management of the City's finances.

Respectfully submitted,



Paul Talbot
City Manager



Annie Yaung, CPFO
Controller



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, 2012

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, 2012

Christopher P. Morrell

President

Jeffrey R. Egan

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **City of Monterey Park, CA** for its annual budget for the fiscal year beginning **July 1, 2012**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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

California Society of Municipal Finance Officers

Certificate of Award

***Operating Budget Excellence Award
Fiscal Year 2012-2013***

Presented to the

City of Monterey Park

For meeting the criteria established to achieve the Operating Budget Excellence Award.

February 6, 2013



Laura M Nomura

***Laura Nomura
CSMFO President***

Scott Catlett

***Scott Catlett, Chair
Professional Standards and
Recognition Committee***

Dedicated Excellence in Municipal Financial Reporting



9 Corporate Park
Suite 130
Irvine, California 92606

Phone: (949) 777-8800
Fax: (949) 777-8850
www.pm-llp.com

INDEPENDENT AUDITORS' REPORT

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

Report on 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, 2013, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. The prior year partial comparative information has been derived from the financial statements of the City for the year ended June 30, 2012 and, in our report dated December 3, 2012. We expressed an unmodified opinion on those financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

Opinion

In our opinion, the financial statements referred to previously 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 as of June 30, 2013, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, and Schedules of Funding Progress on pages 7 through 15 and 87 through 91 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Combining and Individual Nonmajor Fund Financial Statements and Budgetary Comparison Schedules, and Statistical Section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Nonmajor Fund Financial Statements and Budgetary Comparison Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Nonmajor Fund Financial Statements and Budgetary Comparison Schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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 on them.

To the Honorable Mayor and Members of the City Council
of the City of Monterey Park
Monterey Park, California
Page 3

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Paul J. McGeady LLP". The signature is written in a cursive style with a large, stylized initial "P" and "M".

Irvine, California
December 2, 2013

This page intentionally left blank



9 Corporate Park
Suite 130
Irvine, California 92606

Phone: (949) 777-8800
Fax: (949) 777-8850
www.pm-llp.com

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Independent Auditors' Report

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

We have audited, in accordance with the 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, the 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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 2, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Honorable Mayor and Members of the City Council
of the City of Monterey Park
Monterey Park, California
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Ron Mc Geady LLP". The signature is written in a cursive, slightly slanted style.

Irvine, California
December 2, 2013

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, 2013, the transmittal letter, and notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide information of the City's financial activities in a manner similar to a private-sector company. Government-wide financial statements consist of the statement of net 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 utility 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 1(a) of the Notes to Basic Financial Statements.

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Governmental funds are accounted for using the modified accrual basis of accounting, which provides a detailed view of the City's current financial resources and the City's ability to meet its current expenditure needs. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains 18 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 14 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 Note Number 1(e) of the Notes to Basic Financial Statements.

Proprietary Funds

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

The City maintains two different types of proprietary funds: enterprise fund and internal service fund. The enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account the operations for its water system, waste management activities, and sanitary sewer activities. Internal service fund is 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 to 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 for Governmental Funds, combining statements for Agency Funds and Internal Service Funds, and disclosure of the water operation activities and the water treatment activities of the Water Enterprise Fund, and the waste management activities of the Refuse Enterprise Fund.

Financial Highlights

- Total 2012-13 net position increased by \$5.2 million (\$510,000 decrease for governmental activities and \$5.7 million increase for business-type activities) from 2011-12.
- As of June 30, 2013, the City's assets exceeded liabilities by \$126.1 million, of which \$70.4 million was related to net investment in capital assets, and \$20.6 million was restricted for special revenues.
- At the 2012-13 year end, the General Fund total fund balance was \$20.4 million, increased by \$4.9 million from last year. The increase included receipts of residual property tax distribution from the dissolution of redevelopment agency, Proposition 1A property tax loan repayment from the State, and one-time administrative cost refunds from the County. Total unassigned General Fund balance was \$3.6 million at June 30, 2013.
- As a result of the Assembly Bills X1 26 and 1484, the City's Redevelopment Agency was dissolved on February 1, 2012. The City of Monterey Park elected to become the Successor Agency to the Monterey Park Redevelopment Agency. All former Redevelopment Agency's assets and liabilities were transferred to the Successor Agency and were reported in the Fiduciary Fund.
- Pursuant to Health and Safety Code (HSC) section 34179.6(c), the City of Monterey Park successor agency (Agency) completed two required Due Diligence Reviews (DDR) and transferred the unobligated account balances to the affected taxing entities. The Department of Finance granted a Finding of Completion to the Agency on March 29, 2013.

Government-wide Financial Analysis

Net position serves as an indicator of a government's financial position over time. As of June 30, 2013, the City's combined net position (governmental and business-type activities) totaled \$126.1 million, up \$5.2 million over 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 \$70.4 million, is the City's investment in capital assets including land, buildings, equipment, and infrastructure net of accumulated depreciation and related debt for acquiring these capital assets. Since the capital assets are used to provide services to citizens; therefore, they are not available to fund the City's day-to-day activities.

The City's restricted net position totaled \$20.6 million at June 30, 2013. These are assets subject to external restrictions, constitutional provisions, or enabling legislation that limit how these assets may be used. The restricted position includes primarily grants, retirement/pension, and various non-major special revenue funds. Unrestricted net position is available for use by the City for any legal purpose. As of June 30, 2013, the City's total unrestricted net position was \$35.1 million.

Net Position
Fiscal Years Ended June 30, 2013 and June 30, 2012
(In thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	6/30/2013	6/30/2012	6/30/2013	6/30/2012	6/30/2013	6/30/2012
Assets:						
Current	\$ 52,980	\$ 56,153	\$ 28,930	\$ 24,023	\$ 81,910	\$ 80,176
Non Current						
Capital Assets	52,854	50,638	25,347	25,972	78,201	76,610
Other Assets	23,883	24,224			23,883	24,224
Total Assets:	\$ 129,717	\$ 131,015	\$ 54,277	\$ 49,995	\$ 183,994	\$ 181,010
Liabilities:						
Current	\$ 8,301	\$ 9,889	\$ 2,372	\$ 3,491	\$ 10,674	\$ 13,380
Long-Term	41,426	40,622	5,823	6,122	47,249	46,744
Total liabilities:	\$ 49,727	\$ 50,511	\$ 8,195	\$ 9,613	\$ 57,923	\$ 60,124
Net Position:						
Net Investment in						
Capital Assets	\$ 50,019	\$ 47,381	\$ 20,381	\$ 20,440	\$ 70,400	\$ 67,821
Restricted	20,629	26,825			20,629	26,825
Unrestricted	9,341	6,299	25,701	19,943	35,042	\$ 26,242
Total Net Position	\$ 79,989	\$ 80,505	\$ 46,082	\$ 40,383	\$ 126,071	\$ 120,888

Changes in Net Position
Fiscal Years Ended June 30, 2013 and June 30, 2012
(In thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	6/30/2013	6/30/2012	6/30/2013	6/30/2012	6/30/2013	6/30/2012
Revenues:						
<u>Program Revenues:</u>						
Charges for Services	\$ 6,678	\$ 6,224	\$ 19,409	\$ 19,129	\$ 26,087	\$ 25,353
Operating Grants & Contributions	5,258	4,668	-	-	5,258	4,668
Capital Grants & Contributions	1,988	3,725	42	92	2,030	3,817
<u>General Revenues:</u>						
Taxes	38,178	37,353			38,178	37,353
Other	1,342	3,304	3,234	2,206	4,576	5,510
Total Revenues:	<u>53,444</u>	<u>55,274</u>	<u>22,685</u>	<u>21,427</u>	<u>76,129</u>	<u>76,701</u>
Expenses:						
General Government	6,522	4,405			6,522	4,405
Public Safety	26,233	27,764			26,233	27,764
Comm. Development	8,521	5,673			8,521	5,673
Culture & Recreation	5,909	6,378			5,909	6,378
Highway & Streets	5,380	4,886			5,380	4,886
Health	120	120			120	120
Debt Services	1,275	2,128			1,275	2,128
Water/Refuse/Sewer			16,986	17,819	16,986	17,819
Total Expenses:	<u>53,960</u>	<u>51,354</u>	<u>16,986</u>	<u>17,819</u>	<u>70,946</u>	<u>69,173</u>
Increase in Net Position						
Before Transfers	(516)	3,920	5,699	3,608	5,183	7,528
Transfer In (Out)		350		(350)	-	-
Extraordinary item		26,752			-	26,752
Changes in Net Position	<u>(516)</u>	<u>31,022</u>	<u>5,699</u>	<u>3,258</u>	<u>5,183</u>	<u>34,280</u>
Net Position – July 1	<u>80,505</u>	<u>49,483</u>	<u>40,383</u>	<u>37,125</u>	<u>120,888</u>	<u>86,608</u>
Net Position – June 30	<u>\$ 79,989</u>	<u>\$ 80,505</u>	<u>\$ 46,082</u>	<u>\$ 40,383</u>	<u>\$ 126,071</u>	<u>\$ 120,888</u>

Governmental Activities Financial Analysis

Overall governmental activities decreased the City's net position by \$510,000, due primarily to the payment to taxing entities of the unobligated balance of the Low and Moderate Income Housing Fund (LMIHF).

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, 2013, the City's governmental funds reported a combined ending fund balance of \$41.1 million, a decrease of \$1.1 million from the prior year. The fund balance categories of governmental fund displayed \$2 million nonspendable, \$18.7 million restricted, \$7.2 million committed, \$9.7 million assigned, and \$3.6 million as unassigned. This unassigned \$3.6 million was the General Fund portion. *(Please refer to Note Number 15 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 2012-13 totaled \$35.7 million, an increase of \$1.1 million over 2011-12. The increase mainly reflected in the property tax category due to receipts of residual property tax distribution and the Proposition 1A property tax loan repayment. General Fund expenditures for 2012-13 totaled \$30.8 million, a decrease of \$1.4 million from 2011-12. The decrease was because there were no land expenditures of former Redevelopment Agency owned parcels in 2012-13. The former Redevelopment Agency was dissolved on February 1, 2012.

As of June 30, 2013, the total fund balance of the General Fund was \$20.4 million, up by \$4.9 million from last year. The increase included residual property tax distributions of \$3.2 million, Proposition 1A loan repayment of \$1 million, and one-time administrative cost refunds of \$506,000. The unassigned portion of the fund balance was \$3.6 million, up by \$1 million.

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 2012-13 were \$4.8 million, up \$1.6 million from last year. Total 2012-2013 grant funded expenditures and transfer out were \$5.9 million, reflecting a major increase of \$2.4 million in capital outlay. The increase was for the constructing of the East Los Angeles Transit Center and the purchase of the City's Spirit buses. Total fund balance of the Special Revenue Grants Fund as of June 30, 2013 was \$1.5 million.

Special Revenue Retirement/Pension Liability Fund accounts for revenue received from voter-approved property tax levied to provide for employee retirement costs. Total revenues and transfers for 2012-13 were \$7.1 million. Total expenditures for 2012-13 were \$6.4 million, down \$707,000 from 2011-12. The decrease in expenditures was because the employee paid the employee contribution of 8% to the CalPERS 2.7% @55 Miscellaneous Plan and 9% to the CalPERS 3% @55 Safety Plan. Total fund balance in Retirement/Pension Liability Fund as of June 30, 2013 was \$9.2 million, which is restricted for employee retirement costs.

Special Revenue Housing Fund accounts for housing activities. After the dissolution of the City's Redevelopment Agency, the City assumed the responsibility of the housing assets and functions. Total revenues for 2012-13 were \$55,000 and total expenditures were \$5.6 million. The expenditures reflected a payment of the unobligated balance of the Housing Fund to taxing entities after the completion of the Housing Due Diligence Review.

Nonmajor Special Revenue Funds accounts for various activities including street improvement, transportation, library expansion and services, air quality improvement, lighting and landscaping district, and public safety activity. Total revenues for 2012-13 were \$7.2 million, down \$4.5 million from 2011-12. Total expenditures for 2012-13 were \$7.2 million, a decrease of \$2.9 million over 2011-12. This is due to the Housing Fund being classified as a major special revenue fund for 2012-13. As of June 30, 2013, the fund balance of the Nonmajor Special Revenue Funds totaled \$7.4 million.

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 2012-13 water revenues were \$16.5 million, an increase of \$1.5 million from 2011-12. Total 2012-13 expenses and transfers were \$10.8 million. The increased in water revenue was primarily due to water treatment cost reimbursements from the Water Quality Authority (WQA). Overall, the net position for the Water Fund increased by \$5.8 million. *(Please refer to the Supplementary Information for the water operation and water treatment activities.)*

General Fund Budgetary Highlights

The originally adopted General Fund budget for this fiscal year was \$31.3 million. The final revised budget reflected amendments for programs and services, including ADA improvements at Sequoia Park, City Hall painting, pothole repair truck, and economic development. All amendments were identified during the Midyear Review process and approved by the City Council.

Capital Asset Administration

The City's capital assets, net of accumulated depreciation, for its governmental and business-type activities as of June 30, 2013, totaled \$78.2 million, an increase of \$1.6 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 Number 7 of the Notes to Basic Financial Statements.)*

Capital Assets Net of Depreciation
Fiscal Years Ended June 30, 2013 and June 30, 2012
(In thousands)

	Governmental Activities		Business-type Activities		Total	
	6/30/2013	6/30/2012	6/30/2013	6/30/2012	6/30/2013	6/30/2012
Land	\$ 12,614	\$ 12,614	\$ 500	\$ 500	\$ 13,114	\$ 13,114
Buildings	18,346	18,341	181	186	18,527	18,527
Improvements	7,348	7,587	22,406	22,999	29,754	30,586
Construction in Progress	1,443	826	580	553	2,024	1,379
Equipment	3,288	2,006	212	179	3,500	2,185
Infrastructure	9,815	9,263	1,467	1,556	11,283	10,819
	<u>\$ 52,854</u>	<u>\$ 50,637</u>	<u>\$ 25,347</u>	<u>\$ 25,973</u>	<u>\$ 78,202</u>	<u>\$ 76,610</u>

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

- Secured a Fire grant and constructed an Emergency Operations Center (EOC).
- Replaced Stations 62 and 63 roof and interior carpet.
- Updated zoning ordinance in compliance with current laws.
- Completed construction of the Transit Center on Collegian Avenue at East Los Angeles College.
- Constructed various park restroom ADA improvements throughout the City parks.
- Purchased three (3) CNG transit buses.
- Upgraded Police dispatch center equipment.
- Completed slurry seal and various street resurfacing, alley and sidewalk improvements.
- Continued water well, water main, and pumping station improvements according to the adopted Water Master Plan.

Debt Administration

As of June 30, 2013, the City's debt totaled \$51.4 million, an increase of \$1.1 million during the fiscal year. The primary reason of debt increase was due to increased liabilities in postemployment medical benefit obligations. *(Please refer to Note Number 9 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 \$837 million.

Outstanding Debt
Fiscal Years ended June 30, 2013 and June 30, 2012
(In thousands)

	Government Activities		Business-Type Activities		Total	
	6/30/2013	6/30/2012	6/30/2013	6/30/2012	6/30/2013	6/30/2012
Capital Leases	\$ 1,106	\$ 1,219	\$ 4,966	\$ 5,533	\$ 6,072	\$ 6,752
Pension Obligation Bonds	15,365	15,850			15,365	15,850
Compensated Absences	4,629	4,685	626	522	5,255	5,207
Section 108 Loan	4,189	4,487			4,189	4,487
Library Special Tax						
Revenue Note	1,730	2,038			1,730	2,038
Claims and Judgments	6,570	6,584			6,570	6,584
Other Post Employment						
Benefits (OPEB)	11,402	8,725	868	687	12,270	9,412
	<u>\$ 44,991</u>	<u>\$ 43,588</u>	<u>\$ 6,460</u>	<u>\$ 6,742</u>	<u>\$ 51,451</u>	<u>\$ 50,330</u>

Economic Factors and Next Year's Budgets

- The City's total assessed valuation is \$5.8 billion, up 4.3% from last year.
- The 2013-14 Budget is balanced and it reflects budget reductions to offset the recessionary impacts of the economy on City revenues as well as the City's redevelopment agency dissolution.
- The 2013-14 budget development is based on the City's three-year citywide goals. These goals serve as the guidelines to identify community priorities and effectively align resources to achieve our mission.
- As part of diagnosing the City's fiscal condition, the City has concluded its Master Fee, Water, and Sewer Rates Study to examine whether user-charge revenues are covering service costs and to determine the best course of action to keep the City financially healthy and secure.
- The Atlantic Times Square development, which is a mixed-use commercial and residential project at North Atlantic Boulevard and Hellman Avenue, continues generating more sales tax and property tax revenues and job opportunities since it has now become the third largest property tax contributor for the City of Monterey Park.
- The City has assumed its housing responsibilities and assets and will continue to pursue opportunities to develop affordable housing and maintain programs for residential maintenance and rental rehabilitation.
- The City will continue to develop major commercial developments, including Towne Centre in the downtown area and Market Place at the south part of the town.

Requests for Information

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

This page intentionally left blank.

BASIC FINANCIAL STATEMENTS

This page intentionally left blank.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

This page intentionally left blank.

CITY OF MONTEREY PARK
Statement of Net Position
June 30, 2013

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 49,457,677	\$ 26,335,522	\$ 75,793,199
Cash and investments held by fiscal agent	15	-	15
Accounts receivable	3,753,898	2,249,087	6,002,985
Interest receivable	111,294	-	111,294
Inventory	2,511	-	2,511
Internal balances	(345,600)	345,600	-
Total current assets	<u>52,979,795</u>	<u>28,930,209</u>	<u>81,910,004</u>
Noncurrent assets:			
Loans receivable, net	2,007,508	-	2,007,508
Deferred charges	274,298	-	274,298
Advances to Fiduciary Fund	1,989,686	-	1,989,686
Net pension asset	19,611,451	-	19,611,451
Capital assets:			
Not being depreciated	14,056,991	1,080,334	15,137,325
Being depreciated, net	<u>38,796,996</u>	<u>24,266,760</u>	<u>63,063,756</u>
Total noncurrent assets	<u>76,736,930</u>	<u>25,347,094</u>	<u>102,084,024</u>
Total assets	<u>129,716,725</u>	<u>54,277,303</u>	<u>183,994,028</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	1,217,426	1,264,329	2,481,755
Accrued payroll	926,512	76,153	1,002,665
Interest payable	180,814	-	180,814
Deposits and advances	835,290	395,539	1,230,829
Due to other governmental agencies	821,286	-	821,286
Current bonds payable	475,000	-	475,000
Current loans and notes payable	636,318	-	636,318
Current compensated absences payable	462,905	62,557	525,462
Current claims and judgments payable	2,628,043	-	2,628,043
Current capital lease obligations	<u>117,849</u>	<u>573,524</u>	<u>691,373</u>
Total current liabilities	<u>8,301,443</u>	<u>2,372,102</u>	<u>10,673,545</u>
Noncurrent liabilities			
Net pension obligation	755,800	-	755,800
Long-term bonds payable	14,890,000	-	14,890,000
Long-term loans and notes payable	5,282,307	-	5,282,307
Long-term compensated absences payable	4,166,148	563,030	4,729,178
Long-term claims and judgments payable	3,942,064	-	3,942,064
Long-term capital lease obligations	987,955	4,392,081	5,380,036
Net other post-employment health benefits liability	<u>11,401,962</u>	<u>868,038</u>	<u>12,270,000</u>
Total noncurrent liabilities	<u>41,426,236</u>	<u>5,823,149</u>	<u>47,249,385</u>
Total liabilities	<u>49,727,679</u>	<u>8,195,251</u>	<u>57,922,930</u>
<u>NET POSITION</u>			
Net investment in capital assets	50,018,559	20,381,489	70,400,048
Restricted for:			
Special revenues	20,629,264	-	20,629,264
Unrestricted	<u>9,341,223</u>	<u>25,700,563</u>	<u>35,041,786</u>
Total net position	<u>\$ 79,989,046</u>	<u>\$ 46,082,052</u>	<u>\$ 126,071,098</u>

See accompanying Notes to Basic Financial Statements.

CITY OF MONTEREY PARK
Statement of Activities and Changes in Net Position
For the Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 6,522,107	\$ 909,328	\$ 21,305	\$ -
Public safety	26,233,074	3,037,155	658,731	555,000
Community development	8,521,044	1,541,110	2,133,724	-
Culture and recreation	5,909,468	738,884	364,862	-
Highway and streets	5,380,336	451,744	2,079,580	1,433,468
Health	119,999	-	-	-
Interest and fiscal charges	1,275,063	-	-	-
Total governmental activities	<u>53,961,091</u>	<u>6,678,221</u>	<u>5,258,202</u>	<u>1,988,468</u>
Business-type activities:				
Water	10,706,980	13,302,811	-	41,834
Refuse	6,040,457	5,832,841	-	-
Sewer	238,551	273,556	-	-
Total business-type activities	<u>16,985,988</u>	<u>19,409,208</u>	<u>-</u>	<u>41,834</u>
Total	<u>\$ 70,947,079</u>	<u>\$ 26,087,429</u>	<u>\$ 5,258,202</u>	<u>\$ 2,030,302</u>

CITY OF MONTEREY PARK
Statement of Activities and Changes in Net Position, Continued
For the Year Ended June 30, 2013

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
Governmental activities:			
General government	\$ (5,591,474)	\$ -	\$ (5,591,474)
Public safety	(21,982,188)	-	(21,982,188)
Community development	(4,846,210)	-	(4,846,210)
Culture and recreation	(4,805,722)	-	(4,805,722)
Highway and streets	(1,415,544)	-	(1,415,544)
Health	(119,999)	-	(119,999)
Interest and fiscal charges	(1,275,063)	-	(1,275,063)
Total governmental activities	<u>(40,036,200)</u>	<u>-</u>	<u>(40,036,200)</u>
Business-type activities:			
Water	-	2,637,665	2,637,665
Refuse	-	(207,616)	(207,616)
Sewer	-	35,005	35,005
Total business-type activities	<u>-</u>	<u>2,465,054</u>	<u>2,465,054</u>
Total	<u>(40,036,200)</u>	<u>2,465,054</u>	<u>(37,571,146)</u>
General Revenues:			
Taxes:			
Property taxes	24,066,354	-	24,066,354
Sales taxes	5,437,244	-	5,437,244
Vehicle in-lieu taxes (Unrestricted, intergovernmental)	33,334	-	33,334
Utility user taxes	3,041,163	-	3,041,163
Franchise taxes	942,736	-	942,736
Business license taxes	941,005	-	941,005
Transient occupancy taxes	957,024	-	957,024
Other taxes	2,760,446	-	2,760,446
Revenues from use of money and property	827,781	-	827,781
Other	499,923	3,230,138	3,730,061
Gain on sale of capital assets	14,408	4,042	18,450
Total general revenues	<u>39,521,418</u>	<u>3,234,180</u>	<u>42,755,598</u>
Changes in net position	(514,782)	5,699,234	5,184,452
Net position - beginning of year	<u>80,503,828</u>	<u>40,382,818</u>	<u>120,886,646</u>
Net position - end of year	<u>\$ 79,989,046</u>	<u>\$ 46,082,052</u>	<u>\$ 126,071,098</u>

This page intentionally left blank.

FUND FINANCIAL STATEMENTS

CITY OF MONTEREY PARK
Balance Sheet - Governmental Funds
June 30, 2013
(with comparative totals as of June 30, 2012)

	Major Funds			
	General	Grants	Special Revenue Retirement/Pension	Housing
<u>Assets</u>				
Cash and investments	\$ 18,738,375	\$ 1,564,479	\$ 9,229,913	\$ 704,573
Cash and investments held by fiscal agents	-	-	15	-
Accounts receivable	2,302,655	1,188,736	25,605	-
Interest receivable	111,294	-	-	-
Due from other funds	1,280,498	-	-	-
Loans receivable, net	-	821,286	-	1,186,222
Advances to other funds	-	-	-	-
Advances to Fiduciary Fund	-	-	-	1,989,686
Total Assets	\$ 22,432,822	\$ 3,574,501	\$ 9,255,533	\$ 3,880,481
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Accounts payable	\$ 464,533	\$ 181,928	\$ -	\$ 11,289
Accrued payroll	762,672	2,143	104,394	-
Deposits and advances	823,772	2,713	-	8,805
Due to other funds	-	1,105,193	-	-
Due to other governmental agencies	-	821,286	-	-
Deferred revenue	-	-	-	1,186,222
Advances from other funds	-	-	-	-
Total Liabilities	2,050,977	2,113,263	104,394	1,206,316
Fund Balance:				
Nonspendable				
Advances to other funds	-	-	-	-
Advances to Fiduciary Fund	-	-	-	1,989,686
Restricted				
Grants	-	1,461,238	-	-
Retirement	-	-	9,151,139	-
Housing	-	-	-	684,479
Nonmajor special revenue funds	-	-	-	-
Committed				
General Fund	7,173,519	-	-	-
Assigned				
General Fund	9,653,901	-	-	-
Unassigned				
General Fund	3,554,425	-	-	-
Nonmajor special revenue funds	-	-	-	-
Total Fund Balance	20,381,845	1,461,238	9,151,139	2,674,165
Total Liabilities and Fund Balance	\$ 22,432,822	\$ 3,574,501	\$ 9,255,533	\$ 3,880,481

CITY OF MONTEREY PARK
Balance Sheet - Governmental Funds, Continued
June 30, 2013
(with comparative totals as of June 30, 2012)

	Nonmajor Governmental Funds	Total Governmental Funds	
		2013	2012
<u>Assets</u>			
Cash and investments	\$ 7,622,960	\$ 37,860,300	\$ 41,433,227
Cash and investments held by fiscal agents	-	15	122
Accounts receivable	224,048	3,741,044	3,749,996
Interest receivable	-	111,294	58,638
Due from other funds	-	1,280,498	724,120
Loans receivable, net	-	2,007,508	1,995,058
Advances to other funds	-	-	703,230
Advances to Fiduciary Fund	-	1,989,686	2,617,203
Total Assets	\$ 7,847,008	\$ 46,990,345	\$ 51,281,594
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts payable	\$ 251,913	\$ 909,663	\$ 2,707,876
Accrued payroll	32,113	901,322	772,659
Deposits and advances	-	835,290	861,635
Due to other funds	175,305	1,280,498	724,120
Due to other governmental agencies	-	821,286	808,836
Deferred revenue	-	1,186,222	2,503,741
Advances from other funds	-	-	703,230
Total Liabilities	459,331	5,934,281	9,082,097
Fund Balance:			
Nonspendable			
Advances to other funds	-	-	703,230
Advances to Fiduciary Fund	-	1,989,686	2,617,203
Restricted			
Grants	-	1,461,238	2,584,283
Retirement	-	9,151,139	8,460,758
Housing	-	684,479	5,574,530
Nonmajor special revenue funds	7,387,677	7,387,677	7,587,713
Committed			
General Fund	-	7,173,519	7,173,519
Assigned			
General Fund	-	9,653,901	5,145,940
Unassigned			
General Fund	-	3,554,425	2,505,441
Nonmajor special revenue funds	-	-	(153,120)
Total Fund Balance	7,387,677	41,056,064	42,199,497
Total Liabilities and Fund Balance	\$ 7,847,008	\$ 46,990,345	\$ 51,281,594

This page intentionally left blank.

