

# MONTEREY PARK

*California*



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2020**



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City of Monterey Park, California

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COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

Year ended June 30, 2020

**Prepared by the Management Services Department**

**Martha Garcia**  
**Director of Management Services**

**CITY OF MONTEREY PARK**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2020**

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# MONTEREY PARK CITY OFFICIALS



## CITY COUNCIL

Hans Liang, Mayor  
Peter Chan, Mayor Pro Tem

Fred Sornoso  
Council Member, District 3

Henry Lo  
Council Member, District 4

Yvonne Yiu  
Council Member, District 2

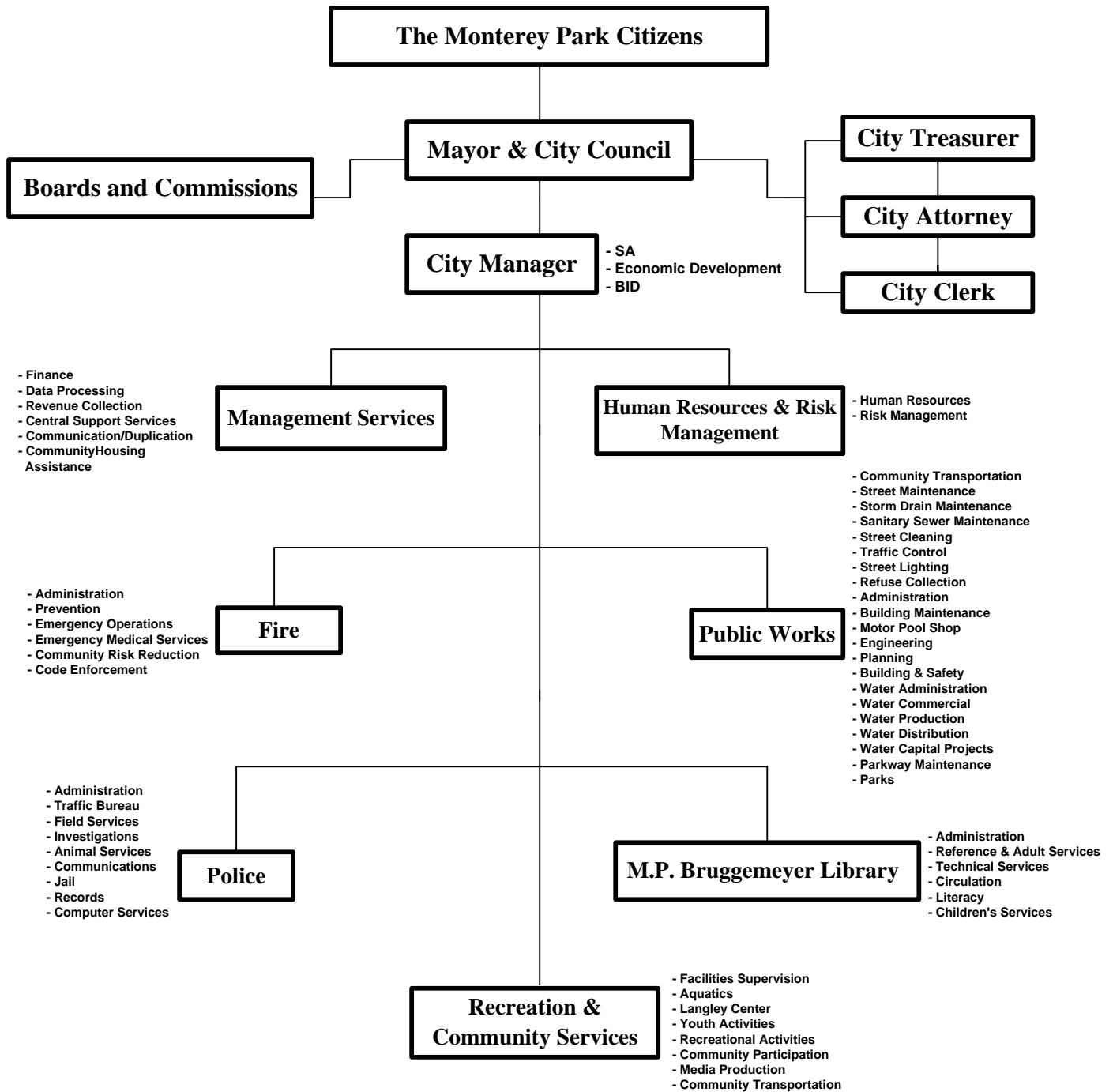
## ELECTED OFFICIALS

Vincent D. Chang, City Clerk  
Joseph Leon, City Treasurer

## EXECUTIVE TEAM

Ron Bow.....*City Manager*  
Hensley Law Group.....*City Attorney*  
Kelly Gordon.....*Police Chief*  
Matt Hallock.....*Fire Chief*  
Martha Garcia.....*Director of Management Services*  
Danielle Tellez.....*Interim Director of Human Resources/Risk Management*  
Mark McAvoy.....*Director of Public Works*  
Inez Alvarez.....*Director of Recreation/Community Services*  
Diana Garcia.....*City Librarian*

# City of Monterey Park Organizational Chart



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

# CITY OF MONTEREY PARK

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



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**City Council**  
Peter Chan  
Hans Liang  
Henry Lo  
Fred Sornoso  
Yvonne Yiu

**City Clerk**  
Vincent D. Chang

**City Treasurer**  
Joseph Leon

December 30, 2020

To the Honorable Mayor, Members of the City Council and the Citizens of the City of Monterey Park, California State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP), as promulgated by the Government Accounting Standards Board (GASB) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that, we hereby submit, for your information and review, the Comprehensive Annual Financial Report for the City of Monterey Park, California, for the fiscal year ended June 30, 2020.

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

The City's financial statements have been audited by CliftonLarsonAllen LLP, a public accounting firm fully licensed and qualified to perform audits of the State and local governments within the State of California. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Monterey Park for the fiscal year ending June 30, 2020, fairly state the City's financial position. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Monterey Park's 2019-20 financial statements are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

## **Single Audit**

Being a recipient of federal funds, the City is required to undergo an audit in accordance with the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133. Information relating to the single audit, which includes the federal assistance operations as well as the non-federal assistance operations, such as the City's financial statements, internal controls, and compliance with legal requirements involving the administration of Federal awards, will be issued in a separate *Single Audit Report*.

## **Management Discussion & Analysis**

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

## **Profile of the City of Monterey Park**

The City of Monterey Park was incorporated in 1916 as a general law city. The name of "Monterey Park" was taken from old government maps that described the oak-covered inclines that made up the area as Monterey Hills. The City operates under the council-manager form of municipal government. The City Council, which consists of five members, is elected by five districts, one representing each of the five districts, and each serves a term of four years. The City Clerk and the City Treasurer are also elected by the citizens. The City Ordinance 2096 imposes term limits, no more than two consecutive terms, on all elected officials. The City Council appoints the City Manager, who has the responsibilities of overseeing City services and operations. In addition to governing the City, the City Council serves as the governing board of the Public Financing Authority and the Housing Authority. The financial information of these component units has been included with the City. Please see Note 1 to Financial Statements for discussion of the component units.

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

## **Local Economic Condition**

Monterey Park is located six miles east of Los Angeles at the western gateway to the San Gabriel Valley. It encompasses an area of 7.73 square miles with a population of approximately 63,000. Monterey Park is primarily a residential community, with 78% of its land zoned for single and multiple family housing. In 2019-20, The median sales price of detached single-family homes in Monterey Park is \$678,000. This median sales price is 23.3% above the pre-recession peak median sales price of \$550,000 in 2007. Because of its desirable location, house values in Monterey Park are expected to remain strong.

During 2019-20, due to the impacts related to the 2019 novel coronavirus (COVID-19) pandemic, the City experienced decreases in General Fund revenues from transient occupancy tax, business license tax, sales tax, and interest earned. The pandemic caused these revenues to come in 3.7% short of projection. As the economy took a downturn and many businesses were forced to shut, the Monterey Park Market Place Shopping Center fast food restaurants and large retail stores continued a stable sales tax generating source.

As of the date of this document, it is unknown the duration of this local and national emergency. The City is spending the necessary funding on operations to prevent and slow the spread of COVID-19 as recommended by the Center of Disease Control and Prevention (CDC). The City is prepared for and is in a position to respond to suspected or confirmed cases of COVID-19 to implement measures to mitigate the spread of COVID-19 within our community, and is prepared to respond to an increase in number of persons requiring medical care or hospitalization.

### **Financial Overview and Policies**

For 2019-20, the City continued the reporting requirement per Governmental Accounting Standards Board (GASB) Statement No. 68 and 71, for pension liabilities. The City also implemented the GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, for other postemployment benefits liabilities on the face of the *Statement of Net Position*. Excluding all postemployment benefits (pensions and OPEB) liabilities, the City's end of year financial condition for 2019-20 displayed a positive operating position due to the City's conservative financial planning and management. As the City's development projects continue to expand and move forward that will generate a large number of new jobs and tax revenues for the City.

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

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

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

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

The 2019-20 Adopted Budget includes a conservative fiscal spending plan and reflects \$8.6 million for infrastructure and capital improvements, specifically water, sewer, street projects and fire ladder truck/engines replacement. The City continues improving efficiencies by aligning closely related programs to achieve long-term financial stability.

### **Major Accomplishments**

The City of Monterey Park's major accomplishments during the fiscal year 2019-20, which displayed significant financial impacts, included:

- Completed construction for Buffalo Wild Wings and Chase Bank at the Market Place. Continued construction for Courtyard by Marriott, Holiday Inn Suites and Ono Hawaiian BBQ;
- Rehabilitated Well 12. Completed the inspection and cleaning of seven water reservoir sited as part of the five-year maintenance plan to ensure the efficiency of the distribution system;
- Contracted a new modern library management system that provides increased functionality and services to the public and migrated all borrower and collection information in the new system;
- The Peace Officers Association of Los Angeles County selected Monterey Police Department Detective Bureau to receive the Centurion Award for Excellence in Gang Investigation;
- Continued prudent, conservative management of the City's investment portfolio to maximize investment earning;
- Continued implementing the required Governmental Accounting Standards Board (GASB) Statements, including the pension and other postemployment benefits (OPEB) liabilities on the face of the financial statements;
- Continued implementing solutions to reduce unfunded pension and other post-employment benefit (OPEB) liabilities, including (1) annual lump sum prepayment practice; (2) annual additional unfunded liability paydown; and (3) annual OPEB liability pre-funding practice;
- The new VIPER 9-1-1 system went live on December 11, 2019. This included a new 9-1-1 phone system with includes two back-up positions at the EOC, a 24-hour voice logging recorder, and updated text to 9-1-1 software. All equipment was funded through the State of California 9-1-1 Emergency Communications Office.
- Conducted Census 2020 Outreach Campaign
- Conducted the first district-based General Municipal Election in March 2020 to fill three council seats
- Bruggemeyer Library implemented online programming and contactless checkout to serve patrons during closures due to the pandemic

- Received Award of Excellence from California Park and Recreation Society (CPRS) for Cherry Blossom Festival
- Expanded outdoor recreational options by adding two pickleball courts at Barnes Park
- Modified senior lunch program and developed delivery system to safeguard senior residents due to COVID-19
- Virtual Damp for Tiny Tots participants includes art projects, educational materials and video chat with staff and participants

### **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 2019-20 appropriations limit was \$91.2 million and the City's actual appropriation subject to the limit was 50% below the legal limit. Based on the past trend and projected future growth, the City believes its appropriations will continue remaining within the legal limit.

### **Debt Administration**

The primary objective of the City's debt administration is to maintain its accessibility to capital market at the lowest possible cost; i.e. interest cost, without endangering its ability to finance essential services. The City uses debt financing only for capital improvements or projects that cannot be financed from current revenues. The City has been successful in obtaining financing for various infrastructure improvements, such as library expansion, police 911 computer system, water treatment plants, and citywide smart meters/energy retrofit project.

### **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. The Finance staff carries out the daily investment operations. At June 30, 2020, the City's investment balances, including amounts held by fiscal agent, were \$99.1 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 (ICRMA). The members pool their resources under a JPA agreement to support their individual self insurance programs. 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. However, the claim values consider the indemnity and expense exposures and are based on known facts at the time of evaluation. The City does not warranty the ultimate values of incurred-but-not-reported claims, which could be significantly different from the final settlement. 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, 2020. This was the 31<sup>st</sup> consecutive year the City received this award. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for the preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year. We believe the City's Fiscal Year 2019-20 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 2020-21 Budget has received awards for excellence in budgeting from both the Government Finance Officers Association of the United States and Canada (GFOA) and California Society of Municipal Finance Officers Association (CSMFO).

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

Respectfully submitted,



Ron Bow  
City Manager



Martha Garcia  
Director of Management Services



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Monterey Park  
California**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Monterey Park  
California**

For the Fiscal Year Beginning

**July 1, 2019**

*Christopher P. Morill*

Executive Director

# California Society of Municipal Finance Officers

*Certificate of Award*

## *Operating Budget Excellence Award Fiscal Year 2019-2020*

*Presented to the*

***City of Monterey Park***

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

***January 31, 2020***



*Steve Heide*

**Steve Heide  
CSMFO President**

*Yolanda Rodriguez*

**Yolanda Rodriguez, Chair  
Recognition Committee**

***Dedicated Excellence in Municipal Financial Reporting***

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Irvine, CA 92606  
714-978-1300 | fax 714-978-7893  
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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Monterey Park, California (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Monterey Park as of June 30, 2020, and the respective changes in its 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.

## **Emphasis of Matter**

As discussed in Note 17 to the financial statements, the City restated the net position of the business-type activities and major enterprise fund at July 1, 2019. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

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

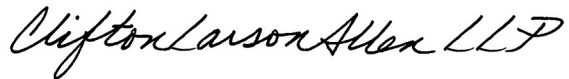
**Other Matters (Continued)**

*Other Information (Continued)*

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2020, on our consideration of the City of Monterey Park's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Monterey Park's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Irvine, California  
December 30, 2020

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# MANAGEMENT DISCUSSION AND ANALYSIS

## Introduction

The Management Discussion and Analysis provides a narrative introduction, analysis, and overview that will assist in understanding of the City's financial statements. This analysis should be read in conjunction with the City's financial statements as of June 30, 2020, the transmittal letter, and notes to the basic financial statements.

## Government-wide Financial Statements

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

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

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

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

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

## Fund Financial Statements

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

## Governmental Funds

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

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

The City maintains 19 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 15 governmental funds is combined into a single column under Nonmajor Special Revenue Governmental Funds. Data for the nonmajor governmental funds is provided in the combining statements in this report.

The City adopts an annual appropriated budget for its governmental funds. Budgeted expenditures are controlled at the fund level. Budgetary comparison statements have been provided to demonstrate compliance with this budget. Please refer to the Notes to Required Supplementary Information.

## Proprietary Funds

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

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

## Fiduciary Funds

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

## **Notes to the Basic Financial Statements**

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

## **Required Supplementary Information**

The required supplementary information further explains and supports the information in the financial statements. This section includes the schedules of the City's funding for its employee pension program, other post-employment benefits program, and the budgetary comparison for the General Fund, Special Revenue Grants Fund, Special Revenue Retirement/Pension Liability Fund, and the Special Revenue Housing Fund.

## **Other Supplementary Information**

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

## **Financial Highlights**

- Total 2019-20 net position decreased by \$7.3 million from 2018-19, which is the net of the \$8.5 million decrease in governmental activities and the \$1.2 million increase in business-type activities. The \$8.5 million decrease in governmental services was attributed to growing pension and other post-employment benefits (OPEB) costs, as well as a reduction in revenues. The \$1.2 million increase in business-type activities was primarily due to steady water and refuse revenues and flat operational costs across all enterprise funds.
- As of June 30, 2020, the City's assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources by \$35.6 million, of which \$82.3million was related to the net investment in capital assets, \$28.5 million was restricted for special revenues, and a negative \$75.2 million was unrestricted.
- At the 2019-20 year-end, the General Fund total fund balance was \$32.5 million, which stays fairly unchanged from the prior year.
- The City kept the residential trash rates at the same level as 2018-19. However, the service contract cost for the trash provider was adjusted by CPI, per the contractual agreement.
- The City approved 4-year contract for the miscellaneous General Employees' labor unit to ensure that public safety services continued to be delivered at the highest level possible.

- The City continued to serve as the Successor Agency for its former Redevelopment Agency, and reported the former RDA assets and liabilities in the Fiduciary Fund as a Private Purpose Trust Fund.

### **Government-wide Financial Analysis**

The net position of the City is derived from the total assets and deferred outflows of resources less its liabilities and deferred inflows of resources at the end of a reporting period. It serves as an indicator of a government's financial position at a certain point in time. As of June 30, 2020, the City's combined assets (governmental and business-type activities) totaled \$213.7 million, down \$1.0 million from last year. The decrease was primarily attributed to the depreciation of capital assets. The City's total deferred outflow of resources decreased \$1.2 million, from \$18.9 million to \$17.7 million. The decrease was due to the City's pension plans. The City's liabilities totaled \$188.7 million, up \$100,000 from last year.. The City's total deferred inflow of resources increased \$5.3 million, from \$1.8 million to \$7.1 million. The increase was related to the City's pension plans. As a result, the City's combined net position totaled \$35.6 million, down \$7.3 million from last year.

Net position consists of three categories: net investment in capital assets, restricted fund balances, and an unrestricted fund balance. The largest portion of the City's net position, approximately \$86.4 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, they are not available to fund the City's day-to-day activities.

The City's restricted net position totaled \$28.5 million at June 30, 2020. These are assets subject to external restrictions, constitutional provisions, or enabling legislation that limit how these assets may be used. The restricted net position includes primarily grants, retirement/pension funds, and various nonmajor special revenue funds. The unrestricted net position is available for use by the City for any legal purpose. As of June 30, 2020, the City's total unrestricted net position was a negative \$75.2million.

*Fiscal Years Ended June 30, 2020 and June 30, 2019  
(In thousands)*

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2019</u>
<i>Assets:</i>						
<i>Current</i>	\$ 77,970	\$ 78,920	\$ 36,310	\$ 34,802	\$ 114,280	\$ 113,722
<i>Non Current</i>						
<i>Capital Assets</i>	55,798	56,135	40,403	41,511	96,201	\$ 97,646
<i>Other Assets</i>	3,219	3,343			3,219	\$ 3,343
<i>Total Assets:</i>	<u>\$ 136,987</u>	<u>\$ 138,398</u>	<u>\$ 76,713</u>	<u>\$ 76,313</u>	<u>\$ 213,700</u>	<u>\$ 214,711</u>
<i>Deferred Outflow of Resources</i>	<u>\$ 16,424</u>	<u>\$ 17,875</u>	<u>\$ 1,229</u>	<u>\$ 1,042</u>	<u>\$ 17,653</u>	<u>\$ 18,917</u>
<i>Liabilities:</i>						
<i>Current</i>	\$ 11,190	\$ 11,117	\$ 3,540	\$ 3,354	\$ 14,730	\$ 14,471
<i>Long-Term</i>	156,324	155,183	17,663	18,934	173,987	174,117
<i>Total liabilities:</i>	<u>\$ 167,514</u>	<u>\$ 166,300</u>	<u>\$ 21,203</u>	<u>\$ 22,288</u>	<u>\$ 188,717</u>	<u>\$ 188,588</u>
<i>Deferred inflow of Resources</i>	<u>\$ 6,140</u>	<u>\$ 1,687</u>	<u>\$ 922</u>	<u>\$ 100</u>	<u>\$ 7,062</u>	<u>\$ 1,787</u>
<i>Net Position:</i>						
<i>Net Investment in</i>						
<i>Capital Assets</i>	\$ 50,393	\$ 54,422	\$ 31,922	\$ 32,344	\$ 82,315	\$ 86,766
<i>Restricted</i>	28,525	28,309	-	-	28,525	28,309
<i>Unrestricted</i>	<u>(99,161)</u>	<u>(94,445)</u>	<u>23,895</u>	<u>22,623</u>	<u>(75,266)</u>	<u>(71,822)</u>
<i>Total Net Position</i>	<u>\$ (20,243)</u>	<u>\$ (11,714)</u>	<u>\$ 55,817</u>	<u>\$ 54,967</u>	<u>\$ 35,574</u>	<u>\$ 43,253</u>

*Statement of Activities*  
*For the Years Ended June 30, 2020 and June 30, 2019*  
(In thousands)

	<i>Governmental</i>		<i>Business-type</i>		<i>Total</i>	
	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2019</u>
<i>Revenues:</i>						
<i>Program Revenues:</i>						
<i>Charges for Services</i>	\$ 8,406	\$ 10,397	\$ 23,673	\$ 25,472	\$ 32,079	\$ 35,869
<i>Operating Grants &amp; Contributions</i>	9,349	12,120			9,349	12,120
<i>Capital Grants &amp; Contributions</i>	280	1,209	149	1,362	429	2,571
<i>General Revenues:</i>						
<i>Taxes</i>	39,940	39,535			39,940	39,535
<i>Revenues from Use of Money and Property</i>	2,096	2,414	563	603	2,659	3,017
<i>Other</i>	1,566	1,734	2,260	1,806	3,826	3,540
<i>Transfers</i>	541		(541)			-
<i>Total Revenues:</i>	<u>\$ 62,178</u>	<u>\$ 67,409</u>	<u>\$ 26,104</u>	<u>\$ 29,243</u>	<u>\$ 88,282</u>	<u>\$ 96,652</u>
<i>Expenses:</i>						
<i>General Government</i>	7,025	8,675			7,025	8,675
<i>Public Safety</i>	46,449	41,058			46,449	41,058
<i>Comm. Development</i>	386	2,556			386	2,556
<i>Culture &amp; Recreation</i>	8,194	8,394			8,194	8,394
<i>Highway &amp; Streets</i>	7,592	6,779			7,592	6,779
<i>Health</i>	138	150			138	150
<i>Debt Services</i>	923	932			923	932
<i>Water/Refuse/Sewer</i>			24,841	24,683	24,841	24,683
<i>Total Expenses:</i>	<u>70,707</u>	<u>68,544</u>	<u>24,841</u>	<u>24,683</u>	<u>\$ 95,548</u>	<u>93,227</u>
<i>Increase in Net Position Before Extraordinary item</i>	(8,529)	(1,135)	1,263	4,560	(7,266)	3,425
<i>Extraordinary item</i>						
<i>Changes in Net Position</i>	<u>(8,529)</u>	<u>(1,135)</u>	<u>1,263</u>	<u>4,560</u>	<u>(7,266)</u>	<u>3,425</u>
<i>Net Position – July 1 *</i>	<u>(11,714)</u>	<u>(10,579)</u>	<u>54,554</u>	<u>50,407</u>	<u>42,840</u>	<u>39,828</u>
<i>Net Position – June 30</i>	<u>\$ (20,243)</u>	<u>\$ (11,714)</u>	<u>\$ 55,817</u>	<u>\$ 54,967</u>	<u>\$ 35,574</u>	<u>\$ 43,253</u>

\* The Business Type Activities Beginning Fund Balance was restated as of July 1, 2019, from \$54,967 to \$54,554.

## **Governmental Activities Financial Analysis**

Overall governmental activities decreased the City's net position by \$8.4 million. The decrease in net position was due to escalating pension costs and a decrease in charges for service revenues and operating grant revenues.

### **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, 2020, the City's governmental funds reported a combined ending fund balance of \$59.7 million, an increase of \$0.6 million from the prior year. The fund balance categories of the governmental funds show \$79,000 as nonspendable, \$26.9 million as restricted, \$7.6 million as committed, \$19.4 million as assigned, and \$5.8 million as unassigned. This unassigned amount is solely comprised of General Fund reserves. *(Please refer to Note 14 of the Notes to Basic Financial Statements for detailed breakdown.)*

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

*The General Fund* is the main operating fund of the City, which accounts for the majority of the police, fire, recreation, parks maintenance, public works, library, community development, and general administrative services. General Fund revenues and transfers in for 2019-20 totaled \$43.6 million, a decrease of \$1.5 million from 2018-19. The decrease was primarily due to the impact of COVID-19 on the business license and permits revenue. Total 2019-20 general fund expenditures and transfers out were \$43.6 million, reflecting an increase of \$1.1 million from 2018-19. As of June 30, 2020, the total fund balance of the General Fund was \$32.5 million, a decrease of only \$46,000 from last year.

*The Special Revenue Grants Fund* reports the activities of various grants that the City received from Federal, State, and County agencies. Unspent grant funds are accumulated for expenditures in future years. Total grants received for governmental activities and transfers in for 2019-20 were \$2.3 million, down \$2.0 million from last year. Total 2019-20 grant funded expenditures and transfers out were \$2.0 million, reflecting a decrease of \$1.9 million from 2018-19. Total fund balance of the Special Revenue Grants Fund as of June 30, 2020 was \$1.7 million, an increase of \$0.3 million from last year.

*Special Revenue Retirement/Pension Liability Fund* accounts for revenue received from the voter-approved property tax levied to provide for employee retirement costs. Total revenues and transfers for 2019-20 were approximately \$11.6 million, an increase of \$1.6 million over 2018-19. Total expenditures for 2019-20 were \$11.5 million, up \$0.5 million from 2018-19. The increase in expenditures was due to higher pension contribution rates required for both the Safety Plan and the Miscellaneous Plan. The total fund balance in the Retirement/Pension Liability Fund as of June 30, 2020 was \$8.0 million, all of which is restricted for employee retirement costs.

*The Special Revenue Housing Fund* accounts for housing activities. The City assumed the responsibility of the housing assets and functions after the dissolution of the City's Redevelopment Agency. There were no revenues or housing expenditures for 2019-20. As of June 30, 2020, the fund balance of the Special Revenue Housing Fund stays the same as last year at \$2.4 million.

*Nonmajor Governmental Funds* account for various activities including street improvement, transportation, air quality improvement, lighting and landscaping district, public safety activity, and development impact improvements. Total revenues and transfer-in for 2019-20 were \$8.8 million, down \$2.5 million from 2018-19. Total expenditures and transfer-out for 2019-20 were \$8.4 million, an increase of \$1.6 million over 2018-19. As of June 30, 2020, the fund balance of the Nonmajor Governmental Funds totaled \$15.0 million, up \$0.4 million from 2018-19.

### **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 2019-20 water revenues were \$16.1 million, down \$1.0 million from 2018-19. The decrease in water revenues was primarily due to increased conservation measures throughout the community. Water expenses were \$14.7 million, slightly up \$90,000 from 2018-19. The increase was primarily due to higher personnel costs, including retirement, costs for the water production and water treatment operations in 2019-20. The net position for the Water Fund was \$51.2 million at June 30, 2020, an increase of \$1.2 million over the prior year.

Refuse Fund revenues stay fairly the same as last year at \$6.7 million. Operating expenditures were \$6.5 million, down \$0.1 million from last year. The net position for the Refuse Fund was \$829,000 at June 30, 2020, an increase of \$193,000 from the prior year.

Sewer Fund revenues were \$3.2 million, down \$0.3 million from last year. The decrease was consistent with the decrease in water revenues. Operating expenditures were \$2.1 million, up \$0.2 million from last year. The increase was primarily due higher personnel costs, including retirement. The net position for the Sewer Fund increased to \$9.6 million, an increase of \$1.1 million from the prior year.