CITY OF MONTEREY PARK
Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Position of Governmental Activities
For the Year Ended June 30, 2013

Total fund balance of governmental funds in fund statements	\$ 41,056,064
<p>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 position is \$5,772,843 plus the portion of the current year change in net position allocated to business-type activities of \$345,600.</p>	
	5,427,243
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. (Total governmental assets of \$52,853,987 less internal service funds of \$1,132,045, which has already been accounted in the reconciliation of internal service funds elimination).</p>	
	51,721,942
<p>Long-term liabilities in the amount of \$44,990,551 are not due and payable in the current period and therefore are not reported in the governmental funds, net of \$6,638,991 included in reconciliation of internal service funds.</p>	
	(38,351,560)
<p>Interest on long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.</p>	
	(180,814)
<p>Deferred charges related to issuance of long term debt are recorded as expenditures in governmental fund statements.</p>	
	274,298
<p>Net pension asset is not available to pay for current period expenditures and therefore is not recorded in the governmental funds.</p>	
	19,611,451
<p>Net pension obligation is not due and payable in the current period and therefore is not reported in the governmental funds.</p>	
	(755,800)
<p>Revenues earned but not available to pay for current expenditures for governmental funds is deferred.</p>	
	1,186,222
Net position of governmental activities	\$ 79,989,046

CITY OF MONTEREY PARK
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2013
(with comparative totals for the year ended June 30, 2012)

	Major Funds			
	General	Special Revenue		
		Grants	Retirement/Pension	Housing
Revenues:				
Taxes	\$ 28,522,521	\$ -	\$ 6,177,231	\$ -
Licenses and permits	967,662	-	-	-
Intergovernmental revenues	-	4,693,489	-	-
Charges for services	4,293,404	4,024	-	-
Revenues from use of money and property	635,298	112,237	15	49,101
Fines and forfeitures	750,020	-	-	-
Other	483,256	-	885,382	5,637
Total Revenues	35,652,161	4,809,750	7,062,628	54,738
Expenditures:				
Current:				
General government	3,450,011	-	1,004,895	-
Public safety	20,513,997	255,153	3,381,396	-
Community development	1,611,643	328,443	165,256	5,581,772
Culture and recreation	4,644,837	180,098	359,925	-
Highways and streets	563,403	19,256	30,610	-
Health	-	-	-	-
Capital outlay	20,576	4,478,683	-	-
Debt service:				
Principal retirement	-	410,762	485,000	-
Interest and fiscal charges	-	250,934	945,165	-
Total Expenditures	30,804,467	5,923,329	6,372,247	5,581,772
Excess (Deficiency) of Revenues Over Expenditures	4,847,694	(1,113,579)	690,381	(5,527,034)
Other Financing Sources (Uses):				
Transfers in	-	-	-	9,466
Transfers out	-	(9,466)	-	-
Proceeds from sale of property	6,021	-	-	-
Total Other Financing Sources (Uses)	6,021	(9,466)	-	9,466
Net Change in Fund Balances before Extraordinary Item	4,853,715	(1,123,045)	690,381	(5,517,568)
Extraordinary Item:				
Gain (Loss) on dissolution of the former Redevelopment Agency of Monterey Park	-	-	-	-
Net Change in Fund Balances	4,853,715	(1,123,045)	690,381	(5,517,568)
Fund Balances, Beginning of Year	15,528,130	2,584,283	8,460,758	8,191,733
Fund Balances, End of Year	<u>\$ 20,381,845</u>	<u>\$ 1,461,238</u>	<u>\$ 9,151,139</u>	<u>\$ 2,674,165</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF MONTEREY PARK
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds, Continued
For the Year Ended June 30, 2013
(with comparative totals for the year ended June 30, 2012)

	Nonmajor Governmental Funds	Total Governmental Funds	
		2013	2012
Revenues:			
Taxes	\$ 6,387,682	\$ 41,087,434	\$ 37,442,373
Licenses and permits	-	967,662	1,856,887
Intergovernmental revenues	-	4,693,489	6,006,714
Charges for services	684,213	4,981,641	4,360,368
Revenues from use of money and property	25,492	822,143	744,346
Fines and forfeitures	72,759	822,779	952,992
Other	-	1,374,275	720,230
Total Revenues	7,170,146	54,749,423	52,083,910
Expenditures:			
Current:			
General government	-	4,454,906	3,621,179
Public safety	930,067	25,080,613	25,681,372
Community development	121,159	7,808,273	5,633,982
Culture and recreation	493,077	5,677,937	5,577,207
Highways and streets	3,748,851	4,362,120	4,207,740
Health	119,999	119,999	120,000
Capital outlay	1,429,102	5,928,361	8,114,199
Debt service:			
Principal retirement	308,453	1,204,215	2,020,927
Interest and fiscal charges	74,741	1,270,840	1,990,861
Total Expenditures	7,225,449	55,907,264	56,967,467
Excess (Deficiency) of Revenues Over Expenditures	(55,303)	(1,157,841)	(4,883,557)
Other Financing Sources (Uses):			
Transfers in	-	9,466	776,146
Transfers out	-	(9,466)	(426,146)
Proceeds from sale of property	8,387	14,408	1,842,182
Total Other Financing Sources (Uses)	8,387	14,408	2,192,182
Net Change in Fund Balances before Extraordinary Item	(46,916)	(1,143,433)	(2,691,375)
Extraordinary Item:			
Gain (Loss) on dissolution of the former Redevelopment Agency of Monterey Park	-	-	(33,981,516)
Net Change in Fund Balances	(46,916)	(1,143,433)	(36,672,891)
Fund Balances, Beginning of Year	7,434,593	42,199,497	78,872,388
Fund Balances, End of Year	\$ 7,387,677	\$ 41,056,064	\$ 42,199,497

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, 2013

Net change in fund balance - total governmental funds \$ (1,143,433)

Amount reported for governmental activities in the Statement of Activities and Changes in Net Position 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 expense of certain activities of internal service fund of \$544,682 is reported with governmental activities. This amount includes \$271,817 charged to the Water and Refuse Enterprise Funds. 272,865

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:

Capital outlay (\$1,631,185 of capital outlay expenditures was for current program expenditures and was not capitalized), net of internal service fund addition of \$366,208. 4,297,176

Depreciation expense, net of internal service fund depreciation expense of \$365,445. (2,081,567)

Principal debt repayment was recorded as an expenditure. However, this transaction is not recorded in the Statement of Activities and Changes in Net Position. Instead, this transaction is reported as long-term debt payable in the Statement of Net Position. (3,150,565)

Amortization of bond issuance costs, bond discounts, and reacquisition cost in excess of the carrying value of the refunded bonds is not recorded in governmental fund statements. (13,062)

Changes in net pension asset 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. 287,360

Changes in net pension obligation 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. 85,900

Changes in compensated absences which are not due and payable in the governmental funds are charged to expenses in the Statement of Activities. 61,837

OPEB obligation costs are not due and payable in the current period and therefore are not reported in the governmental funds. 2,177,390

Interest on long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. 8,839

Deferred revenue is not recognized as revenue in the governmental funds since the revenue is not available to fund expenditures of the fiscal year. (1,317,522)

Change in net position of governmental activities \$ (514,782)

PROPRIETARY FUND FINANCIAL STATEMENTS

CITY OF MONTEREY PARK
Statement of Net Position -
Proprietary Funds
June 30, 2013
(with comparative totals as of June 30, 2012)

	Enterprise			Total
	Water Utility	Refuse	Nonmajor (Sewer)	
<u>Assets</u>				
Current Assets:				
Cash and investments	\$ 23,240,153	\$ 2,296,165	\$ 799,204	\$ 26,335,522
Accounts receivable	1,578,708	635,261	35,118	2,249,087
Inventory	-	-	-	-
Total Current Assets	<u>24,818,861</u>	<u>2,931,426</u>	<u>834,322</u>	<u>28,584,609</u>
Noncurrent Assets:				
Nondepreciable capital assets	1,080,334	-	-	1,080,334
Depreciable capital assets, net of accumulated depreciation	22,780,309	2,499	1,483,952	24,266,760
Total Capital Assets	<u>23,860,643</u>	<u>2,499</u>	<u>1,483,952</u>	<u>25,347,094</u>
Total Assets	<u>48,679,504</u>	<u>2,933,925</u>	<u>2,318,274</u>	<u>53,931,703</u>
<u>Liabilities and Net Position</u>				
Current Liabilities:				
Accounts payable	830,456	426,401	7,472	1,264,329
Accrued payroll	66,668	9,223	262	76,153
Deposits and advances	395,539	-	-	395,539
Current claims and judgments payable	-	-	-	-
Current capital lease obligations	573,524	-	-	573,524
Current compensated absences payable	51,503	10,045	1,009	62,557
Total Current Liabilities	<u>1,917,690</u>	<u>445,669</u>	<u>8,743</u>	<u>2,372,102</u>
Noncurrent Liabilities:				
Long-term claims and judgments payable	-	-	-	-
Long-term capital lease obligations	4,392,081	-	-	4,392,081
Compensated absences payable	463,533	90,412	9,085	563,030
OPEB obligations payable	685,553	151,076	31,409	868,038
Total Noncurrent Liabilities	<u>5,541,167</u>	<u>241,488</u>	<u>40,494</u>	<u>5,823,149</u>
Total Liabilities	<u>7,458,857</u>	<u>687,157</u>	<u>49,237</u>	<u>8,195,251</u>
Net Position:				
Net investment in capital assets	18,895,038	2,499	1,483,952	20,381,489
Unrestricted	22,325,609	2,244,269	785,085	25,354,963
Total Net Position	<u>\$ 41,220,647</u>	<u>\$ 2,246,768</u>	<u>\$ 2,269,037</u>	<u>\$ 45,736,452</u>
Adjustment to reflect the consolidation of internal service funds activities to related enterprise fund	(101,338)	446,938	-	345,600
Net Position of Business-type Activities	<u>\$ 41,119,309</u>	<u>\$ 2,693,706</u>	<u>\$ 2,269,037</u>	<u>\$ 46,082,052</u>

CITY OF MONTEREY PARK
Statement of Net Position -
Proprietary Funds, Continued
June 30, 2013
(with comparative totals as of June 30, 2012)

	Internal Service	Total Proprietary Funds	
		2013	2012
<u>Assets</u>			
Current Assets:			
Cash and investments	\$ 11,597,377	\$ 37,932,899	\$ 32,736,763
Accounts receivable	12,854	2,261,941	2,196,795
Inventory	2,511	2,511	657
Total Current Assets	11,612,742	40,197,351	34,934,215
Noncurrent Assets:			
Nondepreciable capital assets	-	1,080,334	1,052,861
Depreciable capital assets, net of accumulated depreciation	1,132,045	25,398,805	26,051,170
Total Capital Assets	1,132,045	26,479,139	27,104,031
Total Assets	12,744,787	66,676,490	62,038,246
<u>Liabilities and Net Position</u>			
Current Liabilities:			
Accounts payable	307,763	1,572,092	2,528,730
Accrued payroll	25,190	101,343	189,991
Deposits and advances	-	395,539	393,135
Current claims and judgments payable	2,628,043	2,628,043	2,633,755
Current capital lease obligations	-	573,524	567,503
Current compensated absences payable	6,889	69,446	58,527
Total Current Liabilities	2,967,885	5,339,987	6,371,641
Noncurrent Liabilities:			
Long-term claims and judgments payable	3,942,064	3,942,064	3,950,632
Long-term capital lease obligations	-	4,392,081	4,965,605
Compensated absences payable	61,995	625,025	526,744
OPEB obligations payable	-	868,038	686,428
Total Noncurrent Liabilities	4,004,059	9,827,208	10,129,409
Total Liabilities	6,971,944	15,167,195	16,501,050
Net Position:			
Net investment in capital assets	1,132,045	21,513,534	21,570,923
Unrestricted	4,640,798	29,995,761	23,966,273
Total Net Position	\$ 5,772,843	\$ 51,509,295	\$ 45,537,196

CITY OF MONTEREY PARK
Statement of Revenues, Expenses and Changes in
Net Position - Proprietary Funds
For the Year Ended June 30, 2013
(with comparative total for the year ended June 30, 2012)

	Enterprise			Total
	Water Utility	Refuse	Nonmajor (Sewer)	
Operating Revenues:				
Charges for services	\$ 13,210,937	\$ 5,832,841	\$ 273,556	\$ 19,317,334
Meter installations	91,874	-	-	91,874
Other revenue	3,230,138	-	-	3,230,138
Total Operating Revenues	16,532,949	5,832,841	273,556	22,639,346
Operating Expenses:				
Water purchased	24,302	-	-	24,302
Administration	4,342,635	870,547	-	5,213,182
Commercial - water	564,942	-	-	564,942
Production - water	1,565,570	-	-	1,565,570
Distribution - water	991,190	-	-	991,190
Treatment plant	2,024,961	-	-	2,024,961
Street maintenance - refuse	-	42,744	-	42,744
Storm drain maintenance - refuse	-	73,123	-	73,123
Refuse collection	-	5,266,520	-	5,266,520
Sanitary sewer maintenance	-	-	138,036	138,036
Depreciation	1,147,002	1,665	100,515	1,249,182
Vehicle expense	-	-	-	-
Salaries and benefits	-	-	-	-
Materials and supplies	-	-	-	-
Insurance and claims	-	-	-	-
Miscellaneous	-	-	-	-
Total Operating Expenses	10,660,602	6,254,599	238,551	17,153,752
Operating Income (Loss)	5,872,347	(421,758)	35,005	5,485,594
Nonoperating Income:				
Interest expense	(104,053)	-	-	(104,053)
Gain (loss) on sale of surplus property	4,042	-	-	4,042
Total Nonoperating				
Income (Loss)	(100,011)	-	-	(100,011)
Net Income (Loss) Before Transfers and Capital Contributions	5,772,336	(421,758)	35,005	5,385,583
Capital contributions	41,834	-	-	41,834
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Transfers and Capital Contributions	41,834	-	-	41,834
Changes in Net Position	5,814,170	(421,758)	35,005	5,427,417
Net Position, Beginning of Year	35,406,477	2,668,526	2,234,032	40,309,035
Net Position, End of Year	<u>\$ 41,220,647</u>	<u>\$ 2,246,768</u>	<u>\$ 2,269,037</u>	<u>\$ 45,736,452</u>
Changes in Net Position	\$ 5,814,170	\$ (421,758)	\$ 35,005	\$ 5,427,417
Adjustment to reflect the consolidation of internal service fund activities to related enterprise fund	57,675	214,142	-	271,817
Changes in Net Position of Business-type Activities	<u>\$ 5,871,845</u>	<u>\$ (207,616)</u>	<u>\$ 35,005</u>	<u>\$ 5,699,234</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF MONTEREY PARK
Statement of Revenues, Expenses and Changes in
Net Position - Proprietary Funds, Continued
For the Year Ended June 30, 2013
(with comparative total for the year ended June 30, 2012)

	Internal Service	Total Proprietary Funds	
		2013	2012
Operating Revenues:			
Charges for services	\$ 5,633,662	\$ 24,950,996	\$ 24,824,487
Meter installations	-	91,874	177,158
Other revenue	113,550	3,343,688	2,205,569
Total Operating Revenues	<u>5,747,212</u>	<u>28,386,558</u>	<u>27,207,214</u>
Operating Expenses:			
Water purchased	-	24,302	2,216,854
Administration	-	5,213,182	4,226,890
Commercial - water	-	564,942	564,474
Production - water	-	1,565,570	1,107,329
Distribution - water	-	991,190	974,951
Treatment plant	-	2,024,961	2,032,698
Street maintenance - refuse	-	42,744	41,075
Storm drain maintenance - refuse	-	73,123	74,430
Refuse collection	-	5,266,520	5,120,272
Sanitary sewer maintenance	-	138,036	210,797
Depreciation	365,442	1,614,624	1,714,167
Vehicle expense	20,823	20,823	1,790
Salaries and benefits	1,182,473	1,182,473	1,392,466
Materials and supplies	807,638	807,638	804,265
Insurance and claims	2,525,326	2,525,326	2,699,182
Miscellaneous	321,341	321,341	255,945
Total Operating Expenses	<u>5,223,043</u>	<u>22,376,795</u>	<u>23,437,585</u>
Operating Income (Loss)	<u>524,169</u>	<u>6,009,763</u>	<u>3,769,629</u>
Nonoperating Income:			
Interest expense	-	(104,053)	(110,556)
Gain (loss) on sale of surplus property	20,513	24,555	(6,110)
Total Nonoperating Income (Loss)	<u>20,513</u>	<u>(79,498)</u>	<u>(116,666)</u>
Net Income (Loss) Before Transfers and Capital Contributions	<u>544,682</u>	<u>5,930,265</u>	<u>3,652,963</u>
Capital contributions	-	41,834	91,894
Transfers in	-	-	600,000
Transfers out	-	-	(950,000)
Total Transfers and Capital Contributions	<u>-</u>	<u>41,834</u>	<u>(258,106)</u>
Changes in Net Position	<u>544,682</u>	<u>5,972,099</u>	<u>3,394,857</u>
Net Position, Beginning of Year	<u>5,228,161</u>	<u>45,537,196</u>	<u>42,142,339</u>
Net Position, End of Year	<u>\$ 5,772,843</u>	<u>\$ 51,509,295</u>	<u>\$ 45,537,196</u>

CITY OF MONTEREY PARK
Statement of Cash Flows -
Proprietary Funds
For the Year Ended June 30, 2013
(with comparative total for the year ended June 30, 2012)

	Enterprise Funds			
	Water Utility	Refuse	Nonmajor (Sewer)	Total
Cash Flows from Operating Activities:				
Cash receipts from customers	\$ 16,486,065	\$ 5,831,702	\$ 271,691	\$ 22,589,458
Cash receipts from interfund services provided	-	-	-	-
Cash payments to suppliers for goods and services	(6,080,481)	(5,881,356)	(95,773)	(12,057,610)
Cash payments to employees for services	(3,888,896)	(742,665)	(67,987)	(4,699,548)
Cash payments for insurance premiums and self-insurance claims	-	-	-	-
Net Cash Provided by (Used in) Operating Activities	<u>6,516,688</u>	<u>(792,319)</u>	<u>107,931</u>	<u>5,832,300</u>
Cash Flows from Noncapital Financing Activities:				
Transfers out to other funds	-	-	-	-
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(581,690)	-	-	(581,690)
Proceeds from sale of surplus assets	4,042	-	-	4,042
Principal paid on lease financing	(567,503)	-	-	(567,503)
Interest paid on lease financing	(104,053)	-	-	(104,053)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(1,249,204)</u>	<u>-</u>	<u>-</u>	<u>(1,249,204)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	5,267,484	(792,319)	107,931	4,583,096
Cash and cash equivalents, Beginning of Year	<u>17,972,669</u>	<u>3,088,484</u>	<u>691,273</u>	<u>21,752,426</u>
Cash and cash equivalents, End of Year	<u>\$ 23,240,153</u>	<u>\$ 2,296,165</u>	<u>\$ 799,204</u>	<u>\$ 26,335,522</u>
Noncash from Capital and Related Financing Activities:				
Capital contributions	<u>\$ 41,834</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,834</u>

CITY OF MONTEREY PARK
Statement of Cash Flows -
Proprietary Funds, Continued
For the Year Ended June 30, 2013
(with comparative total for the year ended June 30, 2012)

	Internal Service	Total Proprietary Funds	
		2013	2012
Cash Flows from Operating Activities:			
Cash receipts from customers	\$ -	\$ 22,589,458	\$ 21,217,663
Cash receipts from interfund services provided	5,734,358	5,734,358	5,872,824
Cash payments to suppliers for goods and services	(1,038,205)	(13,095,815)	(13,024,295)
Cash payments to employees for services	(1,274,081)	(5,973,629)	(5,660,154)
Cash payments for insurance premiums and self-insurance claims	(2,463,337)	(2,463,337)	(2,135,513)
Net Cash Provided by (Used in) Operating Activities	<u>958,735</u>	<u>6,791,035</u>	<u>6,270,525</u>
Cash Flows from Noncapital Financing Activities:			
Transfers out to other funds	-	-	(350,000)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>(350,000)</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(366,208)	(947,898)	(879,198)
Proceeds from sale of surplus assets	20,513	24,555	8,817
Principal paid on lease financing	-	(567,503)	(561,668)
Interest paid on lease financing	-	(104,053)	(110,556)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(345,695)</u>	<u>(1,594,899)</u>	<u>(1,542,605)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	613,040	5,196,136	4,377,920
Cash and cash equivalents, Beginning of Year	<u>10,984,337</u>	<u>32,736,763</u>	<u>28,358,843</u>
Cash and cash equivalents, End of Year	<u>\$ 11,597,377</u>	<u>\$ 37,932,899</u>	<u>\$ 32,736,763</u>
Noncash from Capital and Related Financing Activities:			
Capital contributions	<u>\$ -</u>	<u>\$ 41,834</u>	<u>\$ 91,894</u>

(Continued)

CITY OF MONTEREY PARK
Statement of Cash Flows -
Proprietary Funds, Continued
For the Year Ended June 30, 2013
(with comparative total for Year Ended June 30, 2012)

	Enterprise Funds			Total
	Water Utility	Refuse	Nonmajor (Sewer)	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (Loss)	\$ 5,872,347	\$ (421,758)	\$ 35,005	\$ 5,485,594
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation	1,147,002	1,665	100,515	1,249,182
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(49,288)	(1,139)	(1,865)	(52,292)
(Increase) decrease in inventory	-	-	-	-
Increase (decrease) in accounts payable	(730,161)	(403,557)	(12,640)	(1,146,358)
Increase (decrease) in accrued payroll	9,324	949	(1,393)	8,880
Increase (decrease) in claims and judgments payable	-	-	-	-
Increase (decrease) in compensated absences payable	109,838	9,346	(15,904)	103,280
Increase in OPEB obligations payable	155,222	22,175	4,213	181,610
Increase in deposits and advances	2,404	-	-	2,404
Total Adjustments	644,341	(370,561)	72,926	346,706
Net Cash Provided by (Used in) Operating Activities	\$ 6,516,688	\$ (792,319)	\$ 107,931	\$ 5,832,300

(Continued)

CITY OF MONTEREY PARK
Statement of Cash Flows -
Proprietary Funds, Continued
For the Year Ended June 30, 2013
(with comparative total for Year Ended June 30, 2012)

	Internal Service	Total Proprietary Funds	
		2013	2012
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating income (Loss)	\$ 524,169	\$ 6,009,763	\$ 3,769,629
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation	365,442	1,614,624	1,714,167
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(12,854)	(65,146)	(127,769)
(Increase) decrease in inventory	(1,854)	(1,854)	44
Increase (decrease) in accounts payable	189,720	(956,638)	(152,897)
Increase (decrease) in accrued payroll	(97,528)	(88,648)	113,643
Increase (decrease) in claims and judgments payable	(14,280)	(14,280)	592,896
Increase (decrease) in compensated absences payable	5,920	109,200	76,361
Increase in OPEB obligations payable	-	181,610	273,409
Increase in deposits and advances	-	2,404	11,042
Total Adjustments	434,566	781,272	2,500,896
Net Cash Provided by (Used in) Operating Activities	\$ 958,735	\$ 6,791,035	\$ 6,270,525

(Concluded)

This page intentionally left blank.

FIDUCIARY FUND FINANCIAL STATEMENTS

CITY OF MONTEREY PARK
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013
(with comparative data as of June 30, 2012)

	Private-Purpose		Total Fiduciary Funds	
	Trust Funds	Agency Funds	June 30, 2013	June 30, 2012
Assets:				
Cash and investments (Note 2)	\$ 7,332,922	\$ 1,903,824	\$ 9,236,746	\$ 25,206,533
Cash and investments with fiscal agent (Note 2)	6,493,849	-	6,493,849	2,470,949
Interest receivable	-	-	-	1,504
Loans receivable, net	-	-	-	5,850,000
Deferred charges	482,499	-	482,499	513,972
Land held for resale (Note 6)	5,646,937	-	5,646,937	5,646,937
Total assets	19,956,207	\$ 1,903,824	21,860,031	39,689,895
Liabilities:				
Accounts payable	79,100	\$ 79,905	159,005	2,125,863
Deposits payable	1,673,783	1,823,919	3,497,702	6,096,759
Interest payable	400,522	-	400,522	416,984
Settlement payable (Note 18)	4,023,675	-	4,023,675	6,530,000
Advances from City of Monterey Park (Note 5)	1,989,686	-	1,989,686	2,617,203
Bonds payable (Note 9)	24,600,000	-	24,600,000	25,810,000
Tax increment deferred loans (Note 9)	38,936,192	-	38,936,192	34,610,799
Low/Mod Housing deferred loans (Note 3H & 9)	1,186,222	-	1,186,222	1,186,222
Total Liabilities	72,889,180	\$ 1,903,824	74,793,004	79,393,830
Net Position (Deficit):				
Unrestricted	<u>\$ (52,932,973)</u>		<u>\$ (52,932,973)</u>	<u>\$ (39,703,935)</u>

CITY OF MONTEREY PARK
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2013

	<u>Private-Purpose Trust Funds</u>	
	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Additions:		
Redevelopment Property Tax Trust Fund	\$ 4,023,586	\$ -
Revenue from use of money and property	<u>7,422</u>	<u>413,877</u>
Total additions	<u>4,031,008</u>	<u>413,877</u>
Deductions:		
Administration	1,052,830	831,737
Repayment of tax increment to County of Los Angeles	-	1,392,250
Low/Mod housing commitment	-	1,186,222
Contribution to City of Monterey Park	-	2,876,300
Tax increment deferred loans	4,325,393	-
Atlantic Times Square settlement (Note 18)	3,370,000	6,530,000
Forgiveness of Mezzanine loan (Note 18)	5,850,000	-
Payment to the County of Los Angeles (Note 19)	1,411,628	-
Interest expense	<u>1,250,195</u>	<u>548,864</u>
Total deductions	<u>17,260,046</u>	<u>13,365,373</u>
Change in net position	(13,229,038)	(12,951,496)
Net Position:		
Beginning of year	(39,703,935)	-
Transfer of operations from the dissolved Community Redevelopment Agency of the City of Monterey Park	<u>-</u>	<u>(26,752,439)</u>
Ending of year	<u>\$ (52,932,973)</u>	<u>\$ (39,703,935)</u>

This page intentionally left blank.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2013

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. 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. 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, Continued
For the Year Ended June 30, 2013

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 conformity 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.

In 2013, the City implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. The Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as a revenue until that time.

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

Governmental fund financial statements are reported using the "current financial resources" measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers tax revenues to be available if they are collected within 60 days of the end of the current fiscal year and other revenues when collected within one year of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred. 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's fiduciary funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are reported using accrual basis of accounting.

The City reports the following major governmental funds:

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

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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.

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.

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.

Nonmajor Enterprise Funds:

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.

Proprietary Fund (Internal Service Funds):

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

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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.

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.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water 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 non-operating revenues and expenses.

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

(d) Property Taxes

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

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

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(e) Budgetary Control and Accounting

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

The annual budget adopted by the City Council serves as a guideline for operations of the City. It includes proposed expenditures and estimated revenues and is legally adopted for all General 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 2012-13, the Council made several supplemental budgetary appropriations, including a \$1,363,465 increase in the Special Revenue Grants Fund related to various grants received during the year, such as Police, Fire, Education, Library, Transportation, and Parks Grants, a \$1,307,874 increase in the General Fund for cost realignment at the mid term review session, including City Hall painting, ADA improvements, and economic development.

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

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

Under Article XIII-B of the California Constitution (The Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations, and if certain proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or refunded to the taxpayers through revised tax rate or revised fee schedules. For the fiscal year ended June 30, 2013, based on calculations by City Management, proceeds of taxes did not exceed the appropriations limit.

(f) Cash and Cash Equivalents

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

(g) Investments

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

(h) Inventories

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

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(i) 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 estimated fair market value on the date received.

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

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

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

(j) 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.

(k) 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, 2013 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 13).

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(l) Other Post Employment Benefits

In addition to the pension benefits, the City provides postretirement medical insurance benefits (Note 12), in accordance with contractual provisions of the various Memoranda of Understanding with the City's recognized employee organizations, to all vested employees who retire from the City. Currently, 222 retirees meet those eligibility requirements. The City contributes between \$340 and \$975 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.

Expenditures for postretirement medical insurance benefits are recognized as annual premiums and are paid on a pay-as-you-go basis. During the year, expenditures of \$1,291,828 were recognized for postretirement medical insurance. Increases over the prior year expenditure of \$3,954 were attributable to increased monthly contributions for retirees.

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

(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 funds 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.

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 to determine and define the amount of assigned fund balances.

Unassigned Fund Balance – This amount indicates the portion of fund balance that do not fall into one of the above categories.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(m) Fund Equity and Net Position, Continued

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 assets reduced by liabilities and deferred inflows of resources related to those assets.

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.

(n) Comparative Data and Total Column

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

Columns in the accompanying basic and fund financial statements for year ended June 30, 2012 are not necessary for a fair presentation of the financial statements in accordance with generally accepted accounting principles in the United States of America but are presented as additional analytical data. Such data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of these totals.

(o) Use of Estimates

The preparation of the basic financial statements in conformity 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.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(p) Accounting Changes

GASB has issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements* (“SCA”). The requirements of this statement improve financial reporting by establishing recognition, measurement, and disclosure requirements for SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. This statement became effective for periods beginning after December 15, 2011 and did not have a significant impact on the City’s financial statements for the year ended June 30, 2013.

GASB has issued Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*. The requirements of this statement result in financial reporting entity financial statements being more relevant by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. This statement became effective for periods beginning after June 15, 2012 and did not have a significant impact on the City’s financial statements for year ended June 30, 2013.

GASB has issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement combines the authoritative accounting and financial reporting of the FASB and the American Institute of Certified Public Accountants (“AICPA”). The statement eliminates the need for financial statement preparers and auditors to determine which FASB and AICPA pronouncement provisions apply to state and local governments. This statement became effective for period beginning after December 15, 2011 and did not have a significant impact on the City’s financial statements for the year ended June 30, 2013.

GASB has issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The requirement of this statement standardizes the presentation of the deferred inflows and outflows of resources and their effects on a government’s net position. This statement became effective for periods beginning after December 15, 2011. The implementation of this statement to the City was limited to renaming of “Net Assets” to “Net Position”.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

2. CASH AND INVESTMENTS

Cash and investments at June 30, 2013 are classified in the accompanying financial statements as follows:

	Government-Wide			Fiduciary	
	Governmental Activities	Business-Type Activities	Total	Funds	Total
Cash and investments	\$ 49,457,677	\$ 26,335,522	\$ 75,793,199	\$ 9,236,746	\$ 85,029,945
Cash and investments held by fiscal agent	15	-	15	6,493,849	6,493,864
Total cash and investments	\$ 49,457,692	\$ 26,335,522	\$ 75,793,214	\$ 15,730,595	\$ 91,523,809

Cash and investments at June 30, 2013 consists of the following:

Cash on hand	\$ 4,450
Demand deposits with financial institutions	8,627,086
Total cash and cash equivalents	8,631,536
Certificates of deposits with financial institutions	4,836,605
Local Agency Investment Fund (LAIF)	53,248,459
Money market fund	24,807,209
Total investments	82,892,273
Total cash and investments	\$ 91,523,809

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

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

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

Deposits

At June 30, 2013, the carrying amount of the City's demand deposits was \$8,627,086 and the bank balance was \$9,972,701. The \$1,345,615 difference represents outstanding checks, deposits in transit, and other reconciling items.

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

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

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

2. CASH AND INVESTMENTS, CONTINUED

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio ⁽¹⁾</u>	<u>Investment in One Issuer</u>	<u>Quality</u>
U.S Treasury Notes, Bonds, or other Certificates of Indebtedness backed by U.S. Government	3 years	None	None	
U.S. Treasury Zero Coupons	3 years	10%	None	
Discount notes or notes issued by Agencies of the U.S. Government	3 years	50%	None	
Banker's acceptances	180 days	20%	30%	"Prime" paper
Commercial paper	180 days	15%	10%	"A" or higher rating
Negotiable Certificates of Deposits	2 years	20%	None	Issuer Insured by FDIC
Non-negotiable Certificates of Deposits	2 years	40%	\$250,000	Issuer Insured by FDIC
Repurchase agreements	14 days	10%	None	Collateralized by Instruments permitted in City policy
Local Agency Investment Fund (LAIF) deposits	N/A	Limit set by LAIF		Per State Code

⁽¹⁾ Excluding amounts held by bond trustee that are not subject to California Government Code restrictions.

Investments Authorized by Debt Agreements.

In addition to the investment types listed above, the City may also invest appropriate funds in money market funds and 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 does not have a rating provided by a nationally recognized statistical rating organization.

Concentration of Credit Risk

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

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.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

2. CASH AND INVESTMENTS, CONTINUED

Custodial Risk, Continued

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 268 days.

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

Investments	Credit Rating	Fair Value June 30, 2013	Maturity - 12 Months or Less
Treasury Investments:			
Certificates of Deposit	N/A *	\$ 4,836,605	\$ 4,836,605
Money Market Fund	N/A *	20,005,403	20,005,403
LAIF	N/A *	51,556,401	51,556,401
Total Treasury Investments		<u>76,398,409</u>	<u>76,398,409</u>
Investments Held by Fiscal Agents:			
LAIF	N/A *	1,692,058	1,692,058
Money Market Fund	N/A *	4,801,806	4,801,806
Total Investments Held by Fiscal Agents		<u>6,493,864</u>	<u>6,493,864</u>
Total Investments		<u>\$ 82,892,273</u>	<u>\$ 82,892,273</u>

* There is no rating for the Investments in LAIF, Certificates of Deposit, or for the Money Market Fund.

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

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

2. CASH AND INVESTMENTS, CONTINUED

The City's investments with LAIF at June 30, 2013, 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, 2013, the City had \$53,248,459, of which \$1,692,058 are held by fiscal agents, invested in LAIF, which had invested 1.96% of the pool investment funds in Structured Notes and Asset-Backed Securities. The LAIF fair value factor of 1.000273207 was used to calculate the fair value of the investments in LAIF.

3. RECEIVABLES

Receivables of the City as of June 30, 2013 were:

	Governmental Activities	Business-Type Activities	Total
Accounts Receivable:			
Property taxes	\$ 1,349,619	\$ -	\$ 1,349,619
Sales taxes	-	-	-
Utility taxes	-	-	-
Water, sewer and refuse sales	-	2,249,087	2,249,087
Subvention and grants	-	-	-
Separation benefits	12,854	-	12,854
Other	2,391,425	-	2,391,425
Total Accounts Receivable	\$ 3,753,898	\$ 2,249,087	\$ 6,002,985
Interest Receivable	\$ 111,294	\$ -	\$ 111,294
Loans Receivable:			
Residential Rehabilitation (CDBG) (See Note 10)	\$ 48,015	\$ -	\$ 48,015
SERA Program (See Note 10)	185,300	-	185,300
Pacific Housing Loan (See Note 10)	218,280	-	218,280
Pacific Bridge Loan (See Note 10)	369,691	-	369,691
First-Time Homebuyers	180,962	-	180,962
Critical Maintenance (Housing)	87,527	-	87,527
Critical Maintenance (Grants)	126,743	-	126,743
Abajo del Sol Loan	2,056,940	-	2,056,940
Low/Mod Housing Deferred Loan	1,186,222	-	1,186,222
Subtotal	4,459,680	-	4,459,680
Less Allowance for Uncollectible Loans	(2,452,172)	-	(2,452,172)
Total Loans Receivable	\$ 2,007,508	\$ -	\$ 2,007,508
Total Receivables	\$ 5,872,700	\$ 2,249,087	\$ 8,121,787

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

3. RECEIVABLES, CONTINUED

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 balances at June 30, 2013 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 \$185,300 at June 30, 2013 and has been recorded as notes receivable in the Special Revenue Grants Fund.
- 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, 2013, outstanding principal and interest are \$175,000 and \$43,280, 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 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, 2013, outstanding principal and interest are \$240,478 and \$129,213, 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, 2013, \$180,962 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.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

3. RECEIVABLES, CONTINUED

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, 2013, the loans outstanding totaled \$214,270. Of this amount, \$87,527 is funded by the Agency's Housing Capital Projects Fund and \$126,743 is funded by the Federal HOME Program Grants Fund. The outstanding loan balance of \$87,527 was transferred from the 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 \$126,743 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.

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 Agency provided to the Developer a \$1.2 million loan bearing interest at the rate of 5.1% percent per annum for the construction of 60 units of affordable housing for senior citizens. On or before March 15th of each year, the Borrower shall pay lender an amount equal to the applicable percentage of the Net Cash Flow attributable to the prior calendar year. The loan is funded by the Federal HOME Program Grants Fund. At June 30, 2013, outstanding principal and interest being recorded as notes receivable are \$1,187,345 and \$869,595, 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. 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:

For the year ending	Amount
June 30,	
2024-2029	\$ 500,000
2030-2034	450,000
2035-2039	236,222
Total	<u>\$ 1,186,222</u>

4. INTERFUND TRANSACTIONS

Internal receivables and payables were as follows at June 30, 2013 which represents internal balances between the governmental activities and business-type activities:

	Internal Payable
Internal Receivable	Governmental Activities
Business-type Activities	\$ 345,600
Total	<u>\$ 345,600</u>

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

4. INTERFUND TRANSACTIONS, CONTINUED

Individual interfund receivables and payables were as follows at June 30, 2013:

Due to Other Funds	Due from Other Funds
	Governmental Fund
	General Fund
Governmental Funds:	
Special Revenue Grants Fund	\$ 1,105,193
Nonmajor Governmental Funds	175,305
Total	\$ 1,280,498

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 Out	Transfers In
	Governmental Funds
	Special Revenue Housing
Governmental Funds:	
Special Revenue Grants	\$ 9,466
Total	\$ 9,466

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. Transfers from the Special Revenue Grants Fund to the Special Revenue Housing Fund were for rental rehabilitation income for \$9,466.

5. ADVANCES TO FIDUCIARY FUND

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. This Takeaway Loan in the amount of \$2,601,898 will be paid back to the Special Revenue Housing Fund by June 30, 2015.

On May 4, 2011, the 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. This Takeaway loan in the amount of \$535,685 will be paid back to the Special Revenue Housing Fund by June 30, 2016.

The outstanding balance at January 31, 2012 in the amount of \$2,617,203 was transferred from the former Redevelopment Agency Debt Service Fund to the Successor Agency on February 1, 2012 due to the dissolution of the former Redevelopment Agency.

The Advances to the Fiduciary Fund balance at June 30, 2013 amounted to \$1,989,686.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

6. LAND HELD FOR RESALE

Land held for resale is generally acquired for redevelopment through the use of disposition and development agreements. At June 30, 2013, the total land held for resale in the amount of \$5,646,937 is reported in the private purpose trust funds. This included the \$4,233,000 Hotel Site and the \$1,413,937 Garvey Lot held under the Successor Agency to the Former Monterey Park Redevelopment Agency.

7. CAPITAL ASSETS

At June 30, 2013, the capital assets balances for the City are as follows:

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
Capital Assets, Not Being Depreciated:			
Land	\$ 12,613,500	\$ 499,975	\$ 13,113,475
Construction in progress	1,443,491	580,359	2,023,850
Total Capital Assets, Not Being Depreciated	14,056,991	1,080,334	15,137,325
Capital Assets, Being Depreciated:			
Buildings	29,048,150	285,050	29,333,200
Improvements	10,742,191	39,163,622	49,905,813
Equipment	22,510,241	2,646,888	25,157,129
Infrastructure	27,774,862	10,008,655	37,783,517
Total Capital Assets, Being Depreciated	90,075,444	52,104,215	142,179,659
Less Accumulated Depreciation:			
Buildings	(10,702,073)	(104,381)	(10,806,454)
Improvements	(3,394,421)	(16,757,273)	(20,151,694)
Equipment	(19,222,241)	(2,434,562)	(21,656,803)
Infrastructure	(17,959,713)	(8,541,239)	(26,500,952)
Total Accumulated Depreciation	(51,278,448)	(27,837,455)	(79,115,903)
Total Capital Assets, Being Depreciated, Net	38,796,996	24,266,760	63,063,756
Total Capital Assets, Net	\$ 52,853,987	\$ 25,347,094	\$ 78,201,081

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

7. CAPITAL ASSETS, CONTINUED

Governmental Activities

A summary of changes in capital asset activity for the year ended June 30, 2013 is as follows:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Capital Assets, Not Being Depreciated:				
Land	\$ 12,613,500	\$ -	\$ -	\$ 12,613,500
Construction in progress	826,417	617,074	-	1,443,491
Total Capital Assets, Not Being Depreciated	13,439,917	617,074	-	14,056,991
Capital Assets, Being Depreciated:				
Buildings	28,468,213	579,937	-	29,048,150
Improvements	10,742,191	-	-	10,742,191
Equipment	20,595,661	2,358,258	(443,678)	22,510,241
Infrastructure	26,666,747	1,108,115	-	27,774,862
Total Capital Assets, Being Depreciated	86,472,812	4,046,310	(443,678)	90,075,444
Less Accumulated Depreciation:				
Buildings	(10,126,985)	(575,088)	-	(10,702,073)
Improvements	(3,154,891)	(239,530)	-	(3,394,421)
Equipment	(18,589,411)	(1,076,508)	443,678	(19,222,241)
Infrastructure	(17,403,827)	(555,886)	-	(17,959,713)
Total Accumulated Depreciation	(49,275,114)	(2,447,012)	443,678	(51,278,448)
Total Capital Assets, Being Depreciated, Net	37,197,698	1,599,298	-	38,796,996
Total Capital Assets, Net	\$ 50,637,615	\$ 2,216,372	\$ -	\$ 52,853,987

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

7. CAPITAL ASSETS, CONTINUED

Business-Type Activities

A summary of changes in capital asset activity for the year ended June 30, 2013 is as follows:

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>
Capital Assets, Not Being Depreciated:				
Land	\$ 499,975	\$ -	\$ -	\$ 499,975
Construction in progress	552,886	27,473	-	580,359
Total Capital Assets, Not Being Depreciated	1,052,861	27,473	-	1,080,334
Capital Assets, Being Depreciated:				
Buildings	285,050	-	-	285,050
Improvements	38,683,252	480,370	-	39,163,622
Equipment	2,554,031	115,681	(22,824)	2,646,888
Infrastructure	10,008,655	-	-	10,008,655
Total Capital Assets, Being Depreciated	51,530,988	596,051	(22,824)	52,104,215
Less Accumulated Depreciation:				
Buildings	(98,792)	(5,589)	-	(104,381)
Improvements	(15,684,702)	(1,072,571)	-	(16,757,273)
Equipment	(2,375,005)	(82,381)	22,824	(2,434,562)
Infrastructure	(8,452,598)	(88,641)	-	(8,541,239)
Total Accumulated Depreciation	(26,611,097)	(1,249,182)	22,824	(27,837,455)
Total Capital Assets, Being Depreciated, Net	24,919,891	(653,131)	-	24,266,760
Total Capital Assets, Net	\$ 25,972,752	\$ (625,658)	\$ -	\$ 25,347,094

Depreciation expense of \$3,696,194 was charged to the following functions:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General government	\$ 237,305	\$ -	\$ 237,305
Public safety	888,299	-	888,299
Community development	40,933	-	40,933
Culture and recreation	611,359	-	611,359
Street and highways	669,116	-	669,116
Water	-	1,147,002	1,147,002
Refuse	-	1,665	1,665
Sewer	-	100,515	100,515
Total	\$ 2,447,012	\$ 1,249,182	\$ 3,696,194

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

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 Fund and Water 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.

The assets acquired through capital leases are as follows:

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Machinery and Equipment	\$ 1,771,926	\$ -	\$ 1,771,926
Improvements	-	10,115,694	10,115,694
Construction in Progress	-	216,258	216,258
	1,771,926	10,331,952	12,103,878
Less: Accumulated Depreciation	(1,771,926)	(3,026,099)	(4,798,025)
Total	<u>\$ -</u>	<u>\$ 7,305,853</u>	<u>\$ 7,305,853</u>

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

<u>Fiscal Year</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
2014	\$ 165,867	\$ 666,655	\$ 832,522
2015	165,867	666,109	831,976
2016	165,867	665,547	831,414
2017	165,867	664,970	830,837
2018	165,867	664,378	830,245
2019-2023	497,609	1,499,489	1,997,098
2024-2028	-	549,028	549,028
2029-2031	-	328,494	328,494
Subtotal	1,326,944	5,704,670	7,031,614
Less amount representing interest	(221,140)	(739,065)	(960,205)
Present Value of Future Minimum Lease Payment	<u>\$ 1,105,804</u>	<u>\$ 4,965,605</u>	<u>\$ 6,071,409</u>

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

9. LONG-TERM DEBT

Changes in long-term debt for the City for the year ended June 30, 2013 are as follows:

Governmental Activities	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013	Amount Due Within One Year	Amount Due In More Than One Year
Bonds Payable:						
2004 Taxable Pension Obligation						
Bonds	\$ 15,850,000	\$ -	\$ (485,000)	\$ 15,365,000	\$ 475,000	\$ 14,890,000
Total bonds payable	15,850,000	-	(485,000)	15,365,000	475,000	14,890,000
Loans and Notes Payable						
HUD Section 108 Loans Payable	4,487,000	-	(298,000)	4,189,000	316,000	3,873,000
Library Special Tax Revenue Notes Series 2005	2,038,078	-	(308,453)	1,729,625	320,318	1,409,307
Total loans and notes payable	6,525,078	-	(606,453)	5,918,625	636,318	5,282,307
Compensated Absences Payable	4,684,970	380,000	(435,917)	4,629,053	462,905	4,166,148
Claims and Judgments Payable (Note 13)	6,584,387	2,169,690	(2,183,970)	6,570,107	2,628,043	3,942,064
Capital Lease Obligations (Note 8)	1,218,566	-	(112,762)	1,105,804	117,849	987,955
Net Other Postemployment Benefits Obligation (Note 12)	9,224,572	2,177,390	-	11,401,962	-	11,401,962
Total Governmental Activities	\$ 44,087,573	\$ 4,727,080	\$ (3,824,102)	\$ 44,990,551	\$ 4,320,115	\$ 40,670,436
Business-Type Activities						
Compensated Absences Payable	\$ 522,307	\$ 155,511	\$ (52,231)	\$ 625,587	\$ 62,557	\$ 563,030
Capital Lease Obligations (Note 8)	5,533,108	-	(567,503)	4,965,605	573,524	4,392,081
Net Other Postemployment Benefits Obligation (Note 12)	686,428	181,610	-	868,038	-	868,038
Total Business-Type Activities	\$ 6,741,843	\$ 337,121	\$ (619,734)	\$ 6,459,230	\$ 636,081	\$ 5,823,149

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, 2013, \$68,884 in compensated absences and \$6,570,107 in claims and judgments of internal service funds are included as part of the totals long-term debt for governmental activities.

Typically, the General Fund has been used to liquidate the liability for claims and judgments, compensated absences, net pension obligation and net other postemployment benefits obligation for the governmental activities.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

9. LONG-TERM DEBT, 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 refund the unfunded liabilities of the City's Safety Plan to the California Public Employees' Retirement System (CALPERS). The City is contractually obligated to appropriate and make payments to CALPERS arising as a result of retirement benefits accruing to members of CALPERS. The City's obligation includes, among others, the requirement to amortize the unfunded accrued actuarial liability over a multi-year period. On June 29, 2004, the City contributed \$17,012,841 of the bond proceeds to CALPERS to fund a portion of the unfunded liability for the Safety Plan that provides retirement benefits to the City's sworn Police Officers and Firefighters. This transaction resulted in a net economic gain of \$3,193,368.

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

\$15,365,000

Section 108 Loan Program

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

\$4,189,000

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

9. LONG-TERM DEBT, CONTINUED

Library Special Tax Revenue Note Series 2005

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

The note is secured by City's Special Library Tax. Annual Principal and interest payments on the note are expected to require less than 80% of net revenues. The amount of principal and interest outstanding at June 30, 2013 totaled \$1,915,970. Principal and interest paid for the current year is \$383,197 and the net library tax revenue was \$497,160.

\$1,729,625

Total Pension Obligation Bonds, Section 108 Loan Program, and Library Special Tax Revenue Note

\$21,283,625

The summary of future debt service requirements on the tax allocation bonds, pension obligation bonds, Section 108 Loan, and Library Special Tax Revenue Note is as follows:

	<u>Pension Obligation Bonds</u>		<u>HUD Section 108 Loan</u>		<u>Library Special Tax</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2014	\$ 475,000	\$ 919,315	\$ 316,000	\$ 235,140	\$ 320,318	\$ 62,876	\$ 2,328,649
2015	465,000	893,627	335,000	217,687	332,639	50,556	2,294,509
2016	455,000	868,015	356,000	198,695	345,433	37,762	2,260,905
2017	450,000	842,589	378,000	178,082	358,719	24,475	2,231,865
2018	445,000	816,057	401,000	155,796	372,516	10,677	2,201,046
2019-2023	2,155,000	3,692,624	2,403,000	380,792	-	-	8,631,416
2024-2028	3,895,000	2,915,134	-	-	-	-	6,810,134
2029-2033	5,675,000	1,485,582	-	-	-	-	7,160,582
2034	1,350,000	82,026	-	-	-	-	1,432,026
	<u>\$ 15,365,000</u>	<u>\$ 12,514,969</u>	<u>\$ 4,189,000</u>	<u>\$ 1,366,192</u>	<u>\$ 1,729,625</u>	<u>\$ 186,346</u>	<u>\$ 35,351,132</u>

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

9. LONG-TERM DEBT, CONTINUED

Changes in long-term debt for the Successor Agency for the year ended June 30, 2013 are as follows:

<u>Successor Agency</u>	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>	<u>Amount Due Within One Year</u>	<u>Amount Due In More Than One Year</u>
Bonds Payable:						
1998 Tax Allocation Revenue Bonds - Merged Redevelopment Project	\$ 8,235,000	\$ -	\$ (340,000)	\$ 7,895,000	\$ 360,000	\$ 7,535,000
2002 Tax Allocation Bonds - Atlantic - Garvey Project Redevelopment Project	17,575,000	-	(870,000)	16,705,000	900,000	15,805,000
Total bonds payable	25,810,000	-	(1,210,000)	24,600,000	1,260,000	23,340,000
Loans and Notes Payable						
Tax Increment Deferred Loan - Atlantic/Garvey Project	6,665,463	705,187	-	7,370,650	-	7,370,650
Tax Increment Deferred Loan - Merged Project	27,945,336	3,620,206	-	31,565,542	-	31,565,542
Low/Mod Housing Deferred Loans	1,186,222	-	-	1,186,222	-	1,186,222
Total loans and notes payable	35,797,021	4,325,393	-	40,122,414	-	40,122,414
Total Successor Agency	\$ 61,607,021	\$ 4,325,393	\$ (1,210,000)	\$ 64,722,414	\$ 1,260,000	\$ 63,462,414

Tax Allocation Bonds

1998 Tax Allocation Revenue Bonds (Merged Project)

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

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

<u>Redemption Period</u>	<u>Redemption Price</u>	
March 1, 2009 to February 28, 2010	101.50%	
March 1, 2010 and thereafter	100.00%	\$ 7,895,000

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

9. LONG-TERM DEBT, CONTINUED

2002 Tax Allocation Revenue Bonds (Atlantic/Garvey Project)

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

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

\$ 16,705,000

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 former Redevelopment Agency's Low and Moderate Income Housing Funds, the County of Los Angeles pass-thru agreement, and County administration fees. Annual Principal and interest payments on the bonds are expected to require less than 35% of net revenues. The amount of principal and interest outstanding at June 30, 2013 totaled \$22,810,038. Principal and interest paid for the current year is \$1,669,894 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.

Total Tax Allocation Bonds

\$ 24,600,000

The future debt service requirement on the tax allocation bonds is as follows:

	1998 Merged TAB		2002 Atlantic/Garvey TAB		Total
	Principal	Interest	Principal	Interest	
2014	\$ 360,000	\$ 417,440	\$ 900,000	\$ 767,250	\$ 2,444,690
2015	375,000	398,540	935,000	731,675	2,440,215
2016	395,000	378,852	975,000	693,475	2,442,327
2017	420,000	358,115	1,010,000	648,725	2,436,840
2018	440,000	336,065	1,060,000	596,975	2,433,040
2019-2023	2,575,000	1,305,920	6,160,000	2,118,907	12,159,827
2024-2028	3,330,000	547,490	5,665,000	548,031	10,090,521
	<u>\$ 7,895,000</u>	<u>\$ 3,742,422</u>	<u>\$ 16,705,000</u>	<u>\$ 6,105,038</u>	<u>\$ 34,447,460</u>

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

9. LONG-TERM DEBT, 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 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.

\$ 7,370,650

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.

\$ 31,565,542

Arbitrage

The Tax Reform Act of 1986 substantially revised the treatment to be afforded to arbitrage earnings on invested bond proceeds and now requires the Successor Agency to remit excess arbitrage earnings to the Internal Revenue Service. Certain of the Agency's debt and interest earned on the proceeds thereon fall under the requirements of the act. The Successor Agency has made the necessary arbitrage rebate calculations. As of June 30, 2013 the Successor Agency incurred no rebate liability for the 1998 Merged Bonds or for the 2002 Tax Allocation Bonds.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

9. LONG-TERM DEBT, CONTINUED

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 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 Agency and was approved by the Department of Finance of the State of California as a payable to the City’s Special Revenue Housing Fund.

A summary of the repayment plan is presented below:

For the year ending June 30,	Amount
2024-2029	\$ 500,000
2030-2034	450,000
2035-2039	236,222
	\$ 1,186,222

10. 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 \$48,015, State Earthquake Rehabilitation Assistance (SERA) Program \$185,300, the Pacific Housing Corporation loan \$218,280, and the Pacific Bridge Loan \$369,691, described in Note 3 at June 30, 2013 has been recorded as Due to Other Governmental Agencies. As these notes are repaid, the repayment proceeds must be returned to the applicable government agency.

<u>Due to Other Governmental Agencies</u>	<u>Amount</u>
CDBG Residential Rehabilitation Program	\$ 48,015
State Earthquake Rehabilitation Assistance (SERA) Program	185,300
The Pacific Housing Corporation Loan	218,280
The Pacific Bridge Loan	369,691
Total	\$ 821,286

11. PENSION PLANS

A. Defined Benefit Pension Plans

a. California Public Employees’ Retirement System Plan Description

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

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

11. PENSION PLANS, CONTINUED

A. Defined Benefit Pension Plans, Continued

a. California Public Employees' Retirement System Plan Description, Continued

Participants are required to contribute 8% for miscellaneous employees and 9% for safety employees of their annual covered salary. Miscellaneous employees contribute 8% and all new-hire sworn Police employees contribute 6.55% toward their CalPERS retirement. The City makes 9% of the required employee contributions on behalf of sworn Fire and existing Police employees. The City is required to contribute at an actuarially determined rate; the current rate is 17.919% for non-safety employees, and 25.619% for safety employees, of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by CalPERS.

For fiscal year 2012-2013, the City's and Employees' annual pension cost was \$4,577,000 and \$1,606,156, respectively. The City actually contributed \$4,749,156. The required contribution was determined as part of the June 30, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases from 3.55% to 14.45% for miscellaneous plan and 3.55% to 13.15% for safety plan, depending on Age, Service, and type of employment, and (c) 3.25% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3%.

The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized as a level percent of projected payroll on a closed basis. The amortization period was 30 years for both miscellaneous plan and safety plan. The amortization period at June 30, 2010 was 22 years for miscellaneous plan and 27 years for safety plan.

The City's contribution to the Safety plan in the fiscal year ended June 30, 2004 included \$17,013,000 from the proceeds of the Pension Obligation Refunding Bonds Series 2004. The City's contributions in subsequent years were equal to the annual required contribution, which were more than the annual pension cost as a result of the pension obligation transaction.

The City's changes in net pension asset of the Safety Plan, for the year ended June 30, 2013, were as follows (amounts in thousands):

Annual Required Contribution	\$	3,374
Interest on Beginning Net Pension Assets		(1,498)
Adjustment to the Annual Required Contribution		1,211
		3,087
Annual Pension Cost		3,087
Contributions Made		3,374
		(287)
Change in Pension Assets		(287)
Net Pension Assets, Beginning of Year		(19,324)
		\$ (19,611)
Net Pension Assets, End of Year		

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

11. PENSION PLANS, CONTINUED

A. Defined Benefit Pension Plans, Continued

a. California Public Employees' Retirement System Plan Description, Continued

TREND INFORMATION FOR PERS

Schedule of Employer Contributions for Last Three Years (\$ Amount in Thousands)					
Safety Plan					
Fiscal Year	Annual Pension Cost (APC)	City Contribution	Percentage of APC Contributed	Net Pension Assets	
6/30/2011	\$ 3,510	\$ 3,743	107%	\$ 19,120	
6/30/2012	3,879	4,083	105%	19,324	
6/30/2013	3,087	3,374	109%	19,611	
Miscellaneous Plan					
Fiscal Year	Annual Pension Cost (APC)	City Contribution	Percentage of APC Contributed	Net Pension Obligation	
6/30/2011	\$ 1,369	\$ 1,369	100%	\$ -	
6/30/2012	1,411	1,411	100%	-	
6/30/2013	1,490	1,490	100%	-	

Schedule of Funding Progress (\$ Amount in Thousands)						
Actuarial Valuation Date	Actuarial Value of Assets	Entry Age Normal AAL	Unfunded AAL	Funded Status	Annual Covered Payroll	UAAL as a % of Payroll
	(a)	(b)	[(b)-(a)]	[(a)/(b)]	(c)	{[(b)-(a)]/(c)}
6/30/2012						
Miscellaneous	\$ 77,380	\$ 97,151	\$ 19,771	79.6%	\$ 10,883	181.7%
Safety	134,017	154,338	20,321	86.8%	11,020	184.4%
Total	\$ 211,397	\$ 251,489	\$ 40,092	84.1%	\$ 21,903	183.0%

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

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

11. PENSION PLANS, CONTINUED

A. Defined Benefit Pension Plans, Continued

b. Massachusetts Mutual Retirement Plan (MMRP) – Defined Benefit Plan

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

Miscellaneous employees under the age of 55 joined PERS on April 1, 1976. However, these employees still remain vested under the MMRP and are eligible to receive retirement benefits at the time of retirement. Miscellaneous employees over the age of 55 (on or before April 1, 1976) could not participate in PERS and remain wholly in the MMRP. The MMRP was amended in 1976 to provide equivalent retirement benefits to all miscellaneous employees, whether totally vested in PERS, totally vested in the MMRP or partially vested in both plans. Eligibility requirements for the MMRP are the same as those for PERS. There are 64 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, 2013 was zero. The City does not issue a publicly available financial report for the MMRP.