### **General Fund Budgetary Highlights**

The originally adopted General Fund budget for this fiscal year was \$42.0 million, including a \$3.2 million Retirement Fund supplement for pension costs. The final amended budget of \$41.7 million reflecting City Council approved amendments throughout the year as well as tightened budget control in response to the COVID-19 pandemic and economic downfall.

The budget amendments included additional funds for the minimum wage mandates, general plan updates, Fire Station 62 replacement project, and Enterprise Resource Planning (ERP) implementation, which are offset primarily by a reduction in Retirement Fund supplement for pension costs.

Overall, actual revenues in the General Fund were lower than the budgeted revenues. The decrease was \$1.8 million. Primarily due to COVID-19, taxes, and licenses and permits were \$1.5 million lower than budget. Charges for services, and fines and forfeitures were also lower by \$300,000 and \$150,000, respectively. The decrease was slightly offset by \$100,000 increase in revenues from use of money and property, and \$80,000 increase in other revenue. Actual expenses in the General Fund were under budget in all the major categories, except for public safety and highway and streets. General government was under budget \$1.3 million, and culture and recreation was under budget \$0.8 million. These were due to the City's cost control measures in response to the revenue drop and unclear economic outlook due to COVID-19. Public safety however was over budget by \$370,000, Community development was over by \$10,000, Highway and streets was over by \$90,000, and Capital outlay was over by \$550,000. These reflected the City's commitment and reallocation of resources from non-urgent services to crucial and necessary services. Overall, actual expenditures were \$1.3 million less than budgeted. Most of the capital outlay budget that was not spent will be rolled over into the 2020-21 budget.

### Capital Asset Administration

The City's capital assets, net of accumulated depreciation, for its governmental and business-type activities as of June 30, 2020, totaled \$96.3 million, a decrease of \$1.3 million from prior year. The capital assets include land, buildings, improvements, machinery and equipment, parks, roads, traffic lights, and traffic signals. *(Readers desiring more detailed information on capital asset activity should refer to Note 6 of the Notes to the Basic Financial Statements.)*

*Capital Assets Net of Depreciation  
Fiscal Years Ended June 30, 2020 and June 30, 2019  
(In thousands)*

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<i>6/30/2020</i>	<i>6/30/2019</i>	<i>6/30/2020</i>	<i>6/30/2019</i>	<i>6/30/2020</i>	<i>6/30/2019</i>
<i>Land</i>	\$ 8,465	\$ 8,465	\$ 500	\$ 500	\$ 8,965	\$ 8,965
<i>Buildings</i>	15,417	16,010	142	147	15,559	16,157
<i>Improvements</i>	13,687	14,426	28,675	29,538	42,362	43,964
<i>Construction in Progress</i>	2,150	4,409	8,830	8,745	10,980	13,154
<i>Equipment</i>	4,582	2,355	496	722	5,078	3,077
<i>Infrastructure</i>	11,497	10,470	1,760	1,859	13,257	12,329
	<u>\$ 55,798</u>	<u>\$ 56,135</u>	<u>\$ 40,403</u>	<u>\$ 41,511</u>	<u>\$ 96,201</u>	<u>\$ 97,646</u>

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

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

## Debt Administration

As of June 30, 2020, the City's noncurrent portion of long-term debt stays fairly unchanged from the prior year at \$174.0 million. (Please refer to note number's 7 and 10 of the Notes to the Basic Financial Statements for detailed information.)

State statutes limit the amount of general obligation debt a governmental entity may issue to 15% of its total assessed valuation. The current debt limitation for the City is \$1.21 billion.

**Outstanding Debt and Other Long Term Liabilities**  
**Noncurrent Portion**  
**Fiscal Years ended June 30, 2020 and June 30, 2019**  
**(In thousands)**

	<b>Government Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>6/30/2020</b>	<b>6/30/2019</b>	<b>6/30/2020</b>	<b>6/30/2019</b>	<b>6/30/2020</b>	<b>6/30/2019</b>
<i>Capital Leases</i>	\$ 2,986	\$ 3,587	\$ 7,915	\$ 8,469	\$ 10,901	\$ 12,056
<i>Pension Obligation Bonds</i>	11,770	12,200	-	-	11,770	12,200
<i>Compensated Absences</i>	4,552	4,515	635	705	5,187	5,220
<i>Section 108 Loan</i>	1,047	1,526	-	-	1,047	1,526
<i>Claims and Judgments</i>	14,753	12,588	-	-	14,753	12,588
<i>Insurance Assessments Payable</i>	981	1,145	-	-	981	1,145
<i>Net Pension Liabilities</i>	99,639	94,040	5,278	4,997	104,917	99,037
<i>Other Post Employment Benefits (OPEB)</i>	20,596	25,581	3,835	4,763	24,431	30,344
	\$ 156,324	\$ 155,182	\$ 17,663	\$ 18,934	\$ 173,987	\$ 174,116

## Economic Factors and Next Year's Budget

- The City's total assessed valuation is \$8.1 billion, up 6%, or \$438 million, from 2018-19.
- The fiscal year 2020-21 City Budget is balanced. The City is conservative in projecting future revenues. The City's spending plan follows the City Council's direction in maintaining excellent community service, enhancing organizational efficiency, and funding much needed infrastructure and capital improvements. The City will conclude labor negotiations with the remaining miscellaneous bargaining units. Any potential salary and benefit contract adjustments will be considered during the mid-year budget process.
- The City continues with the Fire Station 62 replacement project. The new facility will meet current laws, regulations and NFPA standards.
- The Centralized Groundwater Treatment System for the Delta Plant is expected to start its operation by December of 2021.

- The Courtyard by Marriott hotel that includes 288 rooms, a restaurant and available retail space, is currently in the construction phase and the City anticipates its opening around April of 2021. This hotel will increase additional transient occupancy tax, property tax, and sales tax revenues for the City.
- The “420 North Atlantic Boulevard” project is a mix used complex comprised of a Holiday Inn brand hotel, a condominium and a restaurant. The complex has started construction and the City anticipates its opening around December of 2021. The complex will increase additional transient occupancy tax, property tax, and sales tax revenues for the City.
- The Monterey Park Market Place Shopping Center is located directly off and visible from the SR-60 freeway. The Center now has stores, including Costco, Home Depot, Chick-fil-A, In-N-Out, Guitar Center, Starbucks, Buffalo Wild Wings, Mod Pizza, America Best Eyeglasses, and Chase Bank. This regional power center will continue store-opening, thus increasing property and sales tax revenues for the City.
- The water, sewer, and trash rates study will be continued and new rates will be presented to the Council for approval.

### **Requests for Information**

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

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## **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**CITY OF MONTEREY PARK**

**Statement of Net Position**

**June 30, 2020**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b><u>ASSETS</u></b>			
Current assets:			
Cash and investments	\$ 68,765,990	\$ 36,314,739	\$ 105,080,729
Cash and investments held by fiscal agent	33,991	-	33,991
Accounts receivable	3,088,294	5,688,267	8,776,561
Interest receivable	214,009	96,431	310,440
Prepaid assets	78,802	-	78,802
Internal balances	5,789,419	(5,789,419)	-
Total current assets	<u>77,970,505</u>	<u>36,310,018</u>	<u>114,280,523</u>
Noncurrent assets:			
Loans receivable, net	1,910,225	-	1,910,225
Receivable from Successor Agency	1,308,334	-	1,308,334
Capital assets:			
Not being depreciated	10,614,635	9,330,318	19,944,953
Being depreciated, net	45,183,686	31,072,865	76,256,551
Total capital assets	<u>55,798,321</u>	<u>40,403,183</u>	<u>96,201,504</u>
Total noncurrent assets	<u>59,016,880</u>	<u>40,403,183</u>	<u>99,420,063</u>
<b>Total assets</b>	<u>136,987,385</u>	<u>76,713,201</u>	<u>213,700,586</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Amounts related to pension plans	14,147,838	805,072	14,952,910
Amounts related to other post employment benefits	2,276,183	423,817	2,700,000
<b>Total deferred outflows of resources</b>	<u>16,424,021</u>	<u>1,228,889</u>	<u>17,652,910</u>

**CITY OF MONTEREY PARK**  
**Statement of Net Position, Continued**  
**June 30, 2020**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 2,218,880	\$ 2,412,165	\$ 4,631,045
Accrued payroll	1,479,733	44,128	1,523,861
Interest payable	75,947	-	75,947
Deposits and advances	891,973	461,664	1,353,637
Due to other governmental agencies	724,003	-	724,003
Long-term liabilities - due within one year	5,799,429	621,604	6,421,033
Total current liabilities	<u>11,189,965</u>	<u>3,539,561</u>	<u>14,729,526</u>
Noncurrent liabilities:			
Long-term liabilities - due in more than one year	36,088,750	8,550,210	44,638,960
Net pension liabilities	99,639,474	5,277,606	104,917,080
Net OPEB liabilities	20,596,137	3,834,923	24,431,060
Total noncurrent liabilities	<u>156,324,361</u>	<u>17,662,739</u>	<u>173,987,100</u>
<b>Total liabilities</b>	<u>167,514,326</u>	<u>21,202,300</u>	<u>188,716,626</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Amounts related to pension plans	1,749,287	104,798	1,854,085
Amounts related to other post employment benefits	4,390,646	817,521	5,208,167
<b>Total deferred inflows of resources</b>	<u>6,139,933</u>	<u>922,319</u>	<u>7,062,252</u>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	50,393,059	31,922,658	82,315,717
Restricted for:			
Grants	1,839,079	-	1,839,079
Retirement/pension	8,010,151	-	8,010,151
Housing	3,631,616	-	3,631,616
Public safety	1,361,956	-	1,361,956
Community development	125,704	-	125,704
Culture and recreation	1,331,563	-	1,331,563
Highways and streets	12,224,837	-	12,224,837
Unrestricted (deficit)	(99,160,818)	23,894,813	(75,266,005)
<b>Total net position</b>	<u>\$ (20,242,853)</u>	<u>\$ 55,817,471</u>	<u>\$ 35,574,618</u>

**CITY OF MONTEREY PARK**  
**Statement of Activities**  
**For the Year Ended June 30, 2020**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	\$ 7,024,897	\$ 1,418,515	\$ -	\$ -
Public safety	46,448,518	3,123,842	1,367,729	275,079
Community development	385,629	1,591,515	785,982	1,100
Culture and recreation	8,194,387	747,940	347,145	3,445
Highway and streets	7,592,489	1,523,872	6,200,229	-
Health	137,500	-	648,106	-
Interest and fiscal charges	923,137	-	-	-
<b>Total governmental activities</b>	<b>70,706,557</b>	<b>8,405,684</b>	<b>9,349,191</b>	<b>279,624</b>
<b>Business-type activities:</b>				
Water Utility	16,130,638	13,791,440	-	149,262
Refuse	6,643,796	6,722,940	-	-
Sewer	2,066,260	3,158,607	-	-
<b>Total business-type activities</b>	<b>24,840,693</b>	<b>23,672,987</b>	<b>-</b>	<b>149,262</b>
<b>Total</b>	<b>\$ 95,547,250</b>	<b>\$ 32,078,671</b>	<b>\$ 9,349,191</b>	<b>\$ 428,886</b>

**CITY OF MONTEREY PARK**  
**Statement of Activities, Continued**  
**For the Year Ended June 30, 2020**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>			
General government	\$ (5,606,382)	\$ -	\$ (5,606,382)
Public safety	(41,681,868)	-	(41,681,868)
Community development	1,992,968	-	1,992,968
Culture and recreation	(7,095,857)	-	(7,095,857)
Highway and streets	131,612	-	131,612
Health	510,606	-	510,606
Interest and fiscal charges	(923,137)	-	(923,137)
Total governmental activities	<u>(52,672,058)</u>	<u>-</u>	<u>(52,672,058)</u>
<b>Business-type activities:</b>			
Water Utility	-	(2,189,936)	(2,189,936)
Refuse	-	79,144	79,144
Sewer	-	1,092,347	1,092,347
Total business-type activities	<u>-</u>	<u>(1,018,444)</u>	<u>(1,018,444)</u>
Total	<u>(52,672,058)</u>	<u>(1,018,444)</u>	<u>(53,690,502)</u>
<b>General Revenues:</b>			
<b>Taxes:</b>			
Property taxes	27,133,836	-	27,133,836
Sales taxes	6,923,739	-	6,923,739
Vehicle in-lieu taxes (Unrestricted, intergovernmental)	48,934	-	48,934
Utility user taxes	2,846,105	-	2,846,105
Franchise taxes	982,837	-	982,837
Business license taxes	985,158	-	985,158
Transient occupancy taxes	847,272	-	847,272
Other taxes	171,413	-	171,413
Revenues from use of money and property	2,096,340	562,859	2,659,199
Other	1,565,830	2,260,426	3,826,256
Total general revenues	<u>43,601,464</u>	<u>2,823,285</u>	<u>46,424,749</u>
Transfers	541,523	(541,523)	-
Changes in net position	(8,529,071)	1,263,318	(7,265,753)
Net position (deficit) - beginning of year, as restated	<u>(11,713,782)</u>	<u>54,554,153</u>	<u>42,840,371</u>
Net position (deficit) - end of year	<u>\$ (20,242,853)</u>	<u>\$ 55,817,471</u>	<u>\$ 35,574,618</u>

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**FUND FINANCIAL STATEMENTS**

**CITY OF MONTEREY PARK**  
**Balance Sheet - Governmental Funds**  
**June 30, 2020**

	Major Funds			
	General	Grants	Special Revenue	
			Retirement/Pension Liability	Housing
<u>Assets</u>				
Cash and investments	\$ 33,688,997	\$ 1,899,540	\$ 7,842,427	\$ 1,137,060
Cash and investments held by fiscal agents	-	-	33,369	-
Accounts receivable	2,240,184	323,127	134,355	-
Interest receivable	172,734	2,858	-	-
Prepaid assets	78,802	-	-	-
Due from other funds	371,347	-	-	-
Loans receivable, net	-	724,003	-	1,186,222
Receivable from Successor Agency	-	-	-	1,308,334
<b>Total Assets</b>	<b>\$ 36,552,064</b>	<b>\$ 2,949,528</b>	<b>\$ 8,010,151</b>	<b>\$ 3,631,616</b>
<u>Liabilities, Deferred Inflow of Resources and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,778,088	\$ 108,987	\$ -	\$ -
Accrued payroll	1,438,836	4,548	-	-
Deposits and advances	806,526	85,447	-	-
Due to other funds	-	187,464	-	-
Due to other governmental agencies	-	724,003	-	-
<b>Total Liabilities</b>	<b>4,023,450</b>	<b>1,110,449</b>	<b>-</b>	<b>-</b>
Deferred Inflow of Resources:				
Unavailable revenue	19,167	105,525	-	1,186,222
<b>Total Deferred Inflow of Resources</b>	<b>19,167</b>	<b>105,525</b>	<b>-</b>	<b>1,186,222</b>
Fund Balances:				
Nonspendable	78,802	-	-	-
Restricted	-	1,733,554	8,010,151	2,445,394
Committed	7,226,927	-	-	-
Assigned	19,365,589	-	-	-
Unassigned	5,838,129	-	-	-
<b>Total Fund Balances</b>	<b>32,509,447</b>	<b>1,733,554</b>	<b>8,010,151</b>	<b>2,445,394</b>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<b>\$ 36,552,064</b>	<b>\$ 2,949,528</b>	<b>\$ 8,010,151</b>	<b>\$ 3,631,616</b>

**CITY OF MONTEREY PARK**  
**Balance Sheet - Governmental Funds, Continued**  
**June 30, 2020**

	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets</u>		
Cash and investments	\$ 14,954,896	\$ 59,522,920
Cash and investments held by fiscal agents	-	33,369
Accounts receivable	390,628	3,088,294
Interest receivable	38,417	214,009
Prepaid assets	-	78,802
Due from other funds	-	371,347
Loans receivable, net	-	1,910,225
Receivable from Successor Agency	-	1,308,334
Total Assets	\$ 15,383,941	\$ 66,527,300
 <u>Liabilities, Deferred Inflow of Resources and Fund Balances</u>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 143,032	\$ 2,030,107
Accrued payroll	12,966	1,456,350
Deposits and advances	-	891,973
Due to other funds	183,883	371,347
Due to other governmental agencies	-	724,003
Total Liabilities	339,881	5,473,780
 Deferred Inflow of Resources:		
Unavailable revenue	-	1,310,914
Total Deferred Inflow of Resources	-	1,310,914
 Fund Balances:		
Nonspendable	-	78,802
Restricted	14,698,322	26,887,421
Committed	418,383	7,645,310
Assigned	-	19,365,589
Unassigned	(72,645)	5,765,484
Total Fund Balances	15,044,060	59,742,606
Total Liabilities, Deferred inflow of Resources and Fund Balances	\$ 15,383,941	\$ 66,527,300

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**CITY OF MONTEREY PARK**  
**Reconciliation of the Balance Sheet of Governmental Funds to the**  
**Statement of Net Position of Governmental Activities**  
**June 30, 2020**

<b>Total fund balance of governmental funds in fund statements</b>	\$ 59,742,606
Internal service funds are used by management to charge the costs of separation benefits, workers' compensation, vehicle, technology and general liability to individual funds. The assets and liabilities of internal service funds are reported with governmental activities in the statement of net position. Total net deficit is \$(8,958,053) plus the portion of net deficit allocated to business-type activities of \$5,789,419.	(3,168,634)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. (Total governmental assets of \$55,798,321 less internal service funds of \$3,754,036, which has already been accounted for in the reconciliation of internal service funds elimination).	52,044,285
Long-term liabilities in the amount of \$41,888,179, excluding net pension liabilities and net other post employment benefit (OPEB) liabilities, are not due and payable in the current period and therefore are not reported in the governmental funds, net of \$21,743,625 included in reconciliation of internal service funds.	(20,144,554)
Interest on long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	(75,947)
Net pension liability is not due and payable in the current period and therefore is not reported in the governmental funds.	(99,639,474)
Pension contributions made during the year after the measurement date are reported as expenditures in governmental funds and as deferred outflow of resources in the government-wide financial statements.	10,396,084
Other deferred outflows and inflows of resources related to the net pension liability are reported only in the government-wide financial statements:	
Net difference between projected and actual earnings on pension plan investments	(1,545,979)
Difference between expected and actual experience	3,742,486
Changes in assumptions	(194,040)
Net OPEB liability is not due and payable in the current period and therefore is not reported in the governmental funds.	(20,596,137)
OPEB contributions made during the year after the measurement date are reported as expenditures in governmental funds and as deferred outflow of resources in the government-wide financial statements.	2,276,183
Other deferred outflows and inflows of resources related to the net OPEB liability are reported only in the government-wide financial statements:	
Net difference between projected and actual earnings on OPEB plan investments	(96,677)
Difference between expected and actual experience	(3,507,581)
Changes in assumptions	(786,388)
Revenues earned but not available to pay for current expenditures for governmental funds are unavailable.	1,310,914
<b>Net position of governmental activities</b>	<u><u>\$ (20,242,853)</u></u>

**CITY OF MONTEREY PARK**  
**Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Governmental Funds**  
**For the Year Ended June 30, 2020**

	Major Funds			
	General	Special Revenue		
		Grants	Retirement/Pension Liability	Housing
Revenues:				
Taxes	\$ 31,494,489	\$ -	\$ 7,459,647	\$ -
Licenses and permits	1,837,426	-	-	-
Intergovernmental revenues	-	2,193,113	-	-
Charges for services	5,908,389	-	-	-
Revenues from use of money and property	2,059,886	31,878	10,364	-
Fines and forfeitures	526,858	-	-	-
Other revenue	1,555,388	-	11,100	-
Total Revenues	<u>43,382,436</u>	<u>2,224,991</u>	<u>7,481,111</u>	<u>-</u>
Expenditures:				
Current:				
General government	4,853,672	247,435	1,789,754	-
Public safety	27,153,785	336,563	7,020,221	-
Community development	44,807	80,767	106,955	-
Culture and recreation	5,455,810	240,140	1,019,602	-
Highways and streets	1,995,360	59,700	381,579	-
Health	-	-	-	-
Capital outlay	765,073	183,551	-	-
Debt service:				
Principal retirement	76,199	565,956	435,000	-
Interest and fiscal charges	38,359	38,864	763,878	-
Total Expenditures	<u>40,383,065</u>	<u>1,752,976</u>	<u>11,516,989</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,999,371</u>	<u>472,015</u>	<u>(4,035,878)</u>	<u>-</u>
Other Financing Sources (Uses):				
Transfers in	213,650	25,487	4,080,521	-
Transfers out	(3,258,985)	(213,650)	-	-
Total Other Financing Sources (Uses)	<u>(3,045,335)</u>	<u>(188,163)</u>	<u>4,080,521</u>	<u>-</u>
Net Changes in Fund Balances	(45,964)	283,852	44,643	-
Fund Balances, Beginning of Year	32,555,411	1,449,702	7,965,508	2,445,394
Fund Balances, End of Year	<u>\$ 32,509,447</u>	<u>\$ 1,733,554</u>	<u>\$ 8,010,151</u>	<u>\$ 2,445,394</u>

**CITY OF MONTEREY PARK**  
**Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Governmental Funds, Continued**  
**For the Year Ended June 30, 2020**

	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:		
Taxes	\$ 8,398,311	\$ 47,352,447
Licenses and permits	-	1,837,426
Intergovernmental revenues	-	2,193,113
Charges for services	149,218	6,057,607
Revenues from use of money and property	227,799	2,329,927
Fines and forfeitures	60,201	587,059
Other revenue	-	1,566,488
Total Revenues	8,835,529	61,924,067
Expenditures:		
Current:		
General government	7,263	6,898,124
Public safety	1,251,468	35,762,037
Community development	83,568	316,097
Culture and recreation	319,236	7,034,788
Highways and streets	4,190,656	6,627,295
Health	137,500	137,500
Capital outlay	2,162,953	3,111,577
Debt service:		
Principal retirement	38,599	1,115,754
Interest and fiscal charges	12,316	853,417
Total Expenditures	8,203,559	61,856,589
Excess (Deficiency) of Revenues Over Expenditures	631,970	67,478
Other Financing Sources (Uses):		
Transfers in	-	4,319,658
Transfers out	(233,400)	(3,706,035)
Total Other Financing Sources (Uses)	(233,400)	613,623
Net Changes in Fund Balances	398,570	681,101
Fund Balances, Beginning of Year	14,645,490	59,061,505
Fund Balances, End of Year	\$ 15,044,060	\$ 59,742,606

**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, 2020**

<b>Net change in fund balance - total governmental funds</b>	\$ 681,101
Amount reported for governmental activities in the Statement of Activities are different because:	
Internal service funds are used by management to charge the costs of separation benefits, workers' compensation, vehicle, technology and general liability to individual funds. The net income/(expense) of certain activities of internal service fund is reported with governmental activities. This amount excludes \$(1,249,020) charged to the Water and Refuse Enterprise Funds.	(3,473,754)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capitalizable capital outlay, net of internal service fund capital additions of \$488,914.	2,637,243
Depreciation expense, net of internal service fund depreciation expense of \$989,169	(2,464,303)
Revenues that do not provide current financial resources are not recognized as revenues in the governmental funds.	(491,804)
Principal debt repayment was recorded as an expenditure. However, this transaction is not recorded in the Statement of Activities. Instead, this transaction is reported as long-term debt payable in the Statement of Net Position.	1,115,754
Changes in net pension liability and related deferred outflows and inflows of resources reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.	(7,284,527)
Changes in compensated absences which are not due and payable in the governmental funds are charged to expenses in the Statement of Activities.	(20,743)
Changes in net OPEB liability and related deferred outflows and inflows of resources reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.	766,291
Interest on long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	5,671
<b>Change in net position of governmental activities</b>	<b>\$ (8,529,071)</b>

**PROPRIETARY FUND FINANCIAL STATEMENTS**

**CITY OF MONTEREY PARK**  
**Statement of Net Position -**  
**Proprietary Funds**  
**June 30, 2020**

	Enterprise			
	Water Utility	Refuse	Sewer	Total
<u>Assets</u>				
Current Assets:				
Cash and investments	\$ 26,440,830	\$ 1,799,052	\$ 8,074,857	\$ 36,314,739
Cash and investments held by fiscal agent	-	-	-	-
Accounts receivable	4,551,928	748,424	387,915	5,688,267
Interest receivable	71,206	3,677	21,548	96,431
Total Current Assets	<u>31,063,964</u>	<u>2,551,153</u>	<u>8,484,320</u>	<u>42,099,437</u>
Noncurrent Assets:				
Nondepreciable capital assets	9,256,263	-	74,055	9,330,318
Depreciable capital assets, net of accumulated depreciation	28,612,358	18,410	2,442,097	31,072,865
Total Capital Assets	<u>37,868,621</u>	<u>18,410</u>	<u>2,516,152</u>	<u>40,403,183</u>
Total Noncurrent Assets	<u>37,868,621</u>	<u>18,410</u>	<u>2,516,152</u>	<u>40,403,183</u>
Total Assets	<u>68,932,585</u>	<u>2,569,563</u>	<u>11,000,472</u>	<u>82,502,620</u>
<u>Deferred Outflows of Resources</u>				
Amounts related to pension plans	562,819	123,125	119,128	805,072
Amounts related to other post employment benefit plans	309,085	51,069	63,663	423,817
Total Deferred Outflows of Resources	<u>871,904</u>	<u>174,194</u>	<u>182,791</u>	<u>1,228,889</u>
<u>Liabilities</u>				
Current Liabilities:				
Accounts payable	1,961,224	435,712	15,229	2,412,165
Accrued payroll	30,257	5,593	8,278	44,128
Deposits and advances	447,439	-	14,225	461,664
Insurance assessments payable - due within one year	-	-	-	-
Claims and judgments payable - due within one year	-	-	-	-
Capital lease obligations - due within one year	551,053	-	-	551,053
Compensated absences payable - due within one year	54,642	8,926	6,983	70,551
Total Current Liabilities	<u>3,044,615</u>	<u>450,231</u>	<u>44,715</u>	<u>3,539,561</u>
Noncurrent Liabilities:				
Insurance assessments payable - due in more than one year	-	-	-	-
Claims and judgments payable - due in more than one year	-	-	-	-
Capital lease obligations - due in more than one year	7,915,247	-	-	7,915,247
Compensated absences payable - due in more than one year	491,781	80,336	62,846	634,963
Net OPEB liabilities	2,796,771	462,098	576,054	3,834,923
Net pension liabilities	3,689,528	807,140	780,938	5,277,606
Total Noncurrent Liabilities	<u>14,893,327</u>	<u>1,349,574</u>	<u>1,419,838</u>	<u>17,662,739</u>
Total Liabilities	<u>17,937,942</u>	<u>1,799,805</u>	<u>1,464,553</u>	<u>21,202,300</u>
<u>Deferred Inflows of Resources</u>				
Amounts related to pension plans	73,264	16,027	15,507	104,798
Amounts related to other post employment benefit plans	596,210	98,509	122,802	817,521
Total Deferred Inflows of Resources	<u>669,474</u>	<u>114,536</u>	<u>138,309</u>	<u>922,319</u>
<u>Net Position</u>				
Net investment in capital assets	29,402,321	18,410	2,501,927	31,922,658
Unrestricted	21,794,752	811,006	7,078,474	29,684,232
Total Net Position	<u>\$ 51,197,073</u>	<u>\$ 829,416</u>	<u>\$ 9,580,401</u>	<u>\$ 61,606,890</u>
Adjustment to reflect the consolidation of internal service funds activities to related enterprise fund				
	(5,105,729)	(683,691)	-	(5,789,419)
Net Position of Business-type Activities	<u>\$ 46,091,344</u>	<u>\$ 145,725</u>	<u>\$ 9,580,401</u>	<u>\$ 55,817,471</u>