Funding Policy

MMRP is a contributory plan deriving funds from employee contributions as well as from employer contributions and earnings from investments. Employer contributions were based upon the actuarial methods and assumptions and there were no current year employee contributions required. The annual required contribution for the current year was determined as part of the July 1, 2012, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 5% a year compounded annually; (b) projected salary increases of 2% a year, attributable to cost-of-living adjustment, (c) additional projected salary increases of 5% a year (includes inflation at 2%), attributable to seniority/merit; and (d) no postretirement benefit increases.

The Annual Required Contribution (ARC) is the sum of the normal cost and amortization of the unfunded actuarial liability over a period not to exceed 10 years. Assets are assigned to the general investment account of the insurance company where investments are comprised mainly of bonds and mortgages. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The City uses the 10-year amortization plan to make the required annual contributions.

Annual Required Contribution	\$ 719,272
Interest on Beginning Net Pension Assets	42,085
Adjustment to the Annual Required Contribution	(6,081)
	755,276
Annual Pension Cost	755,276
Contributions Made	(841,176)
	(85,900)
Change in Pension Liability	(85,900)
Net pension obligation, beginning of year	841,700
	\$ 755,800
Net pension obligation, end of year	

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

11. PENSION PLANS, CONTINUED

A. Defined Benefit Pension Plans, Continued

b. Massachusetts Mutual Retirement Plan (MMRP) – Defined Benefit Plan, Continued

TREND INFORMATION FOR MMRP
Schedule of Employer Contributions for Last Three Years (\$ Amount in Thousands)

Fiscal Year	Annual Pension Cost (APC)	City Contribution	Percentage of APC Contributed	Net Pension Obligation
6/30/2011	\$ 801	\$ 801	100%	\$ 888
6/30/2012	797	843	106%	842
6/30/2013	755	841	111%	756

Schedule of Funding Progress (\$ Amount in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Normal AAL (b)	Unfunded AAL [(b)-(a)]	Funded Status [(a)/(b)]	Annual Covered Payroll (c)	UAAL as a % of Payroll {[(b)-(a)]/(c)}
7/1/2012	\$ 1,599	\$ 7,106	\$ 5,507	22.5%	\$ -	N/A

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

B. Defined Contribution Pension Plan

Monterey Park Part-Time Retirement Plan

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

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

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

11. PENSION PLANS, CONTINUED

B. *Defined Contribution Pension Plan, Continued*

Part-time, nonbenefited, nonpersable employees of the City must participate in the plan. During 2012-13, 99 part-time employees participated in the plan. All contributions to the plan vest immediately. An employee who leaves the City is entitled to all contributions, including contributions made by the City, and earnings applied to the individual's account through the date of separation, less legally required income tax withholding. Participants that become full-time employees and enter the PERS retirement plan will have the amount in their individual accounts transferred from this plan into a Section 457, Deferred Compensation Plan, subject to all the rules governing Section 457 plans, including substantial penalties for withdrawal prior to the age of normal retirement. Contribution levels into the 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 \$59,985 and covered payroll for the year ended June 30, 2013 totaled \$799,800. The City contributed \$32,992 (4% of current covered payroll) and employees contributed \$27,993 (3.5% of current covered payroll). Total plan assets at June 30, 2013 were \$717,351. Plan assets are held in trust for the exclusive benefit of participants and their beneficiaries and, therefore, are not included in the financial statements.

12. OTHER POST EMPLOYMENT BENEFITS

The City provides retiree healthcare benefits for employees who retire with CalPERS pension benefits immediately upon termination of employment from the City. The City's plan is a single-employer plan. Eligible retirees and dependents may elect lifetime coverage through the City's healthcare plans. The City makes contributions towards the retiree's premium up to specified caps that vary depending on bargaining unit and whether the participant has more or less than 20 years of service. Retirees pay the portion of premium not paid by the City.

In addition to the direct City paid contribution, retirees also receive pre-65 benefits that are subsidized as they are eligible to receive coverage based on blended (active and retiree) premium rates instead of normally higher retiree rates.

The City elected to use the entry age normal cost method with unfunded liabilities amortized over 30 years, and continues to fund on a pay-as-you-go basis.

Funding Policy

The contribution requirements are established and amended by the City. The contribution is based on pay-as-you-go financing requirements. For fiscal year 2012-2013, the City contributed \$1,291,828 to the plan and the breakdown is as follows.

Police	\$	465,058
Fire		219,611
Miscellaneous		607,159
Total	\$	1,291,828

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

12. OTHER POST EMPLOYMENT BENEFITS, CONTINUED

Annual OPEB Cost and Net OPEB Obligation

The City's annual Other Postemployment Benefit (OPEB) cost is calculated base on the *Annual Required Contribution of the Employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excesses) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB Obligation to the Plan.

Annual Required Contribution	\$	3,651
Interest on Beginning Net OPEB Obligation		496
Adjustment to the Annual Required Contribution		(496)
Annual OPEB Cost		3,651
Contributions Made Outside of a Trust		(1,292)
Change in Net OPEB Obligation		2,359
Net OPEB Obligation, Beginning of Year		9,911
Net OPEB Obligation, End of Year	\$	12,270

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 plus the two preceding years were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
6/30/2011	\$ 3,877	30.08%	\$ 7,491
6/30/2012	3,708	38.84%	9,911
6/30/2013	3,651	35.39%	12,270

Funded Status and Funding Progress

As of July 1, 2011, the Actuarial Accrued Liability for benefits was \$50,185,000, and the actuarial value of assets was \$0, resulting in an UAAL of \$50,185,000. The covered payroll (annual payroll of active employees covered by the plan) was \$20,486,000 and the ratio of UAAL to the covered payroll was 245 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the Actuarial Accrued Liabilities for benefits.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

12. OTHER POST EMPLOYMENT BENEFITS, CONTINUED

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

For July 1, 2011 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions include a 5.0% discount rate, 3.25% inflation rate, and an annual healthcare cost trend rate of 10.0% initially and reduced by decrements of 1% to an ultimate rate of 5.0% thereafter. The UAAL is being amortized as level percentage of future payroll on a 30 year open amortization period.

13. 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 \$100 million per occurrence. The City retains the risk for the first \$300,000 of each General Liability and Auto Liability claim and is a member of the Independent Cities Risk Management Authority for coverage up to \$30 million per occurrence. The City also purchases commercial insurance for other risks of loss, including property loss, emergency vehicle physical damage and special events.

There have been no significant changes in insurance coverage as compared to last year and the City has not experienced settlements in excess of insurance coverage during the past three fiscal years. Estimates for liabilities have been accrued in the Workers Compensation and General Liability Funds. These funds also include an estimate for incurred but not reported claims.

At June 30, 2013, total estimated claims payable were as follows:

General Liability	\$ 1,518,272
Workers' Compensation	<u>5,051,835</u>
Total	<u><u>\$ 6,570,107</u></u>

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

13. RISK MANAGEMENT, CONTINUED

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

A reconciliation of changes in the aggregate liabilities for claims for the current fiscal year and the prior 2 years is as follows:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Claims liabilities - beginning balance	\$ 6,584,387	\$ 5,991,491	\$ 5,714,205
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	2,379,896	1,986,304	810,027
Payments on claims attributable to events of both the current fiscal year and prior fiscal years	<u>(2,394,176)</u>	<u>(1,393,408)</u>	<u>(532,741)</u>
Total	<u><u>\$ 6,570,107</u></u>	<u><u>\$ 6,584,387</u></u>	<u><u>\$ 5,991,491</u></u>

14. DEFICITS AND BUDGET OVERAGES

Fund Financial Statements

At June 30, 2013, deficit net position was reported for the General Liability Internal Service Fund and Workers' Compensation Internal Service Fund in the amount of \$136,560 and \$2,317,346 respectively. City management intends to eliminate the deficit net position of the General Liability and 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 these funds is adequate to meet current needs.

Expenditures exceeded appropriations in the Special Revenue Public Safety Augmentation Fund by \$67,604 due to receipt of more allocated revenues.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

15. FUND BALANCE CLASSIFICATIONS

	Major Funds					Total
	General	Special Revenue			Nonmajor Funds	
		Grants	Retirement/ Pension	Housing		
Nonspendable:						
Advances to Fiduciary Fund	\$ -	\$ -	\$ -	\$ 1,989,686	\$ -	\$ 1,989,686
Total nonspendable	-	-	-	1,989,686	-	1,989,686
Restricted:						
Housing	-	-	-	684,479	-	684,479
Highways and streets	-	494,489	-	-	-	494,489
Public safety	-	144,493	-	-	-	144,493
Economic development	-	580,279	-	-	-	580,279
Other capital projects under \$200,000 in aggregate	-	241,977	-	-	-	241,977
Retirement	-	-	9,151,139	-	-	9,151,139
OPA Proposition A	-	-	-	-	1,683,088	1,683,088
State Gas Tax	-	-	-	-	1,386,109	1,386,109
Proposition C	-	-	-	-	743,202	743,202
Air Quality Improvement	-	-	-	-	181,416	181,416
Asset forfeiture	-	-	-	-	608,070	608,070
Business Improvement Area #1	-	-	-	-	236,412	236,412
Maintenance District 93-1	-	-	-	-	202,751	202,751
Measure R	-	-	-	-	1,300,504	1,300,504
Library tax	-	-	-	-	194,768	194,768
CERCLA Liability	-	-	-	-	806,402	806,402
Other special revenue under \$100,000 in aggregate	-	-	-	-	44,955	44,955
Total restricted	-	1,461,238	9,151,139	684,479	7,387,677	18,684,533
Committed:						
Unemployment claim	340,000	-	-	-	-	340,000
Catastrophic event	2,000,000	-	-	-	-	2,000,000
Working capital	3,000,000	-	-	-	-	3,000,000
Economic development	1,833,519	-	-	-	-	1,833,519
Total committed	7,173,519	-	-	-	-	7,173,519
Assigned:						
City capital improvements	9,653,901	-	-	-	-	9,653,901
Total assigned	9,653,901	-	-	-	-	9,653,901
Unassigned:						
General Fund	3,554,425	-	-	-	-	3,554,425
Total unassigned	3,554,425	-	-	-	-	3,554,425
Total	\$ 20,381,845	\$ 1,461,238	\$ 9,151,139	\$ 2,674,165	\$ 7,387,677	\$ 41,056,064

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

16. CONTINGENCIES

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

As of June 30, 2013, in the opinion of City management, there were no additional outstanding matters that would have a significant effect on the financial position of the funds of the City.

17. PROPOSITION 1A BORROWING BY THE STATE OF CALIFORNIA

Under the provisions of Proposition 1A and as part of the 2009-2010 budget package passed by the California State Legislature on July 28, 2009, the State of California borrowed 8% of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in lieu sales tax, and supplementary property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The State is required to repay this borrowing plus interest by June 30, 2013. The amount of this borrowing pertaining to the City was \$1,042,925 and \$69,333 for property tax revenues and interest accrued, respectively, for the year ended June 30, 2013.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2013

18. SETTLEMENT PAYABLE

Atlantic Times Square – Mezzanine Loan

There are provisions within the agreement with the developer suggesting that the Agency may be obligated to provide millions of dollars of subsidies to the Atlantic Times Square development. Uncertainty regarding whether the Agency is actually obligated to provide subsidies, and how much, arises from a determination issued by the Department of Industrial Relations (DIR) in June 2010. That determination was appealed by the Agency. On August 26, 2011, the DIR upheld its previous 2010 determination and denied the Agency's appeal. The Agency filed a lawsuit in Superior Court to overturn the DIR's determination on October 19, 2011. The Agency was also subject to enforcement action from the Division of Labor Standards Enforcement (DLSE) for unpaid prevailing wages on the development project. On July 23, 2012, the parties entered into escrow agreement, and then on July 26, 2012 the Successor Agency deposited \$9,900,000 to the escrow account. On September 18 and 19, 2012, the Successor Agency entered into a settlement agreement with the DLSE and the developer, respectively, which resolved all outstanding issues. Pursuant to the settlement agreement, 1) the Mezzanine Loan in the amount of \$5,850,000 is converted to a grant and is no longer owed to the Successor Agency and 2) the Successor Agency will pay \$476,650 to DLSE, \$5,400,000 to the developer for costs related to the Atlantic Times Square project, and up to \$600,000 to the developer for settlement of the dispute from the escrow account. The remaining settlement to the Successor Agency is estimated to be \$3,370,000 and will be retained in escrow until November 30, 2014 upon expiration of the applicable statute of limitations for others to file a claim regarding the project, less any claims filed before such expiration. The California Department of Finance approved the settlement agreement on November 21, 2012 and agreed that up to \$3,370,000 will be available for distribution to the taxing entities after the retention period ends in November 2014. The estimated settlement in the amount of \$4,023,675 is reported as settlement payable at June 30, 2013 in the Private Purpose Trust Fund.

19. PAYMENT TO COUNTY OF LOS ANGELES

On December 12, 2012, the Successor Agency submitted the Other Funds and Accounts Due Diligence Review (DDR) to the California Department of Finance (DOF) pursuant to Health and Safety Code Section 34179.6(c). The purpose of the review was to determine the amount of cash and cash equivalents available for distribution to the affected taxing entities. The DOF issued a letter to the City dated March 20, 2013 determining that \$1,411,628 was subject to distribution to the taxing entities. The Successor Agency remitted to the Los Angeles County Auditor-Controller on March 21, 2013 a cash disbursement in the amount of \$1,411,628.

20. SUBSEQUENT EVENT

Effective February 1, 2012, pursuant to Assembly Bill x1 26 ("AB 26"), redevelopment agencies throughout the State were abolished and prohibited from engaging in future redevelopment activities. On June 27, 2012, the State passed Assembly Bill 1484 ("AB 1484"), which included provisions permitting successor agencies to refund outstanding bonds or other obligations of a former redevelopment agency to achieve savings. In October 2013, both the Monterey Park Successor Agency to the former Redevelopment Agency and the Monterey Park Oversight Board approved and authorized the joining the refunding pool presented by the County of Los Angeles' (County) Redevelopment Bond Refunding Program to advance refund the 1998 Merged Redevelopment and the 2002 Atlantic-Garvey Redevelopment Tax Allocation Bonds. The Program has the support of State Department of Finance (DOF), who must approve all refunding, and has been coordinating its efforts alongside the County. Actual savings will depend on actual market conditions at the time of pricing and the final rating on the bonds.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

This page intentionally left blank.

CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited)
Schedules of Funding Progress (\$ Amount in Thousands)
June 30, 2013

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

Actuarial Valuation Date	Actuarial Asset Value (a)	Entry Age Actuarial Accrued Liability (b)	Unfunded AAL (UAAL) [(b) - (a)]	Funded Ratio [(a)/(b)]	Covered Payroll (c)	UAAL as a % of Covered Payroll {(b)-(a)/(c)}
06/30/10						
Misc.	\$ 69,203	\$ 84,267	\$ 15,064	82.1%	\$ 12,507	120.4%
Safety	124,278	142,589	18,311	87.2%	11,996	152.6%
Total	\$ 193,481	\$ 226,856	\$ 33,375	85.3%	\$ 24,503	136.2%
06/30/11						
Misc.	\$ 73,683	\$ 93,613	\$ 19,930	78.7%	\$ 11,054	180.3%
Safety	129,889	149,020	19,131	87.2%	11,592	165.0%
Total	\$ 203,572	\$ 242,633	\$ 39,061	83.9%	\$ 22,646	172.5%
06/30/12						
Misc.	\$ 77,380	\$ 97,151	\$ 19,771	79.6%	\$ 10,883	181.7%
Safety	134,017	154,338	20,321	86.8%	11,020	184.4%
Total	\$ 211,397	\$ 251,489	\$ 40,092	84.1%	\$ 21,903	183.0%

2. Massachusetts Mutual Retirement Plan (MMRP):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability (b)	Unfunded AAL (UAAL) [(b) - (a)]	Funded Ratio [(a)/(b)]	Covered Payroll (c)	UAAL as a % of Covered Payroll {(b)-(a)/(c)}
7/01/09	\$ 1,642	\$ 7,796	\$ 6,154	21.1%	\$ -	N/A
7/01/10	1,349	7,485	6,136	18.0%	-	N/A
7/01/12	1,599	7,106	5,507	22.5%	-	N/A

3. Other Post Employment Benefit (OPEB) Plan:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability (b)	Unfunded AAL (UAAL) [(b) - (a)]	Funded Ratio [(a)/(b)]	Covered Payroll (c)	UAAL as a % of Covered Payroll {(b)-(a)/(c)}
7/01/08	\$ -	\$ 42,957	\$ 42,957	0.0%	\$ 21,859	196.52%
7/01/09	-	49,150	49,150	0.0%	22,667	216.84%
7/01/11	-	50,185	50,185	0.0%	20,486	244.97%

CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited), Continued
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2013

	General Fund			
	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		
Revenues:				
Taxes	\$ 22,669,500	\$ 22,669,500	\$ 28,522,521	\$ 5,853,021
Licenses and permits	2,144,900	2,144,900	967,662	(1,177,238)
Charges for services	4,431,654	4,431,654	4,293,404	(138,250)
Revenues from use of money and property	555,345	555,345	635,298	79,953
Fines and forfeitures	765,000	765,000	750,020	(14,980)
Other	725,650	725,650	483,256	(242,394)
Total Revenues	<u>31,292,049</u>	<u>31,292,049</u>	<u>35,652,161</u>	<u>4,360,112</u>
Expenditures:				
Current:				
General government	3,101,336	3,101,336	3,450,011	(348,675)
Public safety	21,565,988	21,565,988	20,513,997	1,051,991
Community development	1,379,211	1,379,211	1,611,643	(232,432)
Culture and recreation	4,430,179	4,430,179	4,644,837	(214,658)
Highways and streets	596,507	596,507	563,403	33,104
Capital outlay	217,100	1,524,974	20,576	1,504,398
Total Expenditures	<u>31,290,321</u>	<u>32,598,195</u>	<u>30,804,467</u>	<u>1,793,728</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,728</u>	<u>\$ (1,306,146)</u>	<u>4,847,694</u>	<u>\$ 6,153,840</u>
Other Financing Sources:				
Proceed from sale of property			<u>6,021</u>	
Total Other Financing Sources			<u>6,021</u>	
Net Change in Fund Balances			4,853,715	
Fund Balances, Beginning of Year			<u>15,528,130</u>	
Fund Balances, End of Year			<u>\$ 20,381,845</u>	

CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited), Continued
Special Revenue Grants Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2013

	Special Revenue Grants Fund			
	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 1,530,906	\$ 1,574,888	\$ 4,693,489	\$ 3,118,601
Charges for services	-	-	4,024	4,024
Revenues from use of money and property	-	-	112,237	112,237
Total Revenues	<u>1,530,906</u>	<u>1,574,888</u>	<u>4,809,750</u>	<u>3,234,862</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	157,798	266,354	255,153	11,201
Community development	258,809	252,809	328,443	(75,634)
Culture and recreation	96,924	135,929	180,098	(44,169)
Highways and streets	34,450	34,450	19,256	15,194
Capital outlay	4,083,098	5,305,002	4,478,683	826,319
Debt service:				
Principal retirement	410,764	410,764	410,762	2
Interest and fiscal charges	250,935	250,935	250,934	1
Total Expenditures	<u>5,292,778</u>	<u>6,656,243</u>	<u>5,923,329</u>	<u>732,914</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (3,761,872)</u>	<u>\$ (5,081,355)</u>	(1,113,579)	<u>\$ 3,967,776</u>
Other Financing Uses:				
Transfers out			(9,466)	
Total Other Financing Uses			<u>(9,466)</u>	
Net Change in Fund Balances			(1,123,045)	
Fund Balances, Beginning of Year			<u>2,584,283</u>	
Fund Balances, End of Year			<u>\$ 1,461,238</u>	

CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited), Continued
Special Revenue Retirement/Pension Liability Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2013

	Special Revenue Retirement/Pension Liability			
	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		
Revenues:				
Taxes	\$ 5,099,000	\$ 5,099,000	\$ 6,177,231	\$ 1,078,231
Revenues from use of money and property	-	-	15	15
Other	885,382	885,382	885,382	-
Total Revenues	<u>5,984,382</u>	<u>5,984,382</u>	<u>7,062,628</u>	<u>1,078,246</u>
Expenditures:				
Current:				
General government	1,032,629	1,032,629	1,004,895	27,734
Public safety	3,378,454	3,378,454	3,381,396	(2,942)
Community development	192,343	192,343	165,256	27,087
Culture and recreation	368,170	368,170	359,925	8,245
Highways and streets	34,261	34,261	30,610	3,651
Debt service:				
Principal retirement	485,000	485,000	485,000	-
Interest and fiscal charges	945,166	945,166	945,165	1
Total Expenditures	<u>6,436,023</u>	<u>6,436,023</u>	<u>6,372,247</u>	<u>63,776</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (451,641)</u>	<u>\$ (451,641)</u>	<u>690,381</u>	<u>\$ 1,142,022</u>
Fund Balances, Beginning of Year			<u>8,460,758</u>	
Fund Balances, End of Year			<u>\$ 9,151,139</u>	

CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited), Continued
Special Revenue Housing Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2013

	Special Revenue Housing			
	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		
Revenues:				
Revenues from use of money and property	\$ -	\$ -	\$ 49,101	\$ 49,101
Other	-	-	5,637	5,637
Total Revenues	-	-	54,738	54,738
Expenditures:				
Current:				
Community development	96,000	5,671,658	5,581,772	89,886
Total Expenditures	96,000	5,671,658	5,581,772	89,886
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (96,000)</u>	<u>\$ (5,671,658)</u>	<u>(5,527,034)</u>	<u>\$ 144,624</u>
Other Financing Sources:				
Transfers in			9,466	
Total Other Financing Sources			9,466	
Net Change in Fund Balances			(5,517,568)	
Fund Balances, Beginning of Year			8,191,733	
Fund Balances, End of Year			<u>\$ 2,674,165</u>	

CITY OF MONTEREY PARK
Notes to Required Supplementary Information (Unaudited)
June 30, 2013

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 the 2012-2013, the City made several supplemental budgetary appropriations, including a \$1,307,874 increase in the General Fund and a \$1,363,465 increase in the Special Revenue Grants Fund.

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.

SUPPLEMENTARY INFORMATION

This page intentionally left blank.

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.

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

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

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

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

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

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.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS, Continued

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

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

DEBT SERVICE FUND

Debt Service Fund - established to account for the accumulation of resources for, and the payment of debt principal, interest and related costs of the Community Redevelopment Agency. The fund was terminated on February 1, 2012 due to the dissolution of the Agency and is only presented for comparative purposes.

CAPITAL PROJECTS FUND

Capital Projects Fund - established to account for financial resources segregated for the acquisition of and rehabilitation of capital facilities within the redevelopment project areas. The fund was terminated on February 1, 2012 due to the dissolution of the Agency and is only presented for comparative purposes.

This page intentionally left blank.

CITY OF MONTEREY PARK
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2013
(with comparative totals as of June 30, 2012)

	Special Revenue Funds				
	Proposition A	Gas Tax	Bike Route	Proposition C	Air Quality Improvement
<u>Assets</u>					
Cash and investments	\$ 1,762,361	\$ 1,453,333	\$ -	\$ 749,079	\$ 162,160
Accounts receivable	-	-	18,000	-	19,316
Interest receivable	-	-	-	-	-
Total Assets	<u>\$ 1,762,361</u>	<u>\$ 1,453,333</u>	<u>\$ 18,000</u>	<u>\$ 749,079</u>	<u>\$ 181,476</u>
<u>Liabilities and Fund Balance</u>					
Liabilities:					
Accounts payable	\$ 70,126	\$ 52,802	\$ -	\$ 5,877	\$ 60
Accrued payroll	9,147	14,422	-	-	-
Due to other funds	-	-	18,000	-	-
Advances from other funds	-	-	-	-	-
Total Liabilities	<u>79,273</u>	<u>67,224</u>	<u>18,000</u>	<u>5,877</u>	<u>60</u>
Fund Balance:					
Restricted	1,683,088	1,386,109	-	743,202	181,416
Unassigned	-	-	-	-	-
Total Fund Balance	<u>1,683,088</u>	<u>1,386,109</u>	<u>-</u>	<u>743,202</u>	<u>181,416</u>
Total Liabilities and Fund Balance	<u>\$ 1,762,361</u>	<u>\$ 1,453,333</u>	<u>\$ 18,000</u>	<u>\$ 749,079</u>	<u>\$ 181,476</u>

CITY OF MONTEREY PARK
Combining Balance Sheet - Nonmajor Governmental Funds, Continued
June 30, 2013
(with comparative totals as of June 30, 2012)

	Special Revenue Funds				
	Asset Forfeiture	Park Facilities	Business Improvement Area #1	Maintenance District 93-1	Public Safety Impact Fee
<u>Assets</u>					
Cash and investments	\$ 621,766	\$ 7,332	\$ 245,862	\$ 193,147	\$ 45,814
Accounts receivable	-	-	-	20,092	-
Interest receivable	-	-	-	-	-
Total Assets	<u>\$ 621,766</u>	<u>\$ 7,332</u>	<u>\$ 245,862</u>	<u>\$ 213,239</u>	<u>\$ 45,814</u>
<u>Liabilities and Fund Balance</u>					
Liabilities:					
Accounts payable	\$ 13,696	\$ -	\$ 9,450	\$ 5,160	\$ 8,191
Accrued payroll	-	-	-	5,328	-
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Total Liabilities	<u>13,696</u>	<u>-</u>	<u>9,450</u>	<u>10,488</u>	<u>8,191</u>
Fund Balance:					
Restricted	608,070	7,332	236,412	202,751	37,623
Unassigned	-	-	-	-	-
Total Fund Balance	<u>608,070</u>	<u>7,332</u>	<u>236,412</u>	<u>202,751</u>	<u>37,623</u>
Total Liabilities and Fund Balance	<u>\$ 621,766</u>	<u>\$ 7,332</u>	<u>\$ 245,862</u>	<u>\$ 213,239</u>	<u>\$ 45,814</u>

(Continued)

CITY OF MONTEREY PARK
Combining Balance Sheet - Nonmajor Governmental Funds, Continued
June 30, 2013
(with comparative totals as of June 30, 2012)

	Special Revenue Funds				Total
	Public Safety Augmentation	Measure R	Library Tax	CERCLA Liability	
<u>Assets</u>					
Cash and investments	\$ -	\$ 1,388,145	\$ 187,559	\$ 806,402	\$ 7,622,960
Accounts receivable	157,305	-	9,335	-	224,048
Interest receivable	-	-	-	-	-
Total Assets	\$ 157,305	\$ 1,388,145	\$ 196,894	\$ 806,402	\$ 7,847,008
<u>Liabilities and Fund Balance</u>					
Liabilities:					
Accounts payable	\$ -	\$ 86,359	\$ 192	\$ -	\$ 251,913
Accrued payroll	-	1,282	1,934	-	32,113
Due to other funds	157,305	-	-	-	175,305
Advances from other funds	-	-	-	-	-
Total Liabilities	157,305	87,641	2,126	-	459,331
Fund Balance:					
Restricted	-	1,300,504	194,768	806,402	7,387,677
Unassigned	-	-	-	-	-
Total Fund Balance	-	1,300,504	194,768	806,402	7,387,677
Total Liabilities and Fund Balance	\$ 157,305	\$ 1,388,145	\$ 196,894	\$ 806,402	\$ 7,847,008

CITY OF MONTEREY PARK
Combining Balance Sheet - Nonmajor Governmental Funds, Continued
June 30, 2013
(with comparative totals as of June 30, 2012)

	Total Nonmajor Governmental Funds	
<u>Assets</u>	2013	2012
Cash and investments	\$ 7,622,960	\$ 8,398,123
Accounts receivable	224,048	315,404
Interest receivable	-	5,188
Total Assets	\$ 7,847,008	\$ 8,718,715
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 251,913	\$ 278,710
Accrued payroll	32,113	26,460
Due to other funds	175,305	275,722
Advances from other funds	-	703,230
Total Liabilities	459,331	1,284,122
Fund Balance:		
Restricted	7,387,677	7,587,713
Unassigned	-	(153,120)
Total Fund Balance	7,387,677	7,434,593
Total Liabilities and Fund Balance	\$ 7,847,008	\$ 8,718,715

(Concluded)

CITY OF MONTEREY PARK
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended June 30, 2013
(with comparative totals for the year ended June 30, 2012)

Special Revenue Funds

	Proposition A	Gas Tax	Bike Route	Proposition C	Air Quality Improvement
Revenues:					
Taxes	\$ 1,123,842	\$ 1,515,647	\$ 59,819	\$ 834,834	\$ 73,771
Intergovernmental	-	-	-	-	-
Charges for services	75,597	-	-	-	-
Revenues from use of money and property	6,299	4,386	-	2,704	572
Fines and forfeitures	-	-	-	-	-
Other	-	-	-	-	-
Total Revenues	1,205,738	1,520,033	59,819	837,538	74,343
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Community development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Highways and streets	863,412	1,243,493	-	885,483	29,828
Health	-	-	-	-	-
Capital outlay	535,510	-	59,819	93,308	55,600
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	1,398,922	1,243,493	59,819	978,791	85,428
Excess (Deficiency) of Revenues Over Expenditures	(193,184)	276,540	-	(141,253)	(11,085)
Other Financing Sources (Uses):					
Transfers out	-	-	-	-	-
Proceeds from sale of property	-	-	-	-	505
Total Other Financing Sources (Uses)	-	-	-	-	505
Net Change in Fund Balances before Extraordinary Item	(193,184)	276,540	-	(141,253)	(10,580)
Extraordinary Item:					
Gain (Loss) on dissolution of the former Redevelopment Agency of Monterey Park	-	-	-	-	-
Net Change in Fund Balances	(193,184)	276,540	-	(141,253)	(10,580)
Fund Balance, Beginning of Year	1,876,272	1,109,569	-	884,455	191,996
Fund Balance, End of Year	\$ 1,683,088	\$ 1,386,109	\$ -	\$ 743,202	\$ 181,416

CITY OF MONTEREY PARK
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds, Continued
For the Year Ended June 30, 2013
(with comparative totals for the year ended June 30, 2012)

	Special Revenue Funds				
	Asset Forfeiture	Park Facilities	Business Improvement Area #1	Maintenance District 93-1	Public Safety Impact Fee
Revenues:					
Taxes	\$ -	\$ -	\$ 57,721	\$ 982,925	\$ -
Intergovernmental	-	-	-	-	-
Charges for services	-	91,164	-	-	392,676
Revenues from use of money and property	2,517	-	864	-	410
Fines and forfeitures	72,759	-	-	-	-
Other	-	-	-	-	-
Total Revenues	<u>75,276</u>	<u>91,164</u>	<u>58,585</u>	<u>982,925</u>	<u>393,086</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	264,194	-	-	-	48,269
Community development	-	-	121,159	-	-
Culture and recreation	-	-	-	356,163	-
Highways and streets	-	-	-	600,945	-
Health	-	-	-	-	-
Capital outlay	177,410	-	-	11,236	237,906
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>441,604</u>	<u>-</u>	<u>121,159</u>	<u>968,344</u>	<u>286,175</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(366,328)</u>	<u>91,164</u>	<u>(62,574)</u>	<u>14,581</u>	<u>106,911</u>
Other Financing Sources (Uses):					
Transfers out	-	-	-	-	-
Proceeds from sale of property	7,882	-	-	-	-
Total Other Financing Sources (Uses)	<u>7,882</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances before Extraordinary Item	<u>(358,446)</u>	<u>91,164</u>	<u>(62,574)</u>	<u>14,581</u>	<u>106,911</u>
Extraordinary Item:					
Gain (Loss) on dissolution of the former Redevelopment Agency of Monterey Park	-	-	-	-	-
Net Change in Fund Balances	<u>(358,446)</u>	<u>91,164</u>	<u>(62,574)</u>	<u>14,581</u>	<u>106,911</u>
Fund Balance, Beginning of Year	<u>966,516</u>	<u>(83,832)</u>	<u>298,986</u>	<u>188,170</u>	<u>(69,288)</u>
Fund Balance, End of Year	<u>\$ 608,070</u>	<u>\$ 7,332</u>	<u>\$ 236,412</u>	<u>\$ 202,751</u>	<u>\$ 37,623</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, 2013
(with comparative totals for the year ended June 30, 2012)

	Special Revenue Funds				
	Public Safety Augmentation	Measure R	Library Tax	CERCLA Liability	Total
Revenues:					
Taxes	\$ 617,604	\$ 624,359	\$ 497,160	\$ -	\$ 6,387,682
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	124,776	684,213
Revenues from use of money and property	-	4,313	673	2,754	25,492
Fines and forfeitures	-	-	-	-	72,759
Other	-	-	-	-	-
Total Revenues	617,604	628,672	497,833	127,530	7,170,146
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	617,604	-	-	-	930,067
Community development	-	-	-	-	121,159
Culture and recreation	-	-	136,914	-	493,077
Highways and streets	-	125,690	-	-	3,748,851
Health	-	-	-	119,999	119,999
Capital outlay	-	258,313	-	-	1,429,102
Debt service:					
Principal retirement	-	-	308,453	-	308,453
Interest and fiscal charges	-	-	74,741	-	74,741
Total Expenditures	617,604	384,003	520,108	119,999	7,225,449
Excess (Deficiency) of Revenues Over Expenditures	-	244,669	(22,275)	7,531	(55,303)
Other Financing Sources (Uses):					
Transfers out	-	-	-	-	-
Proceeds from sale of property	-	-	-	-	8,387
Total Other Financing Sources (Uses)	-	-	-	-	8,387
Net Change in Fund Balances before Extraordinary Item	-	244,669	(22,275)	7,531	(46,916)
Extraordinary Item:					
Gain (Loss) on dissolution of the former Redevelopment Agency of Monterey Park	-	-	-	-	-
Net Change in Fund Balances	-	244,669	(22,275)	7,531	(46,916)
Fund Balance, Beginning of Year	-	1,055,835	217,043	798,871	7,434,593
Fund Balance, End of Year	\$ -	\$ 1,300,504	\$ 194,768	\$ 806,402	\$ 7,387,677

CITY OF MONTEREY PARK
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Nonmajor Governmental Funds, Continued
For the Year Ended June 30, 2013
(with comparative totals for the year ended June 30, 2012)

	Total Nonmajor Governmental Funds	
	2013	2012
Revenues:		
Taxes	\$ 6,387,682	\$ 11,087,769
Intergovernmental	-	-
Charges for services	684,213	284,280
Revenues from use of money and property	25,492	61,884
Fines and forfeitures	72,759	182,033
Other	-	6,000
Total Revenues	<u>7,170,146</u>	<u>11,621,966</u>
Expenditures:		
Current:		
General government	-	129,933
Public safety	930,067	793,213
Community development	121,159	2,317,442
Culture and recreation	493,077	396,597
Highways and streets	3,748,851	3,659,460
Health	119,999	120,000
Capital outlay	1,429,102	775,420
Debt service:		
Principal retirement	308,453	1,137,030
Interest and fiscal charges	74,741	754,872
Total Expenditures	<u>7,225,449</u>	<u>10,083,967</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(55,303)</u>	<u>1,537,999</u>
Other Financing Sources (Uses):		
Transfers out	-	(426,146)
Proceeds from sale of property	8,387	4,245
Total Other Financing Sources (Uses)	<u>8,387</u>	<u>(421,901)</u>
Net Change in Fund Balances before Extraordinary Item	(46,916)	1,116,098
Extraordinary Item:		
Gain (Loss) on dissolution of the former Redevelopment Agency of Monterey Park	<u>-</u>	<u>(45,384,373)</u>
Net Change in Fund Balances	(46,916)	(44,268,275)
Fund Balance, Beginning of Year	<u>7,434,593</u>	<u>51,702,868</u>
Fund Balance, End of Year	<u>\$ 7,387,677</u>	<u>\$ 7,434,593</u>

(Concluded)

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Proposition A Fund
For the Year Ended June 30, 2013
(with comparative actual for the year ended June 30, 2012)

	2013		Variance Positive (Negative)	2012
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 950,000	\$ 1,123,842	\$ 173,842	\$ 1,045,952
Charges for services	124,300	75,597	(48,703)	53,475
Revenues from use of money and property	4,400	6,299	1,899	4,741
Total Revenues	1,078,700	1,205,738	127,038	1,104,168
Expenditures:				
Current:				
Highways and streets	1,023,213	863,412	159,801	852,104
Capital outlay	549,114	535,510	13,604	3,816
Total Expenditures	1,572,327	1,398,922	173,405	855,920
Excess (Deficiency) of Revenues Over Expenditures	\$ (493,627)	(193,184)	\$ 300,443	248,248
Other Financing Sources:				
Proceeds from sale of property		-		3,055
Net Change in Fund Balance		(193,184)		251,303
Fund Balance, Beginning of Year		1,876,272		1,624,969
Fund Balance, End of Year		\$ 1,683,088		\$ 1,876,272

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Gas Tax Fund
For the Year Ended June 30, 2013
(with comparative actual for the year ended June 30, 2012)

	2013		Variance Positive (Negative)	2012
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 1,693,743	\$ 1,515,647	\$ (178,096)	\$ 1,617,279
Revenues from use of money and property	<u>1,200</u>	<u>4,386</u>	<u>3,186</u>	<u>2,278</u>
Total Revenues	<u>1,694,943</u>	<u>1,520,033</u>	<u>(174,910)</u>	<u>1,619,557</u>
Expenditures:				
Current:				
Community development	-	-	-	56,110
Highways and streets	1,367,951	1,243,493	124,458	1,220,460
Capital outlay	<u>19,000</u>	<u>-</u>	<u>19,000</u>	<u>17,969</u>
Total Expenditures	<u>1,386,951</u>	<u>1,243,493</u>	<u>143,458</u>	<u>1,294,539</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 307,992</u>	276,540	<u>\$ (31,452)</u>	325,018
Fund Balance, Beginning of Year		<u>1,109,569</u>		<u>784,551</u>
Fund Balance, End of Year		<u>\$ 1,386,109</u>		<u>\$ 1,109,569</u>

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Bike Route Fund
For the Year Ended June 30, 2013
(with comparative actual for the year ended June 30, 2012)

	2013		Variance Positive (Negative)	2012
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 46,274	\$ 59,819	\$ 13,545	\$ 58,381
Expenditures:				
Capital outlay	59,819	59,819	-	58,381
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (13,545)</u>	-	<u>\$ 13,545</u>	-
Fund Balance, Beginning of Year		-		-
Fund Balance, End of Year		<u>\$ -</u>		<u>\$ -</u>

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Proposition C Fund
For the Year Ended June 30, 2013
(with comparative actual for the year ended June 30, 2012)

	2013		Variance Positive (Negative)	2012
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 730,000	\$ 834,834	\$ 104,834	\$ 789,342
Revenues from use of money and property	2,100	2,704	604	2,591
Total Revenues	<u>732,100</u>	<u>837,538</u>	<u>105,438</u>	<u>791,933</u>
Expenditures:				
Current:				
Highways and streets	835,400	885,483	(50,083)	858,708
Capital outlay	<u>257,528</u>	<u>93,308</u>	<u>164,220</u>	<u>38,008</u>
Total Expenditures	<u>1,092,928</u>	<u>978,791</u>	<u>114,137</u>	<u>896,716</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (360,828)</u>	(141,253)	<u>\$ 219,575</u>	(104,783)
Fund Balance, Beginning of Year		<u>884,455</u>		<u>989,238</u>
Fund Balance, End of Year		<u>\$ 743,202</u>		<u>\$ 884,455</u>

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Air Quality Improvement Fund
For the Year Ended June 30, 2013
(with comparative actual for the year ended June 30, 2012)

	2013		Variance Positive (Negative)	2012
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 75,000	\$ 73,771	\$ (1,229)	\$ 72,842
Revenues from use of money and property	<u>300</u>	<u>572</u>	<u>272</u>	<u>395</u>
Total Revenues	75,300	74,343	(957)	73,237
Expenditures:				
Current:				
Highways and streets	33,500	29,828	3,672	53,342
Capital outlay	<u>55,650</u>	<u>55,600</u>	<u>50</u>	<u>-</u>
Total Expenditures	<u>89,150</u>	<u>85,428</u>	<u>3,722</u>	<u>53,342</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (13,850)</u>	(11,085)	<u>\$ 2,765</u>	19,895
Other Financing Sources:				
Proceeds from sale of property		<u>505</u>		<u>-</u>
Net Change in Fund Balance		(10,580)		19,895
Fund Balance, Beginning of Year		<u>191,996</u>		<u>172,101</u>
Fund Balance, End of Year		<u>\$ 181,416</u>		<u>\$ 191,996</u>

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Asset Forfeiture Fund
For the Year Ended June 30, 2013
(with comparative actual for the year ended June 30, 2012)

	2013		Variance Positive (Negative)	2012
	Budget	Actual		Actual
Revenues:				
Revenues from use of money and property	\$ -	\$ 2,517	\$ 2,517	\$ 2,669
Fines and forfeitures	382,500	72,759	(309,741)	182,033
Total Revenues	382,500	75,276	(307,224)	184,702
Expenditures:				
Current:				
Public safety	298,001	264,194	33,807	216,204
Capital outlay	350,150	177,410	172,740	105,730
Total Expenditures	648,151	441,604	206,547	321,934
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (265,651)</u>	(366,328)	<u>\$ (100,677)</u>	(137,232)
Other Financing Sources:				
Proceeds from sale of property		7,882		1,190
Net Change in Fund Balance		(358,446)		(136,042)
Fund Balance, Beginning of Year		966,516		1,102,558
Fund Balance, End of Year		<u>\$ 608,070</u>		<u>\$ 966,516</u>

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Park Facilities Fund
For the Year Ended June 30, 2013
(with comparative actual for the year ended June 30, 2012)

	2013		Variance Positive (Negative)	2012
	Budget	Actual		Actual
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 25,455
Charges for services	50,000	91,164	41,164	-
Total Revenues	<u>50,000</u>	<u>91,164</u>	<u>41,164</u>	<u>25,455</u>
Expenditures:				
Capital outlay	28,565	-	28,565	34,598
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 21,435</u>	91,164	<u>\$ 69,729</u>	(9,143)
Fund Balance, Beginning of Year		<u>(83,832)</u>		<u>(74,689)</u>
Fund Balance, End of Year		<u>\$ 7,332</u>		<u>\$ (83,832)</u>

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Business Improvement Area #1 Fund
For the Year Ended June 30, 2013
(with comparative actual for the year ended June 30, 2012)

	2013		Variance Positive (Negative)	2012
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 60,000	\$ 57,721	\$ (2,279)	\$ 58,395
Revenues from use of money and property	<u>360</u>	<u>864</u>	<u>504</u>	<u>732</u>
Total Revenues	<u>60,360</u>	<u>58,585</u>	<u>(1,775)</u>	<u>59,127</u>
Expenditures:				
Current:				
Community development	<u>158,900</u>	<u>121,159</u>	<u>37,741</u>	<u>20,494</u>
Excess (Deficiency) of Revenues Over Expenditures	<u><u>\$ (98,540)</u></u>	<u>(62,574)</u>	<u><u>\$ 35,966</u></u>	<u>38,633</u>
Fund Balance, Beginning of Year		<u>298,986</u>		<u>260,353</u>
Fund Balance, End of Year		<u><u>\$ 236,412</u></u>		<u><u>\$ 298,986</u></u>

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Maintenance District 93-1 Fund
For the Year Ended June 30, 2013
(with comparative actual for the year ended June 30, 2012)

	2013		Variance Positive (Negative)	2012
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 981,500	\$ 982,925	\$ 1,425	\$ 977,552
Expenditures:				
Current:				
Culture and recreation	370,481	356,163	14,318	322,593
Highways and streets	660,058	600,945	59,113	609,649
Capital outlay	42,638	11,236	31,402	-
Total Expenditures	1,073,177	968,344	104,833	932,242
Excess (Deficiency) of Revenues Over Expenditures	\$ (91,677)	14,581	\$ 106,258	45,310
Fund Balance, Beginning of Year		188,170		142,860
Fund Balance, End of Year		\$ 202,751		\$ 188,170

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Public Safety Impact Fee Fund
For the Year Ended June 30, 2013
(with comparative actual for the year ended June 30, 2012)

	2013		Variance Positive (Negative)	2012
	Budget	Actual		Actual
Revenues:				
Charges for services	\$ 80,000	\$ 392,676	\$ 312,676	\$ 106,495
Revenues from use of money and property	-	410	410	124
Total Revenues	<u>80,000</u>	<u>393,086</u>	<u>313,086</u>	<u>106,619</u>
Expenditures:				
Current:				
Public safety	197,020	48,269	148,751	10,965
Capital outlay	305,953	237,906	68,047	114,139
Debt service:				
Interest and fiscal charges	-	-	-	20,000
Total Expenditures	<u>502,973</u>	<u>286,175</u>	<u>216,798</u>	<u>145,104</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (422,973)</u>	106,911	<u>\$ 529,884</u>	(38,485)
Fund Balance, Beginning of Year		<u>(69,288)</u>		<u>(30,803)</u>
Fund Balance, End of Year		<u>\$ 37,623</u>		<u>\$ (69,288)</u>

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Public Safety Augmentation Fund
For the Year Ended June 30, 2013
(with comparative actual for the year ended June 30, 2012)

	2013		Variance Positive (Negative)	2012
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 550,000	\$ 617,604	\$ 67,604	\$ 566,044
Expenditures:				
Current:				
Public safety	550,000	617,604	(67,604)	566,044
Excess (Deficiency) of Revenues Over Expenditures	\$ -	-	\$ -	-
Fund Balance, Beginning of Year		-		-
Fund Balance, End of Year		\$ -		\$ -

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Measure R Fund
For the Year Ended June 30, 2013
(with comparative actual for the year ended June 30, 2012)

	2013		Variance Positive (Negative)	2012
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 540,000	\$ 624,359	\$ 84,359	\$ 587,323
Revenues from use of money and property	2,300	4,313	2,013	2,621
Total Revenues	<u>542,300</u>	<u>628,672</u>	<u>86,372</u>	<u>589,944</u>
Expenditures:				
Current:				
Highway and streets	208,369	125,690	82,679	65,197
Capital outlay	719,975	258,313	461,662	402,779
Total Expenditures	<u>928,344</u>	<u>384,003</u>	<u>544,341</u>	<u>467,976</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (386,044)</u>	244,669	<u>\$ 630,713</u>	121,968
Fund Balance, Beginning of Year		<u>1,055,835</u>		<u>933,867</u>
Fund Balance, End of Year		<u>\$ 1,300,504</u>		<u>\$ 1,055,835</u>

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Library Tax Fund
For the Year Ended June 30, 2013
(with comparative actual for the year ended June 30, 2012)

	2013		Variance Positive (Negative)	2012
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 503,750	\$ 497,160	\$ (6,590)	\$ 501,685
Revenues from use of money and property	350	673	323	465
Total Revenues	<u>504,100</u>	<u>497,833</u>	<u>(6,267)</u>	<u>502,150</u>
Expenditures:				
Current:				
Culture and recreation	206,739	136,914	69,825	74,004
Debt service:				
Principal retirement	308,455	308,453	2	297,030
Interest and fiscal charges	<u>74,742</u>	<u>74,741</u>	<u>1</u>	<u>86,165</u>
Total Expenditures	<u>589,936</u>	<u>520,108</u>	<u>69,828</u>	<u>457,199</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (85,836)</u>	<u>(22,275)</u>	<u>\$ 63,561</u>	44,951
Fund Balance, Beginning of Year		<u>217,043</u>		<u>172,092</u>
Fund Balance, End of Year		<u>\$ 194,768</u>		<u>\$ 217,043</u>

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue CERCLA Liability Fund
For the Year Ended June 30, 2013
(with comparative actual for the year ended June 30, 2012)

	2013		Variance Positive (Negative)	2012
	Budget	Actual		Actual
Revenues:				
Charges for services	\$ 122,000	\$ 124,776	\$ 2,776	\$ 124,310
Revenues from use of money and property	2,600	2,754	154	2,041
Total Revenues	<u>124,600</u>	<u>127,530</u>	<u>2,930</u>	<u>126,351</u>
Expenditures:				
Current:				
Health	<u>120,000</u>	<u>119,999</u>	<u>1</u>	<u>120,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 4,600</u>	7,531	<u>\$ 2,929</u>	6,351
Fund Balance, Beginning of Year		<u>798,871</u>		<u>792,520</u>
Fund Balance, End of Year		<u>\$ 806,402</u>		<u>\$ 798,871</u>

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2013
(with comparative actual for the year ended June 30, 2012)

	2013		Variance Positive (Negative)	2012
	Budget	Actual		Actual
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 3,830,014
Revenues from use of money and property	-	-	-	6,004
Total Revenues	-	-	-	3,836,018
Expenditures:				
Current:				
General government	-	-	-	129,933
Community development	-	-	-	876,543
Debt service:				
Principal retirement	-	-	-	840,000
Interest and fiscal charges	-	-	-	648,707
Total Expenditures	-	-	-	2,495,183
Excess (Deficiency) of Revenues Over Expenditures	\$ -	-	\$ -	1,340,835
Extraordinary Item:				
Loss on dissolution of the former Redevelopment Agency of Monterey Park		-		(3,813,197)
Net Change in Fund Balances		-		(2,472,362)
Fund Balances, Beginning of Year		-		2,472,362
Fund Balances, End of Year		\$ -		\$ -

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Capital Projects Fund
For the Year Ended June 30, 2013
(with comparative actual for the year ended June 30, 2012)

	2013		Variance Positive (Negative)	2012
	Budget	Actual		Actual
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 957,505
Revenues from use of money and property	-	-	-	37,223
Other	-	-	-	6,000
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,728</u>
Expenditures:				
Current:				
Community development	-	-	-	1,364,295
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,364,295</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>(363,567)</u>
Other Financing Sources (Uses):				
Transfers out		-		(426,146)
Total Other Financing Sources (Uses)		<u>-</u>		<u>(426,146)</u>
Net Change in Fund Balances before Extraordinary Item		-		(789,713)
Extraordinary Item:				
Loss on dissolution of the former Redevelopment Agency of Monterey Park		-		(41,571,176)
Net Change in Fund Balances		-		(42,360,889)
Fund Balances, Beginning of Year		<u>-</u>		<u>42,360,889</u>
Fund Balances, End of Year		<u>\$ -</u>		<u>\$ -</u>

This page intentionally left blank.

DESCRIPTION OF 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 worker's compensation insurance costs, including claims, legal and other expenses.

Other Post Employment Benefits Fund - used to account for the City's annual retiree medical costs.

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

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

CITY OF MONTEREY PARK
Combining Statement of Net Position - Internal Service Funds
June 30, 2013
(with comparative totals as of June 30, 2012)

<u>Assets</u>	Separation Benefits	General Liability	Workers' Compensation	Other Post Employment Benefits
Current:				
Cash and investments	\$ 3,491,308	\$ 1,488,800	\$ 2,756,748	\$ 1,000,000
Accounts receivable	12,854	-	-	-
Inventory	-	-	-	-
Total Current Assets	3,504,162	1,488,800	2,756,748	1,000,000
Depreciable capital assets, net of accumulated depreciation	-	-	-	-
Total Capital Assets	-	-	-	-
Total Assets	3,504,162	1,488,800	2,756,748	1,000,000
 <u>Liabilities</u>				
Current Liabilities:				
Accounts payable	-	98,876	16,492	-
Accrued payroll	17,473	1,170	512	-
Claims and judgments payable - current portion	-	607,309	2,020,734	-
Compensated absences payable - current portion	-	704	526	-
Total Current Liabilities	17,473	708,059	2,038,264	-
Noncurrent:				
Claims and judgments payable - long term portion	-	910,963	3,031,101	-
Compensated absences payable - long term portion	-	6,338	4,729	-
Total Noncurrent Liabilities	-	917,301	3,035,830	-
Total Liabilities	17,473	1,625,360	5,074,094	-
 <u>Net Position</u>				
Net investment in capital assets	-	-	-	-
Unrestricted	3,486,689	(136,560)	(2,317,346)	1,000,000
Total Net Position (Deficit)	\$ 3,486,689	\$ (136,560)	\$ (2,317,346)	\$ 1,000,000

CITY OF MONTEREY PARK
Combining Statement of Net Position - Internal Service Funds, Continued
June 30, 2013
(with comparative totals as of June 30, 2012)

<u>Assets</u>	Shop	Technology	Totals	
			2013	2012
Current:				
Cash and investments	\$ 1,809,827	\$ 1,050,694	\$ 11,597,377	\$ 10,984,337
Accounts receivable	-	-	12,854	-
Inventory	2,511	-	2,511	657
Total Current Assets	1,812,338	1,050,694	11,612,742	10,984,994
Depreciable capital assets, net of accumulated depreciation	1,008,810	123,235	1,132,045	1,131,279
Total Capital Assets	1,008,810	123,235	1,132,045	1,131,279
Total Assets	2,821,148	1,173,929	12,744,787	12,116,273
 <u>Liabilities</u>				
Current Liabilities:				
Accounts payable	156,598	35,797	\$ 307,763	\$ 118,043
Accrued payroll	6,035	-	25,190	122,718
Claims and judgments payable - current portion	-	-	2,628,043	2,633,755
Compensated absences payable - current portion	5,659	-	6,889	6,296
Total Current Liabilities	168,292	35,797	2,967,885	2,880,812
Noncurrent:				
Claims and judgments payable - long term portion	-	-	3,942,064	3,950,632
Compensated absences payable - long term portion	50,928	-	61,995	56,668
Total Noncurrent Liabilities	50,928	-	4,004,059	4,007,300
Total Liabilities	219,220	35,797	6,971,944	6,888,112
 <u>Net Position</u>				
Net investment in capital assets	1,008,810	123,235	1,132,045	1,131,279
Unrestricted	1,593,118	1,014,897	4,640,798	4,096,882
Total Net Position (Deficit)	\$ 2,601,928	\$ 1,138,132	\$ 5,772,843	\$ 5,228,161

CITY OF MONTEREY PARK
Combining Statement of Revenues, Expenses and
Changes in Net Position - Internal Service Funds
For the Year Ended June 30, 2013
(with comparative totals for the year ended June 30, 2012)

	Separation Benefits	General Liability	Workers' Compensation	Other Post Employment Benefits
Operating Revenues:				
Charges for services	\$ 1,239,697	\$ 790,000	\$ 1,267,445	\$ 500,000
Other revenue	-	113,550	-	-
Total Operating Revenues	<u>1,239,697</u>	<u>903,550</u>	<u>1,267,445</u>	<u>500,000</u>
Operating Expenses:				
Depreciation	-	-	-	-
Vehicle expense	-	-	-	-
Salaries and benefits	789,966	52,526	23,480	-
Materials and supplies	-	-	-	-
Insurance and claims	-	1,293,692	1,231,634	-
Miscellaneous	-	24,760	-	-
Total Operating Expenses	<u>789,966</u>	<u>1,370,978</u>	<u>1,255,114</u>	<u>-</u>
Operating Income (Loss)	449,731	(467,428)	12,331	500,000
Nonoperating Income (Loss):				
Gain (Loss) on sale of surplus property	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Nonoperating Income (Loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	449,731	(467,428)	12,331	500,000
Net Position (Deficit), Beginning of Year	<u>3,036,958</u>	<u>330,868</u>	<u>(2,329,677)</u>	<u>500,000</u>
Net Position (Deficit), End of Year	<u>\$ 3,486,689</u>	<u>\$ (136,560)</u>	<u>\$ (2,317,346)</u>	<u>\$ 1,000,000</u>

CITY OF MONTEREY PARK
Combining Statement of Revenues, Expenses and
Changes in Net Position - Internal Service Funds, Continued
For the Year Ended June 30, 2013
(with comparative totals for the year ended June 30, 2012)