**CITY OF MONTEREY PARK**  
**Statement of Net Position -**  
**Proprietary Funds, Continued**  
**June 30, 2020**

	Internal Service
<u>Assets</u>	
Current Assets:	
Cash and investments	\$ 9,243,070
Cash and investments held by fiscal agent	622
Accounts receivable	-
Interest receivable	-
Total Current Assets	9,243,692
Noncurrent Assets:	
Nondepreciable capital assets	444,379
Depreciable capital assets, net of accumulated depreciation	3,309,657
Total Capital Assets	3,754,036
Total Noncurrent Assets	3,754,036
Total Assets	12,997,728
<u>Deferred Outflow of Resources</u>	
Amounts related to pension plans	-
Amounts related to other post employment benefit plans	-
Total Deferred Outflows of Resources	-
<u>Liabilities</u>	
Current Liabilities:	
Accounts payable	188,773
Accrued payroll	23,383
Deposits and advances	-
Insurance assessments payable - due within one year	163,514
Claims and judgments payable - due within one year	3,620,200
Capital lease obligations - due within one year	355,952
Compensated absences payable - due within one year	12,146
Total Current Liabilities	4,363,968
Noncurrent Liabilities:	
Insurance assessments payable - due in more than one year	981,086
Claims and judgments payable - due in more than one year	14,752,616
Capital lease obligations - due in more than one year	1,748,796
Compensated absences payable - due in more than one year	109,315
Net OPEB liabilities	-
Net pension liabilities	-
Total Noncurrent Liabilities	17,591,813
Total Liabilities	21,955,781
<u>Deferred Inflow of Resources</u>	
Amounts related to pension plans	-
Amounts related to other post employment benefit plans	-
Total Deferred Inflows of Resources	-
<u>Net Position</u>	
Net investment in capital assets	1,649,288
Unrestricted	(10,607,341)
Total Net (Deficit) Position	\$ (8,958,053)

**CITY OF MONTEREY PARK**  
**Statement of Revenues, Expenses and Changes in**  
**Net Position - Proprietary Funds**  
**For the Year Ended June 30, 2020**

	Enterprise			Total
	Water Utility	Refuse	Sewer	
Operating Revenues:				
Charges for services	\$ 13,696,176	\$ 6,722,940	\$ 3,158,607	\$ 23,577,723
Meter installations	95,264	-	-	95,264
Other revenue	2,260,426	-	-	2,260,426
Total Operating Revenues	<u>16,051,866</u>	<u>6,722,940</u>	<u>3,158,607</u>	<u>25,933,413</u>
Operating Expenses:				
Administration	3,553,680	807,001	-	4,360,681
Commercial - water	1,061,068	-	-	1,061,068
Production - water	3,470,786	-	-	3,470,786
Distribution - water	1,482,993	-	-	1,482,993
Treatment plant	3,592,854	-	-	3,592,854
Street maintenance - refuse	-	9,142	-	9,142
Storm drain maintenance - refuse	-	113,926	-	113,926
Refuse collection	-	5,563,969	-	5,563,969
Sanitary sewer maintenance	-	-	1,815,399	1,815,399
Depreciation	1,580,416	1,427	250,861	1,832,704
Salaries and benefits	-	-	-	-
Materials and supplies	-	-	-	-
Insurance and claims	-	-	-	-
Miscellaneous	-	-	-	-
Total Operating Expenses	<u>14,741,797</u>	<u>6,495,465</u>	<u>2,066,260</u>	<u>23,303,522</u>
Operating Income (Loss)	<u>1,310,069</u>	<u>227,475</u>	<u>1,092,347</u>	<u>2,629,891</u>
Nonoperating Revenues (Expenses):				
Interest revenue	414,414	25,532	122,913	562,859
Interest expense	(288,151)	-	-	(288,151)
Total Nonoperating Revenues (Expenses)	<u>126,263</u>	<u>25,532</u>	<u>122,913</u>	<u>274,708</u>
Net Income (Loss) Before Capital Contributions and Transfers	1,436,332	253,007	1,215,260	2,904,599
Capital Contributions	149,262	-	-	149,262
Transfers In	-	-	-	-
Transfers Out	(394,748)	(59,374)	(87,401)	(541,523)
Change in Net Position	1,190,846	193,633	1,127,859	2,512,338
Net Position, Beginning of Year, As Restated	50,006,227	635,783	8,452,542	59,094,552
Net Position, End of Year	<u>\$ 51,197,073</u>	<u>\$ 829,416</u>	<u>\$ 9,580,401</u>	<u>\$ 61,606,890</u>
Changes in Net Position	\$ 1,190,846	\$ 193,633	\$ 1,127,859	\$ 2,512,338
Adjustment to reflect the consolidation of internal service fund activities to related enterprise fund	(1,100,690)	(148,331)	-	(1,249,020)
Changes in Net Position of Business-type Activities	<u>\$ 90,156</u>	<u>\$ 45,302</u>	<u>\$ 1,127,859</u>	<u>\$ 1,263,318</u>

**CITY OF MONTEREY PARK**  
**Statement of Revenues, Expenses and Changes in**  
**Net Position - Proprietary Funds, Continued**  
**For the Year Ended June 30, 2020**

	Internal Service
Operating Revenues:	
Charges for services	\$ 8,028,276
Meter installations	-
Other revenue	49,004
Total Operating Revenues	8,077,280
Operating Expenses:	
Administration	-
Commercial - water	-
Production - water	-
Distribution - water	-
Treatment plant	-
Street maintenance - refuse	-
Storm drain maintenance - refuse	-
Refuse collection	-
Sanitary sewer maintenance	-
Depreciation	998,169
Salaries and benefits	2,540,117
Materials and supplies	925,257
Insurance and claims	8,024,699
Miscellaneous	368,021
Total Operating Expenses	12,856,263
Operating Income (Loss)	(4,778,983)
Nonoperating Revenues (Expenses):	
Interest revenue	-
Interest expense	(75,391)
Total Nonoperating Revenues (Expenses)	(75,391)
Net Income (Loss) Before Capital Contributions and Transfers	(4,854,374)
Capital Contributions	203,700
Transfers In	500,000
Transfers Out	(572,100)
Changes in Net Position	(4,722,774)
Net Position, Beginning of Year, As Restated	(4,235,279)
Net Position (Deficit), End of Year	\$ (8,958,053)

**CITY OF MONTEREY PARK**  
**Statement of Cash Flows -**  
**Proprietary Funds**  
**For the Year Ended June 30, 2020**

	Enterprise Funds			Total
	Water Utility	Refuse	Sewer	
Cash Flows from Operating Activities:				
Cash receipts from customers	\$ 18,106,920	\$ 6,732,009	\$ 3,217,630	\$ 28,056,559
Cash receipts from interfund services provided	-	-	-	-
Cash receipts from reimbursements and other operating revenue	-	-	-	-
Cash payments to suppliers for goods and services	(8,602,196)	(5,450,508)	(793,036)	(14,845,740)
Cash payments to employees for services	(5,078,441)	(657,420)	(1,007,090)	(6,742,951)
Cash payments for insurance premiums and self-insurance claims	-	-	-	-
Net Cash Provided by (Used in) Operating Activities	<u>4,426,283</u>	<u>624,081</u>	<u>1,417,504</u>	<u>6,467,868</u>
Cash Flows from Noncapital and Related Financing Activities:				
Cash received from other funds	-	-	-	-
Cash paid to other funds	(394,748)	(59,374)	(87,401)	(541,523)
Net Cash Provided by (Used In) Noncapital and Related Financing Activities	<u>(394,748)</u>	<u>(59,374)</u>	<u>(87,401)</u>	<u>(541,523)</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(387,821)	-	(381,858)	(769,679)
Principal paid on lease financing	(700,943)	-	-	(700,943)
Interest paid on lease financing	(288,151)	-	-	(288,151)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(1,227,653)</u>	<u>-</u>	<u>(381,858)</u>	<u>(1,609,511)</u>
Cash Flows from Investing Activities:				
Interest received	432,345	26,604	128,953	587,902
Net Cash Provided by Investing Activities	<u>432,345</u>	<u>26,604</u>	<u>128,953</u>	<u>587,902</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,236,227	591,311	1,077,198	4,904,736
Cash and Cash Equivalents, Beginning of Year	<u>23,204,603</u>	<u>1,207,741</u>	<u>6,997,659</u>	<u>31,410,003</u>
Cash and Cash Equivalents, End of Year	<u>\$ 26,440,830</u>	<u>\$ 1,799,052</u>	<u>\$ 8,074,857</u>	<u>\$ 36,314,739</u>
Cash and investments	<u>\$ 26,440,830</u>	<u>\$ 1,799,052</u>	<u>\$ 8,074,857</u>	<u>\$ 36,314,739</u>
Total Cash and Cash Equivalents	<u>\$ 26,440,830</u>	<u>\$ 1,799,052</u>	<u>\$ 8,074,857</u>	<u>\$ 36,314,739</u>
Noncash from Capital and Related Financing Activities:				
Contributed Capital Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF MONTEREY PARK**  
**Statement of Cash Flows -**  
**Proprietary Funds, Continued**  
**For the Year Ended June 30, 2020**

	Internal Service
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ -
Cash receipts from interfund services provided	8,028,276
Cash receipts from reimbursements and other operating revenue	49,004
Cash payments to suppliers for goods and services	(1,261,300)
Cash payments to employees for services	(2,594,842)
Cash payments for insurance premiums and self-insurance claims	(5,577,382)
Net Cash Provided by (Used in) Operating Activities	(1,356,244)
Cash Flows from Noncapital and Related Financing Activities:	
Cash received from other funds	500,000
Cash paid to other funds	(572,100)
Net Cash Provided by (Used In) Noncapital and Related Financing Activities	(72,100)
Cash Flows from Capital and Related Financing Activities:	
Acquisition and construction of capital assets	(285,213)
Principal paid on lease financing	(344,867)
Interest paid on lease financing	(75,391)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(705,471)
Cash Flows from Investing Activities:	
Interest received	-
Net Cash Provided by Investing Activities	-
Net Increase (Decrease) in Cash and Cash Equivalents	(2,133,815)
Cash and Cash Equivalents, Beginning of Year	11,370,937
Cash and Cash Equivalents, End of Year	\$ 9,237,122
Cash and investments	\$ 9,243,070
Total Cash and Cash Equivalents	\$ 9,243,070
Noncash from Capital and Related Financing Activities:	
Contributed Capital Assets	\$ 203,700

**CITY OF MONTEREY PARK**  
**Statement of Cash Flows -**  
**Proprietary Funds, Continued**  
**For the Year Ended June 30, 2020**

	Enterprise Funds			Total
	Water Utility	Refuse	Sewer	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (Loss)	\$ 1,310,069	\$ 227,475	\$ 1,092,347	\$ 2,629,891
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation	1,580,416	1,427	250,861	1,832,704
Write-off noncapitalizable CIP	44,740	-	-	44,740
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	2,055,054	9,069	59,023	2,123,146
(Increase) decrease in deferred outflows or resources - pension plans	(130,049)	(28,443)	(27,538)	(186,030)
(Increase) decrease in deferred outflows of resources - OPEB plan	(572)	(95)	(118)	(785)
Increase (decrease) in accounts payable	(392,573)	414,827	2,175	24,429
Increase (decrease) in accrued payroll	(85,837)	(14,058)	(8,542)	(108,437)
Increase (decrease) in deposits and advances	(2,781)	-	14,116	11,335
Increase (decrease) in insurance assessment payable	-	-	-	-
Increase (decrease) in claims and judgments payable	-	-	-	-
Increase (decrease) in compensated absences payable	(70,089)	(16,784)	8,452	(78,421)
Increase (decrease) in net pension liabilities	196,033	42,225	42,661	280,919
Increase (decrease) in net OPEB liability	(676,889)	(111,840)	(139,420)	(928,149)
Increase (decrease) in deferred inflows or resources - pension plans	25,354	5,537	5,382	36,273
Increase (decrease) in deferred inflows of resources - OPEB plan	573,407	94,741	118,105	786,253
Total Adjustments	3,116,214	396,606	325,157	3,837,977
Net Cash Provided by (Used in) Operating Activities	\$ 4,426,283	\$ 624,081	\$ 1,417,504	\$ 6,467,868

(Continued)

**CITY OF MONTEREY PARK**  
**Statement of Cash Flows -**  
**Proprietary Funds, Continued**  
**For the Year Ended June 30, 2020**

	Internal Service
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating income (Loss)	\$ (4,778,983)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Depreciation	998,169
Loss on disposal of property and equipment	-
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	-
(Increase) decrease in deferred outflows or resources - pension plans	-
(Increase) decrease in deferred outflows of resources - OPEB plan	-
Increase (decrease) in accounts payable	(77,942)
Increase (decrease) in accrued payroll	(68,341)
Increase (decrease) in deposits and advances	-
Increase (decrease) in claims and judgments payable	(163,514)
Increase (decrease) in claims and judgments payable	2,721,373
Increase (decrease) in compensated absences payable	13,616
Increase (decrease) in net pension liabilities	-
Increase (decrease) in OPEB obligations payable	-
Increase (decrease) in deferred inflows of resources - pension plans	-
Increase (decrease) in deferred inflows of resources - OPEB plan	-
Total Adjustments	3,422,739
Net Cash Provided by (Used in) Operating Activities	\$ (1,356,244)

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**FIDUCIARY FUND FINANCIAL STATEMENTS**

**CITY OF MONTEREY PARK**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2020**

	Private-Purpose Trust Fund	Agency Funds
Current Assets:		
Cash and investments	\$ 545,620	\$ 3,486,345
Cash and investments with fiscal agent	1,847,659	-
Accounts receivable	-	1,337
Total Assets	2,393,279	\$ 3,487,682
Current Liabilities:		
Accounts payable	994	\$ 20,753
Deposits payable	-	3,466,929
Interest payable	201,654	-
Current portion of noncurrent liabilities	1,920,813	-
Total Current Liabilities	2,123,461	3,487,682
Noncurrent Liabilities:		
Advances from City of Monterey Park	1,308,334	-
Bonds payable, net of current portion	12,067,608	-
Tax increment deferred loans	71,900,139	-
Low/Mod Housing deferred loans	1,186,222	-
Total Noncurrent Liabilities	86,462,303	-
Total Liabilities	88,585,764	\$ 3,487,682
Net Position (Deficit):		
Net position (deficit) held in trust for debt service and certain administrative expenses	\$ (86,192,485)	

**CITY OF MONTEREY PARK**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2020**

	Private-Purpose Trust Fund
Additions:	
Redevelopment Property Tax Trust Fund	\$ 3,197,628
Investment income	13,542
Total Additions	3,211,170
Deductions:	
Administration	190,002
Interest expense and fiscal charges	5,145,482
Total Deductions	5,335,484
Change in net position	(2,124,314)
Net Position, Beginning of Year	(84,068,171)
Net Position, End of Year	\$ (86,192,485)

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**CITY OF MONTEREY PARK**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***A. Description of Reporting Entity***

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

*Blended Component Units*

***The Monterey Park Public Financing Authority***

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

***The Monterey Park Housing Authority***

The Monterey Park Housing Authority (the “Housing Authority”) was established in September 1992 to provide affordable housing within the City. The members of the City Council act as the governing board of the Housing Authority and there is a financial benefit or burden relationship between the City and the Housing Authority. The Housing Authority does not issue separate financial statements.

***B. Government-Wide and Fund Financial Statements***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements and eliminations have been made to minimize the double counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

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

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

The City reports the following major governmental funds:

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

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

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

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

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

The City reports the following major proprietary funds:

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

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

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

Additionally, the City reports the following fund types:

*Nonmajor Governmental Funds*

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

*Proprietary Fund (Internal Service Funds)*

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

*Fiduciary Funds*

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

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

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges paid by the government's water function to various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Utility Enterprise Fund, Refuse Enterprise Fund, Sewer Enterprise Fund, and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

***D. Property Taxes***

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

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

***E. Cash and Cash Equivalents***

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

***F. Investments***

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

***G. Inventories and Prepaid Assets***

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

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***H. Capital Assets***

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

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

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

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

***I. Compensated Absences***

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

***J. Pensions***

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

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***J. Pensions (Continued)***

The following timeframes are used for pension reporting:

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

<u>MMRP</u>	
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

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

***K. Other Post-Employment Benefits (OPEB)***

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

***L. Claims and Judgments***

The accrual for workers’ compensation and general liability claims is based upon past experience which has been modified for current trends and information. While the ultimate amount of losses incurred through June 30, 2020 is dependent on future developments, based on information from the plan administrators, City management believes that the aggregate accrual is adequate to cover such losses, including amounts for incurred but not reported claims (Note 12).

***M. Fund Equity and Net Position***

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

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

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***M. Fund Equity and Net Position (Continued)***

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

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

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

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

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

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

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

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

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

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

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

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*N. Use of Estimates*

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

*O. New Accounting Pronouncements*

*Current Year Standards*

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authority Guidance*, which was effective immediately. This Statement provided temporary relief to governments and other stakeholders in light of the COVID-19 pandemic and postponed the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. Paragraphs 4 is applicable to fiscal year 2019-2020. This Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform.

Statement No. 97 also requires that the financial burden criterion in paragraph 7 of Statement No. 84, *Fiduciary Activities*, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans*, or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, respectively.

The requirements of these paragraphs of Statement No. 97 did not impact the City.

*Pending Accounting Standards*

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

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and post-employment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements.

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***O. New Accounting Pronouncements (Continued)***

*Pending Accounting Standards* (Continued)

Statement No. 84 also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, and early application is encouraged.

In June 2017, GASB issued Statement No. 87, *Leases*. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset for leases with a term of more than 12 months. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. For leases with a term of 12 months or less, lessees and lessors should recognize short-term lease payments as outflows of resources or inflows of resources, respectively, based on the payment provisions of the lease contract. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021, and early application is encouraged.

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. This Statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to leases, fiduciary activities, measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition, reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature and terminology used to refer to derivative instruments.

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to post-employment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***O. New Accounting Pronouncements (Continued)***

*Pending Accounting Standards* (Continued)

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. A public-private and public-public partnership arrangement (PPP) is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This statement addresses issues related to PPPs. PPPs that meet the definition of a lease apply the guidance in Statement No. 87, *Leases*, as amended. This Statement provides accounting and financial reporting requirements for all other PPPs: those that either (1) meet the definition of a service concession arrangement (SCA) or (2) are not within the scope of Statement 87, as amended (as clarified by this Statement). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs), which is defined in this Statement as an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Early application is encouraged. PPPs should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or if applicable to earlier periods, the beginning of the earliest period restated).

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. This Statement requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. This Statement supersedes the remaining provisions of Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, as amended, regarding investment valuation requirements for Section 457 plans. As a result, investments of all Section 457 plans should be measured as of the end of the plan's reporting period in all circumstances.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted.

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**2. CASH AND INVESTMENTS**

***Cash and Investments***

Cash and investments at June 30, 2020 are classified in the accompanying financial statements as follows:

	Government-Wide			Fiduciary Funds	Total
	Governmental Activities	Business-Type Activities	Total		
Cash and investments	\$ 68,765,990	\$ 36,314,739	\$ 105,080,729	\$ 4,031,965	\$ 109,112,694
Cash and investments held by fiscal agent	33,991	-	33,991	1,847,659	1,881,650
Total cash and investments	<u>\$ 68,799,981</u>	<u>\$ 36,314,739</u>	<u>\$ 105,114,720</u>	<u>\$ 5,879,624</u>	<u>\$ 110,994,344</u>

Cash and investments at June 30, 2020 consisted of the following:

**Deposits:**

Cash on hand	\$ 28,550
Demand deposits with financial institutions	11,764,528
Time certificates of deposit	140,000
<b>Total Cash</b>	<u>11,933,078</u>

**Investments:**

Negotiable certificates of deposit	3,967,912
Local Agency Investment Fund (LAIF)	88,452,706
Los Angeles County Treasury Pool	4,758,999
Money market mutual fund	1,881,649
<b>Total Investments</b>	<u>99,061,266</u>
<b>Total Cash and Investments</b>	<u>\$ 110,994,344</u>

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

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

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

***Deposits***

At June 30, 2020, the carrying amount of the City's demand deposits was \$11,764,528 and the bank balance was \$12,823,710. The \$1,059,182 difference represents outstanding checks, deposits in transit, and other reconciling items.

***Investments Authorized by the City's Investment Policy***

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

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**2. CASH AND INVESTMENTS (CONTINUED)**

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

Authorized Investment Type	Maximum % of Portfolio	Maximum Maturity	Minimum Quality
<u>Local Agency Bonds</u> Bonds issued by the City, including bonds payable solely out of revenues from a revenue producing property owned, controlled, or operated by the City or authority of the City	None	5 years	None
<u>U.S. Treasury Obligations</u> - United States Treasury Notes, Bonds, Bills or other certificates of indebtedness backed by the US government  - U.S. Treasury Zero Coupons	None	5 years	None
<u>State Obligations - CA and Others</u> Bonds, notes or other evidence of indebtedness of any local agency within the state	None	5 years	None
U.S. Agency Obligations Discount notes or notes issued by Agencies of the Federal Government	None	5 years	None
Collateralized Bank Deposits Non-negotiable Certificate of Deposit issued by a nationally or state - chartered bank or association or a State - licensed branch or a foreign bank (insured by the federal government), Bank Collateralized Savings.	None	5 years	None
Medium-term notes issued by corporations	30%	5 years	"A" or better ranking by nationally recognized rating service U.S. domiciled corporations or U.S. licensed depository
Local Agency Investment Fund (LAIF) State of California Local Agency Investment Fund (LAIF) or other Local Government Investment Pools established by public entities	None	Not applicable	None
Los Angeles County Pooled Investment Fund California Government Code Section 53854 allows local agencies in the County of Los Angeles to deposit excess funds in the Los Angeles County Treasury Pool for the purpose of investment by the Treasurer and Tax Collector of the County	10% of LACPF pool balance	None	None
Mutual Funds and Money Market Mutual Funds	20%	Not applicable	Highest ranking by not less than 2 largest rating services  Have an SEC registered investment advisor with more than 5 years' experience  Assets under management greater than \$500 million
"Banker's acceptance"	40% of portfolio (no more than 30% in any one commercial bank)	180 days	None
Commercial Paper	40% of portfolio for counties, cities and other local agencies (No more than 10% of agency's money in the commercial paper of any one corporate issuer)	270 days	"A" or higher rating for issuer's debt within U.S. corporations and have assets in excess of \$500 million
Repurchase Agreements	Not Allowable	Not Allowable	Not Allowable
Negotiable Certificates of Deposit Negotiable Certificates of Deposit issued by a nationally or State - chartered Bank, a federal association, or a State - licensed branch of a foreign - owned bank (insured by the federal government).	30%	5 years	None
Financial Futures and Financial option contracts.	None	5 years	None
Reverse Repurchase Agreements and Securities Lending Agreements	Not Allowable	Not Allowable	Not Allowable
Mortgage Pass-Through Securities - Mortgage-backed securities (Corporate issued)	Not specified		
- Diversified Management Companies	20%	5 years	"A" or better ranking by nationally recognized rating service

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**2. CASH AND INVESTMENTS (CONTINUED)**

***Investments Authorized by Debt Agreements***

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

***Credit Risk***

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF, LACPIF, and negotiable certificates of deposit do not have a rating provided by a nationally recognized statistical rating organization. U.S. treasury bills are not required to be rated.

***Concentration of Credit Risk***

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

***Custodial Risk***

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City's investment policy contains the following policy requirements that would limit the exposure to custodial credit risk for deposits: The City's investment policy limits investments in Certificates of Deposits to those insured up to \$250,000 by the Federal Deposit Insurance Corporation.

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of the face value of the deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total deposits. The City may waive collateral requirements for deposits which are fully insured by federal depository insurance. However, the City has not waived the collateralization requirements. At June 30, 2020, City deposits were either insured by federal depository insurance or collateralized.

***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.

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**2. CASH AND INVESTMENTS (CONTINUED)**

***Disclosures Relating to Interest Rate Risk (Continued)***

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

Investments	Minimum & Actual Rating	Fair Value June 30, 2020	Maturity		
			12 Months or Less	1 to 2 Years	2 to 3 Years
<b>Investments:</b>					
Negotiable Certificates of Deposit	N/A *	3,967,912	3,214,892	753,020	-
LAIF	N/A *	88,452,706	88,452,706	-	-
Los Angeles County Treasury Pool	N/A *	4,758,999	4,758,999	-	-
<b>Total Treasury Investments</b>		<u>97,179,617</u>	<u>96,426,597</u>	<u>753,020</u>	<u>-</u>
<b>Investments Held by Fiscal Agents:</b>					
Money Market Mutual Fund	AAA	1,881,649	1,881,649	-	-
<b>Total Investments Held by Fiscal Agents</b>		<u>1,881,649</u>	<u>1,881,649</u>	<u>-</u>	<u>-</u>
<b>Total Investments</b>		<u>\$ 99,061,266</u>	<u>\$ 98,308,246</u>	<u>\$ 753,020</u>	<u>\$ -</u>

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

***Investment in State Investment Pool***

The City is a voluntary participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's prorated share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The City's investments with LAIF at June 30, 2020 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, 2020, the City had \$88,452,706 invested in LAIF, which had invested 90.45% of the pool investment funds in Structured notes and Medium-term Asset-backed Securities.

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**2. CASH AND INVESTMENTS (CONTINUED)**

*Investment in Los Angeles County Investment Pool*

The City is a voluntary participant in the Los Angeles County Investment Pool pursuant to Government Code Section 53684. The cash flow needs of participants are monitored daily to ensure that sufficient liquidity is maintained to meet the needs of those participants. At the time deposits are made, the Los Angeles County Investment Pool's Treasurer may require the depositing entity to provide annual cash flow projections or an anticipated withdrawal schedule for deposits in excess of \$1 million. Projections are to be performed no less than semi-annually. In accordance with Government Code Section 27136, all requests for withdrawal of funds for the purpose of investing or depositing the funds elsewhere shall be evaluated to ensure the proposed withdrawal will not adversely affect the principal deposits of the other participants. At June 30, 2020, the City had \$4,758,999 invested in the Los Angeles County Investment Pool.

*Fair Value Measurements*

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

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

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**3. RECEIVABLES**

Receivables of the City as of June 30, 2020 were:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Accounts Receivable:</b>			
Property taxes	\$ 803,943	\$ -	\$ 803,943
Sales taxes	1,244,101	-	1,244,101
Utility taxes	234,809	-	234,809
Water, sewer and refuse sales	-	5,688,267	5,688,267
Subvention and grants	323,127	-	323,127
Other	482,314	-	482,314
<b>Total Accounts Receivable</b>	<u>\$ 3,088,294</u>	<u>\$ 5,688,267</u>	<u>\$ 8,776,561</u>
<b>Interest Receivable</b>	<u>\$ 214,009</u>	<u>\$ 96,431</u>	<u>\$ 310,440</u>
<b>Loans Receivable, Net:</b>			
Residential Rehabilitation (CDBG) (Note 9)	\$ 48,015	\$ -	\$ 48,015
SERA Program (Note 9)	4,322	-	4,322
Pacific Housing Loan (Note 9)	251,455	-	251,455
Pacific Bridge Loan (Note 9)	420,211	-	420,211
First-Time Homebuyers (Housing)	69,637	-	69,637
Critical Maintenance (Housing)	45,561	-	45,561
Critical Maintenance (Grants)	987,638	-	987,638
Abajo del Sol Loan (Grants)	2,285,323	-	2,285,323
LINC Community Development (Housing)	2,362,538	-	2,362,538
LINC Community Development (Grants)	944,276	-	944,276
Low/Mod Housing Deferred Loans	1,186,222	-	1,186,222
Subtotal	8,605,198	-	8,605,198
Less: Allowance for Uncollectible Loans	(6,694,973)	-	(6,694,973)
<b>Total Loans Receivable, Net</b>	<u>\$ 1,910,225</u>	<u>\$ -</u>	<u>\$ 1,910,225</u>
<b>Total Receivables</b>	<u>\$ 5,212,528</u>	<u>\$ 5,784,698</u>	<u>\$ 10,997,226</u>

Following is the detail of Loans Receivable:

- A. Residential Rehabilitation:** The City provided low interest financing for the rehabilitation of residential sites within the City through the Community Development Block Grant program. The amount of outstanding loan balance at June 30, 2020 is \$48,015 and has been recorded as notes receivable in the Special Revenue Grants Fund.
- B. SERA Program:** The City participated in the State Earthquake Rehabilitation Assistance (“SERA”) program to assist residents with the application and loan processes for residential repairs and rehabilitation following the October 1987 Whittier-Narrows earthquake. The outstanding balance of loans placed through the program is \$4,322 at June 30, 2020 and has been recorded as notes receivable in the Special Revenue Grants Fund.

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**3. RECEIVABLES (CONTINUED)**

- C. *Pacific Housing Loan:*** On July 21, 2004, the City entered into an agreement to provide a loan to Pacific Housing Development Corporation for the purpose of construction and renovation of an affordable housing facility for persons with developmental disabilities. The loan, funded in April 2005, consists of a permanent residual receipts loan in the amount of \$175,000 and a subordinated construction loan in the amount of \$225,000. The subordinated construction loan has been paid off by Pacific Housing in 2008-09. Other remaining amounts bear interest at the rate of 3% 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, 2020, outstanding principal and interest are \$175,000 and \$76,455, respectively.
- D. *Pacific Bridge Loan:*** In 1995, the former Redevelopment Agency entered into a thirty-year loan agreement with Pacific Bridge Housing Corporation for the purpose of construction and renovation of a disabled adult affordable housing facility. In the agreement the former Redevelopment Agency agreed to loan to Pacific Bridge Housing Corporation up to the maximum sum of \$240,478 bearing interest at the rate of 3% 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, 2020, outstanding principal and interest are \$240,478 and \$179,733, 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, 2020, \$69,637 is the amount of outstanding loan balances, and has been reported as notes receivable with an offset of allowance for uncollectible notes in the Special Revenue Housing Fund in the fund level financial statements and in the government-wide statements.
- F. *Critical Maintenance:*** Beginning in 1997-98, the City offered low interest rate loans through the Critical Maintenance Loan Program to assist low and moderate income homeowners for essential or emergency repairs. At June 30, 2020, the loans outstanding totaled \$1,033,199. Of this amount, \$45,561 is funded by the former Redevelopment Agency's Housing Capital Projects Fund and \$987,638 is funded by the Federal HOME Program Grants Fund. The outstanding loan balance of \$45,561 was transferred from the former Redevelopment Agency's Housing Set Aside Fund to the City's Special Revenue Housing Fund and has been reported as notes receivable with an offset of allowance for uncollectible notes in the fund level financial statements and in the government-wide statements. The outstanding loan balance of \$987,638 has been reported as notes receivable with an offset of allowance for uncollectible notes in the Special Revenue Grants Fund in the fund level financial statements and in the government-wide statements.

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**3. RECEIVABLES (CONTINUED)**

- G. *Abajo del Sol:*** In 1998, the Housing Authority and the Abajo del Sol, Limited Partnership had entered into a housing development agreement. Under the agreement, the Authority provided to the Developer a \$1.2 million loan bearing interest at the rate of 5.1% per annum for the construction of 60 units of affordable housing for senior citizens. On or before March 15<sup>th</sup> 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, 2020, outstanding principal and interest being recorded as notes receivable are \$1,187,344 and \$1,097,979, respectively, in the Special Revenue Grants Fund with an offset of allowance for uncollectible notes in the fund level financial statement and in the government-wide statements.
- H. *LINC Community Development:*** In 2015, the Monterey Park Successor Housing Agency and City entered into a housing development agreement with LINC Community Development Corporation (“LINC”). Under the agreement, the Monterey Park Successor Housing Agency sold 5 properties to the developer in exchange for a \$2,080,000 loan bearing compound interest at the rate of 2.41% per annum for 5 units of affordable rental housings. At June 30, 2020, outstanding principal and interest being recorded as notes receivable are \$2,080,000 and \$282,538, respectively, in the Housing Fund with an offset of allowance for uncollectible notes in the fund level financial statement and in the government-wide statements. The properties were purchased with former Redevelopment Agency’s Housing Set Aside fund. As a result, the loan was reported in the City’s Special Revenue Housing Fund and with an offset of allowance for uncollectible notes in the fund level financial statements and in the government-wide statements. As part of the development agreement, the City also sold one of the City’s parking lots to the LINC for development of a 6-unit affordable rental housing. The City also used the Federal HOME Program Grants Fund to provide construction loan bearing simple interest at the rate of 3% per annum. As of June 30, 2020, \$944,276 has been funded and is reported as loans receivables in the Special Revenue Grants Fund with an offset of allowance for uncollectible notes in the fund level financial statement and in the government-wide statements.
- I. *Low/Mod Housing Deferred Loans:*** State law requires redevelopment agencies to set aside 20% 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% 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 Years Ending June 30,	Amount
2024 - 2029	\$ 500,000
2030 - 2034	450,000
2035 - 2039	236,222
	\$ 1,186,222

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**4. INTERFUND TRANSACTIONS**

There were no internal receivables and payables at June 30, 2020 between the governmental activities and business-type activities.

Individual interfund receivables and payables were as follows at June 30, 2020:

***Due To/From Other Funds***

Due from Other Funds	Due to Other Funds	Amount
General Fund	Special Revenues Grants Fund	\$ 187,464
General Fund	Nonmajor Governmental Funds	183,883
		<u>\$ 371,347</u>

The interfund balances resulted from borrowing of cash for temporary purposes. All balances are expected to be reimbursed within the subsequent year.

***Transfers***

Transfers In	Transfers Out	Amount
General Fund	Grants	\$ 213,650
Grants Special Revenue Fund	General Fund	25,487
Retirement/Pension Liability Special Revenue Fund	General Fund	3,233,498
Retirement/Pension Liability Special Revenue Fund	Nonmajor Governmental Funds	233,400
Retirement/Pension Liability Special Revenue Fund	Water Utilities Enterprise Fund	394,748
Retirement/Pension Liability Special Revenue Fund	Refuse Enterprise Fund	59,374
Retirement/Pension Liability Special Revenue Fund	Sewer Enterprise Fund	87,401
Retirement/Pension Liability Special Revenue Fund	Internal Service Funds	72,100
Internal Service Funds	Internal Service Funds	500,000
		<u>\$ 4,819,658</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend. In 2019-20, transfers of \$4,080,521 from various funds to the Retirement/Pension Liability Special Revenue Fund were Council-approved pension contributions. The transfer of \$213,650 from the Grants Special Revenue Fund to the General Fund was to cover qualifying expenditures. The transfer of \$25,487 from the General Fund to the Special Revenues Grant Fund was to reclassify qualifying expenditures. The transfer of \$500,000 from the Separation Benefits Internal Service Fund to the General Liability Internal Service Fund was a Council-approved supplement to strengthen net position.

**5. RECEIVABLES FROM SUCCESSOR AGENCY**

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

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**5. RECEIVABLES FROM SUCCESSOR AGENCY (CONTINUED)**

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

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

The Receivable from Successor Agency balance at June 30, 2020 amounted to \$1,308,334. This loan will be paid back to the Special Revenue Housing Fund according to a specific formula through the Recognized Obligation Payment Schedule distribution per the State of California Department of Finance (DOF).

**6. CAPITAL ASSETS**

At June 30, 2020, 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>
<b>Capital assets, Not Being Depreciated:</b>			
Land	\$ 8,465,051	\$ 499,975	\$ 8,965,026
Construction in progress	2,149,584	8,830,343	10,979,927
<b>Total Capital Assets, Not Being Depreciated</b>	<u>10,614,635</u>	<u>9,330,318</u>	<u>19,944,953</u>
<b>Capital Assets, Being Depreciated:</b>			
Buildings	30,391,663	285,050	30,676,713
Improvements	20,169,576	55,212,933	75,382,509
Equipment	28,208,915	3,591,657	31,800,572
Infrastructure	33,913,772	10,939,521	44,853,293
<b>Total Capital Assets, Being Depreciated</b>	<u>112,683,926</u>	<u>70,029,161</u>	<u>182,713,087</u>
<b>Less Accumulated Depreciation:</b>			
Buildings	(14,975,062)	(143,127)	(15,118,189)
Improvements	(6,482,874)	(26,537,655)	(33,020,529)
Equipment	(23,626,489)	(3,095,945)	(26,722,434)
Infrastructure	(22,415,815)	(9,179,569)	(31,595,384)
<b>Total Accumulated Depreciation</b>	<u>(67,500,240)</u>	<u>(38,956,296)</u>	<u>(106,456,536)</u>
<b>Total Capital Assets, Being Depreciated, Net</b>	<u>45,183,686</u>	<u>31,072,865</u>	<u>76,256,551</u>
<b>Total Capital Assets, Net</b>	<u>\$ 55,798,321</u>	<u>\$ 40,403,183</u>	<u>\$ 96,201,504</u>

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**6. CAPITAL ASSETS (CONTINUED)**

*Governmental Activities*

A summary of changes in capital asset activity for the year ended June 30, 2020 is as follows:

	<u>Balance at July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance at June 30, 2020</u>
<b>Capital Assets, Not Being Depreciated:</b>					
Land	\$ 8,465,051	\$ -	\$ -	\$ -	\$ 8,465,051
Construction in progress	4,409,123	2,955,130	(95,570)	(5,119,099)	2,149,584
<b>Total Capital Assets, Not Being Depreciated</b>	<u>12,874,174</u>	<u>2,955,130</u>	<u>(95,570)</u>	<u>(5,119,099)</u>	<u>10,614,635</u>
<b>Capital Assets, Being Depreciated:</b>					
Buildings	30,391,663	-	-	-	30,391,663
Improvements	20,322,125	-	-	(152,549)	20,169,576
Equipment	24,644,973	266,596	(305,049)	3,602,395	28,208,915
Infrastructures	32,244,519	-	-	1,669,253	33,913,772
<b>Total Capital Assets, Being Depreciated</b>	<u>107,603,280</u>	<u>266,596</u>	<u>(305,049)</u>	<u>5,119,099</u>	<u>112,683,926</u>
<b>Less Accumulated Depreciation:</b>					
Buildings	(14,382,129)	(592,933)	-	-	(14,975,062)
Improvements	(5,895,679)	(587,195)	-	-	(6,482,874)
Equipment	(22,290,263)	(1,641,275)	305,049	-	(23,626,489)
Infrastructures	(21,774,745)	(641,070)	-	-	(22,415,815)
<b>Total Accumulated Depreciation</b>	<u>(64,342,816)</u>	<u>(3,462,473)</u>	<u>305,049</u>	<u>-</u>	<u>(67,500,240)</u>
<b>Total Capital Assets, Being Depreciated, Net</b>	<u>43,260,464</u>	<u>(3,195,877)</u>	<u>-</u>	<u>5,119,099</u>	<u>45,183,686</u>
<b>Total Capital Assets, Net</b>	<u>\$ 56,134,638</u>	<u>\$ (240,747)</u>	<u>\$ (95,570)</u>	<u>\$ -</u>	<u>\$ 55,798,321</u>

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**6. CAPITAL ASSETS (CONTINUED)**

*Business-Type Activities*

A summary of changes in capital asset activity for the year ended June 30, 2020 is as follows:

	<u>Balance at July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance at June 30, 2020</u>
<b>Capital Assets, Not Being Depreciated:</b>					
Land	\$ 499,975	\$ -	\$ -	\$ -	\$ 499,975
Construction in progress	8,745,417	769,676	(44,740)	(640,010)	8,830,343
<b>Total Capital Assets, Not Being Depreciated</b>	<u>9,245,392</u>	<u>769,676</u>	<u>(44,740)</u>	<u>(640,010)</u>	<u>9,330,318</u>
<b>Capital Assets, Being Depreciated:</b>					
Buildings	285,050	-	-	-	285,050
Improvements	54,572,923	-	-	640,010	55,212,933
Equipment	3,679,718	-	(88,061)	-	3,591,657
Infrastructures	10,939,521	-	-	-	10,939,521
<b>Total Capital Assets, Being Depreciated</b>	<u>69,477,212</u>	<u>-</u>	<u>(88,061)</u>	<u>640,010</u>	<u>70,029,161</u>
<b>Less Accumulated Depreciation:</b>					
Buildings	(137,912)	(5,215)	-	-	(143,127)
Improvements	(25,035,364)	(1,502,291)	-	-	(26,537,655)
Equipment	(2,957,544)	(226,462)	88,061	-	(3,095,945)
Infrastructures	(9,080,833)	(98,736)	-	-	(9,179,569)
<b>Total Accumulated Depreciation</b>	<u>(37,211,653)</u>	<u>(1,832,704)</u>	<u>88,061</u>	<u>-</u>	<u>(38,956,296)</u>
<b>Total Capital Assets, Being Depreciated, Net</b>	<u>32,265,559</u>	<u>(1,832,704)</u>	<u>-</u>	<u>640,010</u>	<u>31,072,865</u>
<b>Total Capital Assets, Net</b>	<u>\$ 41,510,951</u>	<u>\$ (1,063,028)</u>	<u>\$ (44,740)</u>	<u>\$ -</u>	<u>\$ 40,403,183</u>

Depreciation expense was charged to the following functions:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General government	\$ 210,726	\$ -	\$ 210,726
Public safety	1,163,971	-	1,163,971
Public safety/shop	435,731	-	435,731
Community development	41,735	-	41,735
Culture and recreation	792,325	-	792,325
Street and highways	817,985	-	817,985
Water utility	-	1,580,416	1,580,416
Refuse	-	1,427	1,427
Sewer	-	250,861	250,861
<b>Total</b>	<u>\$ 3,462,473</u>	<u>\$ 1,832,704</u>	<u>\$ 5,295,177</u>

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**7. LONG-TERM LIABILITIES**

Changes in long-term liabilities for the City for the year June 30, 2020 are as follows:

<b>Governmental Activities</b>	<b>Balance at July 1, 2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at June 30, 2020</b>	<b>Due Within One Year</b>	<b>Due in More Than One Year</b>
Direct Borrowings:						
Capitalized Lease Obligations (Note 8)	\$ 4,162,033	\$ -	\$ (574,621)	\$ 3,587,412	\$ 600,980	\$ 2,986,432
HUD Section 108 Loans Payable	1,977,000	-	(451,000)	1,526,000	479,000	1,047,000
Total Direct Borrowings	<u>6,139,033</u>	<u>-</u>	<u>(1,025,621)</u>	<u>5,113,412</u>	<u>1,079,980</u>	<u>4,033,432</u>
Other Debt:						
2004 Taxable Pension Obligation Bonds	12,635,000	-	(435,000)	12,200,000	430,000	11,770,000
Total Other Debt	<u>12,635,000</u>	<u>-</u>	<u>(435,000)</u>	<u>12,200,000</u>	<u>430,000</u>	<u>11,770,000</u>
Other Long-term Liabilities:						
Compensated Absences	5,017,044	542,011	(501,704)	5,057,351	505,735	4,551,616
Insurance Assessments Payable (Note 12)	1,308,114	-	(163,514)	1,144,600	163,514	981,086
Claims and Judgments (Note 12)	15,651,443	8,288,240	(5,566,867)	18,372,816	3,620,200	14,752,616
Total Other Long-term Liabilities	<u>21,976,601</u>	<u>8,830,251</u>	<u>(6,232,085)</u>	<u>24,574,767</u>	<u>4,289,449</u>	<u>20,285,318</u>
<b>Total Governmental Activities</b>	<u>\$ 40,750,634</u>	<u>\$ 8,830,251</u>	<u>\$ (7,692,706)</u>	<u>\$ 41,888,179</u>	<u>\$ 5,799,429</u>	<u>\$ 36,088,750</u>
<b>Business-Type Activities</b>	<b>Balance at July 1, 2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at June 30, 2020</b>	<b>Due Within One Year</b>	<b>Due in More Than One Year</b>
Direct Borrowings:						
Capitalized Lease Obligations (Note 8)	\$ 9,167,243	\$ -	\$ (700,943)	\$ 8,466,300	\$ 551,053	\$ 7,915,247
Total Direct Borrowings	<u>9,167,243</u>	<u>-</u>	<u>(700,943)</u>	<u>8,466,300</u>	<u>551,053</u>	<u>7,915,247</u>
Other Long-term Liabilities:						
Compensated Absences	783,935	8,452	(86,873)	705,514	70,551	634,963
Total Other Long-term Liabilities	<u>783,935</u>	<u>8,452</u>	<u>(86,873)</u>	<u>705,514</u>	<u>70,551</u>	<u>634,963</u>
<b>Total Business-Type Activities</b>	<u>\$ 9,951,178</u>	<u>\$ 8,452</u>	<u>\$ (787,816)</u>	<u>\$ 9,171,814</u>	<u>\$ 621,604</u>	<u>\$ 8,550,210</u>

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities are included as part of the above totals for governmental activities. At June 30, 2020, \$121,461 in compensated absences, \$18,372,816 in claims and judgments, and \$1,144,600 in insurance assessments payable, all related to internal service funds, are included as part of the totals of long-term debt for governmental activities.

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

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**7. LONG-TERM LIABILITIES (CONTINUED)**

***HUD Section 108 Loan Program***

In August 2002, the City participated in the U.S. Department of Housing and Urban Development Section 108 Loan Guarantee Program and received note proceeds of \$6,500,000. The City uses the proceeds for the development of the Market Place project. The annual debt service payments are funded through the City's Community Development Block Grant funds. On May 28, 2015, the City participated in the Department of Housing and Urban Development ("HUD") refinancing program and refinanced the Section 108 Loan for a fixed rate note (Series 2015 A Certificates). Interest payments are made semiannually on August 1 and February 1. Principal payments are made on August 1 of each year and continue until August 2022.

The outstanding balance of the HUD Section 108 Loan was \$1,526,000 at June 30, 2020.

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

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 479,000	\$ 29,886	\$ 508,886
2022	508,000	19,174	527,174
2023	539,000	6,603	545,603
<b>Total</b>	<b>\$ 1,526,000</b>	<b>\$ 55,663</b>	<b>\$ 1,581,663</b>

***2004 Taxable Pension Obligation Bonds***

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

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

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

The outstanding balance of the 2004 Taxable Pension Obligation Bonds was \$12,200,000 at June 30, 2020.

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**7. LONG-TERM LIABILITIES (CONTINUED)**

***2004 Taxable Pension Obligation Bonds (Continued)***

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

Year Ending June 30,	Principal	Interest	Total
2021	\$ 430,000	\$ 738,230	\$ 1,168,230
2022	425,000	712,877	1,137,877
2023	425,000	687,819	1,112,819
2024	410,000	662,761	1,072,761
2025	795,000	638,588	1,433,588
2026 - 2030	4,760,000	2,406,399	7,166,399
2031 - 2035	4,955,000	774,994	5,729,994
<b>Total</b>	<b>\$ 12,200,000</b>	<b>\$ 6,621,668</b>	<b>\$ 18,821,668</b>

Changes in long-term debt for the Successor Agency for the year ended June 30, 2020 are as follows:

Successor Agency	Balance at July 1, 2019	Additions	Deletions	Balance at June 30, 2020	Due Within One Year	Due in More Than One Year
Other Debt:						
Bonds Payable						
2013A Tax Refunding Bonds - Atlantic-Garvey Project Redevelopment Project	\$ 9,215,000	\$ -	\$ (1,010,000)	\$ 8,205,000	\$ 1,065,000	\$ 7,140,000
2013B Tax Refunding Bonds - Merged Redevelopment Project	5,155,000	-	(420,000)	4,735,000	435,000	4,300,000
	14,370,000	-	(1,430,000)	12,940,000	1,500,000	11,440,000
Add deferred amounts:						
Bond premium	721,025	-	(93,417)	627,608	-	627,608
Total Bonds Payable	15,091,025	-	(1,523,417)	13,567,608	1,500,000	12,067,608
Advances from the						
City of Monterey Park (Note 5)	1,445,675	-	(137,341)	1,308,334	-	1,308,334
Total Other Debt	16,536,700	-	(1,660,758)	14,875,942	1,500,000	13,375,942
Direct Borrowings:						
Tax Increment Deferred Loan - Atlantic/Garvey Project	12,069,011	844,831	-	12,913,842	-	12,913,842
Tax Increment Deferred Loan - Merged Project	56,012,121	3,777,189	(382,200)	59,407,110	420,813	58,986,297
Low/Mod Housing Deferred Loans	1,186,222	-	-	1,186,222	-	1,186,222
Total Direct Borrowings	69,267,354	4,622,020	(382,200)	73,507,174	420,813	73,086,361
<b>Total Successor Agency</b>	<b>\$ 85,804,054</b>	<b>\$ 4,622,020</b>	<b>\$ (2,042,958)</b>	<b>\$ 88,383,116</b>	<b>\$ 1,920,813</b>	<b>\$ 86,462,303</b>

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**7. LONG-TERM LIABILITIES (CONTINUED)**

***Tax Allocation Bonds***

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

On December 1, 2013, the County of Los Angeles Redevelopment Refunding Authority assisted the Successor Agency to issue the \$13,835,000 Tax Allocation Refunding Bond, Series 2013A, for the Atlantic-Garvey Redevelopment Project No. 1. These Bonds were issued to redeem the outstanding 2002 Tax Allocation Revenue Bonds. The Bonds are secured by a pledge of the tax revenues from the Project area with interest rates ranging from 3.0% to 5.0%. Interest payments are payable semiannually on September 1 and March 1. Principal payments are made on September 1 of each year and continue until the year 2026.

Optional Redemption: The Bonds maturing on or before September 1, 2024, are not subject to optional redemption prior to maturity. The Bonds maturing on and after September 1, 2024, are subject to optional redemption on any date on and after September 1, 2023, in integral multiples of \$5,000, from any available source of funds, at the times, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

The Bonds are secured by a first and prior lien on tax increment revenues, excluding any portion of revenues that are required to be deposited to the Rebate Fund. Annual principal and interest payments on the Bonds are expected to require less than 90% of net revenues. The amount of principal and interest outstanding at June 30, 2020 totaled \$9,525,327. Interest paid for the current year is \$406,381, and the net tax increment revenue is collected and withheld by the County of Los Angeles due to the dissolution of the former Redevelopment Agency.

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

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 1,065,000	\$ 354,506	\$ 1,419,506
2022	1,115,000	300,006	1,415,006
2023	1,175,000	242,756	1,417,756
2024	1,165,000	184,256	1,349,256
2025	1,220,000	130,731	1,350,731
2026 - 2027	2,465,000	108,072	2,573,072
<b>Total</b>	<b>\$ 8,205,000</b>	<b>\$ 1,320,327</b>	<b>\$ 9,525,327</b>

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**7. LONG-TERM LIABILITIES (CONTINUED)**

***Tax Allocation Bonds (Continued)***

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

On December 1, 2013, the County of Los Angeles Redevelopment Refunding Authority assisted the Successor Agency to issue this \$7,080,000 Tax Allocation Refunding Bond, Series 2013B, for the Merged Redevelopment Project No. 1. These Bonds were issued to redeem the outstanding 1998 Tax Allocation Revenue Bonds. The Bonds are secured by a pledge of the tax revenues from the Project area with interest rates ranging from 3.0% to 5.0%. Interest payments are payable semiannually on September 1 and March 1. Principal payments are made on September 1 of each year and continue until the year 2028.

Optional Redemption: The Bonds maturing on or before September 1, 2024, are not subject to optional redemption prior to maturity. The Bonds maturing on and after September 1, 2024, are subject to optional redemption on any date on and after September 1, 2023, in integral multiples of \$5,000, from any available source of funds, at the times, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

The Bonds are secured by a first and prior lien on tax increment revenues, excluding any portion of revenues that are required to be deposited to the Rebate Fund. Annual principal and interest payments on the bonds are expected to require less than 90% of net revenues. The amount of principal and interest outstanding at June 30, 2020 totaled \$5,798,840. Interest paid for the current year is \$234,331 and the net tax increment revenue is collected and withheld by the County of Los Angeles due to the dissolution of the former Redevelopment Agency.

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

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 435,000	\$ 212,956	\$ 647,956
2022	460,000	190,581	650,581
2023	480,000	167,081	647,081
2024	505,000	142,456	647,456
2025	530,000	119,231	649,231
2026 - 2029	2,325,000	231,535	2,556,535
<b>Total</b>	<b>\$ 4,735,000</b>	<b>\$ 1,063,840</b>	<b>\$ 5,798,840</b>

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**7. LONG-TERM LIABILITIES (CONTINUED)**

***Tax Increment Deferred Loan - (Atlantic/Garvey Project)***

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

The outstanding balance of the Tax Increment Deferred Loan - (Atlantic/Garvey Project) was \$12,913,812 at June 30, 2020.

***Tax Increment Deferred Loan - (Merged Project)***

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

The outstanding balance of the Tax Increment Deferred Loan - (Merged Project) was \$59,407,110 at June 30, 2020.

***Low/Mod Housing Deferred Loans***

State law required former redevelopment agencies to set aside 20% 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% set aside requirements. On February 1, 2012, the commitment was transferred to the Successor Agency due to the dissolution of the former Redevelopment Agency and was approved by the DOF as a payable to the City's Special Revenue Housing Fund.