	Shop	Technology	Totals	
			2013	2012
Operating Revenues:				
Charges for services	\$ 1,704,480	\$ 132,040	\$ 5,633,662	\$ 5,872,824
Other revenue	-	-	113,550	-
Total Operating Revenues	<u>1,704,480</u>	<u>132,040</u>	<u>5,747,212</u>	<u>5,872,824</u>
Operating Expenses:				
Depreciation	298,949	66,493	365,442	443,605
Vehicle expense	17,006	3,817	20,823	1,790
Salaries and benefits	316,501	-	1,182,473	1,392,466
Materials and supplies	807,638	-	807,638	804,265
Insurance and claims	-	-	2,525,326	2,699,182
Miscellaneous	231,271	65,310	321,341	255,945
Total Operating Expenses	<u>1,671,365</u>	<u>135,620</u>	<u>5,223,043</u>	<u>5,597,253</u>
Operating Income (Loss)	33,115	(3,580)	524,169	275,571
Nonoperating Income (Loss):				
Gain (Loss) on sale of surplus property	20,513	-	20,513	(6,110)
Transfers in	-	-	-	600,000
Transfers out	-	-	-	(600,000)
Total Nonoperating Income (Loss)	<u>20,513</u>	<u>-</u>	<u>20,513</u>	<u>(6,110)</u>
Change in Net Position	53,628	(3,580)	544,682	269,461
Net Position (Deficit), Beginning of Year	<u>2,548,300</u>	<u>1,141,712</u>	<u>5,228,161</u>	<u>4,958,700</u>
Net Position (Deficit), End of Year	<u>\$ 2,601,928</u>	<u>\$ 1,138,132</u>	<u>\$ 5,772,843</u>	<u>\$ 5,228,161</u>

CITY OF MONTEREY PARK
Combining Statement of Cash Flows - Internal Service Funds
For the Year Ended June 30, 2013
(with comparative totals for the year ended June 30, 2012)

	Separation Benefits	General Liability	Workers' Compensation	Other Post Employment Benefits
Cash Flows from Operating Activities:				
Cash receipts from interfund services provided	\$ 1,226,843	\$ 903,550	\$ 1,267,445	\$ 500,000
Cash payments to suppliers for goods and services	-	-	-	-
Cash payments to employees for services	(888,759)	(50,283)	(22,127)	-
Cash payments for insurance premiums and self-insurance claims	-	(1,101,862)	(1,361,475)	-
	<u>338,084</u>	<u>(248,595)</u>	<u>(116,157)</u>	<u>500,000</u>
Net Cash Provided by (Used in) Operating Activities	<u>338,084</u>	<u>(248,595)</u>	<u>(116,157)</u>	<u>500,000</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	-	-	-	-
Proceeds from sale of surplus assets	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	338,084	(248,595)	(116,157)	500,000
Cash and Cash Equivalents, Beginning of Year	<u>3,153,224</u>	<u>1,737,395</u>	<u>2,872,905</u>	<u>500,000</u>
Cash and Cash Equivalents, End of Year	<u>\$ 3,491,308</u>	<u>\$ 1,488,800</u>	<u>\$ 2,756,748</u>	<u>\$ 1,000,000</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	<u>\$ 449,731</u>	<u>\$ (467,428)</u>	<u>\$ 12,331</u>	<u>\$ 500,000</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 accounts receivable	(12,854)	-	-	-
(Increase) decrease in inventory	-	-	-	-
Increase (decrease) in accounts payable	-	84,697	16,332	-
Increase (decrease) in accrued payroll	(98,793)	218	117	-
Increase (decrease) in claims and judgments payable	-	131,893	(146,173)	-
Increase (decrease) in compensated absences payable	-	2,025	1,236	-
	<u>(111,647)</u>	<u>218,833</u>	<u>(128,488)</u>	<u>-</u>
Total Adjustments	<u>(111,647)</u>	<u>218,833</u>	<u>(128,488)</u>	<u>-</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 338,084</u>	<u>\$ (248,595)</u>	<u>\$ (116,157)</u>	<u>\$ 500,000</u>

CITY OF MONTEREY PARK
Combining Statement of Cash Flows - Internal Service Funds, Continued
For the Year Ended June 30, 2013

	Shop	Technology	Totals	
			2013	2012
Cash Flows from Operating Activities:				
Cash receipts from interfund services provided	\$ 1,704,480	\$ 132,040	\$ 5,734,358	\$ 5,872,824
Cash payments to suppliers for goods and services	(998,309)	(39,896)	(1,038,205)	(1,427,004)
Cash payments to employees for services	(312,912)	-	(1,274,081)	(1,293,169)
Cash payments for insurance premiums and self-insurance claims	-	-	(2,463,337)	(2,135,513)
Net Cash Provided by (Used in) Operating Activities	393,259	92,144	958,735	1,017,138
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(366,208)	-	(366,208)	(37,149)
Proceeds from sale of surplus assets	20,513	-	20,513	8,817
Net Cash Provided by (Used in) Capital and Related Financing Activities	(345,695)	-	(345,695)	(28,332)
Net Increase (Decrease) in Cash and Cash Equivalents	47,564	92,144	613,040	988,806
Cash and Cash Equivalents, Beginning of Year	1,762,263	958,550	10,984,337	9,995,531
Cash and Cash Equivalents, End of Year	\$ 1,809,827	\$ 1,050,694	\$ 11,597,377	\$ 10,984,337
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 33,115	\$ (3,580)	\$ 524,169	\$ 275,571
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation	298,949	66,493	365,442	443,605
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	-	-	(12,854)	-
(Increase) decrease in inventory	(1,854)	-	(1,854)	44
Increase (decrease) in accounts payable	59,460	29,231	189,720	(394,275)
Increase (decrease) in accrued payroll	930	-	(97,528)	91,952
Increase (decrease) in claims and judgments payable	-	-	(14,280)	592,896
Increase (decrease) in compensated absences payable	2,659	-	5,920	7,345
Total Adjustments	360,144	95,724	434,566	741,567
Net Cash Provided by (Used in) Operating Activities	\$ 393,259	\$ 92,144	\$ 958,735	\$ 1,017,138

This page intentionally left blank.

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:

Deposit 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 Statement of Assets and Liabilities - All Agency Funds
June 30, 2013
(with comparative totals as of June 30, 2012)

	Deposits	Construction	Totals	
	Fund	Agency Fund	2013	2012
<u>Assets</u>				
Cash and investments	\$ 1,849,924	\$ 53,900	\$ 1,903,824	\$ 3,071,724
Total Assets	<u>\$ 1,849,924</u>	<u>\$ 53,900</u>	<u>\$ 1,903,824</u>	<u>\$ 3,071,724</u>
 <u>Liabilities</u>				
Accounts payable	\$ 78,585	\$ 1,320	\$ 79,905	\$ 57,972
Deposits payable	1,771,339	52,580	1,823,919	3,013,752
Total Liabilities	<u>\$ 1,849,924</u>	<u>\$ 53,900</u>	<u>\$ 1,903,824</u>	<u>\$ 3,071,724</u>

CITY OF MONTEREY PARK
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended June 30, 2013

<u>Deposits Fund</u>	Balance at July 1, 2012	Additions	Deletions	Balance at June 30, 2013
Assets:				
Cash and investments	\$ 2,989,263	\$ 695,792	\$ (1,835,131)	\$ 1,849,924
Liabilities:				
Accounts payable	\$ 39,962	\$ 77,246	\$ (38,623)	\$ 78,585
Deposits payable	2,949,301	657,168	(1,835,130)	1,771,339
Total Liabilities	\$ 2,989,263	\$ 734,414	\$ (1,873,753)	\$ 1,849,924
 <u>Construction Agency Fund</u>				
Assets:				
Cash and investments	\$ 82,461	\$ 19,681	\$ (48,242)	\$ 53,900
Liabilities:				
Accounts payable	\$ 18,010	\$ 1,320	\$ (18,010)	\$ 1,320
Deposits payable	64,451	37,691	(49,562)	52,580
Total Liabilities	\$ 82,461	\$ 39,011	\$ (67,572)	\$ 53,900
 <u>Total - All Agency Funds</u>				
Assets:				
Cash and investments	\$ 3,071,724	\$ 715,473	\$ (1,883,373)	\$ 1,903,824
Liabilities:				
Accounts payable	\$ 57,972	\$ 78,566	\$ (56,633)	\$ 79,905
Deposits payable	3,013,752	694,859	(1,884,692)	1,823,919
Total Liabilities	\$ 3,071,724	\$ 773,425	\$ (1,941,325)	\$ 1,903,824

This page intentionally left blank.

GENERAL FUND

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

CITY OF MONTEREY PARK
General Fund
Balance Sheet
June 30, 2013
(with comparative data as of June 30, 2012)

<u>Assets</u>	Totals	
	2013	2012
Cash and investments	\$ 18,738,375	\$ 14,987,101
Accounts receivable	2,302,655	2,353,813
Interest receivable	111,294	52,305
Due from other funds	1,280,498	724,120
Advances to other funds	-	703,230
Total Assets	\$ 22,432,822	\$ 18,820,569
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	\$ 464,533	\$ 493,129
Accrued payroll	762,672	632,606
Deposits and advances	823,772	849,185
Deferred revenue	-	1,317,519
Total Liabilities	2,050,977	3,292,439
Fund Balance:		
Nonspendable		
Advances to other funds	-	703,230
Committed	7,173,519	7,173,519
Assigned	9,653,901	5,145,940
Unassigned	3,554,425	2,505,441
Total Fund Balance	20,381,845	15,528,130
Total Liabilities and Fund Balance	\$ 22,432,822	\$ 18,820,569

CITY OF MONTEREY PARK
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2013
(with comparative data for the year ended June 30, 2012)

	Totals	
	2013	2012
Revenues:		
Taxes	\$ 28,522,521	\$ 21,519,774
Licenses and permits	967,662	1,856,887
Intergovernmental revenues	-	2,876,300
Charges for services	4,293,404	4,072,183
Revenues from use of money and property	635,298	634,355
Fines and forfeitures	750,020	770,959
Other	483,256	681,927
Total Revenues	35,652,161	32,412,385
Expenditures:		
Current:		
General government	3,450,011	2,520,226
Public safety	20,513,997	20,391,933
Community development	1,611,643	1,251,015
Culture and recreation	4,644,837	4,638,650
Highways and streets	563,403	483,723
Capital outlay	20,576	2,931,881
Total Expenditures	30,804,467	32,217,428
Excess (Deficiency) of Revenues Over Expenditures	4,847,694	194,957
Other Financing Sources:		
Transfers in	-	350,000
Proceeds from sale of property	6,021	1,837,937
Total Other Financing Sources	6,021	2,187,937
Net Change in Fund Balance	4,853,715	2,382,894
Fund Balance, Beginning of Year	15,528,130	13,145,236
Fund Balance, End of Year	\$ 20,381,845	\$ 15,528,130

This page intentionally left blank.

MAJOR SPECIAL REVENUE FUNDS

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

Retirement/Pension Liability Fund - used to account for revenue received from voter-approved property tax levied to provide for employee retirement costs, as established pursuant to Monterey Park Municipal Code Section 2.40.060 and to account for the financial resources provided by the City in anticipation of estimated increases in retirement costs.

Housing Fund - used to account for housing activities for the City.

CITY OF MONTEREY PARK
Special Revenue Grants Fund
Balance Sheet
June 30, 2013
(with comparative data as of June 30, 2012)

<u>Assets</u>	Totals	
	2013	2012
Cash and investments	\$ 1,564,479	\$ 3,297,704
Accounts receivable	1,188,736	705,203
Interest receivable	-	1,145
Notes receivable	821,286	808,836
Total Assets	\$ 3,574,501	\$ 4,812,888
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	\$ 181,928	\$ 961,233
Accrued payroll	2,143	6,493
Deposits and advances	2,713	3,645
Due to other funds	1,105,193	448,398
Due to other governmental agencies	821,286	808,836
Total Liabilities	2,113,263	2,228,605
Fund Balance:		
Restricted	1,461,238	2,584,283
Total Fund Balance	1,461,238	2,584,283
Total Liabilities and Fund Balance	\$ 3,574,501	\$ 4,812,888

CITY OF MONTEREY PARK
Special Revenue Grants Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2013
(with comparative data for the year ended June 30, 2012)

	Totals	
	2013	2012
Revenues:		
Intergovernmental revenues	\$ 4,693,489	\$ 3,130,414
Charges for services	4,024	3,905
Revenues from use of money and property	112,237	38,723
Total Revenues	4,809,750	3,173,042
Expenditures:		
Current:		
Public safety	255,153	404,323
Community development	328,443	943,109
Culture and recreation	180,098	176,971
Highways and streets	19,256	41,324
Capital outlay	4,478,683	2,114,808
Debt service:		
Principal retirement	410,762	388,897
Interest and fiscal charges	250,934	265,183
Total Expenditures	5,923,329	4,334,615
Excess (Deficiency) of Revenues Over Expenditures	(1,113,579)	(1,161,573)
Other Financing Uses:		
Transfers out	(9,466)	-
Net Change in Fund Balance	(1,123,045)	(1,161,573)
Fund Balance, Beginning of Year	2,584,283	3,745,856
Fund Balance, End of Year	\$ 1,461,238	\$ 2,584,283

CITY OF MONTEREY PARK
Special Revenue Retirement/Pension Liability Fund
Balance Sheet
June 30, 2013
(with comparative data as of June 30, 2012)

<u>Assets</u>	Totals	
	2013	2012
Cash and investments	\$ 9,229,913	\$ 8,209,050
Cash and investments held by fiscal agents	15	122
Accounts receivable	25,605	375,576
Total Assets	\$ 9,255,533	\$ 8,584,748
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	\$ -	\$ 16,890
Accrued payroll	104,394	107,100
Total Liabilities	104,394	123,990
Fund Balance:		
Restricted	9,151,139	8,460,758
Total Fund Balance	9,151,139	8,460,758
Total Liabilities and Fund Balance	\$ 9,255,533	\$ 8,584,748

CITY OF MONTEREY PARK
Special Revenue Retirement/Pension Liability Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2013
(with comparative data for the year ended June 30, 2012)

	Totals	
	2013	2012
Revenues:		
Tax	\$ 6,177,231	\$ 4,834,830
Revenues from use of money and property	15	122
Other	885,382	-
Total Revenues	7,062,628	4,834,952
Expenditures:		
Current:		
General government	1,004,895	967,926
Public safety	3,381,396	4,091,903
Community development	165,256	164,911
Culture and recreation	359,925	364,989
Highways and streets	30,610	23,233
Debt service:		
Principal retirement	485,000	495,000
Interest and fiscal charges	945,165	970,806
Total Expenditures	6,372,247	7,078,768
Excess (Deficiency) of Revenues Over Expenditures	690,381	(2,243,816)
Other Financing Sources:		
Transfers in	-	426,146
Net Change in Fund Balance	690,381	(1,817,670)
Fund Balance, Beginning of Year	8,460,758	10,278,428
Fund Balance, End of Year	\$ 9,151,139	\$ 8,460,758

CITY OF MONTEREY PARK
Special Revenue Housing Fund
Balance Sheet
June 30, 2013
(with comparative data as of June 30, 2012)

	Totals	
<u>Assets</u>	2013	2012
Cash and investments	\$ 704,573	\$ 6,541,249
Loans receivables, net	1,186,222	1,186,222
Advances to Fiduciary Fund	1,989,686	2,617,203
Total Assets	\$ 3,880,481	\$ 10,344,674
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	\$ 11,289	\$ 957,914
Deposits and advances	8,805	8,805
Deferred revenue	1,186,222	1,186,222
Total Liabilities	1,206,316	2,152,941
Fund Balance:		
Nonspendable	1,989,686	2,617,203
Restricted	684,479	5,574,530
Total Fund Balance	2,674,165	8,191,733
Total Liabilities and Fund Balance	\$ 3,880,481	\$ 10,344,674

CITY OF MONTEREY PARK
Special Revenue Housing Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2013
(with comparative data for the five months period ended June 30, 2012) *

	Totals	
	2013	2012 (*)
Revenues:		
Revenues from use of money and property	\$ 49,101	\$ 9,262
Other	5,637	32,303
Total Revenues	54,738	41,565
Expenditures:		
Current:		
General government	-	3,094
Community development	5,581,772	957,505
Capital outlay	-	2,292,090
Total Expenditures	5,581,772	3,252,689
Excess (Deficiency) of Revenues Over Expenditures	(5,527,034)	(3,211,124)
Other Financing Sources:		
Transfers in	9,466	-
Total Other Financing Sources	9,466	-
Net Change in Fund Balances before Extraordinary Item	(5,517,568)	(3,211,124)
Extraordinary Item:		
Gain on dissolution of the dissolved former Redevelopment Agency of Monterey Park	-	11,402,857
Net Change in Fund Balance	(5,517,568)	8,191,733
Fund Balance, Beginning of Year	8,191,733	-
Fund Balance, End of Year	\$ 2,674,165	\$ 8,191,733

(*) Pursuant to Assembly Bill 1484.

This page intentionally left blank.

MAJOR ENTERPRISE FUNDS

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

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

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

Refuse Fund accounts for the City's refuse system operations. The Refuse Fund has the following major activity:

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

CITY OF MONTEREY PARK
Water Enterprise Fund
Schedule of Assets, Liabilities and Net Position by Function
June 30, 2013
(with comparative totals as of June 30, 2012)

<u>Assets</u>	<u>Water Operations Activity</u>	<u>Water Treatment Activity</u>
Current Assets:		
Cash and investments	\$ 13,562,505	\$ 9,677,648
Accounts receivable	1,578,708	-
Total Current Assets	<u>15,141,213</u>	<u>9,677,648</u>
Noncurrent Assets:		
Nondepreciable capital assets	817,481	262,853
Depreciable capital assets, net of accumulated depreciation	15,645,844	7,134,465
Total Assets	<u>31,604,538</u>	<u>17,074,966</u>
<u>Liabilities and Net Position</u>		
Current Liabilities:		
Accounts payable	549,755	280,701
Accrued payroll	55,632	11,036
Deposits and advances	395,539	-
Capital lease obligation - current portion	203,524	370,000
Current compensated absences payable	43,886	7,617
Total Current Liabilities	<u>1,248,336</u>	<u>669,354</u>
Noncurrent Liabilities:		
Capital lease obligation	2,512,081	1,880,000
Compensated absences payable	394,978	68,555
OPEB obligations payable	685,553	-
Total Non Current Liabilities	<u>3,592,612</u>	<u>1,948,555</u>
Total Liabilities	<u>4,840,948</u>	<u>2,617,909</u>
Net Position:		
Net investment in capital assets	13,747,720	5,147,318
Unrestricted	13,015,870	9,309,739
Total Net Position	<u>\$ 26,763,590</u>	<u>\$ 14,457,057</u>
Adjustment to reflect the consolidation of internal service funds activities to related activity	<u>(101,338)</u>	<u>-</u>
Net Position Related to Water Enterprise Activities	<u>\$ 26,662,252</u>	<u>\$ 14,457,057</u>

CITY OF MONTEREY PARK
Water Enterprise Fund
Schedule of Assets, Liabilities and Net Position by Function, Continued
June 30, 2013
(with comparative totals as of June 30, 2012)

<u>Assets</u>	<u>Totals</u>	
	<u>2013</u>	<u>2012</u>
Current Assets:		
Cash and investments	\$ 23,240,153	\$ 17,972,669
Accounts receivable	1,578,708	1,529,420
Total Current Assets	<u>24,818,861</u>	<u>19,502,089</u>
Noncurrent Assets:		
Nondepreciable capital assets	1,080,334	1,052,861
Depreciable capital assets, net of accumulated depreciation	22,780,309	23,331,260
Total Assets	<u>48,679,504</u>	<u>43,886,210</u>
<u>Liabilities and Net Position</u>		
Current Liabilities:		
Accounts payable	830,456	1,560,617
Accrued payroll	66,668	57,344
Deposits and advances	395,539	393,135
Capital lease obligation - current portion	573,524	567,503
Current compensated absences payable	51,503	40,520
Total Current Liabilities	<u>1,917,690</u>	<u>2,619,119</u>
Noncurrent Liabilities:		
Capital lease obligation	4,392,081	4,965,605
Compensated absences payable	463,533	364,678
OPEB obligations payable	685,553	530,331
Total Non Current Liabilities	<u>5,541,167</u>	<u>5,860,614</u>
Total Liabilities	<u>7,458,857</u>	<u>8,479,733</u>
Net Position:		
Net investment in capital assets	18,895,038	18,851,013
Unrestricted	22,325,609	16,555,464
Total Net Position	<u>\$ 41,220,647</u>	<u>\$ 35,406,477</u>
Adjustment to reflect the consolidation of internal service funds activities to related activity	<u>(101,338)</u>	<u>(159,013)</u>
Net Position Related to Water Enterprise Activities	<u>\$ 41,119,309</u>	<u>\$ 35,247,464</u>

CITY OF MONTEREY PARK
Water Enterprise Fund
Schedule of Revenues, Expenses and Changes in Net Position by Function
For the Year Ended June 30, 2013
(with comparative totals for the year ending June 30, 2012)

	<u>Water Operations Activity</u>	<u>Water Treatment Activity</u>
Operating Revenues:		
Charges for services	\$ 10,493,965	\$ 2,716,972
Meter installations	91,874	-
Other revenue	-	3,230,138
Total Operating Revenues	<u>10,585,839</u>	<u>5,947,110</u>
Operating Expenses:		
Water purchased	24,302	-
Administration - water	4,342,635	-
Commercial - water	564,942	-
Production - water	1,565,570	-
Distribution - water	991,190	-
Treatment plant operations	-	2,024,961
Depreciation	805,086	341,916
Total Operating Expenses	<u>8,293,725</u>	<u>2,366,877</u>
Operating Income (Loss)	2,292,114	3,580,233
Nonoperating Income (Loss):		
Interest expense	(104,053)	-
Gain on sale of surplus property	4,042	-
Total Nonoperating Income (Loss)	<u>(100,011)</u>	<u>-</u>
Net Income (Loss) Before Transfers and Contribution	2,192,103	3,580,233
Capital contributions	41,834	-
Transfers out	-	-
Total Transfers and Capital Contributions	<u>41,834</u>	<u>-</u>
Changes in Net Position	2,233,937	3,580,233
Net Position, Beginning of Year	<u>24,529,653</u>	<u>10,876,824</u>
Net Position, End of Year	<u>\$ 26,763,590</u>	<u>\$ 14,457,057</u>
Changes in Net Position	\$ 2,233,937	\$ 3,580,233
Adjustment to reflect consolidation of internal service fund activities to related enterprise activity	<u>57,675</u>	<u>-</u>
Changes in Net Activities of Water Enterprise Activities	<u>\$ 2,291,612</u>	<u>\$ 3,580,233</u>

CITY OF MONTEREY PARK
Water Enterprise Fund
Schedule of Revenues, Expenses and Changes in Net Position by Function, Continued
For the Year Ended June 30, 2013
(with comparative totals for the year ending June 30, 2012)

	Totals	
	2013	2012
Operating Revenues:		
Charges for services	\$ 13,210,937	\$ 12,676,526
Meter installations	91,874	177,158
Other revenue	3,230,138	2,205,569
Total Operating Revenues	<u>16,532,949</u>	<u>15,059,253</u>
Operating Expenses:		
Water purchased	24,302	2,216,854
Administration - water	4,342,635	3,325,059
Commercial - water	564,942	564,474
Production - water	1,565,570	1,107,329
Distribution - water	991,190	974,951
Treatment plant operations	2,024,961	2,032,698
Depreciation	1,147,002	1,148,011
Total Operating Expenses	<u>10,660,602</u>	<u>11,369,376</u>
Operating Income (Loss)	5,872,347	3,689,877
Nonoperating Income (Loss):		
Interest expense	(104,053)	(110,556)
Gain on sale of surplus property	4,042	-
Total Nonoperating Income (Loss)	<u>(100,011)</u>	<u>(110,556)</u>
Net Income (Loss) Before Transfers and Contribution	5,772,336	3,579,321
Capital contributions	41,834	91,894
Transfers out	-	(350,000)
Total Transfers and Capital Contributions	<u>41,834</u>	<u>(258,106)</u>
Changes in Net Position	5,814,170	3,321,215
Net Position, Beginning of Year	35,406,477	32,085,262
Net Position, End of Year	<u>\$ 41,220,647</u>	<u>\$ 35,406,477</u>
Changes in Net Position	\$ 5,814,170	\$ 3,321,215
Adjustment to reflect consolidation of internal service fund activities to related enterprise activity	<u>57,675</u>	<u>(62,731)</u>
Changes in Net Activities of Water Enterprise Activities	<u>\$ 5,871,845</u>	<u>\$ 3,258,484</u>

CITY OF MONTEREY PARK
Refuse Enterprise Fund
Schedule of Assets, Liabilities and Net Position by Function
June 30, 2013
(with comparative totals as of June 30, 2012)

<u>Assets</u>	<u>Totals</u>	
	<u>2013</u>	<u>2012</u>
Current Assets:		
Cash and investments	\$ 2,296,165	\$ 3,088,484
Accounts receivable	635,261	634,122
Total Current Assets	<u>2,931,426</u>	<u>3,722,606</u>
Noncurrent Assets:		
Depreciable capital assets, net of accumulated depreciation	2,499	4,164
Total Assets	<u>2,933,925</u>	<u>3,726,770</u>
 <u>Liabilities and Net Position</u>		
Current Liabilities:		
Accounts payable	426,401	829,958
Accrued payroll	9,223	8,274
Current compensated absences payable	10,045	9,111
Total Current Liabilities	<u>445,669</u>	<u>847,343</u>
Noncurrent Liabilities:		
Compensated absences payable	90,412	82,000
OPEB obligations payable	151,076	128,901
Total Non Current Liabilities	<u>241,488</u>	<u>210,901</u>
Total Liabilities	<u>687,157</u>	<u>1,058,244</u>
Net Position:		
Net investment in capital assets	2,499	4,164
Unrestricted	2,244,269	2,664,362
Total Net Position	<u>\$ 2,246,768</u>	<u>\$ 2,668,526</u>
Adjustment to reflect the consolidation of internal service funds activities to related activity	446,938	232,796
Net Position Related to Refuse Enterprise Activities	<u>\$ 2,693,706</u>	<u>\$ 2,901,322</u>

CITY OF MONTEREY PARK
Refuse Enterprise Fund
Schedule of Revenues, Expenses and Changes in Net Position by Function
For the Year Ended June 30, 2013
(with comparative totals for the year ending June 30, 2012)

	Totals	
	2013	2012
Operating Revenues:		
Charges for services	\$ 5,832,841	\$ 6,001,641
Total Operating Revenues	5,832,841	6,001,641
Operating Expenses:		
Administration	870,547	901,831
Street maintenance - refuse	42,744	41,075
Storm drain maintenance - refuse	73,123	74,430
Refuse collection	5,266,520	5,120,272
Depreciation	1,665	1,665
Total Operating Expenses	6,254,599	6,139,273
Operating Income (Loss)	(421,758)	(137,632)
Changes in Net Position	(421,758)	(137,632)
Net Position (Deficit), Beginning of Year	2,668,526	2,806,158
Net Position (Deficit), End of Year	\$ 2,246,768	\$ 2,668,526
Changes in Net Position	\$ (421,758)	\$ (137,632)
Adjustment to reflect consolidation of internal service fund activities to related enterprise activity	214,142	195,157
Changes in Net Activities of Refuse Enterprise Activities	\$ (207,616)	\$ 57,525

This page intentionally left blank.