A summary of the repayment plan is presented below:

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

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**8. CAPITALIZED LEASE OBLIGATIONS**

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

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

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets:</b>			
Machinery and Equipment	\$ 6,848,957	\$ -	\$ 6,848,957
Improvements	-	22,566,772	22,566,772
Subtotal	<u>6,848,957</u>	<u>22,566,772</u>	<u>29,415,729</u>
Less Accumulated Depreciation	<u>(2,600,541)</u>	<u>(6,163,353)</u>	<u>(8,763,894)</u>
<b>Total</b>	<u><u>\$ 4,248,416</u></u>	<u><u>\$ 16,403,419</u></u>	<u><u>\$ 20,651,835</u></u>

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Fiscal Year:</b>			
2021	\$ 706,809	\$ 794,013	\$ 1,500,822
2022	547,522	831,237	1,378,759
2023	554,587	871,209	1,425,796
2024	562,276	914,719	1,476,995
2025	570,425	960,827	1,531,252
2026 - 2030	1,073,768	5,442,252	6,516,020
2031	-	109,412	109,412
Subtotal	<u>4,015,387</u>	<u>9,923,669</u>	<u>13,939,056</u>
Less: Amount representing Interest	<u>(427,975)</u>	<u>(1,457,369)</u>	<u>(1,885,344)</u>
<b>Total</b>	<u><u>\$ 3,587,412</u></u>	<u><u>\$ 8,466,300</u></u>	<u><u>\$ 12,053,712</u></u>

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**9. DUE TO OTHER GOVERNMENTAL AGENCIES**

In the Special Revenue Grants Fund, an amount equal to the total outstanding balance of the identified loans receivable for the CDBG Residential Rehabilitation Program in the amount of \$48,015, State Earthquake Rehabilitation Assistance (SERA) Program in the amount of \$4,322, the Pacific Housing Corporation loan in the amount of \$251,455, and the Pacific Bridge Loan in the amount of \$420,211, described in Note 3 at June 30, 2020 have been recorded as Due to Other Governmental Agencies. As these notes are repaid, the repayment proceeds must be returned to the applicable government agency.

	<b>Amount</b>
<b>Due to Other Governmental Agencies:</b>	
CDBG Residential Rehabilitation Program	\$ 48,015
SERA Program	4,322
Pacific Housing Corporation Loan	251,455
Pacific Bridge Loan	420,211
<b>Total</b>	<b>\$ 724,003</b>

**10. PENSION PLANS**

**A. Defined Benefit Pension Plans**

**a. California Public Employees' Retirement System Plan**

**General Information about the Pension Plan**

Plan Description

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

Benefit Provided

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

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**10. PENSION PLANS (CONTINUED)**

**A. Defined Benefit Pension Plans (Continued)**

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

**General Information about the Pension Plan (Continued)**

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

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

An employee's beneficiary may receive the basic death benefit if the employee dies while actively employed. The employee must be actively employed with the City to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.15% per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death. Upon the death of a retiree, a one-time lump sum payment of \$5,000 will be made to the retiree's designated survivor(s), or to the retiree's estate.

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

**Employees Covered by Benefit Terms**

At June 30, 2019, the measurement date, the following employees were covered by the benefit terms:

	<b>Plans</b>	
	<b>Miscellaneous</b>	<b>Safety</b>
Active employees	197	123
Transferred and terminated employees	326	104
Retired employees and beneficiaries	328	250
Total	851	477

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law ("PERL") requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate.

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**10. PENSION PLANS (CONTINUED)**

**A. Defined Benefit Pension Plans (Continued)**

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

**General Information about the Pension Plan (Continued)**

*Contributions (Continued)*

The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions. For the current year, employer required contributions made were \$4,199,483 to the miscellaneous plan and \$6,089,864 to the safety plan. Current year employee contributions made were \$906,596 to the miscellaneous plan and \$1,491,110 to the safety plan. The net pension liability for governmental activities is primarily liquidated from the general fund and the net pension liability for business-type activities is liquidated from the applicable enterprise funds.

**Net Pension Liability**

*Actuarial Methods and Assumptions Used to Determine Total Pension Liability*

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

The total pension liability in the June 30, 2018 actuarial valuations were determined using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry-Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by entry age and service.
Mortality Rate Table	The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.
Post Retirement Benefit Increase	Contract COLA up to 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter.

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**10. PENSION PLANS (CONTINUED)**

**A. Defined Benefit Pension Plans (Continued)**

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

**Net Pension Liability (Continued)**

Discount Rate

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

Long-term Expected Rate of Return

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

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

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

- (1) In the System's CAFR, fixed income is included in global debt securities; liquidity is included in short-term investments; inflation assets are included in both global equity securities and global debt securities.
- (2) An expected inflation of 2.0% used for this period.
- (3) An expected inflation of 2.92% used for this period.

Subsequent Events

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

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**10. PENSION PLANS (CONTINUED)**

**A. Defined Benefit Pension Plans (Continued)**

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

**Changes in the Net Pension Liability**

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

	<b>Miscellaneous Plan</b>		
	<b>Total Pension Liability</b>	<b>Increase (Decrease)</b>	
	<b>Plan</b>	<b>Fiduciary Net Position</b>	<b>Net Pension Liability (Asset)</b>
	<b>(a)</b>	<b>(b)</b>	<b>(c) = (a) - (b)</b>
Balance at June 30, 2018 (Measurement Date)	\$ 136,529,346	\$ 98,473,857	\$ 38,055,489
Changes Recognized for the Measurement Period:			
Service cost	2,265,594	-	2,265,594
Interest on the total pension liability	9,748,249	-	9,748,249
Changes in benefit terms	-	-	-
Changes in assumptions	-	-	-
Differences between expected and actual experience	2,073,497	-	2,073,497
Plan to Plan resource movement	-	-	-
Contributions from the employer	-	4,364,979	(4,364,979)
Contributions from employees	-	1,139,478	(1,139,478)
Net investment income	-	6,527,890	(6,527,890)
Benefit payments, including refunds of employee contributions	(6,792,973)	(6,792,973)	-
Administrative expenses	-	(70,273)	70,273
Other miscellaneous income/(expense)	-	229	(229)
Net Changes during July 1, 2018 to June 30, 2019	7,294,367	5,169,330	2,125,037
Balance at June 30, 2019 (Measurement Date)	\$ 143,823,713	\$ 103,643,187	\$ 40,180,526

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
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**10. PENSION PLANS (CONTINUED)**

**A. Defined Benefit Pension Plans (Continued)**

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

**Changes in the Net Pension Liability (Continued)**

	<u>Safety Plan</u>		
	<u>Increase (Decrease)</u>		
	<u>Total</u>	<u>Plan</u>	<u>Net Pension</u>
	<u>Pension</u>	<u>Fiduciary</u>	<u>Liability</u>
	<u>Liability</u>	<u>Net Position</u>	<u>(Asset)</u>
	<u>(a)</u>	<u>(b)</u>	<u>(c) = (a) - (b)</u>
Balance at June 30, 2018 (Measurement Date)	\$ 213,930,410	\$ 154,867,953	\$ 59,062,457
Changes Recognized for the Measurement Period:			
Service cost	3,799,004	-	3,799,004
Interest on the total pension liability	15,282,800	-	15,282,800
Changes in benefit terms	-	-	-
Changes in assumptions	-	-	-
Differences between expected and actual experience	2,807,034	-	2,807,034
Plan to Plan resource movement	-	-	-
Contributions from the employer	-	5,484,667	(5,484,667)
Contributions from employees	-	1,282,715	(1,282,715)
Net investment income	-	10,122,515	(10,122,515)
Benefit payments, including refunds of employee contributions	(9,782,967)	(9,782,967)	-
Administrative expenses	-	(110,517)	110,517
Other miscellaneous income/(expense)	-	361	(361)
Net Changes during July 1, 2018 to June 30, 2019	12,105,871	6,996,774	5,109,097
Balance at June 30, 2019 (Measurement Date)	\$ 226,036,281	\$ 161,864,727	\$ 64,171,554

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

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

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.15%	6.15%
Net Pension Liability	\$ 58,935,884	\$ 94,822,912
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 40,180,526	\$ 64,171,554
1% Increase	8.15%	8.15%
Net Pension Liability	\$ 24,659,994	\$ 38,967,236

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**10. PENSION PLANS (CONTINUED)**

**A. Defined Benefit Pension Plans (Continued)**

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

**Changes in the Net Pension Liability (Continued)**

*Pension Plan Fiduciary Net Position*

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

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

For the measurement period ended June 30, 2019, the City incurred a pension expense/(income) of \$5,943,904 and \$13,603,925 for the miscellaneous plan and safety plan, respectively.

As of measurement date of June 30, 2019, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

<b>Miscellaneous Plan</b>		
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Contributions made after the measurement date	\$ 4,957,356	\$ -
Difference between expected and actual experience	1,171,977	(10,669)
Changes of assumptions	-	(62,950)
Net differences between projected and actual earnings on pension plan investments	-	(724,250)
<b>Total</b>	<b>\$ 6,129,333</b>	<b>\$ (797,869)</b>

<b>Safety Plan</b>		
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Contributions made after the measurement date	\$ 6,089,864	\$ -
Difference between expected and actual experience	2,733,713	-
Changes of assumptions	-	(139,358)
Net differences between projected and actual earnings on pension plan investments	-	(806,858)
<b>Total</b>	<b>\$ 8,823,577</b>	<b>\$ (946,216)</b>

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**10. PENSION PLANS (CONTINUED)**

**A. Defined Benefit Pension Plans (Continued)**

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

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

The expected average remaining service lifetime ("EARSLS") is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). The EARSLS for the miscellaneous plan and safety plan for the 2018-19 measurement period is 2.3 and 3.0 years, respectively, which was obtained by dividing the total service years of 1,964 and 1,408 (the sum of remaining service lifetimes of the active employees), respectively, by 851 and 477 (the total number of participants: active, inactive, and retired), respectively.

For the miscellaneous plan and safety plan, \$4,957,356 and \$6,089,864, respectively, reported as deferred outflows of resources related to pensions resulting from City's contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

<b>Measurement Period Year Ending June 30,</b>	<b>Amounts</b>	
<b>June 30,</b>	<b>Miscellaneous Plan</b>	<b>Safety Plan</b>
2020	\$ 1,102,377	\$ 2,256,179
2021	(638,762)	(418,458)
2022	(178,927)	(216,820)
2023	(89,420)	166,596
2024	-	-
Thereafter	-	-

**Payable to the Pension Plans**

At June 30, 2020, the City had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2020.

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**10. PENSION PLANS (CONTINUED)**

**A. *Defined Benefit Pension Plans (Continued)***

**b. *Massachusetts Mutual Retirement Plan - Defined Benefit Plan***

**General Information about the Pension Plan**

Plan Description

Certain miscellaneous employees are covered by a retirement plan through the Massachusetts Mutual Life Insurance Company (MMRP), a single-employer pension plan. All miscellaneous employees who were employed prior to April 1, 1976 participated in the MMRP. Miscellaneous employees under the age of 55 joined CalPERS on and after April 1, 1976. However, these employees still remain vested under the MMRP and are eligible to receive retirement benefits at the time of retirement. Miscellaneous employees over the age of 55 (on or before April 1, 1976) could not participate in CalPERS and remain wholly in the MMRP.

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

Benefits Provided

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

Employee Covered by Benefit Terms

MMRP is a closed plan. As of the measurement date, June 30, 2020, there are 49 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 was zero for the measurement period July 1, 2019 to June 30, 2020.

Contributions

MMRP is a contributory plan deriving funds from employee contributions as well as from employer contributions and earnings from investments. Employer contributions were based upon the actuarial methods and assumptions and there were no current year employee contributions required. The City is required to contribute \$994,000 for the measurement period ended June 30, 2020, which was determined as part of the June 30, 2019 actuarial valuation.

**Net Pension Liability**

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2020, the total pension liability was determined by rolling forward the June 30, 2019 total pension liability to June 30, 2020 based on actual benefit payments.

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**10. PENSION PLANS (CONTINUED)**

**A. Defined Benefit Pension Plans (Continued)**

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

**Net Pension Liability (Continued)**

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

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

Actuarial Cost Method	Entry Age Normal
Valuation Date	June 30, 2019
Actuarial Assumptions:	
Discount Rate	4.50%
Expected Long-term Rate of Return on Investment	4.75%
Inflation	2.75%
Mortality Rate	CalPERS 1997-2015 experience study
Mortality Improvement Scale	Fully generational projection with Scale MP-18
Cost of Living Adjustment/PPPA	2%; PPPA valued for each annuitant

**Discount Rate**

Plan assets currently invested in Mass Mutual general investment account. Expected long term return on assets was 4.75% for June 30, 2019 valuation and rounded to nearest 0.25%. Noninvestment expenses of \$25,000 were added to actuarially determined contribution amount. Cross-over analysis showed benefit payments always fully funded by plan assets based on 4.50% discount rate.

**Changes in the Net Pension Liability**

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

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (Asset) (c) = (a) - (b)</u>
Balance at June 30, 2019	\$ 5,775,000	\$ 3,856,000	\$ 1,919,000
Changes Recognized for the Measurement Period:			
Service cost	-	-	-
Interest on the total pension liability	247,000	-	247,000
Changes in benefit terms	-	-	-
Differences between expected and actual experience	48,000	-	48,000
Changes in assumptions	(19,000)	-	(19,000)
Contributions from the employer	-	1,200,000	(1,200,000)
Contributions from employees	-	-	-
Net investment income	-	447,000	(447,000)
Benefit payments, including refunds	(597,000)	(597,000)	-
Administrative Expense	-	(17,000)	17,000
Net Changes	<u>(321,000)</u>	<u>1,033,000</u>	<u>(1,354,000)</u>
Balance at June 30, 2020 (Measurement Date)	<u>\$ 5,454,000</u>	<u>\$ 4,889,000</u>	<u>\$ 565,000</u>

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**10. PENSION PLANS (CONTINUED)**

**A. Defined Benefit Pension Plans (Continued)**

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

**Changes in the Net Pension Liability (Continued)**

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

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

1% Decrease		3.50%
Net Pension Liability	\$	978,000
Current Discount Rate		4.50%
Net Pension Liability	\$	565,000
1% Increase		5.50%
Net Pension Liability	\$	207,000

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

For the measurement period ending June 30, 2020, the City incurred a pension expense/(income) of \$115,000 for MMRP. As of measurement date of June 30, 2020, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net differences between projected and actual earnings on pension plan investments	-	(110,000)
<b>Total</b>	<b>\$ -</b>	<b>\$ (110,000)</b>

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**10. PENSION PLANS (CONTINUED)**

**A. Defined Benefit Pension Plans (Continued)**

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

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

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

<b>Measurement Period Ending June 30,</b>	<b>Amount</b>
2021	\$ 9,000
2022	(10,000)
2023	(64,000)
2024	(45,000)
2025	-
Thereafter	-

**B. Defined Contribution Pension Plan**

**Monterey Park Part-Time Retirement Plan**

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

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

Part-time, nonbenefited, nonpersable employees of the City must participate in the plan. During the year ended June 30, 2020, 334 part-time employees participated in the plan. All contributions to the plan vest immediately. An employee who leaves the City is entitled to all contributions, including contributions made by the City, and earnings applied to the individual's account through the date of separation, less legally required income tax withholding. Participants that become full-time employees and enter the CalPERS retirement plan will have the amount in their individual accounts transferred from this plan into a Section 457, Deferred Compensation Plan, subject to all the rules governing Section 457 plans, including substantial penalties for withdrawal prior to the age of normal retirement. Contribution levels into the deferred compensation plan were established by City Council resolution at 4% and 3.5% for the City and nonbenefited, nonpersable part-time employees, respectively.

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**10. PENSION PLANS (CONTINUED)**

**B. *Defined Contribution Pension Plan (Continued)***

*Monterey Park Part-Time Retirement Plan (Continued)*

During the year, total required and actual contributions amounted to \$109,758 and covered payroll for the year ended June 30, 2020 totaled \$1,463,436. The City contributed \$58,537 (4% of current covered payroll) and employees contributed \$51,220 (3.5% of current covered payroll). Total plan assets at June 30, 2020 were \$892,522. Plan assets are held in trust for the exclusive benefit of participants and their beneficiaries and, therefore, are not included in the financial statements.

**11. OTHER POST-EMPLOYMENT BENEFITS**

**A. *Plan Description***

In addition to the pension benefits, the City provides postretirement medical insurance benefits, in accordance with contractual provisions of the various Memoranda of Understanding with the City's recognized employee organizations, to all vested employees who retire with CalPERS pension benefits immediately upon termination of employment from the City. The City has established a California Retiree Benefit Trust (CERBT), an agent-multiple employer trust which CalPERS serves as trustee. Eligible retirees and dependents may elect lifetime coverage through the City's healthcare plans. The City makes contributions towards the retiree's premium up to specified caps that vary depending on bargaining unit and whether the participant has more or less than 20 years of service. Retirees pay the portion of premium not paid by the City. In addition to the direct City paid contribution, retirees also receive pre-65 benefits that are subsidized as they are eligible to receive coverage based on blended (active and retiree) premium rates instead of normally higher retiree rates (implied subsidy).

Members are eligible for the following benefits:

	<u>General</u>	<u>Management</u>	<u>Safety</u>
Benefit Types Provided	Medical Only	Medical Only	Medical Only
Duration of Benefits	Lifetime	Lifetime	Lifetime
Minimum Age	50	50	50
Dependent Coverage	Yes	Yes	Yes
Required Years of Service	5 Years	5 Years	5 Years
City Contribution %	100%	100%	100%
City Cap:			
Calendar Year 2018	\$340-\$435 per month	\$355-\$1,375	\$346-\$650
Calendar Year 2019	\$340-\$435 per month	\$355-\$1,375	\$346-\$650

*Employees Covered*

As of measurement date June 30, 2019, the following current and former employees were covered by the benefit terms under the plan:

Inactive employees or beneficiaries currently receiving benefits	242
Inactive employees or beneficiaries entitled to but not yet receiving benefits	59
Active employees	280
	<u>581</u>

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**11. OTHER POST-EMPLOYMENT BENEFITS**

**A. Plan Description**

Contributions

The contribution requirements are established and amended by the City. The contribution is based on pay-as-you-go financing requirements. The City contributes between \$340 and \$1,375 per month toward medical insurance coverage for retired employees. For those retirees who are eligible for Medicare, the City contributes toward Medicare supplemental insurance coverage. Upon retirement, vested full-time employees may, at their own cost, convert group life insurance coverage to individual life insurance coverage. Post-employment benefits for employees that separate for reasons other than retirement are limited to those required under the provisions of COBRA and require no contribution by the City.

For the measurement period July 1, 2018 to June 30, 2019, the City's contributions to the plan included \$1,050,000 to the irrevocable CERBT, an implied subsidy of \$296,000, \$15,914 in administrative expenses, and \$1,332,685 as the pay-as-you-go portion, resulting in total contributions of \$2,694,599. The contributions to the OPEB plan are generally made from the general fund.

**B. Total OPEB Liability**

For the measurement period ended June 30, 2019, the City's total OPEB liability was determined in a June 30, 2019 actuarial accounting valuation. A summary of the principal assumptions and methods used to determine the net OPEB liability is shown below.

Actuarial Assumptions

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Contribution Policy	Pre-funded through CERBT with Strategy 1 asset allocation.
Actuarial Assumptions:	
Discount Rate	6.75% at June 30, 2019 and 6.5% at June 30, 2018
General Inflation	2.75%
Cap Increase	All except Executive Management, CM and Elected Officials - 0% until end of current MOU, 5% every 3 years thereafter. Executive Management, CM and Elected Officials - 5% per year.
Long-Term Expected Rate of Return on Assets	6.75%
Medical Trend	Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4% in 2076 and later years Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4% in 2076 and later years
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 experience study
Mortality Improvement	Mortality projected fully generational with Scale MP-2019

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**B. Total OPEB Liability (Continued)**

Actuarial Assumptions (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
CERBT Strategy 1:		
Global Equity	59.00%	4.82%
Fixed Income	25.00%	1.47%
TIPS	5.00%	1.29%
Commodities	3.00%	0.84%
Real Estate Investment Trusts	8.00%	3.76%
Total	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that the City's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**C. Changes in the Net OPEB Liability**

The changes in the net OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
<b>Balance at June 30, 2018</b> <b>(Measurement Date)</b>	\$ 37,003,000	\$ 6,659,000	\$ 30,344,000
<b>Changes in the Year:</b>			
Service cost	1,014,890	-	1,014,890
Interest on the total OPEB liability	2,418,231	-	2,418,231
Differences between actual and expected experience	(5,065,175)	-	(5,065,175)
Changes in assumptions	(1,135,595)	-	(1,135,595)
Changes in benefit terms	-	-	-
Contributions - employer	-	2,694,599	(2,694,599)
Net investment income	-	468,237	(468,237)
Benefit payments	(1,628,685)	(1,628,685)	-
Administrative expenses	-	(17,545)	17,545
<b>Net Changes</b>	<b>(4,396,334)</b>	<b>1,516,606</b>	<b>(5,912,940)</b>
<b>Balance at June 30, 2019</b> <b>(Measurement Date)</b>	<b>\$ 32,606,666</b>	<b>\$ 8,175,606</b>	<b>\$ 24,431,060</b>

**Change of Assumptions**

Discount rate was updated to 50<sup>th</sup> percentile of the long term expected return based on current capital market assumptions. Demographic assumptions were updated to CalPERS 1997-2015 Experience Study. Mortality improvement scale was updated to Scale MP-2019. PEMHCA Minimum Trend was updated.

**Change of Benefit Terms**

There were no changes of benefit terms.

**Subsequent Events**

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

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

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

	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
Net OPEB Liability	\$ 28,581,617	\$ 24,431,060	\$ 20,989,138

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**C. Changes in the Net OPEB Liability (Continued)**

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

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

	1% Decrease	Current Trend	1% Increase
Net OPEB Liability	\$ 23,029,085	\$ 24,431,060	\$ 25,936,315

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

For the year ended June 30, 2020, the City recognized OPEB expense of \$1,791,826. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 2,700,000	\$ -
Differences between actual and expected experience	-	4,160,679
Changes in assumptions	-	932,810
Differences between projected and actual earnings	-	114,678
Total	\$ 2,700,000	\$ 5,208,167

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

\$2,700,000 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30,	Amount
2021	\$ (1,163,950)
2022	(1,161,950)
2023	(1,115,950)
2024	(1,101,952)
2025	(664,365)
Thereafter	-

Payable to the OPEB Plan

At June 30, 2020, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2020.

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**12. RISK MANAGEMENT**

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

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

The City retains the risk for the first \$500,000 of each Workers' Compensation claim and is a member of the Independent Cities Risk Management Authority for coverage up to \$5,000,000 per occurrence. Excess workers' compensation insurance has also been purchased up to statutory limits. The City retains the risk for the first \$300,000 of each General Liability and Auto Liability claim and is a member of the Independent Cities Risk Management Authority for coverage up to \$20 million per occurrence. The City also purchases commercial insurance for other risks of loss, including property loss, emergency vehicle physical damage and special events.

The Independent Cities Risk Management Authority (ICRMA) is comprised of 21 Southern California cities, and each member city has a representative on the governing board. The comprehensive general liability insurance includes monetary damages for personal liability, property damage and public officials' errors and omissions. Deposits made to the ICRMA are based on losses incurred by the insured, and rebates are possible if the losses are minimal.

On November 17, 2016, the ICRMA Board approved an assessment on the member cities to fund deficits in its Liability Program for the fiscal years ended 2004, and 2012 through 2015. The City's share of this assessment was determined to be \$1,635,143 and is due and payable in equal installments of \$163,514 over the next ten years. This insurance assessment liability is recorded in the General Liability Internal Service Fund. At June 30, 2020, the assessment liability balance was \$1,144,600.

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

At June 30, 2020 total estimated claims payable were as follows:

General Liability	\$ 6,001,291
Workers' Compensation	<u>12,371,525</u>
Total	<u><u>\$ 18,372,816</u></u>

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**12. RISK MANAGEMENT (CONTINUED)**

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Claims Liabilities - Beginning Balance	\$ 15,651,443	\$ 13,281,946	\$ 10,264,077
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	5,483,449	4,655,497	4,796,478
Payments on claims attributable to events of both the current fiscal year and prior fiscal years	<u>(2,762,076)</u>	<u>(2,286,000)</u>	<u>(1,778,609)</u>
Claims Liabilities - Ending Balance	<u>\$ 18,372,816</u>	<u>\$ 15,651,443</u>	<u>\$ 13,281,946</u>

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

**13. COVID-19**

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of an outbreak of a new strain of coronavirus (the “COVID-19 outbreak”) and the risks that is posed to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic based on the rapid increase in exposure globally.

The City’s operations are heavily dependent on the ability to raise sales taxes, property taxes and transient occupancy taxes and assess business licenses, developer fees and construction permits. Additionally, access to grants and contracts from federal, state, and local governments may decrease or may not be available depending on appropriations. The outbreak may have a continued material adverse impact on economic and market conditions, triggering a period of global economic slowdown. This situation is expected to depress the tax bases and other areas in which the City received revenue during fiscal year 2021. The outbreak could also have other potential impacts, including disruptions or restrictions on employees’ ability to work. As such, this may hinder the ability for the City to meet the needs of its constituents. The City cannot estimate the length or gravity of the impact of the COVID-19 pandemic at this time; however, if the pandemic continues, it may have a material effect on the City’s results of future operations and financial position in fiscal year 2020-21.

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**14. OTHER REQUIRED DISCLOSURES**

***Deficit Net Position***

*Fund Financial Statements*

At June 30, 2020, deficit fund balance was reported for the Public Safety Augmentation Special Revenue Fund (Nonmajor Fund) in the amount of \$(72,645). City management intends to eliminate the deficit with future receipts and/or transfers from the General Fund.

At June 30, 2020, deficit net position was reported for the Workers' Compensation Internal Service Fund in the amount of \$(8,663,355). City management intends to eliminate the deficit net position of the Workers' Compensation Funds over time by increased charges to City departments, and making transfers from excess in other internal service funds. City management believes the present cash position of this fund is adequate to meet current needs.

At June 30, 2020, deficit net position was reported for the General Liability Internal Service Fund in the amount of \$(5,848,799). City management intends to eliminate the deficit net position of the General Liability Internal Service Fund over time by increased charges to City departments, and making transfers from excess in other internal service funds. City management believes the present cash position of this fund is adequate to meet current needs.

At June 30, 2020, deficit net position was reported for the Successor Agency Private-Purpose Trust Fund in the amount of \$(86,192,485). The deficit is expected to be eliminated with future payments from the Redevelopment Property Tax Trust Fund to the Successor Agency for its long-term debt.