STATISTICAL SECTION
(Unaudited)

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

<u>Index</u>	<u>Page</u>
Financial Trends 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.	
1 Net Position by Component	156
2 Changes in Net Position	158
3 Fund Balances of Governmental Funds	162
4 Changes in Fund Balances of Governmental Funds	164
Revenue Capacity Information - These schedules contain trend information to help the reader understand the City's property tax.	
5 Assessed Value and Estimated Actual Value of Taxable Property	166
6 Direct and Overlapping Property Tax Rates	168
7 Principal Property Taxpayers	170
8 Property Tax Levies and Collections	172
Debt Capacity Information - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
9 Ratios of Outstanding Debt by Type	174
10 Ratios of General Bonded Debt Outstanding	176
11 Direct and Overlapping Debt	178
12 Legal Debt Margin Information	180
13 Tax Allocation Bonds Pledged-Revenue Coverage	182
Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
14 Demographic and Economic Statistics	183
15 Principal Employers	184
Operating Information - These schedules contain service and infrastructure data to help the reader understanding how the information in the City's financial report relates to the services the City provides and the activities it performs.	
16 Full-Time and Part-Time City Employees by Function	186
17 Operating Indicators by Function	188
18 Capital Asset Statistics by Function	190
19 Water Sold by Type of Customer	192
20 Water Rates	194
21 Top Twelve Water Customers	195

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

	Fiscal Year				
	2003/04	2004/05	2005/06	2006/07	2007/08
Governmental Activities:					
Net investment in					
capital assets	\$ 28,995,314	\$ 33,316,889	\$ 39,935,338	\$ 41,243,683	\$ 42,188,514
Restricted	37,577,409	44,040,390	40,358,826	41,256,879	50,363,018
Unrestricted	<u>(32,196,829)</u>	<u>(34,565,344)</u>	<u>(31,003,360)</u>	<u>(28,542,889)</u>	<u>(29,746,073)</u>
Total governmental activities net position	<u>\$ 34,375,894</u>	<u>\$ 42,791,935</u>	<u>\$ 49,290,804</u>	<u>\$ 53,957,673</u>	<u>\$ 62,805,459</u>
Business-Type Activities:					
Net investment in					
capital assets	\$ 17,067,003	\$ 19,880,710	\$ 19,700,171	\$ 20,202,373	\$ 19,228,082
Restricted	-	-	-	-	-
Unrestricted	<u>1,608,386</u>	<u>1,210,407</u>	<u>2,099,749</u>	<u>2,704,071</u>	<u>5,798,733</u>
Total business-type activities net position	<u>\$ 18,675,389</u>	<u>\$ 21,091,117</u>	<u>\$ 21,799,920</u>	<u>\$ 22,906,444</u>	<u>\$ 25,026,815</u>
Primary Government:					
Net investment in					
capital assets	\$ 46,062,317	\$ 53,197,599	\$ 59,635,509	\$ 61,446,056	\$ 61,416,596
Restricted	6,139,301	44,040,390	40,358,826	41,256,879	50,363,018
Unrestricted	<u>849,665</u>	<u>(33,354,937)</u>	<u>(28,903,611)</u>	<u>(25,838,818)</u>	<u>(23,947,340)</u>
Total primary government net position	<u>\$ 53,051,283</u>	<u>\$ 63,883,052</u>	<u>\$ 71,090,724</u>	<u>\$ 76,864,117</u>	<u>\$ 87,832,274</u>

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

	Fiscal Year				
	2008/09	2009/10	2010/11	2011/12	2012/13
Governmental Activities:					
Net investment in					
capital assets	\$ 40,863,652	\$ 44,779,820	\$ 42,184,114	\$ 47,380,971	\$ 50,018,559
Restricted	57,279,208	54,638,570	29,449,081	26,824,487	20,629,264
Unrestricted	<u>(37,034,912)</u>	<u>(43,282,599)</u>	<u>(21,658,335)</u>	<u>6,298,370</u>	<u>9,341,223</u>
Total governmental activities net position	<u>\$ 61,107,948</u>	<u>\$ 56,135,791</u>	<u>\$ 49,974,860</u>	<u>\$ 80,503,828</u>	<u>\$ 79,989,046</u>
Business-Type Activities:					
Net investment in					
capital assets	\$ 17,370,937	\$ 17,254,986	\$ 19,372,272	\$ 20,439,644	\$ 20,381,489
Restricted	-	-	-	-	-
Unrestricted	<u>9,077,541</u>	<u>10,911,685</u>	<u>17,752,724</u>	<u>19,943,174</u>	<u>25,700,563</u>
Total business-type activities net position	<u>\$ 26,448,478</u>	<u>\$ 28,166,671</u>	<u>\$ 37,124,996</u>	<u>\$ 40,382,818</u>	<u>\$ 46,082,052</u>
Primary Government:					
Net investment in					
capital assets	\$ 58,234,589	\$ 62,034,806	\$ 61,556,386	\$ 67,820,615	\$ 70,400,048
Restricted	57,279,208	54,638,570	29,449,081	26,824,487	20,629,264
Unrestricted	<u>(27,957,371)</u>	<u>(32,370,914)</u>	<u>(3,905,611)</u>	<u>26,241,544</u>	<u>35,041,786</u>
Total primary government net position	<u>\$ 87,556,426</u>	<u>\$ 84,302,462</u>	<u>\$ 87,099,856</u>	<u>\$ 120,886,646</u>	<u>\$ 126,071,098</u>

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

	Fiscal Year				
	2003/04	2004/05	2005/06	2006/07	2007/08
Expenses:					
Governmental activities:					
General government	\$ 3,766,150	\$ 4,110,311	\$ 3,805,164	\$ 5,740,916	\$ 4,338,308
Public safety	19,275,515	20,418,214	22,168,220	23,991,371	25,259,657
Community development	6,494,687	6,880,151	7,206,979	9,550,291	8,388,572
Culture and recreation	5,380,342	5,348,469	5,536,176	5,776,367	6,914,716
Highway and streets	5,595,749	4,776,390	5,283,276	6,550,763	5,184,431
Health	(166,786)	133,689	60,109	141,672	70,590
Interest and fiscal charges	3,040,713	4,079,124	4,292,781	3,211,151	3,040,769
Total governmental activities expenses	<u>43,386,370</u>	<u>45,746,348</u>	<u>48,352,705</u>	<u>54,962,531</u>	<u>53,197,043</u>
Business-type activities:					
Water	6,296,717	8,620,295	8,594,316	10,253,822	9,549,450
Refuse	4,707,391	4,667,202	5,051,358	5,208,786	5,465,893
Sewer	47,039	123,478	178,053	224,847	193,391
Total business-type activities expenses	<u>11,051,147</u>	<u>13,410,975</u>	<u>13,823,727</u>	<u>15,687,455</u>	<u>15,208,734</u>
Total primary government expenses	<u>54,437,517</u>	<u>59,157,323</u>	<u>62,176,432</u>	<u>70,649,986</u>	<u>68,405,777</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	1,331,238	1,449,459	1,458,109	1,469,072	765,334
Public safety	2,564,364	3,018,772	3,309,549	3,521,884	4,961,930
Community development	957,673	2,106,140	2,166,424	1,840,229	3,960,929
Culture and recreation	937,278	792,172	697,239	766,051	801,478
Highway and Streets	1,186,860	1,303,633	1,457,019	1,422,080	1,569,903
Health	(70,940)	-	-	-	-
Operating grants and contributions	1,969,482	2,302,117	2,572,146	6,794,692	4,472,472
Capital grants and contributions	3,081,881	6,125,743	2,955,297	2,055,895	1,620,031
Total governmental activities program revenues	<u>11,957,836</u>	<u>17,098,036</u>	<u>14,615,783</u>	<u>17,869,903</u>	<u>18,152,077</u>
Business-type activities:					
Charges for services:					
Water	6,718,386	7,590,509	8,842,158	10,729,127	10,523,615
Refuse	4,739,102	4,886,324	5,252,977	5,498,006	5,773,306
Sewer	265,205	253,049	297,400	294,888	293,650
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	855,628	3,331,675	319,059	287,506	444,903
Total business-type activities revenues	<u>12,578,321</u>	<u>16,061,557</u>	<u>14,711,594</u>	<u>16,809,527</u>	<u>17,035,474</u>
Total primary government revenues	<u>\$ 24,536,157</u>	<u>\$ 33,159,593</u>	<u>\$ 29,327,377</u>	<u>\$ 34,679,430</u>	<u>\$ 35,187,551</u>

Source: City of Monterey Park Management Services Department

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

	Fiscal Year				
	2008/09	2009/10	2010/11	2011/12	2012/2013
Expenses:					
Governmental activities:					
General government	\$ 3,879,270	\$ 3,393,846	\$ 3,497,432	\$ 4,405,489	\$ 6,522,107
Public safety	28,781,812	29,652,341	27,575,013	27,764,258	26,233,074
Community development	11,507,775	13,427,547	11,027,820	5,673,116	8,521,044
Culture and recreation	7,411,985	7,009,277	6,685,623	6,378,055	5,909,468
Highway and streets	5,812,714	5,981,608	5,209,925	4,886,331	5,380,336
Health	98,918	88,940	120,000	120,000	119,999
Interest and fiscal charges	<u>2,975,762</u>	<u>2,909,194</u>	<u>2,785,485</u>	<u>2,128,198</u>	<u>1,275,063</u>
Total governmental activities expenses	<u>60,468,236</u>	<u>62,462,753</u>	<u>56,901,298</u>	<u>51,355,447</u>	<u>53,961,091</u>
Business-type activities:					
Water	9,724,233	9,506,799	10,907,990	11,542,663	10,706,980
Refuse	5,676,667	5,793,221	5,812,305	5,944,116	6,040,457
Sewer	<u>229,524</u>	<u>181,271</u>	<u>310,115</u>	<u>331,683</u>	<u>238,551</u>
Total business-type activities expenses	<u>15,630,424</u>	<u>15,481,291</u>	<u>17,030,410</u>	<u>17,818,462</u>	<u>16,985,988</u>
Total primary government expenses	<u>76,098,660</u>	<u>77,944,044</u>	<u>73,931,708</u>	<u>69,173,909</u>	<u>70,947,079</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	766,402	640,487	626,842	627,769	909,328
Public safety	5,058,340	3,292,950	3,186,391	2,926,775	3,037,155
Community development	2,410,056	2,250,642	1,567,774	1,608,072	1,541,110
Culture and recreation	818,438	816,852	770,602	692,083	738,884
Highway and Streets	1,421,473	1,400,245	1,360,611	369,180	451,744
Health	-	-	-	-	-
Operating grants and contributions	5,402,260	5,394,275	4,952,726	4,667,552	5,258,202
Capital grants and contributions	<u>546,077</u>	<u>2,929,631</u>	<u>1,646,048</u>	<u>3,725,194</u>	<u>1,988,468</u>
Total government activities program revenues	<u>16,423,046</u>	<u>16,725,082</u>	<u>14,110,994</u>	<u>14,616,625</u>	<u>13,924,891</u>
Business-type activities:					
Charges for services:					
Water	10,498,868	9,740,486	10,533,780	12,853,684	13,302,811
Refuse	5,949,179	5,796,888	5,980,597	6,001,641	5,832,841
Sewer	294,574	269,338	271,984	273,496	273,556
Operating grants and contributions	-	336,862	225,000	-	-
Capital grants and contributions	-	80,322	74,414	91,894	41,834
Total business-type activities revenues	<u>16,742,621</u>	<u>16,223,896</u>	<u>17,085,775</u>	<u>19,220,715</u>	<u>19,451,042</u>
Total primary government revenues	<u>\$ 33,165,667</u>	<u>\$ 32,948,978</u>	<u>\$ 31,196,769</u>	<u>\$ 33,837,340</u>	<u>\$ 33,375,933</u>

Source: City of Monterey Park Management Services Department

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

	Fiscal Year				
	2003/04	2004/05	2005/06	2006/07	2007/08
Net (expense)/revenue:					
Governmental activities	\$ (31,428,534)	\$ (28,648,312)	\$ (33,736,922)	\$ (37,092,628)	\$ (35,044,966)
Business-type activities	<u>1,527,174</u>	<u>2,650,582</u>	<u>887,867</u>	<u>1,122,072</u>	<u>1,826,740</u>
Total primary government	<u>\$ (29,901,360)</u>	<u>\$ (25,997,730)</u>	<u>\$ (32,849,055)</u>	<u>\$ (35,970,556)</u>	<u>\$ (33,218,226)</u>
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	\$ 18,883,567	\$ 18,859,161	\$ 21,338,420	\$ 23,059,597	\$ 25,506,057
Sales tax	4,504,133	5,261,458	5,255,486	5,620,979	5,407,689
Vehicle in-lieu tax	3,681,334	691,143	386,524	429,693	275,591
Vehicle in-lieu tax gap loan repayment	-	1,075,194	-	-	-
Utility users tax	3,154,439	3,103,159	3,186,345	3,330,631	3,417,647
Utility franchise tax	-	978,880	1,023,947	1,073,341	1,043,237
Business license tax	909,816	917,106	957,513	996,629	1,028,436
Transient occupancy tax	-	500,011	608,376	783,505	908,694
Other taxes	1,414,928	3,465,501	3,794,098	1,607,587	1,763,576
Revenues from use of money and property	617,980	1,461,509	2,709,920	3,797,283	3,540,097
Other	2,798	152,538	407,783	450,990	332,056
Gain/(Loss) on sale of property	-	-	(3,587)	-	-
Transfers	<u>234,987</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>262,000</u>
Total general revenues and transfers	<u>33,403,982</u>	<u>36,715,660</u>	<u>39,914,825</u>	<u>41,400,235</u>	<u>43,485,080</u>
Extraordinary item					
Dissolution of Redevelopment Agency	-	-	-	-	-
Business-type activities:					
Other	11,779	363,839	391,902	593,713	963,303
Gain/(Loss) on sale of property	-	-	-	-	-
Transfers	<u>(234,987)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>(262,000)</u>
Total business-type activities	<u>(223,208)</u>	<u>113,839</u>	<u>141,902</u>	<u>343,713</u>	<u>701,303</u>
Total primary government	<u>33,180,774</u>	<u>36,829,499</u>	<u>40,056,727</u>	<u>41,743,948</u>	<u>44,186,383</u>
Changes in net position:					
Governmental activities	1,975,448	8,067,348	6,177,903	4,307,607	8,440,114
Business-type activities	<u>1,303,966</u>	<u>2,764,421</u>	<u>1,029,769</u>	<u>1,465,785</u>	<u>2,528,043</u>
Total primary government	<u>\$ 3,279,414</u>	<u>\$ 10,831,769</u>	<u>\$ 7,207,672</u>	<u>\$ 5,773,392</u>	<u>\$ 10,968,157</u>

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

	Fiscal Year				
	2008/09	2009/10	2010/11	2011/12	2012/2013
Net (expense)/revenue:					
Governmental activities	\$ (44,045,190)	\$ (45,737,671)	\$ (42,790,304)	\$ (36,738,822)	\$ (40,036,200)
Business-type activities	1,112,197	742,605	55,365	1,402,253	2,465,054
Total primary government	<u>\$ (42,932,993)</u>	<u>\$ (44,995,066)</u>	<u>\$ (42,734,939)</u>	<u>\$ (35,336,569)</u>	<u>\$ (37,571,146)</u>
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	\$ 26,741,260	\$ 27,059,553	\$ 27,331,232	\$ 24,537,300	\$ 24,066,354
Sales tax	4,546,028	4,100,798	4,803,406	5,057,132	5,437,244
Vehicle in-lieu tax	185,693	191,604	345,406	32,170	33,334
Vehicle in-lieu tax gap loan repayment	-	-	-	-	-
Utility users tax	3,516,748	3,349,907	3,219,600	3,092,796	3,041,163
Utility franchise tax	1,087,602	934,505	967,322	942,985	942,736
Business license tax	963,068	925,037	944,837	945,367	941,005
Transient occupancy tax	785,331	660,897	756,873	876,482	957,024
Other taxes	1,557,516	1,263,874	1,837,784	1,868,862	2,760,446
Revenues from use of money and property	2,145,238	1,021,730	891,671	776,649	827,781
Other	219,979	917,403	249,075	685,026	499,923
Gain/(Loss) on sale of property	(3,346)	(29,528)	6,627	1,842,182	14,408
Transfers	<u>265,000</u>	<u>278,000</u>	<u>281,400</u>	<u>350,000</u>	<u>-</u>
Total general revenues and transfers	<u>42,010,117</u>	<u>40,673,780</u>	<u>41,635,233</u>	<u>41,006,951</u>	<u>39,521,418</u>
Extraordinary item					
Dissolution of Redevelopment Agency	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,752,439</u>	<u>-</u>
Business-type activities:					
Other	537,971	1,345,322	4,168,640	2,205,569	3,230,138
Gain/(Loss) on sale of property			9,865	-	4,042
Transfers	<u>(265,000)</u>	<u>(278,000)</u>	<u>(281,400)</u>	<u>(350,000)</u>	<u>-</u>
Total business-type activities	<u>272,971</u>	<u>1,067,322</u>	<u>3,897,105</u>	<u>1,855,569</u>	<u>3,234,180</u>
Total primary government	<u>42,283,088</u>	<u>41,741,102</u>	<u>45,532,338</u>	<u>42,862,520</u>	<u>42,755,598</u>
Changes in net position:					
Governmental activities	(2,035,073)	(5,063,891)	(1,155,071)	31,020,568	(514,782)
Business-type activities	<u>1,385,168</u>	<u>1,809,927</u>	<u>3,952,470</u>	<u>3,257,822</u>	<u>5,699,234</u>
Total primary government	<u>\$ (649,905)</u>	<u>\$ (3,253,964)</u>	<u>\$ 2,797,399</u>	<u>\$ 34,278,390</u>	<u>\$ 5,184,452</u>

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

	Fiscal Year				
	2003/04	2004/05	2005/06	2006/07	2007/08
General Fund:					
Nonspendable	\$ 385,000	\$ 385,000	\$ 785,000	\$ 3,159,557	\$ 2,076,039
Restricted	-	-	-	-	-
Committed	890,000	890,000	2,690,000	1,435,443	4,318,961
Assigned	5,533,513	6,759,646	6,174,501	5,306,462	5,356,963
Unassigned	<u>4,471,390</u>	<u>4,567,733</u>	<u>5,460,149</u>	<u>6,171,922</u>	<u>6,697,819</u>
Total general fund	<u>\$ 11,279,903</u>	<u>\$ 12,602,379</u>	<u>\$ 15,109,650</u>	<u>\$ 16,073,384</u>	<u>\$ 18,449,782</u>
All other governmental funds:					
Nonspendable	\$ 10,183,415	\$ 10,183,415	\$ 10,183,415	\$ 8,523,237	\$ 14,599,871
Restricted	19,213,411	20,177,559	16,020,307	21,663,489	25,986,245
Committed	-	-	-	4,375,578	5,577,800
Assigned	19,280,485	22,608,164	24,816,003	20,373,844	16,195,751
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 48,677,311</u>	<u>\$ 52,969,138</u>	<u>\$ 51,019,725</u>	<u>\$ 54,936,148</u>	<u>\$ 62,359,667</u>
Total for Governmental Funds:	<u>\$ 59,957,214</u>	<u>\$ 65,571,517</u>	<u>\$ 66,129,375</u>	<u>\$ 71,009,532</u>	<u>\$ 80,809,449</u>

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

	Fiscal Year				
	2008/09	2009/10	2010/11	2011/12	2012/13
General Fund:					
Nonspendable	\$ 1,429,902	\$ 695,930	\$ 710,330	\$ 703,230	\$ -
Restricted	-	-	-	-	-
Committed	5,115,098	5,340,000	5,340,000	7,173,519	7,173,519
Assigned	5,307,662	5,207,133	4,589,465	5,145,940	9,653,901
Unassigned	<u>5,246,912</u>	<u>2,519,641</u>	<u>2,505,441</u>	<u>2,505,441</u>	<u>3,554,425</u>
Total general fund	<u>\$ 17,099,574</u>	<u>\$ 13,762,704</u>	<u>\$ 13,145,236</u>	<u>\$ 15,528,130</u>	<u>\$ 20,381,845</u>
All other governmental funds:					
Nonspendable	\$ 17,415,373	\$ 22,447,581	\$ 22,336,060	-	\$ 1,989,686
Restricted	28,018,812	21,025,370	29,449,081	\$ 26,824,487	\$ 18,684,533
Committed	3,354,156	2,524,270	3,524,270	-	-
Assigned	19,418,934	17,344,673	10,523,233	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>(105,492)</u>	<u>(153,120)</u>	<u>-</u>
Total all other governmental funds	<u>\$ 68,207,275</u>	<u>\$ 63,341,894</u>	<u>\$ 65,727,152</u>	<u>\$ 26,671,367</u>	<u>\$ 20,674,219</u>
Total for Governmental Funds:	<u>\$ 85,306,849</u>	<u>\$ 77,104,598</u>	<u>\$ 78,872,388</u>	<u>\$ 42,199,497</u>	<u>\$ 41,056,064</u>

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

	Fiscal Year				
	2003/04	2004/05	2005/06	2006/07	2007/08
Revenues:					
Taxes	\$ 31,092,464	\$ 33,934,508	\$ 35,533,276	\$ 37,981,560	\$ 40,432,674
Licenses and permits	1,734,977	2,116,292	2,355,310	2,151,806	2,929,898
Intergovernmental revenues	4,294,490	8,070,587	5,147,213	6,311,434	4,185,040
Charges for services	10,978,471	11,424,156	12,087,372	12,243,396	13,878,802
Revenues from use of money & property	1,020,713	1,461,509	2,695,272	3,786,117	3,540,095
Fines and forfeitures	1,317,827	1,186,206	1,218,183	1,484,320	2,347,916
Other	583,883	152,538	446,828	441,725	332,155
Total revenues	<u>51,022,825</u>	<u>58,345,796</u>	<u>59,483,454</u>	<u>64,400,358</u>	<u>67,646,580</u>
Expenditures					
Current:					
General government	3,733,425	3,682,512	3,617,431	4,175,114	3,543,528
Public safety	19,032,152	20,245,495	21,702,423	22,882,590	24,843,834
Community development	3,345,680	4,745,306	4,887,781	6,954,496	5,990,947
Culture and recreation	5,083,891	4,864,355	5,153,714	5,449,379	5,953,354
Highways and streets	4,150,407	4,242,132	4,251,299	4,372,836	4,602,434
Health	4,754,430	4,850,680	5,289,411	5,523,633	5,749,284
Capital outlay	4,367,246	11,110,466	10,488,775	9,164,797	5,189,775
Debt service:					
Principal retirement	1,511,613	1,539,534	1,801,611	1,776,129	1,753,079
Interest and fiscal charges	1,965,964	3,912,459	4,229,442	3,148,785	2,979,373
Cost of issuance	391,855	-	-	-	-
Total expenditures	<u>48,336,663</u>	<u>59,192,939</u>	<u>61,421,887</u>	<u>63,447,759</u>	<u>60,605,608</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,686,162</u>	<u>(847,143)</u>	<u>(1,938,433)</u>	<u>952,599</u>	<u>7,040,972</u>
Other financing sources (uses):					
Transfers in	2,655,885	5,204,198	3,131,496	6,059,430	5,801,280
Transfers out	(2,405,885)	(4,954,198)	(2,881,496)	(6,009,430)	(6,039,280)
(Loss) on sale of property	-	-	-	(510,178)	-
Proceeds from sale of property	35,000	-	6,306	-	1,337
Proceeds from tax increment deferred	6,826	-	-	-	2,995,608
Proceeds from section 108 loan	134,274	1,940,741	2,239,985	2,587,736	-
Issue of long term debt	-	-	-	1,800,000	-
Issuance of bonds	17,405,000	3,900,000	-	-	-
Payment to bond escrow agent	(17,012,841)	-	-	-	-
Total other financing Sources (uses)	<u>818,259</u>	<u>6,090,741</u>	<u>2,496,291</u>	<u>3,927,558</u>	<u>2,758,945</u>
Net change in fund balances before Extraordinary Item	<u>\$ 3,504,421</u>	<u>\$ 5,243,598</u>	<u>\$ 557,858</u>	<u>\$ 4,880,157</u>	<u>\$ 9,799,917</u>
Extraordinary Items					
Dissolution of Redevelopment Agency of Monterey Park	-	-	-	-	-
Net change in fund balances	<u>\$ 3,504,421</u>	<u>\$ 5,243,598</u>	<u>\$ 557,858</u>	<u>\$ 4,880,157</u>	<u>\$ 9,799,917</u>
Debt services as a percentage of noncapital expenditures	8.80%	11.34%	11.84%	9.07%	8.54%

Note: Starting 2010-11, Refuse and Sewer funds were classified as Enterprise Funds.

Source: City of Monterey Park Management Services Department

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

	Fiscal Year				
	2008/09	2009/10	2010/11	2011/12	2012/13
Revenues:					
Taxes	\$ 40,316,886	\$ 38,619,421	\$ 42,568,610	\$ 37,442,373	\$ 41,087,434
Licenses and permits	2,797,953	2,419,414	1,661,496	1,856,887	967,662
Intergovernmental revenues	5,036,290	6,318,925	4,262,737	6,006,714	4,693,489
Charges for services	13,125,471	11,584,210	4,554,131	4,360,368	4,981,641
Revenues from use of money & property	2,137,057	939,476	767,652	744,346	822,143
Fines and forfeitures	1,687,318	1,393,098	1,272,417	952,992	822,779
Other	304,985	996,867	376,314	720,230	1,374,275
Total revenues	<u>65,405,960</u>	<u>62,271,411</u>	<u>55,463,357</u>	<u>52,083,910</u>	<u>54,749,423</u>
Expenditures					
Current:					
General government	3,585,033	3,633,847	3,771,085	3,621,179	4,454,906
Public safety	25,873,335	26,459,263	25,692,272	25,681,372	25,080,613
Community development	8,085,618	11,424,004	10,826,979	5,633,982	7,808,273
Culture and recreation	6,151,628	5,870,577	5,561,337	5,577,207	5,677,937
Highways and streets	4,688,134	4,721,343	4,434,810	4,207,740	4,362,120
Health	6,026,191	6,094,492	120,000	120,000	119,999
Capital outlay	5,385,481	9,045,208	8,114,199	8,114,199	5,928,361
Debt service:					
Principal retirement	1,677,419	2,229,221	2,284,269	2,020,927	1,204,215
Interest and fiscal charges	2,916,198	2,853,313	2,731,427	1,990,861	1,270,840
Cost of issuance	-	-	-	-	-
Total expenditures	<u>64,389,037</u>	<u>72,331,268</u>	<u>63,536,378</u>	<u>56,967,467</u>	<u>55,907,264</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,016,923</u>	<u>(10,059,857)</u>	<u>(8,073,021)</u>	<u>(4,883,557)</u>	<u>(1,157,841)</u>
Other financing sources (uses):					
Transfers in	6,501,942	5,344,657	13,451,752	776,146	9,466
Transfers out	(6,236,942)	(5,066,657)	(13,170,352)	(426,146)	(9,466)
(Loss) on sale of property	-	-	-	-	-
Proceeds from sale of property	1,345	599,751	6,627	1,842,182	14,408
Proceeds from tax increment deferred	3,214,132	3,705,856	3,775,724	-	-
Proceeds from section 108 loan	-	-	-	-	-
Issue of long term debt	-	-	-	-	-
Issuance of bonds	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-
Total other financing Sources (uses)	<u>3,480,477</u>	<u>4,583,607</u>	<u>4,063,751</u>	<u>2,192,182</u>	<u>14,408</u>
Net change in fund balances before Extraordinary Item	<u>\$ 4,497,400</u>	<u>\$ (5,476,250)</u>	<u>\$ (4,009,270)</u>	<u>\$ (2,691,375)</u>	<u>\$ (1,143,433)</u>
Extraordinary Items					
Dissolution of Redevelopment Agency of Monterey Park	-	-	-	(33,981,516)	-
Net change in fund balances	<u>\$ 4,497,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (36,672,891)</u>	<u>\$ (1,143,433)</u>
Debt services as a percentage of noncapital expenditures	7.79%	8.03%	9.05%	8.14%	4.80%

Note: Starting 2010-11, Refuse and Sewer funds were classified as Enterprise Funds.

Source: City of Monterey Park Management Services Department

CITY OF MONTEREY PARK
Assessed Value and Estimated Actual 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)}
2003/04	\$ 2,753,752,477	\$ 605,509,229	\$ 130,723,291	\$ 242,008,703	\$ 33,394,763	\$ 3,731,993,700	0.364940
2004/05	2,966,348,369	636,884,747	125,584,498	233,230,384	30,270,824	3,962,047,998	0.363390
2005/06	3,227,568,429	695,340,401	126,744,528	224,406,538	30,209,747	4,274,059,896	0.366220
2006/07	3,534,309,866	742,415,041	137,520,717	226,638,453	30,469,846	4,640,884,077	0.370650
2007/08	3,778,205,339	843,606,146	146,557,103	230,266,047	31,575,891	4,998,634,635	0.374040
2008/09	3,992,520,537	935,272,734	125,418,879	269,631,912	29,710,040	5,322,844,062	0.384730
2009/10	3,987,237,477	954,666,779	138,347,522	316,094,962	29,710,040	5,396,346,740	0.393300
2010/11	4,063,980,933	919,141,515	136,429,404	329,231,172	43,696,766	5,448,783,024	0.393120
2011/12	4,176,308,316	914,084,645	141,375,663	330,098,283	34,278,620	5,561,866,907	0.390690
2012/13	4,392,899,226	1,016,937,428	146,514,412	265,303,532	33,633,996	5,821,654,598	0.400860

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.