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**15. FUND BALANCE CLASSIFICATIONS**

Fund balance classifications as of June 30, 2020, are all follows:

	Major Funds					Nonmajor Governmental	Totals
	Special Revenue Funds						
	General	Grants	Retirement/ Pension	Housing			
<b>Nonspendable:</b>							
Prepaid items	\$ 78,802	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 78,802
<b>Total Nonspendable</b>	<b>78,802</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>78,802</b>
<b>Restricted:</b>							
Housing	-	-	-	2,445,394	-	-	2,445,394
<b>Grants:</b>							
Highways and Streets	-	410,741	-	-	-	-	410,741
Public Safety	-	489,515	-	-	-	-	489,515
Community Development	-	812,816	-	-	-	-	812,816
Culture and Recreation	-	20,482	-	-	-	-	20,482
Retirement	-	-	8,010,151	-	-	-	8,010,151
OPA Proposition A	-	-	-	-	3,206,789	-	3,206,789
State Gas Tax	-	-	-	-	751,953	-	751,953
Proposition C	-	-	-	-	1,465,147	-	1,465,147
Air Quality Improvement	-	-	-	-	235,907	-	235,907
Asset Forfeiture	-	-	-	-	846,805	-	846,805
Business Improvement Area #1	-	-	-	-	125,704	-	125,704
Maintenance District 93-1	-	-	-	-	42,668	-	42,668
Measure R	-	-	-	-	2,230,886	-	2,230,886
Measure M	-	-	-	-	2,367,588	-	2,367,588
SB1-RMRA	-	-	-	-	1,526,850	-	1,526,850
Park Facilities	-	-	-	-	1,003,165	-	1,003,165
Public Safety Impact	-	-	-	-	587,796	-	587,796
Circulation Development Impact	-	-	-	-	307,064	-	307,064
<b>Total Restricted</b>	<b>-</b>	<b>1,733,554</b>	<b>8,010,151</b>	<b>2,445,394</b>	<b>14,698,322</b>	<b>-</b>	<b>26,887,421</b>
<b>Committed:</b>							
Catastrophic event	2,340,000	-	-	-	-	-	2,340,000
Working capital	3,000,000	-	-	-	-	-	3,000,000
Economic development	1,886,927	-	-	-	-	-	1,886,927
CERCLA Liability	-	-	-	-	418,383	-	418,383
<b>Total Committed</b>	<b>7,226,927</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>418,383</b>	<b>-</b>	<b>7,645,310</b>
<b>Assigned:</b>							
City capital improvements	19,365,589	-	-	-	-	-	19,365,589
<b>Total Assigned</b>	<b>19,365,589</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,365,589</b>
<b>Unassigned:</b>							
General Fund	5,838,129	-	-	-	(72,645)	-	5,765,484
<b>Total Unassigned</b>	<b>5,838,129</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(72,645)</b>	<b>-</b>	<b>5,765,484</b>
<b>Total Fund Balances</b>	<b>\$ 32,509,447</b>	<b>\$ 1,733,554</b>	<b>\$ 8,010,151</b>	<b>\$ 2,445,394</b>	<b>\$ 15,044,060</b>	<b>\$ -</b>	<b>\$ 59,742,606</b>

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**16. SUBSEQUENT EVENTS**

The State Controller's Office completed an audit report of the Monterey Park Community Redevelopment Agency (RDA) between January 1, 2011 through January 31, 2012, issued in December 2014. The audit concluded that the RDA made unallowable asset transfers to the City of Monterey Park totaling \$7,861,359, and that those assets were to be turned over to the RDA's Successor Agency for distribution pursuant to the terms of the Redevelopment Dissolution Law. The City had until November 12, 2020, in which to complete the transfer to the L.A. County Auditor/Controller as part of property tax revenues that were transferred from the now dissolved RDA to the City back in 2011/2012. The City has turned over the full amount of \$7,861,359 to the L.A. County Auditor/Controller by its due date.

**17. RESTATEMENT**

Beginning net position of the business-type activities in the government-wide financial statements and of the Water Utility Enterprise Fund in the proprietary fund financial statements have been restated (decreased) by \$413,040 to correct the duplicate reporting of a grant reimbursement receivable in the prior year.

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**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

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**CITY OF MONTEREY PARK**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**June 30, 2020**

**Last Ten Fiscal Years<sup>1</sup>**

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

Fiscal Year Ended	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement period	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
<b>Total pension liability</b>						
Service cost	\$ 2,265,594	\$ 2,094,764	\$ 2,228,391	\$ 2,069,087	\$ 1,980,088	\$ 1,910,429
Interest	9,748,249	9,247,324	8,924,469	8,653,522	8,290,095	7,992,845
Changes of benefit terms	-	-	-	-	-	-
Changes of assumptions	-	(692,460)	7,347,650	-	(2,040,465)	-
Differences between expected and actual experience	2,073,497	(117,357)	(1,360,108)	(944,621)	(1,849,112)	-
Benefit payments, including refunds of employee contributions	(6,792,973)	(6,197,134)	(5,324,401)	(4,855,567)	(4,383,243)	(4,121,783)
<b>Net change in total pension liability</b>	<b>7,294,367</b>	<b>4,335,137</b>	<b>11,816,001</b>	<b>4,922,421</b>	<b>1,997,363</b>	<b>5,781,491</b>
<b>Total pension liability - beginning</b>	<b>136,529,346</b>	<b>132,194,209</b>	<b>120,378,208</b>	<b>115,455,787</b>	<b>113,458,424</b>	<b>107,676,933</b>
<b>Total pension liability - ending (a)</b>	<b>\$143,823,713</b>	<b>\$136,529,346</b>	<b>\$132,194,209</b>	<b>\$120,378,208</b>	<b>\$115,455,787</b>	<b>\$113,458,424</b>
<b>Pension fiduciary net position</b>						
Contributions - employer	\$ 4,364,979	\$ 4,603,513	\$ 3,511,958	\$ 3,019,357	\$ 2,466,015	\$ 2,203,100
Contributions - employee	1,139,478	866,540	907,755	917,401	940,132	838,784
Net plan to plan resource movement	-	(229)	-	-	-	-
Net investment income <sup>2</sup>	6,457,617	7,707,169	9,429,350	385,286	1,789,792	12,387,447
Benefit payments, including refunds of employee contributions	(6,792,973)	(6,197,134)	(5,324,401)	(4,855,567)	(4,383,243)	(4,121,783)
Other miscellaneous income/(expense)	229	(271,552)	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>5,169,330</b>	<b>6,708,307</b>	<b>8,524,662</b>	<b>(533,523)</b>	<b>812,696</b>	<b>11,307,548</b>
<b>Plan fiduciary net position - beginning</b>	<b>98,473,857</b>	<b>91,765,550</b>	<b>83,240,888</b>	<b>83,774,411</b>	<b>82,961,715</b>	<b>71,654,167</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$103,643,187</b>	<b>\$ 98,473,857</b>	<b>\$ 91,765,550</b>	<b>\$ 83,240,888</b>	<b>\$ 83,774,411</b>	<b>\$ 82,961,715</b>
<b>Plan net pension liability - ending (a) - (b)</b>	<b>\$ 40,180,526</b>	<b>\$ 38,055,489</b>	<b>\$ 40,428,659</b>	<b>\$ 37,137,320</b>	<b>\$ 31,681,376</b>	<b>\$ 30,496,709</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>72.06%</b>	<b>72.13%</b>	<b>69.42%</b>	<b>69.15%</b>	<b>72.56%</b>	<b>73.12%</b>
<b>Covered payroll</b>	<b>\$ 11,235,594</b>	<b>\$ 11,745,064</b>	<b>\$ 11,093,630</b>	<b>\$ 11,429,792</b>	<b>\$ 11,412,611</b>	<b>\$ 10,708,680</b>
<b>Net pension liability as a percentage of covered payroll</b>	<b>357.62%</b>	<b>324.01%</b>	<b>364.43%</b>	<b>324.92%</b>	<b>277.60%</b>	<b>284.78%</b>

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

<sup>2</sup> Net of administrative expenses.

**Notes to Schedule:**

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

Changes of Assumptions: For the measurement period 2019, there were no changes. For measurement period 2018, there were no significant changes. For the measurement period 2017, the discount rate was changed from 7.65 percent (net of administrative expense) to 7.15 percent. For the measurement period 2016, there were no changes. For the measurement period 2015, the discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expenses.) For measurement period 2014, amounts reported were based on the 7.5% discount

**CITY OF MONTEREY PARK**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Changes in Net Pension Liability and Related Ratios, Continued**  
**June 30, 2020**

**Last Ten Fiscal Years<sup>1</sup>**

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

Fiscal Year Ended	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement period	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
<b>Total pension liability</b>						
Service cost	\$ 3,799,004	\$ 3,527,711	\$ 3,386,209	\$ 2,947,888	\$ 2,923,036	\$ 3,003,645
Interest	15,282,800	14,480,120	13,751,245	13,417,480	12,911,065	12,482,279
Changes of benefit terms	-	-	-	-	-	-
Changes of assumptions	-	(449,040)	11,578,272	-	(3,224,562)	-
Differences between expected and actual experience	2,807,034	2,778,709	(2,485,932)	(950,812)	(1,936,767)	-
Benefit payments, including refunds of employee contributions	(9,782,967)	(9,665,441)	(9,022,216)	(8,465,095)	(8,086,742)	(7,798,383)
<b>Net change in total pension liability</b>	<b>12,105,871</b>	<b>10,672,059</b>	<b>17,207,578</b>	<b>6,949,461</b>	<b>2,586,030</b>	<b>7,687,541</b>
<b>Total pension liability - beginning</b>	<b>213,930,410</b>	<b>203,258,351</b>	<b>186,050,773</b>	<b>179,101,312</b>	<b>176,515,282</b>	<b>168,827,741</b>
<b>Total pension liability - ending (a)</b>	<b>\$226,036,281</b>	<b>\$213,930,410</b>	<b>\$203,258,351</b>	<b>\$186,050,773</b>	<b>\$179,101,312</b>	<b>\$176,515,282</b>
<b>Pension fiduciary net position</b>						
Contributions - employer	\$ 5,484,667	\$ 4,724,661	\$ 4,231,618	\$ 3,647,109	\$ 3,220,567	\$ 2,924,318
Contributions - employee	1,282,715	1,224,504	1,181,754	1,075,386	1,046,298	1,022,948
Net plan to plan resource movement	-	(361)	-	-	-	-
Net investment income <sup>2</sup>	10,011,998	12,034,298	15,034,493	609,810	2,899,581	21,032,695
Benefit payments, including refunds of employee contributions	(9,782,967)	(9,665,441)	(9,022,216)	(8,465,095)	(8,086,742)	(7,798,383)
Other miscellaneous income/(expense)	361	(434,958)	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>6,996,774</b>	<b>7,882,703</b>	<b>11,425,649</b>	<b>(3,132,790)</b>	<b>(920,296)</b>	<b>17,181,578</b>
<b>Plan fiduciary net position - beginning</b>	<b>154,867,953</b>	<b>146,985,250</b>	<b>135,559,601</b>	<b>138,692,391</b>	<b>139,612,687</b>	<b>122,431,109</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$161,864,727</b>	<b>\$154,867,953</b>	<b>\$146,985,250</b>	<b>\$135,559,601</b>	<b>\$138,692,391</b>	<b>\$139,612,687</b>
<b>Plan net pension liability - ending (a) - (b)</b>	<b>\$ 64,171,554</b>	<b>\$ 59,062,457</b>	<b>\$ 56,273,101</b>	<b>\$ 50,491,172</b>	<b>\$ 40,408,921</b>	<b>\$ 36,902,595</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>71.61%</b>	<b>72.39%</b>	<b>72.31%</b>	<b>72.86%</b>	<b>77.44%</b>	<b>79.09%</b>
<b>Covered payroll</b>	<b>\$ 12,387,062</b>	<b>\$ 11,847,348</b>	<b>\$ 12,149,124</b>	<b>\$ 11,565,157</b>	<b>\$ 11,541,643</b>	<b>\$ 11,410,291</b>
<b>Net pension liability as a percentage of covered payroll</b>	<b>518.05%</b>	<b>498.53%</b>	<b>463.19%</b>	<b>436.58%</b>	<b>350.11%</b>	<b>323.42%</b>

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

<sup>2</sup> Net of administrative expenses.

**Notes to Schedule:**

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

Changes of Assumptions: For the measurement period 2019, there were no changes. For measurement period 2018, there were no significant changes. For the measurement period 2017, the discount rate was changed from 7.65 percent (net of administrative expense) to 7.15 percent. For the measurement period 2016, there were no changes. For the measurement period 2015, the discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expenses.) For measurement period 2014, amounts reported were based on the 7.5% discount rate.

**CITY OF MONTEREY PARK**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Changes in Net Pension Liability and Related Ratios, Continued**  
**June 30, 2020**

**Last Ten Fiscal Years<sup>1</sup>**

**Massachusetts Mutual Retirement Plan (MMRP)**

<b>Fiscal year ended/Measurement period ended</b>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
<b>Total pension liability</b>						
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	247,000	263,000	269,000	287,000	305,004	321,000
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	48,000	-	170,000	-	-	(53,000)
Changes of assumptions	(19,000)	-	377,000	-	-	76,000
Benefit payments, including refunds of employee contributions	<u>(597,000)</u>	<u>(641,000)</u>	<u>(659,004)</u>	<u>(666,000)</u>	<u>(691,000)</u>	<u>(702,000)</u>
<b>Net change in total pension liability</b>	<u>(321,000)</u>	<u>(378,000)</u>	<u>156,996</u>	<u>(379,000)</u>	<u>(385,996)</u>	<u>(358,000)</u>
<b>Total pension liability - beginning</b>	<u>5,775,000</u>	<u>6,153,000</u>	<u>5,996,004</u>	<u>6,375,004</u>	<u>6,761,000</u>	<u>7,119,000</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 5,454,000</u></u>	<u><u>\$ 5,775,000</u></u>	<u><u>\$ 6,153,000</u></u>	<u><u>\$ 5,996,004</u></u>	<u><u>\$ 6,375,004</u></u>	<u><u>\$ 6,761,000</u></u>
<b>Pension fiduciary net position</b>						
Contributions - employer	\$ 1,200,000	\$ 1,000,000	\$ 950,000	\$ 950,000	\$ 950,000	\$ 950,000
Contributions - employee	-	-	-	-	-	-
Net investment income	447,000	269,000	(98,000)	53,000	(12,000)	57,000
Benefit payments, including refunds of employee contributions	(597,000)	(641,000)	(659,000)	(666,000)	(691,000)	(702,000)
Administrative expense	(17,000)	(16,000)	(18,000)	(15,000)	(14,000)	(16,000)
Other	-	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<u>1,033,000</u>	<u>612,000</u>	<u>175,000</u>	<u>322,000</u>	<u>233,000</u>	<u>289,000</u>
<b>Plan fiduciary net position - beginning</b>	<u>3,856,000</u>	<u>3,244,000</u>	<u>3,069,000</u>	<u>2,747,000</u>	<u>2,514,000</u>	<u>2,225,000</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 4,889,000</u></u>	<u><u>\$ 3,856,000</u></u>	<u><u>\$ 3,244,000</u></u>	<u><u>\$ 3,069,000</u></u>	<u><u>\$ 2,747,000</u></u>	<u><u>\$ 2,514,000</u></u>
<b>Plan's net pension liability - ending (a) - (b)</b>	<u><u>\$ 565,000</u></u>	<u><u>\$ 1,919,000</u></u>	<u><u>\$ 2,909,000</u></u>	<u><u>\$ 2,927,004</u></u>	<u><u>\$ 3,628,004</u></u>	<u><u>\$ 4,247,000</u></u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<u>89.64%</u>	<u>66.77%</u>	<u>52.72%</u>	<u>51.18%</u>	<u>43.09%</u>	<u>37.18%</u>
<b>Covered payroll</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Plan's net pension liability as a percentage of covered payroll</b>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>

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

**Notes to Schedule:**

Benefit Changes: None.

Changes of Assumptions: For 2020, mortality improvement scale was updated to Scale MP-18. For 2019, there were none. For 2018, the discount rate is changed from 4.75% to 4.5%, inflation from 3% to 2.75%, and mortality is based on CalPERS 1997-2015 experience study. For 2017 and 2016, there were none. For 2015, the discount rate was 4.75%; inflation 3% and mortality was per CalPERS 1997-2011 experience study.

**CITY OF MONTEREY PARK**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Contributions**  
**June 30, 2020**

**Last Ten Fiscal Years<sup>1</sup>**

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

Fiscal year ended	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined)	\$ 4,199,483	\$ 3,761,279	\$ 3,320,513	\$ 3,241,958	\$ 2,779,357	\$ 2,466,015
Contributions in relation to the actuarially determined contributions	<u>(4,957,356)</u>	<u>(4,364,979)</u>	<u>(4,603,513)</u>	<u>(3,511,958)</u>	<u>(3,019,357)</u>	<u>(2,466,015)</u>
Contribution deficiency (excess)	<u>\$ (757,873)</u>	<u>\$ (603,700)</u>	<u>\$ (1,283,000)</u>	<u>\$ (270,000)</u>	<u>\$ (240,000)</u>	<u>\$ -</u>
Covered payroll	\$ 11,984,909	\$ 11,235,594	\$ 11,745,064	\$ 11,093,630	\$ 11,429,792	\$ 11,412,611
Contributions as a percentage of covered payroll	41.36%	38.85%	39.20%	31.66%	26.42%	21.61%

**Notes to Schedule:**

Valuation Date	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:						
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	(1)	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value	15 Year Smoothed Market
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)	(2)
Investment rate of return	7.375% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)	(5)

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

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

**CITY OF MONTEREY PARK**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Contributions, Continued**  
**June 30, 2020**

**Last Ten Fiscal Years<sup>1</sup>**

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

Fiscal year ended	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined)	\$ 6,089,864	\$ 5,486,870	\$ 4,641,176	\$ 4,079,592	\$ 3,644,930	\$ 3,220,567
Contributions in relation to the actuarially determined contributions	<u>(6,089,864)</u>	<u>(5,486,870)</u>	<u>(4,641,176)</u>	<u>(4,079,592)</u>	<u>(3,644,930)</u>	<u>(3,220,567)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 13,251,294	\$ 12,387,062	\$ 11,847,348	\$ 12,149,124	\$ 11,565,157	\$ 11,541,643
Contributions as a percentage of covered payroll	45.96%	44.30%	39.17%	33.58%	31.52%	27.90%

**Notes to Schedule:**

Valuation Date	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:						
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	(1)	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value	15 Year Smoothed Market
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)	(2)
Investment rate of return	7.375% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)	(5)

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

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

**CITY OF MONTEREY PARK**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Contributions, Continued**  
**June 30, 2020**

**Last Ten Fiscal Years<sup>1</sup>**

**Massachusetts Mutual Retirement Plan (MMRP)**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Actuarially determined contribution	\$ 994,000	\$ 994,000	\$ 961,000	\$ 961,000	\$ 950,000	\$ 950,000
Contributions in relation to the actuarially determined contribution	<u>(1,200,000)</u>	<u>(1,000,000)</u>	<u>(950,000)</u>	<u>(950,000)</u>	<u>(950,000)</u>	<u>(950,000)</u>
Contribution deficiency (excess)	<u>\$ (206,000)</u>	<u>\$ (6,000)</u>	<u>\$ 11,000</u>	<u>\$ 11,000</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions as a percentage of covered payroll	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>

**Notes to Schedule:**

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

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

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

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

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

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

**CITY OF MONTEREY PARK**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**  
**June 30, 2020**

**Last Ten Fiscal Years<sup>1</sup>**

Fiscal year ended	June 30, 2020	June 30, 2019	June 30, 2018
Measurement period	June 30, 2019	June 30, 2018	June 30, 2017
<b>Total OPEB liability</b>			
Service cost	\$ 1,014,890	\$ 985,000	\$ 956,000
Interest	2,418,231	2,307,000	2,204,000
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(5,065,175)	-	-
Changes of assumptions	(1,135,595)	-	-
Benefit payments, including refunds of employee contributions	(1,628,685)	(1,580,000)	(1,653,000)
<b>Net change in total OPEB liability</b>	(4,396,334)	1,712,000	1,507,000
<b>Total OPEB liability - beginning</b>	37,003,000	35,291,000	33,784,000
<b>Total OPEB liability - ending (a)</b>	<u>\$ 32,606,666</u>	<u>\$ 37,003,000</u>	<u>\$ 35,291,000</u>
<b>OPEB fiduciary net position</b>			
Contributions - employer	\$ 2,694,599	\$ 2,565,000	\$ 2,703,000
Net investment income	468,237	491,000	475,000
Benefit payments, including refunds of employee contributions	(1,628,685)	(1,580,000)	(1,653,000)
Administrative expense	(17,545)	(10,000)	(2,000)
<b>Net change in plan fiduciary net position</b>	1,516,606	1,466,000	1,523,000
<b>Plan fiduciary net position - beginning</b>	6,659,000	5,193,000	3,670,000
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 8,175,606</u>	<u>\$ 6,659,000</u>	<u>\$ 5,193,000</u>
<b>Plan's net OPEB liability - ending (a) - (b)</b>	<u>\$ 24,431,060</u>	<u>\$ 30,344,000</u>	<u>\$ 30,098,000</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<u>25.07%</u>	<u>18.00%</u>	<u>14.71%</u>
<b>Covered-employee payroll</b>	<u>\$ 29,951,647</u>	<u>\$ 28,530,000</u>	<u>\$ 27,659,000</u>
<b>Plan's net OPEB liability as a percentage of covered-employee payroll</b>	<u>81.57%</u>	<u>106.36%</u>	<u>108.82%</u>

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

**Notes to Schedule:**

Benefit Changes: None

Changes of Assumptions:

For measurement period ended June 30, 2019, discount rate was changed from 6.50% to 6.75%, demographic assumptions were updated to CalPERS 1997-2015 Experience Summary, mortality improvement scale was updated to Scale MP-2019, and PEMHCA Minimum Trend was updated.

**CITY OF MONTEREY PARK**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Contributions**  
**June 30, 2020**

**Last Ten Fiscal Years<sup>1</sup>**

**Other Post-Employment Benefit Plan**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Actuarially determined contribution	\$ 2,999,000	\$ 2,925,000	\$ 2,855,000
Contributions in relation to the actuarially determined contribution	<u>(2,700,000)</u>	<u>(2,695,000)</u>	<u>(2,565,000)</u>
Contribution deficiency (excess)	<u>\$ 299,000</u>	<u>\$ 230,000</u>	<u>\$ 290,000</u>
Covered-employee payroll	<u>\$ 25,791,000</u>	<u>\$ 29,951,647</u>	<u>\$ 28,530,000</u>
Contributions as a percentage of covered-employee payroll	<u>10.47%</u>	<u>9.00%</u>	<u>8.99%</u>

**Notes to Schedule:**

Valuation date: June 30, 2017 June 30, 2017 June 30, 2017

Methods and assumptions used to determine contribution rates:

	Entry Age	Entry Age	Entry Age
Actuarial cost method	(1)	(1)	(1)
Amortization method	(2)	(2)	(2)
Asset valuation method	6.50%	6.50%	6.50%
Discount rate	2.75%	2.75%	2.75%
Inflation	7.5% to 4.0%	7.5% to 4.0%	7.5% to 4.0%
Medical Trend (3)	6.5% to 4.0%	6.5% to 4.0%	6.5% to 4.0%
Non-Medicare	(4)	(4)	(4)
Medicare			
Mortality			

(1) Level percentage of pay; 25-year amortization period

(2) Investment gains and losses spread over 5-year rolling period

(3) Rate decreasing to an ultimate rate in 2076 and later years.

(4) CalPERS 1997-2011 experience study. Mortality projected fully generational with Scale MP-16.

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

**CITY OF MONTEREY PARK**  
**Required Supplementary Information (Unaudited)**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2020**

	General Fund			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 32,218,500	\$ 32,218,500	\$ 31,494,489	\$ (724,011)
Licenses and permits	2,640,600	2,640,600	1,837,426	(803,174)
Charges for services	6,209,936	6,209,936	5,908,389	(301,547)
Revenues from use of money and property	1,955,573	1,955,573	2,059,886	104,313
Fines and forfeitures	680,000	680,000	526,858	(153,142)
Other revenue	1,477,400	1,477,400	1,555,388	77,988
Total Revenues	<u>45,182,009</u>	<u>45,182,009</u>	<u>43,382,436</u>	<u>(1,799,573)</u>
Expenditures:				
Current:				
General government	6,747,228	6,340,828	4,853,672	1,487,156
Public safety	26,784,119	26,786,437	27,153,785	(367,348)
Community development	35,000	35,000	44,807	(9,807)
Culture and recreation	6,301,214	6,301,214	5,455,810	845,404
Highways and streets	1,908,979	1,908,979	1,995,360	(86,381)
Capital outlay	65,593	215,594	765,073 <sup>(1)</sup>	(549,479)
Debt service:				
Principal retirement	76,200	76,200	76,199	1
Interest and fiscal charges	38,360	38,360	38,359	1
Total Expenditures	<u>41,956,693</u>	<u>41,702,612</u>	<u>40,383,065</u>	<u>1,319,547</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,225,316</u>	<u>3,479,397</u>	<u>2,999,371</u>	<u>(480,026)</u>
Other Financing Sources (Uses):				
Transfers in	-	-	213,650	213,650
Transfers out	<u>(3,200,000)</u>	<u>(3,200,000)</u>	<u>(3,258,985)</u>	<u>(58,985)</u>
Total Other Financing Sources (Uses)	<u>(3,200,000)</u>	<u>(3,200,000)</u>	<u>(3,045,335)</u>	<u>154,665</u>
Net Change in Fund Balance	<u>\$ 25,316</u>	<u>\$ 279,397</u>	<u>(45,964)</u>	<u>\$ (325,361)</u>
Fund Balance, Beginning of Year			<u>32,555,411</u>	
Fund Balance, End of Year			<u>\$ 32,509,447</u>	

(1) Budgeted capital outlay does not include prior year CIP carryovers, but the actual capital outlay includes cost of work of CIP carryovers.

**CITY OF MONTEREY PARK**  
**Required Supplementary Information (Unaudited)**  
**Special Revenue Grants Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2020**

	Special Revenue Grants Fund			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 1,860,631	2,121,807	\$ 2,193,113	\$ 71,306
Revenues from use of money and property	-	-	31,878	31,878
Total Revenues	<u>1,860,631</u>	<u>2,121,807</u>	<u>2,224,991</u>	<u>103,184</u>
Expenditures:				
Current:				
General government	1,000	1,000	247,435	(246,435)
Public safety	243,246	488,909	336,563	152,346
Community development	435,324	485,324	80,767	404,557
Culture and recreation	142,045	159,131	240,140	(81,009)
Highways and streets	32,817	32,817	59,700	(26,883)
Capital outlay		1,717,150	183,551	1,533,599
Debt service:				
Principal retirement	565,953	565,953	565,956	(3)
Interest and fiscal charges	38,868	38,868	38,864	4
Total Expenditures	<u>1,459,253</u>	<u>3,489,152</u>	<u>1,752,976</u>	<u>1,736,176</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>401,378</u>	<u>(1,367,345)</u>	<u>472,015</u>	<u>1,839,360</u>
Other Financing Uses:				
Transfers out	-	-	(213,650)	(213,650)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>(188,163)</u>	<u>(188,163)</u>
Net Change in Fund Balance	<u>\$ 401,378</u>	<u>\$ (1,367,345)</u>	<u>283,852</u>	<u>\$ 1,651,197</u>
Fund Balance, Beginning of Year, as Restated			<u>1,449,702</u>	
Fund Balance, End of Year			<u>\$ 1,733,554</u>	

**CITY OF MONTEREY PARK**  
**Required Supplementary Information (Unaudited)**  
**Special Revenue Retirement/Pension Liability Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2020**

	Special Revenue Retirement/Pension Liability			
	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual	
Revenues:				
Taxes	\$ 7,403,000	7,390,259	\$ 7,459,647	\$ 69,388
Revenues from use of money and property	-	12,741	10,364	(2,377)
Other revenue		-	11,100	11,100
Total Revenues	<u>7,403,000</u>	<u>7,403,000</u>	<u>7,481,111</u>	<u>78,111</u>
Expenditures:				
Current:				
General government	1,751,013	1,822,164	1,789,754	32,410
Public safety	7,396,063	7,450,629	7,020,221	430,408
Community development	95,080	103,177	106,955	(3,778)
Culture and recreation	900,320	1,089,167	1,019,602	69,565
Highways and streets	373,276	450,563	381,579	68,984
Debt service:				
Principal retirement	435,000	435,000	435,000	-
Interest and fiscal charges	763,878	763,878	763,878	-
Total Expenditures	<u>11,714,630</u>	<u>12,114,578</u>	<u>11,516,989</u>	<u>597,589</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,311,630)</u>	<u>(4,711,578)</u>	<u>(4,035,878)</u>	<u>675,700</u>
Other Financing Sources:				
Transfers in	<u>3,200,000</u>	<u>3,200,000</u>	<u>4,080,521</u>	<u>880,521</u>
Total Other Financing Sources	<u>3,200,000</u>	<u>3,200,000</u>	<u>4,080,521</u>	<u>880,521</u>
Net Change in Fund Balance	<u>\$ (1,111,630)</u>	<u>\$ (1,511,578)</u>	44,643	<u>\$ 1,556,221</u>
Fund Balance, Beginning of Year			<u>7,965,508</u>	
Fund Balance, End of Year			<u>\$ 8,010,151</u>	

**CITY OF MONTEREY PARK**  
**Required Supplementary Information (Unaudited)**  
**Special Revenue Housing Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2020**

	Special Revenue Housing			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Other revenue	\$ 152,342	\$ 152,342	\$ -	\$ (152,342)
Total Revenues	<u>152,342</u>	<u>152,342</u>	<u>-</u>	<u>(152,342)</u>
Expenditures:				
Current:				
Community development	60,000	10,000	-	10,000
Total Expenditures	<u>60,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net Change in Fund Balance	<u>\$ 92,342</u>	<u>\$ 142,342</u>	<u>-</u>	<u>\$ (142,342)</u>
Fund Balance, Beginning of Year			<u>2,445,394</u>	
Fund Balance, End of Year			<u>\$ 2,445,394</u>	

**CITY OF MONTEREY PARK**  
**Notes to the Required Supplementary Information (Unaudited)**  
**June 30, 2020**

**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 2019-2020, General Fund budgetary appropriation went down by \$250,000 due to tightened budget control; a \$2.0 million increase in Special Revenue Grants Fund related to various grants received; and a \$400,000 increase in the Retirement/Pension Liability Fund related to MOU adjustments.

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

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

Under Article XIII-B of the California Constitution (The Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations, and if certain proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or refunded to the taxpayers through revised tax rate or revised fee schedules. For the fiscal year ended June 30, 2020, based on calculations by City Management, proceeds of taxes did not exceed the appropriations limit.

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**SUPPLEMENTARY INFORMATION**

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## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

***Law Enforcement/Fire/Medic DIF Fund*** - used to account for fees collected on new commercial and residential development. These funds will be used exclusively to finance public safety service expansion.

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

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

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## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS, *Continued*

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

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

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

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

**CITY OF MONTEREY PARK**  
**Combining Balance Sheet - Nonmajor Governmental Funds**  
**June 30, 2020**

	Special Revenue Funds			
	Proposition A	Gas Tax	Proposition C	Air Quality Improvement
<u>Assets</u>				
Cash and investments	\$ 3,111,404	\$ 827,598	\$ 1,463,330	\$ 241,325
Accounts receivable	106,715	-	-	-
Interest receivable	8,229	1,097	3,863	626
Total Assets	<u>\$ 3,226,348</u>	<u>\$ 828,695</u>	<u>\$ 1,467,193</u>	<u>\$ 241,951</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 15,298	\$ 72,835	\$ 1,011	\$ 5,931
Accrued payroll	4,261	3,907	1,035	113
Due to other funds	-	-	-	-
Total Liabilities	<u>19,559</u>	<u>76,742</u>	<u>2,046</u>	<u>6,044</u>
Fund Balances (Deficits):				
Restricted	3,206,789	751,953	1,465,147	235,907
Committed	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	<u>3,206,789</u>	<u>751,953</u>	<u>1,465,147</u>	<u>235,907</u>
Total Liabilities and Fund Balances	<u>\$ 3,226,348</u>	<u>\$ 828,695</u>	<u>\$ 1,467,193</u>	<u>\$ 241,951</u>

**CITY OF MONTEREY PARK**  
**Combining Balance Sheet - Nonmajor Governmental Funds, Continued**  
**June 30, 2020**

	Special Revenue Funds				
	Asset Forfeiture	Parks/Library/ Facilities DIF	Business Improvement Area #1	Maintenance District 93-1	Law Enforcement/ Fire/Medic DIF
<u>Assets</u>					
Cash and investments	\$ 846,382	\$ 1,000,538	\$ 135,610	\$ 43,263	\$ 595,593
Accounts receivable	-	-	-	8,064	-
Interest receivable	2,295	2,627	345	-	1,620
Total Assets	<u>\$ 848,677</u>	<u>\$ 1,003,165</u>	<u>\$ 135,955</u>	<u>\$ 51,327</u>	<u>\$ 597,213</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 1,872	\$ -	\$ 10,251	\$ 7,477	\$ 8,249
Accrued payroll	-	-	-	1,182	1,168
Due to other funds	-	-	-	-	-
Total Liabilities	<u>1,872</u>	<u>-</u>	<u>10,251</u>	<u>8,659</u>	<u>9,417</u>
Fund Balances (Deficits):					
Restricted	846,805	1,003,165	125,704	42,668	587,796
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	<u>846,805</u>	<u>1,003,165</u>	<u>125,704</u>	<u>42,668</u>	<u>587,796</u>
Total Liabilities and Fund Balances	<u>\$ 848,677</u>	<u>\$ 1,003,165</u>	<u>\$ 135,955</u>	<u>\$ 51,327</u>	<u>\$ 597,213</u>

(Continued)

**CITY OF MONTEREY PARK**  
**Combining Balance Sheet - Nonmajor Governmental Funds, Continued**  
**June 30, 2020**

	Special Revenue Funds				
	Public Safety Augmentation	Measure R	Circulation DIF	CERCLA Liability	SB1 - RMRA
<u>Assets</u>					
Cash and investments	\$ -	\$ 2,246,377	\$ 306,260	\$ 416,191	\$ 1,359,713
Accounts receivable	111,238	-	-	1,086	163,525
Interest receivable	-	5,917	804	1,106	3,612
Total Assets	<u>\$ 111,238</u>	<u>\$ 2,252,294</u>	<u>\$ 307,064</u>	<u>\$ 418,383</u>	<u>\$ 1,526,850</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ -	\$ 20,108	\$ -	\$ -	\$ -
Accrued payroll	-	1,300	-	-	-
Due to other funds	183,883	-	-	-	-
Total Liabilities	<u>183,883</u>	<u>21,408</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits):					
Restricted	-	2,230,886	307,064	-	1,526,850
Committed	-	-	-	418,383	-
Unassigned	(72,645)	-	-	-	-
Total Fund Balances (Deficits)	<u>(72,645)</u>	<u>2,230,886</u>	<u>307,064</u>	<u>418,383</u>	<u>1,526,850</u>
Total Liabilities and Fund Balances	<u>\$ 111,238</u>	<u>\$ 2,252,294</u>	<u>\$ 307,064</u>	<u>\$ 418,383</u>	<u>\$ 1,526,850</u>

(Continued)

**CITY OF MONTEREY PARK**  
**Combining Balance Sheet - Nonmajor Governmental Funds, Continued**  
**June 30, 2020**

	Special Revenue Funds	Total Nonmajor Governmental Funds
<u>Assets</u>	Measure M	
Cash and investments	\$ 2,361,312	\$ 14,954,896
Accounts receivable	-	390,628
Interest receivable	6,276	38,417
Total Assets	\$ 2,367,588	\$ 15,383,941
<u>Liabilities and Fund Balances</u>		
Liabilities:		
Accounts payable	\$ -	\$ 143,032
Accrued payroll	-	12,966
Due to other funds	-	183,883
Total Liabilities	-	339,881
Fund Balances (Deficits):		
Restricted	2,367,588	14,698,322
Committed	-	418,383
Unassigned	-	(72,645)
Total Fund Balances (Deficits)	2,367,588	15,044,060
Total Liabilities and Fund Balances	\$ 2,367,588	\$ 15,383,941

**CITY OF MONTEREY PARK**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2020**

	Special Revenue Funds			
	Proposition A	Gas Tax	Proposition C	Air Quality Improvement
Revenues:				
Taxes	\$ 1,313,745	\$ 1,331,127	\$ 1,001,234	\$ 79,856
Charges for services	46,528	-	-	-
Revenues from use of money and property	50,893	8,207	22,626	3,861
Fines and forfeitures	-	-	-	-
Total Revenues	<u>1,411,166</u>	<u>1,339,334</u>	<u>1,023,860</u>	<u>83,717</u>
Expenditures:				
Current:				
General government	-	-	7,263	-
Public safety	49,029	195,376	-	-
Community development	-	-	-	-
Culture and recreation	13,848	-	-	-
Highways and streets	1,339,719	1,387,426	630,224	10,058
Health	-	-	-	-
Capital outlay	104,256	-	34,926	71,172
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>1,506,852</u>	<u>1,582,802</u>	<u>672,413</u>	<u>81,230</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(95,686)</u>	<u>(243,468)</u>	<u>351,447</u>	<u>2,487</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	<u>(35,500)</u>	<u>(63,300)</u>	<u>(7,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(35,500)</u>	<u>(63,300)</u>	<u>(7,000)</u>	<u>-</u>
Net Changes in Fund Balances	(131,186)	(306,768)	344,447	2,487
Fund Balances (Deficits), Beginning of Year	<u>3,337,975</u>	<u>1,058,721</u>	<u>1,120,700</u>	<u>233,420</u>
Fund Balances (Deficits), End of Year	<u>\$ 3,206,789</u>	<u>\$ 751,953</u>	<u>\$ 1,465,147</u>	<u>\$ 235,907</u>

**CITY OF MONTEREY PARK**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Nonmajor Governmental Funds, Continued**  
**For the Year Ended June 30, 2020**

	Special Revenue Funds				
	Asset Forfeiture	Parks/Library/ Facilities DIF	Business Improvement Area #1	Maintenance District 93-1	Law Enforcement/ Fire/Medic DIF
Revenues:					
Taxes	\$ -	\$ -	\$ 64,137	\$ 987,667	\$ -
Charges for services	-	81,136	-	-	21,554
Revenues from use of money and property	13,996	17,123	1,860	-	6,392
Fines and forfeitures	60,201	-	-	-	-
<b>Total Revenues</b>	<b>74,197</b>	<b>98,259</b>	<b>65,997</b>	<b>987,667</b>	<b>27,946</b>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	193,776	-	-	-	101,953
Community development	-	-	83,568	-	-
Culture and recreation	-	-	-	305,388	-
Highways and streets	-	-	-	607,494	-
Health	-	-	-	-	-
Capital outlay	14,266	72,227	-	5,923	179,568
Debt service:					
Principal retirement	8,599	-	-	-	30,000
Interest and fiscal charges	12,316	-	-	-	-
<b>Total Expenditures</b>	<b>228,957</b>	<b>72,227</b>	<b>83,568</b>	<b>918,805</b>	<b>311,521</b>
Excess (Deficiency) of Revenues Over Expenditures	(154,760)	26,032	(17,571)	68,862	(283,575)
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(26,200)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(26,200)</b>	<b>-</b>
<b>Net Changes in Fund Balances</b>	<b>(154,760)</b>	<b>26,032</b>	<b>(17,571)</b>	<b>42,662</b>	<b>(283,575)</b>
Fund Balances (Deficits), Beginning of Year	1,001,565	977,133	143,275	6	871,371
<b>Fund Balances (Deficits), End of Year</b>	<b>\$ 846,805</b>	<b>\$ 1,003,165</b>	<b>\$ 125,704</b>	<b>\$ 42,668</b>	<b>\$ 587,796</b>

(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, 2020**

	Special Revenue Funds				
	Public Safety Augmentation	Measure R	Circulation DIF	CERCLA Liability	SB1 - RMRA
Revenues:					
Taxes	\$ 731,789	\$ 749,815	\$ 22,349	\$ 131,733	\$ 1,140,361
Charges for services	-	-	-	-	-
Revenues from use of money and property	-	34,070	5,417	6,409	23,438
Fines and forfeitures	-	-	-	-	-
Total Revenues	<u>731,789</u>	<u>783,885</u>	<u>27,766</u>	<u>138,142</u>	<u>1,163,799</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	711,334	-	-	-	-
Community development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Highways and streets	-	210,827	-	-	-
Health	-	-	-	137,500	-
Capital outlay	-	376,220	-	-	1,304,395
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>711,334</u>	<u>587,047</u>	<u>-</u>	<u>137,500</u>	<u>1,304,395</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>20,455</u>	<u>196,838</u>	<u>27,766</u>	<u>642</u>	<u>(140,596)</u>
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Transfers out	(93,100)	(8,300)	-	-	-
Total Other Financing Sources (Uses)	<u>(93,100)</u>	<u>(8,300)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	(72,645)	188,538	27,766	642	(140,596)
Fund Balances (Deficits), Beginning of Year	-	2,042,348	279,298	417,741	1,667,446
Fund Balances (Deficits), End of Year	<u>\$ (72,645)</u>	<u>\$ 2,230,886</u>	<u>\$ 307,064</u>	<u>\$ 418,383</u>	<u>\$ 1,526,850</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, 2020**

	Special Revenue Funds	Total Nonmajor Governmental Funds
	<u>Measure M</u>	<u>Funds</u>
Revenues:		
Taxes	\$ 844,498	\$ 8,398,311
Charges for services	-	149,218
Revenues from use of money and property	33,507	227,799
Fines and forfeitures	-	60,201
Total Revenues	<u>878,005</u>	<u>8,835,529</u>
Expenditures:		
Current:		
General government	-	7,263
Public safety	-	1,251,468
Community development	-	83,568
Culture and recreation	-	319,236
Highways and streets	4,908	4,190,656
Health	-	137,500
Capital outlay	-	2,162,953
Debt service:		
Principal retirement	-	38,599
Interest and fiscal charges	-	12,316
Total Expenditures	<u>4,908</u>	<u>8,203,559</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>873,097</u>	<u>631,970</u>
Other Financing Sources (Uses):		
Transfers in	-	-
Transfers out	-	(233,400)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(233,400)</u>
Net Changes in Fund Balances	873,097	398,570
Fund Balances (Deficits), Beginning of Year	<u>1,494,491</u>	<u>14,645,490</u>
Fund Balances (Deficits), End of Year	<u>\$ 2,367,588</u>	<u>\$ 15,044,060</u>

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Special Revenue Proposition A Fund**  
**For the Year Ended June 30, 2020**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 1,340,000	\$ 1,313,745	\$ (26,255)
Charges for services	81,500	46,528	(34,972)
Revenues from use of money and property	25,000	50,893	25,893
Total Revenues	1,446,500	1,411,166	(35,334)
Expenditures:			
Current:			
Public safety	52,300	49,029	3,271
Culture and recreation	20,365	13,848	6,517
Highways and streets	1,454,242	1,339,719	114,523
Capital outlay	207,373	104,256	103,117
Total Expenditures	1,734,280	1,506,852	227,428
Excess (Deficiency) of Revenues Over Expenditures	(287,780)	(95,686)	192,094
Other Financing Uses:			
Transfers out	-	(35,500)	(35,500)
Total Other Financing Uses	-	(35,500)	(35,500)
Net Change in Fund Balance	\$ (287,780)	(131,186)	\$ 156,594
Fund Balance, Beginning of Year		3,337,975	
Fund Balance, End of Year		\$ 3,206,789	

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Special Revenue Gas Tax Fund**  
**For the Year Ended June 30, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	\$ 1,550,978	\$ 1,331,127	\$ (219,851)
Revenues from use of money and property	18,500	8,207	(10,293)
Total Revenues	<u>1,569,478</u>	<u>1,339,334</u>	<u>(230,144)</u>
Expenditures:			
Current:			
Public safety	85,216	195,376	(110,160)
Highways and streets	1,907,686	1,387,426	520,260
Total Expenditures	<u>1,992,902</u>	<u>1,582,802</u>	<u>410,100</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(423,424)</u>	<u>(243,468)</u>	<u>179,956</u>
Other Financing Uses:			
Transfers out	<u>-</u>	<u>(63,300)</u>	<u>(63,300)</u>
Total Other Financing Uses	<u>-</u>	<u>(63,300)</u>	<u>(63,300)</u>
Net Change in Fund Balance	<u>\$ (423,424)</u>	<u>(306,768)</u>	<u>\$ 116,656</u>
Fund Balance, Beginning of Year		<u>1,058,721</u>	
Fund Balance, End of Year		<u>\$ 751,953</u>	

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Special Revenue Bike Route Fund**  
**For the Year Ended June 30, 2020**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	35,000	\$ -	\$ (35,000)
Revenues from use of money and property	-	-	-
Total Revenues	35,000	-	(35,000)
Expenditures:			
Capital outlay	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	\$ 35,000	-	\$ (35,000)
Fund Balance, Beginning of Year		-	
Fund Balance, End of Year		\$ -	

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Special Revenue Proposition C Fund**  
**For the Year Ended June 30, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	\$ 1,025,000	\$ 1,001,234	\$ (23,766)
Revenues from use of money and property	10,000	22,626	12,626
Total Revenues	<u>1,035,000</u>	<u>1,023,860</u>	<u>(11,140)</u>
Expenditures:			
Current:			
General Government	6,700	7,263	(563)
Highways and streets	673,660	630,224	43,436
Capital outlay	<u>457,247</u>	<u>34,926</u>	<u>422,321</u>
Total Expenditures	<u>1,137,607</u>	<u>672,413</u>	<u>465,194</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(102,607)</u>	<u>351,447</u>	<u>454,054</u>
Other Financing Uses:			
Transfers out	<u>-</u>	<u>(7,000)</u>	<u>(7,000)</u>
Total Other Financing Sources	<u>-</u>	<u>(7,000)</u>	<u>(7,000)</u>
Net Change in Fund Balance	<u>\$ (102,607)</u>	344,447	<u>\$ 447,054</u>
Fund Balance, Beginning of Year		<u>1,120,700</u>	
Fund Balance, End of Year		<u>\$ 1,465,147</u>	

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Special Revenue Air Quality Improvement Fund**  
**For the Year Ended June 30, 2020**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 82,000	\$ 79,856	\$ (2,144)
Revenues from use of money and property	2,500	3,861	1,361
Total Revenues	84,500	83,717	(783)
Expenditures:			
Current:			
Highways and streets	22,000	10,058	11,942
Capital outlay	103,344	71,172	32,172
Total Expenditures	125,344	81,230	44,114
Excess (Deficiency) of Revenues Over Expenditures	\$ (40,844)	2,487	\$ 43,331
Fund Balance, Beginning of Year		233,420	
Fund Balance, End of Year		\$ 235,907	

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Special Revenue Asset Forfeiture Fund**  
**For the Year Ended June 30, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Revenues from use of money and property	\$ 5,000	\$ 13,996	\$ 8,996
Fines and forfeitures	185,000	60,201	(124,799)
Total Revenues	<u>190,000</u>	<u>74,197</u>	<u>(115,803)</u>
Expenditures:			
Current:			
Public safety	209,830	193,776	16,054
Capital outlay	98,500	14,266	84,234
Debt service:			
Principal retirement	8,602	8,599	3
Interest and fiscal charges	12,313	12,316	(3)
Total Expenditures	<u>329,245</u>	<u>228,957</u>	<u>100,288</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (139,245)</u>	<u>(154,760)</u>	<u>\$ (15,515)</u>
Fund Balance, Beginning of Year		<u>1,001,565</u>	
Fund Balance, End of Year		<u>\$ 846,805</u>	

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Special Revenue Parks/Library/Facilities DIF Fund**  
**For the Year Ended June 30, 2020**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	\$ 50,500	\$ 81,136	\$ 30,636
Revenues from use of money and property	-	17,123	17,123
Total Revenues	<u>51,500</u>	<u>98,259</u>	<u>46,759</u>
Expenditures:			
Capital outlay	<u>593,038</u>	<u>72,227</u>	<u>520,811</u>
Total Expenditures	<u>593,038</u>	<u>72,227</u>	<u>520,811</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(541,538)</u>	26,032	<u>\$ 567,570</u>
Fund Balance (Deficit), Beginning of Year		<u>977,133</u>	
Fund Balance (Deficit), End of Year		<u>\$ 1,003,165</u>	

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Special Revenue Business Improvement Area #1 Fund**  
**For the Year Ended June 30, 2020**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 72,000	\$ 64,137	\$ (7,863)
Revenues from use of money and property	2,000	1,860	(140)
Total Revenues	<u>74,000</u>	<u>65,997</u>	<u>(8,003)</u>
Expenditures:			
Current:			
Community development	<u>89,539</u>	<u>83,568</u>	<u>5,971</u>
Total Expenditures	<u>89,539</u>	<u>83,568</u>	<u>5,971</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (15,539)</u>	<u>(17,571)</u>	<u>\$ (2,032)</u>
Fund Balance, Beginning of Year		<u>143,275</u>	
Fund Balance, End of Year		<u>\$ 125,704</u>	

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Special Revenue Maintenance District 93-1 Fund**  
**For the Year Ended June 30, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	\$ 985,000	\$ 987,667	\$ 2,667
Total Revenues	<u>985,000</u>	<u>987,667</u>	<u>2,667</u>
Expenditures:			
Current:			
Culture and recreation	460,507	305,388	155,119
Highways and streets	547,586	607,494	(59,908)
Capital outlay	<u>5,000</u>	<u>5,923</u>	<u>(923)</u>
Total Expenditures	<u>1,013,093</u>	<u>918,805</u>	<u>94,288</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(28,093)</u>	<u>68,862</u>	<u>96,955</u>
Other Financing Uses:			
Transfers out	<u>-</u>	<u>(26,200)</u>	<u>(26,200)</u>
Total Other Financing Uses	<u>-</u>	<u>(26,200)</u>	<u>(26,200)</u>
Net Change in Fund Balance	<u>\$ (28,093)</u>	42,662	<u>\$ 70,755</u>
Fund Balance, Beginning of Year		<u>6</u>	
Fund Balance, End of Year		<u>\$ 42,668</u>	

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Special Revenue Law Enforcement/Fire/Medic DIF Fund**  
**For the Year Ended June 30, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Charges for services	\$ 16,000	\$ 21,554	\$ 5,554
Revenues from use of money and property	1,500	6,392	4,892
Total Revenues	<u>19,000</u>	<u>27,946</u>	<u>8,946</u>
Expenditures:			
Current:			
Public safety	85,799	101,953	(16,154)
Capital outlay	<u>894,963</u>	<u>179,568</u>	<u>715,395</u>
Total Expenditures	<u>980,762</u>	<u>311,521</u>	<u>669,241</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (961,762)</u>	<u>(283,575)</u>	<u>\$ 678,187</u>
Fund Balance (Deficit), Beginning of Year		<u>871,371</u>	
Fund Balance (Deficit), End of Year		<u>\$ 587,796</u>	

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Special Revenue Public Safety Augmentation Fund**  
**For the Year Ended June 30, 2020**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 776,000	\$ 731,789	\$ (44,211)
Total Revenues	<u>776,000</u>	<u>731,789</u>	<u>(44,211)</u>
Expenditures:			
Current:			
Public safety	<u>776,000</u>	<u>711,334</u>	<u>64,666</u>
Total Expenditures	<u>776,000</u>	<u>711,334</u>	<u>64,666</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>20,455</u>	<u>20,455</u>
Other Financing Uses:			
Transfers out	<u>-</u>	<u>(93,100)</u>	<u>(93,100)</u>
Total Other Financing Uses	<u>-</u>	<u>(93,100)</u>	<u>(93,100)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>(72,645)</u>	<u>\$ (72,645)</u>
Fund Balance, Beginning of Year		<u>-</u>	
Fund Balance, End of Year		<u>\$ (72,645)</u>	

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Special Revenue Measure R Fund**  
**For the Year Ended June 30, 2020**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 717,000	\$ 749,815	\$ 32,815
Revenues from use of money and property	20,000	34,070	14,070
Total Revenues	737,000	783,885	46,885
Expenditures:			
Current:			
Highways and streets	328,593	210,827	117,766
Capital outlay	1,999,551	376,220	1,623,331
Total Expenditures	2,328,144	587,047	1,741,097
Excess (Deficiency) of Revenues Over Expenditures	(1,591,144)	196,838	1,787,982
Other Financing Uses:			
Transfers out	-	(8,300)	(8,300)
Total Other Financing Uses	-	(8,300)	(8,300)
Net Change in Fund Balance	\$ (1,591,144)	188,538	\$ 1,779,682
Fund Balance, Beginning of Year		2,042,348	
Fund Balance, End of Year		\$ 2,230,886	

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Special Revenue Circulation DIF Fund**  
**For the Year Ended June 30, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	\$ 25,000	\$ 22,349	\$ (2,651)
Revenues from use of money and property	-	5,417	5,417
Total Revenues	<u>25,000</u>	<u>27,766</u>	<u>2,766</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 25,000</u>	<u>27,766</u>	<u>\$ 2,766</u>
Fund Balance (Deficit), Beginning of Year		<u>279,298</u>	
Fund Balance (Deficit), End of Year		<u>\$ 307,064</u>	

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Special Revenue CERCLA Liability Fund**  
**For the Year Ended June 30, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	\$ 120,000	\$ 131,733	\$ 11,733
Revenues from use of money and property	<u>5,000</u>	<u>6,409</u>	<u>1,409</u>
Total Revenues	<u>125,000</u>	<u>138,142</u>	<u>13,142</u>
Expenditures:			
Current:			
Health	<u>150,000</u>	<u>137,500</u>	<u>12,500</u>
Total Expenditures	<u>150,000</u>	<u>137,500</u>	<u>12,500</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (25,000)</u>	<u>642</u>	<u>\$ 25,642</u>
Fund Balance, Beginning of Year		<u>417,741</u>	
Fund Balance, End of Year		<u>\$ 418,383</u>	

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Special Revenue SB1-RMRA Fund**  
**For the Year Ended June 30, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	\$ 1,093,095	\$ 1,140,361	\$ 47,266
Revenues from use of money and property	(3,800)	23,438	27,238
Total Revenues	<u>1,089,295</u>	<u>1,163,799</u>	<u>74,504</u>
Expenditures:			
Current:			
Highways and streets	<u>2,023,000</u>	<u>-</u>	<u>2,023,000</u>
Total Expenditures	<u>2,023,000</u>	<u>-</u>	<u>2,023,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (933,705)</u>	<u>1,163,799</u>	<u>\$ 2,097,504</u>
Fund Balance, Beginning of Year		<u>1,667,446</u>	
Fund Balance, End of Year		<u>\$ 2,831,245</u>	