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

This page intentionally left blank.

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

Agency	Fiscal Year				
	2003/04	2004/05	2005/06	2006/07	2007/08
Basic Levy ⁽¹⁾	1.00000	1.00000	1.00000	1.00000	1.00000
City Direct Rates: Monterey Park	0.09117	0.09117	0.09117	0.09117	0.09117
Overlapping Rates:					
Alhambra City School District	0.02000	0.00000	0.00000	0.00000	0.00000
Alhambra Unified School District	0.00000	0.01949	0.06378	0.05942	0.05460
County Detention Facilities 1987 Debt	0.00099	0.00092	0.00080	0.00066	0.00000
Garvey School District	0.02471	0.02319	0.05221	0.05074	0.05060
Los Angeles Community College District	0.01986	0.01810	0.01429	0.02146	0.00879
Los Angeles County Flood Control District	0.00046	0.00025	0.00005	0.00005	0.00000
Los Angeles Unified School District	0.07715	0.08884	0.08435	0.10681	0.12334
Metropolitan Water District	0.00610	0.00580	0.00520	0.00470	0.00450
Montebello Unified School District	0.04076	0.04172	0.07054	0.06731	0.06681
San Gabriel Vly Mwd State Water Bond	0.03630	0.03230	0.03230	0.03230	0.03230
Total Direct & Overlapping ⁽²⁾ Tax Rates	<u>1.31750</u>	<u>1.32178</u>	<u>1.41469</u>	<u>1.43462</u>	<u>1.43211</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⁾	1.11525	1.11234	1.11202	1.11189	1.11118
Total Direct Rate ⁽⁵⁾	0.36494	0.36339	0.36622	0.37065	0.37404

Note:

- In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
- (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) RDA rate is based on the largest RDA tax rate area (TRA) and includes only 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.
 - (5) Total Direct rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.

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

Agency	Fiscal Year				
	2008/09	2009/10	2010/11	2011/12	2012/13
Basic Levy ⁽¹⁾	1.00000	1.00000	1.00000	1.00000	1.00000
City Direct Rates: Monterey Park	0.09117	0.09117	0.09117	0.09117	0.09117
Overlapping Rates:					
Alhambra City School District	0.00000	0.00000	0.00000	0.00000	0.00000
Alhambra Unified School District	0.03625	0.05151	0.05996	0.07411	0.05455
County Detention Facilities 1987 Debt	0.00000	0.00000	0.00000	0.00000	0.00000
Garvey School District	0.06835	0.07836	0.08503	0.08404	0.08832
Los Angeles Community College District	0.02212	0.02311	0.04031	0.03530	0.03756
Los Angeles County Flood Control District	0.00000	0.00000	0.00000	0.00000	0.00000
Los Angeles Unified School District	0.12478	0.15181	0.18695	0.16819	0.17560
Metropolitan Water District	0.00430	0.00430	0.00370	0.00370	0.00350
Montebello Unified School District	0.08063	0.09673	0.09792	0.10001	0.09630
San Gabriel Vly Mwd State Water Bond	0.02830	0.02830	0.02830	0.02830	0.02830
Total Direct & Overlapping ⁽²⁾ Tax Rates	<u>1.45590</u>	<u>1.52529</u>	<u>1.59334</u>	<u>1.58482</u>	<u>1.57530</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	1.10918	0.00000
Total Direct Rate ⁽⁵⁾	0.38473	0.39330	0.39312	0.39069	0.40086

Note:

- In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
- (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) RDA rate is based on the largest RDA tax rate area (TRA) and includes only 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.
 - (5) Total Direct rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.

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

<u>Taxpayers</u>	<u>2012/13</u>	
	<u>Taxable Assessed Valuation</u>	<u>Percent of Total City Taxable Assessed Valuation</u>
Atlantic Times Square II LLC	\$ 150,700,710	2.59%
Los Angeles Corporate Center LLC	72,976,714	1.25%
Union Bank	62,902,370	1.08%
Garfield Calmed Investment LP	53,604,100	0.92%
1977 Saturn LLC	46,900,000	0.81%
GMS Five LLC	43,892,940	0.75%
MPM Partners LLC	25,934,687	0.45%
Care 1st Health Plan	25,366,372	0.44%
Emerald Hills LLC	24,027,602	0.41%
Real Estate Investors 1984 1 ET AL	22,000,000	0.38%
	<u>\$ 528,305,495</u>	<u>9.07%</u>

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

CITY OF MONTEREY PARK
Principal Property Taxpayers, Continued
(Current Year and Ten Years Ago)

<u>Taxpayers</u>	<u>2003/04</u>	
	<u>Taxable Assessed Valuation</u>	<u>Percent of Total City Taxable Assessed Valuation</u>
Arden Realty Finance Partnership	\$ 47,119,016	1.26%
Union Bank	38,408,140	1.03%
Garfield Medical Center	38,329,903	1.03%
GMS Five LLC	38,065,635	1.02%
Lloyds Bank California	30,906,000	0.83%
Monterey Park Hospital	22,883,077	0.61%
Mars Center LLC	18,181,615	0.49%
Real Estate Investors 1984 ET AL	16,110,000	0.43%
NNN 901 Corporate Center 14 LLC	13,983,111	0.37%
TSL Development Inc	12,024,310	0.32%
	<u>\$ 276,010,807</u>	<u>7.40%</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			
	1%	D.S.	Amount	1%	D.S.	Amount	Percentage of Levy
2003/04	4,952,422	3,340,702	8,293,124	4,620,426	3,008,366	7,628,792	91.99%
2004/05	4,739,572	3,520,933	8,260,505	4,658,153	3,080,211	7,738,364	93.68%
2005/06	5,175,150	3,790,413	8,965,563	4,909,418	3,294,186	8,203,604	91.50%
2006/07	5,925,108	4,125,002	10,050,110	5,765,714	3,428,356	9,194,070	91.48%
2007/08	6,580,143	3,901,574	10,481,717	6,053,576	3,678,652	9,732,228	92.85%
2008/09	6,847,669	4,066,000	10,913,669	6,352,339	3,798,654	10,150,993	93.01%
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	6,986,871	4,290,564	11,277,435	89.56%

Note: The amounts presented are the City's property tax (excluding interest, penalties, and Redevelopment Agency tax increment).

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

Fiscal Year	1% - PY PER BOOK			Collections in Subsequent Years				Total Collections to Date			Percentage of Levy
	1%	D.S.	Amount	1%	D.S.	Amount					
2003/04	243,273	87,820	331,093	4,863,700	3,096,185	7,959,885			96%		
2004/05	298,498	107,216	405,714	4,956,651	3,187,427	8,144,078			99%		
2005/06	560,371	145,664	706,035	5,469,789	3,439,850	8,909,639			99%		
2006/07	511,642	153,061	664,704	6,277,356	3,581,418	9,858,774			98%		
2007/08	395,621	147,124	542,745	6,449,197	3,825,776	10,274,973			98%		
2008/09	476,422	122,714	599,137	6,828,762	3,921,369	10,750,130			99%		
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%		

Note: The amounts presented are the City's property tax (excluding interest, penalties, and Redevelopment Agency tax increment).

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

Fiscal Year	Governmental Activities						Total Governmental Activities
	Pension Obligation Bonds	Tax Allocation Bonds	Tax Increment Deferred Loan	HUD Section 108 Loans	Library Special Tax Revenue Note	Capital Lease Obligation	
2003/04	17,405	34,105	14,151	6,330	-	2,264	74,255
2004/05	17,405	33,180	16,092	6,145	3,900	1,578	78,300
2005/06	17,405	32,225	18,332	5,948	3,663	961	78,534
2006/07	17,405	31,240	20,919	5,739	3,417	2,337	81,057
2007/08	17,405	30,225	23,915	5,518	3,161	1,856	82,080
2008/09	17,380	29,175	27,129	5,283	2,897	1,528	83,392
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	15,850	-	-	4,487	2,038	1,219	23,594
2012/13 ⁽³⁾	15,365	-	-	4,189	1,729	1,106	22,389

Note:

(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.

Source: City of Monterey Park Management Services Department

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

Fiscal Year	Business-Type Activities	Total Primary Government	⁽¹⁾ Percentage of Personal Income	Population	⁽²⁾ Debt Per Capita
	Capital Lease Obligation				
2003/04	5,170	79,425	0.02%	63,928	1,242
2004/05	3,954	82,254	0.02%	64,614	1,273
2005/06	3,628	82,162	0.02%	64,387	1,276
2006/07	4,557	85,614	0.02%	64,508	1,327
2007/08	5,267	87,347	0.02%	64,434	1,356
2008/09	7,073	90,465	0.02%	64,874	1,394
2009/10	6,651	91,520	0.02%	65,027	1,407
2010/11	6,095	92,455	0.02%	60,435	1,530
2011/12	5,533	29,127	N/A	61,153	476
2012/13 ⁽³⁾	4,966	27,354	N/A	61,445	445

Note:

(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.

Source: City of Monterey Park Management Services Department

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

Fiscal Year	Total Gross General Obligation Bonds	Amounts Restricted for Principal Repayments	Total Net General Obligation Bonds	Actual Taxable Value of Property	Percent of Actual Taxable Value of Property ⁽¹⁾	Population	Net Bonded Debt Per Capita
2003/04	\$ -	\$ -	\$ -	3,731,994	0.00%	63,928	-
2004/05	-	-	-	3,962,048	0.00%	64,614	-
2005/06	-	-	-	4,274,060	0.00%	64,387	-
2006/07	-	-	-	4,640,884	0.00%	64,508	-
2007/08	-	-	-	4,998,635	0.00%	64,434	-
2008/09	-	-	-	5,322,844	0.00%	64,874	-
2009/10	-	-	-	5,396,347	0.00%	65,027	-
2010/11	-	-	-	5,448,783	0.00%	60,435	-
2011/12 ⁽²⁾	-	-	-	5,561,867	0.00%	61,153	-
2012/13	-	-	-	5,821,655	0.00%	61,445	-

Note:

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

(2) Starting February 1, 2012, Redevelopment Agency was dissolved and the City became the Successor Agency for the former Redevelopment Agency.

This page intentionally left blank.

CITY OF MONTEREY PARK
Direct and Overlapping Debt
As of June 30, 2013

	<u>Gross Bonded Debt Balance</u>	<u>Percent Applicable To City</u>	<u>Net Bonded Debt</u>
Overlapping Debt			
Metropolitan Water District ⁽¹⁾	79,696,126	0.032	25,388
Garvey School District DS 2000 SER A	350,222	28.922	101,292
Garvey School District DS 2000 SER B	6,244,519	28.922	1,806,060
Garvey School District 2004 Series 2005	7,653,736	28.922	2,213,638
Garvey School DS 2004 Series 2006	10,134,168	28.922	2,931,037
Garvey School DS 2004 SER C	8,932,964	28.922	2,583,621
Garvey School DS 2001 Refund Bonds	5,145,000	28.922	1,488,053
L.A. CCD DS 2003 Series B	3,100,000	0.977	30,274
L.A. CCD DS 2003 Taxable Series 2004B	11,985,000	0.977	117,044
L.A. CCD DS 2001 Taxable Series 2004A	77,440,000	0.977	726,973
LACC DS Refunding 2001 Series 2005A & 2013	473,395,000	0.977	4,623,125
LA CCD DS 2001, 2006 Series B	275,300,000	0.977	2,688,550
LA CCD DS 2003, 2006 Series C	382,160,000	0.977	3,732,134
LACC DS 2001, 2008 SER E-1	271,710,000	0.977	2,653,491
LACC DS 2003, 2008 Series F-1	344,915,000	0.977	3,368,403
LACC DS 2003, 2008 Taxable SER F-2	550,000	0.977	5,371
LACC DS 2008, 2009 Taxable Series A	350,000,000	0.977	3,418,062
LACC DS 2008, 2009 Taxable SER B	75,000,000	0.977	732,442
LACC Debt 2008, 2010 Tax Series D	175,000,000	0.977	1,709,031
LACC Debt 2008, 2010 Tax SER E (BABS)	900,000,000	0.977	8,789,303
LACC DS 2008, 2010 Series C	125,000,000	0.977	1,220,737
Los Angeles Unified DS 1997 Series A	250,000,000	0.977	2,441,473
Los Angeles USD DS 1997 Series E	49,500,000	0.038	19,036
Los Angeles USD DS 2002 Refunding Bond	175,645,000	0.038	67,546
Los Angeles USD DS 1997 Series F	45,075,000	0.038	17,334
Los Angeles USD DS 2002 Series A	17,885,000	0.038	6,878
Los Angeles Unified DS 2004 Series C 2004	35,355,000	0.038	13,596
Los Angeles Unified DS 2004 Refunding Bonds A-1	90,060,000	0.038	34,633
Los Angeles Unified DS 2004 Refunding Bonds A-2	126,840,000	0.038	48,777
Los Angeles Unified DS 2004 Series E	218,770,000	0.038	84,130
Los Angeles Unified DS 2005 Refunding Bonds A-1	346,005,000	0.038	133,059
Los Angeles DS 2005 Refunding Bonds A-2	120,925,000	0.038	46,503
LA USD DS 2004 Series F	421,605,000	0.038	162,132
LA USD DS 2006 Refunding Series A	132,325,000	0.038	50,887
LA USD DS 2005 Series A (2006)	218,640,000	0.038	84,080
LA USD DS 2005 Series B (2006)	323,950,000	0.038	124,578
LA USD DS 2005 Series C (2006)	435,015,000	0.038	167,289
LA USD DS 2005 Series D (2006)	856,990,000	0.038	329,563
Los Angeles UNIF DS 2006 REF BDS SER B	557,045,000	0.038	214,217
Los Angeles UNIF DS 2007 REF BDS SER A-1	1,130,055,000	0.038	434,573
Sub-Total Overlapping Debt			<u>\$ 49,444,313</u>

2012/13 Assessed Valuation: \$4,741,763,398 After Deducting \$1,079,891,200 Incremental Value.

Debt to Assessed Valuation Ratios:	Direct Debt	0.00%
	Overlapping debt	2.36%
	Total debt	2.36%

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.

CITY OF MONTEREY PARK
Direct and Overlapping Debt, Continued
As of June 30, 2013

	<u>Gross Bonded Debt Balance</u>	<u>Percent Applicable To City</u>	<u>Net Bonded Debt</u>
Overlapping Debt (Cont')			
Los Angeles UNIF DS 2007 REF BDS SER A-2	136,055,000	0.038	52,321
Los Angeles UNIF DS 2002 SER B (2007)	228,410,000	0.038	87,837
Los Angeles UNIF DS 2007 REF BDS SER B	24,650,000	0.038	9,479
Los Angeles UNIF DS 2002 SER C	505,425,000	0.038	194,366
Los Angeles UNIF DS 2004 SER H	137,425,000	0.038	52,848
Los Angeles UNIF DS 2005 SER E	29,150,000	0.038	11,210
Los Angeles UNIF DS 2002 SER D	110,105,000	0.038	42,342
Los Angeles UNIF DS 2004 SER I	5,615,000	0.038	2,159
Los Angeles UNIF DS 2005 SER F	145,250,000	0.038	55,857
Los Angeles UNIF DS 2002 Series E	157,165,000	0.038	60,439
Los Angeles UNIF DS 2004 Series J	130,450,000	0.038	50,166
Los Angeles UNIF DS 2005 SER G	3,795,000	0.038	1,459
Los Angeles UNIF DS 2005 SER H & 2010	608,995,000	0.038	234,195
LAUSD 2009 Refunding Measure R Bonds	51,560,000	0.038	19,828
LAUSD Measure R Series 2009	131,080,000	0.038	50,408
LAUSD Measure R Series KRY BABS	200,000,000	0.038	76,912
LAUSD Measure Y 2009 Series KRY BABS	363,005,000	0.038	139,597
LAUSD 2009 Refunding Prop BB Bonds	72,570,000	0.038	27,907
LAUSD Measure R 2010 Series RY BABS	806,795,000	0.038	310,260
LAUSD Measure Y 2010 Series RY BABS	1,250,525,000	0.038	480,924
LAUSD 2010 Refunding Series A Prop BB	400,785,000	0.038	154,125
LAUSD 2010 Refunding Series A (Measure K)	156,000,000	0.038	59,991
Montebello Unified DS 1998 Series 98	8,715,223	8.349	727,636
Montebello Unified SD DS 98 Series 99	7,712,854	8.349	643,948
Montebello USD DS 1998 Series 2001	2,632,827	8.349	219,815
Montebello USD DS 1998 Series 2004	7,560,273	8.349	631,209
Montebello Unified DS 1998 Series 2002	9,956,587	8.349	831,277
Montebello Unified DS 2004 Series 2005	940,000	8.349	78,481
Montebello UNIF DS 2004 SER 2008	32,255,000	8.349	2,692,976
Montebello Unified DS 2004 Series 2009	19,585,000	8.349	1,635,155
Montebello Unified 04 Series 2009A-2 BABS	12,640,000	8.349	1,055,316
Montebello USD 2010 Refunding Bonds	34,075,000	8.349	2,844,928
Alhambra USD DS 99 Series B	55,205,561	33.474	1,868,019
Alhambra USD DS 2005 Refunding Bonds	8,320,000	33.474	2,785,010
Alhambra USD DS 2004 Series A	5,743,864	33.474	1,922,682
Alhambra USD-Garvey 2012 Refunding	34,415,000	33.474	11,519,965
Alhambra USD-Garvey DS 2004 Series B	43,024,695	33.474	14,401,946
Alhambra USD DS 2008 Series B	24,424,987	33.474	8,175,941
Alhambra USD DS 2008 Series B-1 QSCB	24,646,721	33.474	8,250,163
Sub-Total Overlapping Debt			<u>\$ 62,459,098</u>
Total Overlapping Debt			<u>\$ 111,903,411</u>
Direct Debt:			
Pension Obligation Bonds	15,850,000	100%	15,850,000
HUD Section 108 Loans	4,487,000	100%	4,487,000
Library Special Tax Revenue Note	2,038,000	100%	2,038,000
Capital Lease Obligation	6,752,000	100%	6,752,000
Total Direct Debt			<u>29,127,000</u>
Total Direct and Overlapping Debt			<u>\$ 141,030,411</u>

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

	Fiscal Year				
	2003/04	2004/05	2005/06	2006/07	2007/08
Assessed valuation	3,731,994	3,962,048	4,274,060	4,640,884	4,998,635
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	559,799	594,307	641,109	696,133	749,795
Total net debt applicable to limit:					
Pension obligation bonds	<u>17,405</u>	<u>17,405</u>	<u>17,405</u>	<u>17,405</u>	<u>17,405</u>
Legal debt margin	<u>\$ 542,394</u>	<u>\$ 576,902</u>	<u>\$ 623,704</u>	<u>\$ 678,728</u>	<u>\$ 732,390</u>
Total debt applicable to the limit as a percentage of debt limit	3.1092%	2.9286%	2.7148%	2.5002%	2.3213%

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

Sources: 1. City of Monterey Park Management Services Department
2. County of Los Angeles Department of Auditor-Controller

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

	Fiscal Year				
	2008/09	2009/10	2010/11	2011/12	2012/13
Assessed valuation	5,322,844	5,396,347	5,448,783	5,561,867	5,821,655
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	798,427	809,452	817,317	834,280	873,248
Total net debt applicable to limit:					
Pension obligation bonds	<u>17,380</u>	<u>16,855</u>	<u>16,345</u>	<u>15,850</u>	<u>15,365</u>
Legal debt margin	<u>\$ 781,047</u>	<u>\$ 792,597</u>	<u>\$ 800,972</u>	<u>\$ 818,430</u>	<u>\$ 857,883</u>
Total debt applicable to the limit as a percentage of debt limit	2.1768%	2.0823%	1.9998%	1.8998%	1.7595%

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

Sources: 1. City of Monterey Park Management Services Department
2. County of Los Angeles Department of Auditor-Controller

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

<u>Fiscal Year</u>	<u>Tax Allocation Bonds</u>			
	<u>Tax Increment</u>	<u>Debt Service</u>		<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	
2003/04	6,214	805	1,552	2.64
2004/05	6,555	925	1,526	2.67
2005/06	7,533	955	1,497	3.07
2006/07	8,134	985	1,469	3.31
2007/08	9,746	1,015	1,436	3.98
2008/09	10,216	1,050	1,404	4.16
2009/10	10,531	1,080	1,367	4.30
2010/11	10,581	1,120	1,327	4.32
2011/12 ⁽¹⁾	2,448	1,165	1,283	1.00
2012/13	-	-	-	-

Note: (1) Starting February 1, 2012, Redevelopment Agency was dissolved and the City became the Successor Agency for the former Redevelopment Agency.

Source: City of Monterey Park Management Services Department

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

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2002/03	63,406	310,043,501	31,452	4.9%
2003/04	63,928	329,048,068	33,179	4.6%
2004/05	64,614	342,231,121	34,426	3.7%
2005/06	64,387	369,174,348	37,362	3.5%
2006/07	64,508	390,295,865	39,794	3.6%
2007/08	64,434	413,316,582	42,265	4.7%
2008/09	64,874	402,459,119	40,867	8.5%
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	N/A	N/A	9.0%
2012/13	61,445	N/A	N/A	8.0%

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 Ten Years Ago)

Employers	2012/13	
	Number of Employees	Percent of Total Employment
Garfield Medical Center	984	0.023%
City of Monterey Park	393	0.009%
Monterey Park Hospital	362	0.008%
Southern California Gas Company	419	0.010%
SynerMed Inc	315	0.007%
Care 1st Health Plan (2 Locations)	303	0.007%
Ralph's Grocery Store (2 Locations)	165	0.004%
Remitco LLC	181	0.004%
Chinese Daily News	142	0.003%
Southern California Edison Co.	143	0.002%
Camino Real Chevrolet	100	0.002%
24 Hours Fitness	134	0.003%
Monterey Park Convalescent	92	0.002%
Heritage Manor Healthcare	90	0.002%
99 Ranch Market	74	0.002%

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

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

**CITY OF MONTEREY PARK
Principal Employers, Continued
(Current Year and Ten Years Ago)**

Employers	2003/04	
	Number of Employees	Percent of Total Employment
Union Processing Center	1,600	0.036%
United California Bank Processing Center	1,000	0.022%
Garfield Medical Center	896	0.020%
Community Development Commission	500	0.011%
City of Monterey Park	500	0.011%
Monterey Park Hospital	388	0.009%
Southern California Gas Company	290	0.007%
Pacific Bell	281	0.006%
AT & T Communications	211	0.005%
Chinese Daily News	166	0.004%
Lyte Optronics, Inc.	151	0.003%
Sav-on Drugs (2 Locations)	159	0.004%
California Highway Patrol	131	0.003%
La Colonial Tortilla Products, Inc.	131	0.003%
Southern California Edison Co.	87	0.002%

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

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

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

<u>Function</u>	<u>Fiscal Year</u>										
	<u>02/03</u>	<u>03/04</u>	<u>04/05</u>	<u>05/06</u>	<u>06/07</u>	<u>07/08</u>	<u>08/09</u>	<u>09/10</u>	<u>10/11</u>	<u>11/12</u>	<u>12/13</u>
General Government	37	39	40	38	38	38	37	32	35	32	32
Public Safety											
Police	131	131	131	131	132	132	131	123	113	113	114
Fire	62	62	62	63	64	64	64	62	59	58	58
Public Works	60	60	61	63	63	63	62	59	70	70	70
Culture and Recreation											
Library	32	32	20	20	30	31	31	25	24	24	25
Recreation / Community Services	57	57	57	58	58	59	54	49	36	36	36
Community Development	<u>29</u>	<u>28</u>	<u>27</u>	<u>28</u>	<u>28</u>	<u>28</u>	<u>27</u>	<u>24</u>	<u>15</u>	<u>12</u>	<u>13</u>
Total	<u>408</u>	<u>409</u>	<u>399</u>	<u>402</u>	<u>413</u>	<u>415</u>	<u>407</u>	<u>373</u>	<u>352</u>	<u>345</u>	<u>347</u>

Source: City of Monterey Park Annual Budget

This page intentionally left blank.

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

	Fiscal Year				
	2003/04	2004/05	2005/06	2006/07	2007/08
Police:					
Number of service calls	50,587	55,883	56,197	50,908	54,696
Response time priority I (emergency) (minutes/seconds)	3:47	4:28	4:24	4:05	4:17
Fire:					
Number of emergency calls	3,484	3,587	3,640	3,895	4,163
Inspections	1,911	2,165	2,566	2,597	2,747
Public works:					
Street resurfacing (miles)	0.82	-	-	2.22	2.38
Parks and recreation:					
Hours of recreation classes	650	723	770	770	770
Number of facility rentals	250	235	269	235	235
Water:					
Meters changed and upgrades	520	459	641	653	712
Water turn-ons and turn-offs	3,277	3,744	3,574	3,744	2,905
Average daily consumption (thousand of gallons)	10,000	10,000	11,000	11,000	11,000

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, Continued
Last Ten Fiscal Years

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

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 Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year				
	2003/04	2004/05	2005/06	2006/07	2007/08
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	3	3	3	3	3
Public works:					
Streets (miles)	115	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	13	14	14	14	14
Community centers					
Water:					
Water mains (miles)	134	134	134	134	134
Maximum daily capacity (thousands of gallons)	12,744	12,871	13,000	13,130	13,540
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 Asset Statistics by Function, Continued
Last Ten Fiscal Years

	Fiscal Year				
	2008/09	2009/10	2010/11	2011/12	2012/13
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 daily capacity (thousands of gallons)	12,140	11,733	11,140	11,340	12,810
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				
	2003/04	2004/05	2005/06	2006/07	2007/08
Type of Customer:					
Residential	2,354.0	2,390.3	2,390.2	2,442.3	2,482.5
Commercial	908.0	885.0	891.4	916.4	874.0
Institutional	54.0	66.0	76.7	81.2	76.7
Government	44.1	50.0	52.4	61.8	62.0
Total	<u>3,360.1</u>	<u>3,391.3</u>	<u>3,410.7</u>	<u>3,501.7</u>	<u>3,495.2</u>

CITY OF MONTEREY PARK
Water Sold by Type of Customer, Continued
Last Ten Fiscal Years
(In Millions of Gallons)

	Fiscal Year				
	2008/09	2009/10	2010/11	2011/12	2012/13
Type of Customer:					
Residential	2,814.1	2,693.5	2,718.3	2,570.3	2,825.1
Commercial	924.6	925.8	935.0	861.8	893.6
Institutional	132.3	127.8	130.0	175.0	163.0
Government	87.6	90.1	89.1	90.0	88.0
Total	<u>3,958.6</u>	<u>3,837.2</u>	<u>3,872.4</u>	<u>3,697.1</u>	<u>3,969.7</u>

CITY OF MONTEREYPARK
Water Rates
Last Ten Fiscal Years

Fiscal Year	Monthly Base Rate	Rate per 1,000 Gallons
2003/04	\$ 10.16	1.77
2004/05	10.60	1.84
2005/06	11.13	1.94
2006/07	11.69	2.04
2007/08	12.11	2.11
2008/09	12.72	2.22
2009/10	12.63	2.21
2010/11	12.63	2.21
2011/12	12.63	2.21
2012/13	12.63	2.21

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

**CITY OF MONTEREY PARK
Top Twelve Water Customers
(Current Year and Five Years Ago)**

Water Customer	2012/13		2007/08	
	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues
Atlantic Times Square	\$ 72,291	0.95%	\$ -	0.00%
Aespace America Inc.	53,708	0.70%	54,351	0.71%
M P Golf Course	45,682	0.60%	29,659	0.39%
Garfield Medical Ctr	43,675	0.57%	47,652	0.62%
Lincoln Best Hotel I	34,536	0.45%	21,397	0.28%
Union Bank of CA #24	29,893	0.39%	19,470	0.26%
Garfield Estates	29,840	0.39%	21,397	0.28%
Ridgewood Apts Mgr	27,476	0.36%	41,008	0.54%
Ocean Star Seafood	26,462	0.35%	24,892	0.33%
LA County Int Serv	25,285	0.33%	32,026	0.42%
Continental Homes	23,646	0.31%	23,438	0.31%
	\$ 412,495	5.41%	\$ 315,291	4.13%