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Special Revenue Measure M Fund**  
**For the Year Ended June 30, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes	\$ 758,000	\$ 844,498	\$ 86,498
Revenues from use of money and property	<u>(6,000)</u>	<u>33,507</u>	<u>39,507</u>
Total Revenues	<u>752,000</u>	<u>878,005</u>	<u>126,005</u>
Expenditures:			
Current:			
Highways and streets	<u>1,605,013</u>	<u>4,908</u>	<u>1,600,105</u>
Total Expenditures	<u>1,605,013</u>	<u>4,908</u>	<u>1,600,105</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (853,013)</u>	<u>873,097</u>	<u>\$ 1,726,110</u>
Fund Balance, Beginning of Year		<u>1,494,491</u>	
Fund Balance, End of Year		<u>\$ 2,367,588</u>	

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## WATER UTILITY ENTERPRISE FUND

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

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

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

**CITY OF MONTEREY PARK**  
**Water Utility Enterprise Fund**  
**Combining Schedule of Net Position**  
**June 30, 2020**

<u>Assets</u>	Water Operations Activity	Water Treatment Activity	Total
<b>Current Assets:</b>			
Cash and investments	\$ 8,891,912	\$ 17,548,918	\$ 26,440,830
Accounts receivable	2,873,218	1,678,710	4,551,928
Interest receivable	23,562	47,644	71,206
Total Current Assets	<u>11,788,692</u>	<u>19,275,272</u>	<u>31,063,964</u>
<b>Noncurrent Assets:</b>			
Nondepreciable capital assets	563,351	8,692,912	9,256,263
Depreciable capital assets, net of accumulated depreciation	23,565,719	5,046,639	28,612,358
Total Noncurrent Assets	<u>24,129,070</u>	<u>13,739,551</u>	<u>37,868,621</u>
Total Assets	<u>35,917,762</u>	<u>33,014,823</u>	<u>68,932,585</u>
 <u>Deferred Outflows of Resources</u>			
Amounts related to pension plans	454,366	108,453	562,819
Amounts related to other post employment benefit plans	229,888	79,197	309,085
Total Deferred Outflows of Resources	<u>684,254</u>	<u>187,650</u>	<u>871,904</u>
 <u>Liabilities</u>			
<b>Current Liabilities:</b>			
Accounts payable	1,873,400	87,824	1,961,224
Accrued payroll	20,909	9,348	30,257
Deposits and advances	447,439	-	447,439
Capital lease obligations - due within one year	551,053	-	551,053
Compensated absences payable - due within one year	28,541	26,102	54,642
Total Current Liabilities	<u>2,921,342</u>	<u>123,274</u>	<u>3,044,615</u>
<b>Noncurrent Liabilities:</b>			
Capital lease obligation	7,915,247	-	7,915,247
Compensated absences payable	256,866	234,914	491,781
Net OPEB liability	2,080,153	716,618	2,796,771
Net pension liabilities	2,978,573	710,955	3,689,528
Total Non Current Liabilities	<u>13,230,839</u>	<u>1,662,487</u>	<u>14,893,327</u>
Total Liabilities	<u>16,152,181</u>	<u>1,785,761</u>	<u>17,937,942</u>
 <u>Deferred Inflows of Resources</u>			
Amounts related to pension plans	59,146	14,118	73,264
Amounts related to other post employment benefit plans	443,443	152,767	596,210
Total Deferred Inflows of Resources	<u>502,589</u>	<u>166,885</u>	<u>669,474</u>
 <u>Net Position</u>			
Net investment in capital assets	15,662,770	13,739,551	29,402,321
Unrestricted	4,284,476	17,510,276	21,794,752
Total Net Position	<u>\$ 19,947,246</u>	<u>\$ 31,249,827</u>	<u>\$ 51,197,073</u>
Adjustment to reflect the consolidation of internal service funds activities to related enterprise activity	<u>(5,105,729)</u>	<u>-</u>	<u>(5,105,729)</u>
Net Position Related to Water Utility Enterprise Activities	<u>\$ 14,841,517</u>	<u>\$ 31,249,827</u>	<u>\$ 46,091,344</u>

**CITY OF MONTEREY PARK**  
**Water Utility Enterprise Fund**  
**Combining Schedule of Revenues, Expenses and Changes in Net Position**  
**For the Year Ended June 30, 2020**

	Water Operations Activity	Water Treatment Activity	Total
Operating Revenues:			
Charges for services	\$ 9,613,646	\$ 4,082,530	\$ 13,696,176
Meter installations	95,264	-	95,264
Other revenue	3,945	2,256,481	2,260,426
<b>Total Operating Revenues</b>	<b>9,712,855</b>	<b>6,339,011</b>	<b>16,051,866</b>
Operating Expenses:			
Administration	3,553,680	-	3,553,680
Commercial - water	1,061,068	-	1,061,068
Production - water	3,470,786	-	3,470,786
Distribution - water	1,482,993	-	1,482,993
Treatment plant operations	-	3,592,854	3,592,854
Depreciation	1,207,390	373,026	1,580,416
<b>Total Operating Expenses</b>	<b>10,775,917</b>	<b>3,965,880</b>	<b>14,741,797</b>
<b>Operating Income (Loss)</b>	<b>(1,063,062)</b>	<b>2,373,131</b>	<b>1,310,069</b>
Nonoperating Revenues (Expenses):			
Interest income	129,847	284,567	414,414
Interest expense	(288,151)	-	(288,151)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(158,304)</b>	<b>284,567</b>	<b>126,263</b>
<b>Net Income (Loss) Before Capital Contributions and Transfers</b>	<b>(1,221,366)</b>	<b>2,657,698</b>	<b>1,436,332</b>
Capital Contributions	149,262	-	149,262
Transfers out	(270,864)	(123,884)	(394,748)
<b>Changes in Net Position</b>	<b>(1,342,968)</b>	<b>2,533,814</b>	<b>1,190,846</b>
Net Position, Beginning of Year, As Restated	21,290,214	28,716,013	50,006,227
Net Position, End of Year	<b>\$ 19,947,246</b>	<b>\$ 31,249,827</b>	<b>\$ 51,197,073</b>
Changes in Net Position	\$ (1,342,968)	\$ 2,533,814	\$ 1,190,846
Adjustment to reflect consolidation of internal service fund activities to related enterprise activity	(1,100,690)	-	(1,100,690)
<b>Changes in Net Position Related to Water Utility Enterprise Activities</b>	<b>\$ (2,443,658)</b>	<b>\$ 2,533,814</b>	<b>\$ 90,156</b>

**CITY OF MONTEREY PARK**  
**Water Utility Enterprise Fund**  
**Combining Schedule of Cash Flows**  
**For the Year Ended June 30, 2020**

	Water Operations Activity	Water Treatment Activity	Total
<b>Cash Flows from Operating Activities:</b>			
Cash receipts from customers	\$ 9,935,554	\$ 8,171,366	\$ 18,106,920
Cash payments to suppliers for goods and services	(5,709,619)	(2,892,577)	(8,602,196)
Cash payments to employees for services	(3,751,908)	(1,326,533)	(5,078,441)
Net Cash Provided by Operating Activities	<u>474,027</u>	<u>3,952,256</u>	<u>4,426,283</u>
<b>Cash Flows from Noncapital and Related Financing Activities:</b>			
Cash paid to other funds	<u>(270,864)</u>	<u>(123,884)</u>	<u>(394,748)</u>
Net Cash Provided by (Used in) Noncapital and Related Financing Activities	<u>(270,864)</u>	<u>(123,884)</u>	<u>(394,748)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	(339,263)	(48,558)	(387,821)
Capital contributions	149,262	-	149,262
Principal paid on lease financing	(500,943)	(200,000)	(700,943)
Interest paid on lease financing	(288,151)	-	(288,151)
Net Cash Used in Capital and Related Financing Activities	<u>(979,095)</u>	<u>(248,558)</u>	<u>(1,227,653)</u>
<b>Cash Flows from Investing Activities:</b>			
Interest income	<u>142,489</u>	<u>289,856</u>	<u>432,345</u>
Net Cash Provided by Investing Activities	<u>142,489</u>	<u>289,856</u>	<u>432,345</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(633,443)	3,869,670	3,236,227
Cash and Cash Equivalents, Beginning of Year	<u>9,525,355</u>	<u>13,679,248</u>	<u>23,204,603</u>
Cash and Cash Equivalents, End of Year	<u>\$ 8,891,912</u>	<u>\$ 17,548,918</u>	<u>\$ 26,440,830</u>
Cash and investments	<u>\$ 8,891,912</u>	<u>\$ 17,548,918</u>	<u>\$ 26,440,830</u>
Total Cash and Cash Equivalents	<u>\$ 8,891,912</u>	<u>\$ 17,548,918</u>	<u>\$ 26,440,830</u>
<b>Reconciliation of Operating Income (Loss) to Net</b>			
<b>Cash Provided by Operating Activities:</b>			
Operating income (loss)	<u>\$ (1,063,062)</u>	<u>\$ 2,373,131</u>	<u>\$ 1,310,069</u>
<b>Adjustments to Reconcile Operating Income (Loss) to</b>			
<b>Net Cash Provided by Operating Activities:</b>			
Depreciation	1,207,390	373,026	1,580,416
Write-off noncapitalizable CIP	44,740	-	44,740
Changes in assets, deferred outflows, liabilities and deferred inflows:			
(Increase) decrease in accounts receivable	222,699	1,832,355	2,055,054
(Increase) decrease in deferred outflows of resources - pension plans	(104,992)	(25,057)	(130,049)
(Increase) decrease in deferred outflows of resources - OPEB plan	(425)	(147)	(572)
Increase (decrease) in accounts payable	172,889	(565,462)	(392,573)
Increase (decrease) in accrued payroll	(60,021)	(25,816)	(85,837)
Increase (decrease) in deposits and advances	(2,781)	-	(2,781)
Increase (decrease) in compensated absences payable	(44,577)	(25,512)	(70,089)
Increase (decrease) in net pension liabilities	158,660	37,373	196,033
Increase (decrease) in net OPEB liabilities	(503,450)	(173,439)	(676,889)
Increase (decrease) in deferred inflows of resources - pension plans	20,474	4,880	25,354
Increase (decrease) in deferred inflows of resources - OPEB plan	426,483	146,924	573,407
Total Adjustments	<u>1,537,089</u>	<u>1,579,125</u>	<u>3,116,214</u>
Net Cash Provided by Operating Activities	<u>\$ 474,027</u>	<u>\$ 3,952,256</u>	<u>\$ 4,426,283</u>

## INTERNAL SERVICE FUNDS

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

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

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

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

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

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

**CITY OF MONTEREY PARK**  
**Combining Schedule of Net Position - Internal Service Funds**  
**June 30, 2020**

<u>Assets</u>	<u>Separation Benefits</u>	<u>General Liability</u>	<u>Workers' Compensation</u>
<b>Current Assets:</b>			
Cash and investments	\$ 1,593,832	\$ 1,356,050	\$ 3,756,227
Cash and investments held by fiscal agents	-	-	-
Total Current Assets	<u>1,593,832</u>	<u>1,356,050</u>	<u>3,756,227</u>
<b>Noncurrent Assets:</b>			
Nondepreciable capital assets	-	-	-
Depreciable capital assets, net of accumulated depreciation	-	-	-
Total Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>1,593,832</u>	<u>1,356,050</u>	<u>3,756,227</u>
 <u>Liabilities</u>			
<b>Current Liabilities:</b>			
Accounts payable	-	29,825	25,830
Accrued payroll	15,820	1,451	1,243
Insurance assessment payable - due within one year	-	163,514	-
Claims and judgments payable - due within one year	-	1,410,034	2,210,166
Capital leases payable - due within one year	-	-	-
Compensated absences payable - due within one year	-	2,768	2,098
Total Current Liabilities	<u>15,820</u>	<u>1,607,592</u>	<u>2,239,337</u>
<b>Noncurrent:</b>			
Insurance assessment payable - due in more than one year	-	981,086	-
Claims and judgments payable - due in more than one year	-	4,591,257	10,161,359
Capital leases obligations - due in more than one year	-	-	-
Compensated absences payable - due in more than one year	-	24,914	18,886
Total Noncurrent Liabilities	<u>-</u>	<u>5,597,257</u>	<u>10,180,245</u>
Total Liabilities	<u>15,820</u>	<u>7,204,849</u>	<u>12,419,582</u>
 <u>Net Position</u>			
Net investment in capital assets	-	-	-
Unrestricted	<u>1,578,012</u>	<u>(5,848,799)</u>	<u>(8,663,355)</u>
Total Net Position (Deficit)	<u>\$ 1,578,012</u>	<u>\$ (5,848,799)</u>	<u>\$ (8,663,355)</u>

**CITY OF MONTEREY PARK**  
**Combining Schedule of Net Position - Internal Service Funds, Continued**  
**June 30, 2020**

<u>Assets</u>	<u>Shop</u>	<u>Technology</u>	<u>Total</u>
<b>Current Assets:</b>			
Cash and investments	\$ 1,430,025	\$ 1,106,936	\$ 9,243,070
Cash and investments held by fiscal agents	622	-	622
<b>Total Current Assets</b>	<b>1,430,647</b>	<b>1,106,936</b>	<b>9,243,692</b>
<b>Noncurrent Assets:</b>			
Nondepreciable capital assets	-	444,379	444,379
Depreciable capital assets, net of accumulated depreciation	3,052,790	256,867	3,309,657
<b>Total Capital Assets</b>	<b>3,052,790</b>	<b>701,246</b>	<b>3,754,036</b>
<b>Total Noncurrent Assets</b>	<b>3,052,790</b>	<b>701,246</b>	<b>3,754,036</b>
<b>Total Assets</b>	<b>4,483,437</b>	<b>1,808,182</b>	<b>12,997,728</b>
 <u>Liabilities</u>			
<b>Current Liabilities:</b>			
Accounts payable	111,308	21,810	188,773
Accrued payroll	3,595	1,274	23,383
Insurance assessment payable - due within one year	-	-	163,514
Claims and judgments payable - due within one year	-	-	3,620,200
Capital leases payable - due within one year	355,952	-	355,952
Compensated absences payable - due within one year	6,685	595	12,146
<b>Total Current Liabilities</b>	<b>477,540</b>	<b>23,679</b>	<b>4,363,968</b>
<b>Noncurrent:</b>			
Insurance assessment payable - due in more than one year	-	-	981,086
Claims and judgments payable - due in more than one year	-	-	14,752,616
Capital leases obligations - due in more than one year	1,748,796	-	1,748,796
Compensated absences payable - due in more than one year	60,162	5,353	109,315
<b>Total Noncurrent Liabilities</b>	<b>1,808,958</b>	<b>5,353</b>	<b>17,591,813</b>
<b>Total Liabilities</b>	<b>2,286,498</b>	<b>29,032</b>	<b>21,955,781</b>
 <u>Net Position</u>			
Net investment in capital assets	948,042	701,246	1,649,288
Unrestricted	1,248,897	1,077,904	(10,607,341)
<b>Total Net Position (Deficit)</b>	<b>\$ 2,196,939</b>	<b>\$ 1,779,150</b>	<b>\$ (8,958,053)</b>

**CITY OF MONTEREY PARK**  
**Combining Schedule of Revenues, Expenses and**  
**Changes in Net Position - Internal Service Funds**  
**For the Year Ended June 30, 2020**

	Separation Benefits	General Liability	Workers' Compensation
Operating Revenues:			
Charges for services	\$ 1,303,738	\$ 2,373,250	\$ 2,105,551
Other revenue	-	-	49,004
Total Operating Revenues	<u>1,303,738</u>	<u>2,373,250</u>	<u>2,154,555</u>
Operating Expenses:			
Salaries and benefits	1,482,429	199,829	167,625
Materials and supplies	-	-	-
Insurance and claims	-	4,222,287	3,802,412
Miscellaneous	-	-	-
Depreciation	-	-	-
Total Operating Expenses	<u>1,482,429</u>	<u>4,422,116</u>	<u>3,970,037</u>
Operating Income (Loss)	<u>(178,691)</u>	<u>(2,048,866)</u>	<u>(1,815,482)</u>
Nonoperating Revenue:			
Gain on sale of surplus property	-	-	-
Interest expense	-	-	-
Total Nonoperating Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss) Before Capital Contributions and Transfers	(178,691)	(2,048,866)	(1,815,482)
Capital Contributions	-	-	-
Transfers in	-	500,000	-
Transfers out	(500,000)	(13,900)	(12,800)
Changes in Net Position	(678,691)	(1,562,766)	(1,828,282)
Net Position (Deficit), Beginning of Year	<u>2,256,703</u>	<u>(4,286,033)</u>	<u>(6,835,073)</u>
Net Position (Deficit), End of Year	<u>\$ 1,578,012</u>	<u>\$ (5,848,799)</u>	<u>\$ (8,663,355)</u>

**CITY OF MONTEREY PARK**  
**Combining Schedule of Revenues, Expenses and**  
**Changes in Net Position - Internal Service Funds, Continued**  
**For the Year Ended June 30, 2020**

	<u>Shop</u>	<u>Technology</u>	<u>Total</u>
Operating Revenues:			
Charges for services	\$ 1,924,904	\$ 320,833	\$ 8,028,276
Other revenue	-	-	49,004
Total Operating Revenues	<u>1,924,904</u>	<u>320,833</u>	<u>8,077,280</u>
Operating Expenses:			
Salaries and benefits	577,490	112,744	2,540,117
Materials and supplies	925,257	-	925,257
Insurance and claims	-	-	8,024,699
Miscellaneous	335,822	32,199	368,021
Depreciation	944,745	53,424	998,169
Total Operating Expenses	<u>2,783,314</u>	<u>198,367</u>	<u>12,856,263</u>
Operating Income (Loss)	<u>(858,410)</u>	<u>122,466</u>	<u>(4,778,983)</u>
Nonoperating Income:			
Gain on sale of surplus property	-	-	-
Interest expense	(75,391)	-	(75,391)
Total Nonoperating Income	<u>(75,391)</u>	<u>-</u>	<u>(75,391)</u>
Net Income (Loss) Before Capital Contributions and Transfers	(933,801)	122,466	(4,854,374)
Capital Contributions	203,700	-	203,700
Transfers in	-	-	500,000
Transfers out	(35,000)	(10,400)	(572,100)
Changes in Net Position	(765,101)	112,066	(4,722,774)
Net Position (Deficit), Beginning of Year	<u>2,962,040</u>	<u>1,667,084</u>	<u>(4,235,279)</u>
Net Position (Deficit), End of Year	<u>\$ 2,196,939</u>	<u>\$ 1,779,150</u>	<u>\$ (8,958,053)</u>

**CITY OF MONTEREY PARK**  
**Combining Schedule of Cash Flows - Internal Service Funds**  
**For the Year Ended June 30, 2020**

	Separation Benefits	General Liability	Workers' Compensation
<b>Cash Flows from Operating Activities:</b>			
Cash receipts from interfund services provided	\$ 1,303,738	\$ 2,373,250	\$ 2,105,551
Cash receipts from reimbursements and other operating revenues	-	-	49,004
Cash payments to suppliers for goods and services	-	-	-
Cash payments to employees for services	(1,529,642)	(197,939)	(176,705)
Cash payments for insurance premiums and self-insurance claims	-	(3,103,993)	(2,473,389)
Net Cash Provided by (Used in) Operating Activities	<u>(225,904)</u>	<u>(928,682)</u>	<u>(495,539)</u>
<b>Cash Flows from Noncapital and Related Financing Activities:</b>			
Cash received from other funds	-	500,000	-
Cash paid to other funds	(500,000)	(13,900)	(12,800)
Net Cash Provided by (Used in) Noncapital and Related Financing Activities	<u>(500,000)</u>	<u>486,100</u>	<u>(12,800)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	-	-	-
Principal paid on lease financing	-	-	-
Interest paid on lease financing	-	-	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(725,904)	(442,582)	(508,339)
Cash and Cash Equivalents, Beginning of Year	<u>2,319,736</u>	<u>1,798,632</u>	<u>4,264,566</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,593,832</u>	<u>\$ 1,356,050</u>	<u>\$ 3,756,227</u>
<b>Noncash Capital and Related Financing Activities</b>			
Contributed capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>			
Operating income (loss)	<u>\$ (178,691)</u>	<u>\$ (2,048,866)</u>	<u>\$ (1,815,482)</u>
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>			
Depreciation	-	-	-
<b>Changes in assets and liabilities:</b>			
(Increase) decrease in inventory	-	-	-
Increase (decrease) in accounts payable	-	(25,613)	(84,929)
Increase (decrease) in accrued payroll	(47,213)	(5,530)	(7,533)
Increase (decrease) in insurance assessment payable	-	(163,514)	-
Increase (decrease) in claims and judgments payable	-	1,307,421	1,413,952
Increase (decrease) in compensated absences payable	-	7,420	(1,547)
Total Adjustments	<u>(47,213)</u>	<u>1,120,184</u>	<u>1,319,943</u>
Net Cash Provided by Operating Activities	<u>\$ (225,904)</u>	<u>\$ (928,682)</u>	<u>\$ (495,539)</u>

**CITY OF MONTEREY PARK**  
**Combining Schedule of Cash Flows - Internal Service Funds, Continued**  
**For the Year Ended June 30, 2020**

	<u>Shop</u>	<u>Technology</u>	<u>Totals</u>
Cash Flows from Operating Activities:			
Cash receipts from interfund services provided	\$ 1,924,904	\$ 320,833	\$ 8,028,276
Cash receipts from reimbursements and other operating revenues	-	-	49,004
Cash payments to suppliers for goods and services	(1,221,148)	(40,152)	(1,261,300)
Cash payments to employees for services	(579,086)	(111,470)	(2,594,842)
Cash payments for insurance premiums and self-insurance claims	-	-	(5,577,382)
Net Cash Provided by (Used in) Operating Activities	<u>124,670</u>	<u>169,211</u>	<u>(1,356,244)</u>
Cash Flows from Capital and Related Financing Activities:			
Cash received from other funds	-	-	500,000
Cash paid to other funds	(35,000)	(10,400)	(572,100)
Net Cash Provided by (Used in) Noncapital and Related Financing Activities	<u>(35,000)</u>	<u>(10,400)</u>	<u>(72,100)</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(86,097)	(199,116)	(285,213)
Principal paid on lease financing	(344,867)	-	(344,867)
Interest paid on lease financing	(75,391)	-	(75,391)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(506,355)</u>	<u>(199,116)</u>	<u>(705,471)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(416,685)	(40,305)	(2,133,815)
Cash and Cash Equivalents, Beginning of Year	<u>1,846,710</u>	<u>1,141,293</u>	<u>11,370,937</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,430,025</u>	<u>\$ 1,100,988</u>	<u>\$ 9,237,122</u>
Noncash Capital and Related Financing Activities			
Contributed capital assets	<u>\$ 203,700</u>	<u>\$ -</u>	<u>203,700</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	<u>\$ (858,410)</u>	<u>\$ 122,466</u>	<u>\$ (4,778,983)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation	944,745	53,424	998,169
Changes in assets and liabilities:			
(Increase) decrease in inventory	(622)	-	(622)
Increase (decrease) in accounts payable	40,553	(7,953)	(77,942)
Increase (decrease) in accrued payroll	(9,339)	1,274	(68,341)
Increase (decrease) in insurance assessment payable	-	-	(163,514)
Increase (decrease) in claims and judgments payable	-	-	2,721,373
Increase (decrease) in compensated absences payable	7,743	-	13,616
Total Adjustments	<u>983,080</u>	<u>46,745</u>	<u>3,422,739</u>
Net Cash Provided by Operating Activities	<u>\$ 124,670</u>	<u>\$ 169,211</u>	<u>\$ (1,356,244)</u>

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## AGENCY FUNDS

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

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

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

**CITY OF MONTEREY PARK**  
**Combining Schedule of Assets and Liabilities - All Agency Funds**  
**June 30, 2020**

<u>Assets</u>	Deposits Fund	Construction Agency Fund	Totals
Cash and investments	\$ 2,777,920	\$ 708,425	\$ 3,486,345
Accounts Receivable	1,337	-	1,337
Total Assets	<u>\$ 2,779,257</u>	<u>\$ 708,425</u>	<u>\$ 3,487,682</u>
<u>Liabilities</u>			
Accounts payable	\$ 18,255	\$ 2,498	\$ 20,753
Deposits payable	<u>2,761,002</u>	<u>705,927</u>	<u>3,466,929</u>
Total Liabilities	<u>\$ 2,779,257</u>	<u>\$ 708,425</u>	<u>\$ 3,487,682</u>

**CITY OF MONTEREY PARK**  
**Combining Schedule of Changes in Assets and Liabilities**  
**All Agency Funds**  
**For the Year Ended June 30, 2020**

<u>Deposits Fund</u>	Balance at July 1, 2019	Additions	Deletions	Balance at June 30, 2020
<b>Assets:</b>				
Cash and investments	\$ 2,582,382	\$ 649,083	\$ (453,545)	\$ 2,777,920
Accounts receivable	16,958	1,337	(16,958)	1,337
	<u>\$ 2,599,340</u>	<u>\$ 650,420</u>	<u>\$ (470,503)</u>	<u>\$ 2,779,257</u>
<b>Liabilities:</b>				
Accounts payable	\$ 44,996	\$ 394,985	\$ (421,726)	\$ 18,255
Deposits payable	2,554,344	3,280,320	(3,073,662)	2,761,002
Total Liabilities	<u>\$ 2,599,340</u>	<u>\$ 3,675,305</u>	<u>\$ (3,495,388)</u>	<u>\$ 2,779,257</u>
 <u>Construction Agency Fund</u>				
<b>Assets:</b>				
Cash and investments	\$ 770,022	\$ 106,216	\$ (167,813)	\$ 708,425
<b>Liabilities:</b>				
Accounts payable	\$ 7	\$ 125,185	\$ (122,694)	\$ 2,498
Deposits payable	770,015	-	(64,088)	705,927
Total Liabilities	<u>\$ 770,022</u>	<u>\$ 125,185</u>	<u>\$ (186,782)</u>	<u>\$ 708,425</u>
 <u>Total - All Agency Funds</u>				
<b>Assets:</b>				
Cash and investments	\$ 3,352,404	\$ 755,299	\$ (621,358)	\$ 3,486,345
Accounts receivable	16,958	1,337	(16,958)	1,337
	<u>\$ 3,369,362</u>	<u>\$ 756,636</u>	<u>\$ (638,316)</u>	<u>\$ 3,487,682</u>
<b>Liabilities:</b>				
Accounts payable	\$ 45,003	\$ 520,170	\$ (544,420)	\$ 20,753
Deposits payable	3,324,359	3,280,320	(3,137,750)	3,466,929
Total Liabilities	<u>\$ 3,369,362</u>	<u>\$ 3,800,490</u>	<u>\$ (3,682,170)</u>	<u>\$ 3,487,682</u>

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**STATISTICAL SECTION**  
**(Unaudited)**

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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><b>Index</b></u>	<u><b>Page</b></u>
<b>Financial Trends Information</b> - These schedules contain trend information to help the reader to understand how the City's financial performance and well-being have changed over time.	
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**CITY OF MONTEREY PARK**  
**Net Position by Components**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2010/11	2011/12	2012/13	2013/14	2014/15
<b>Governmental Activities:</b>					
Net investment in capital assets	\$ 42,184,114	\$ 47,380,971	\$ 50,018,559	\$ 50,805,697	\$ 46,057,423
Restricted	29,449,081	26,824,487	20,629,264	18,330,529	20,198,282
Unrestricted	<u>(21,658,335)</u>	<u>6,298,370</u>	<u>9,341,223</u>	<u>11,318,896</u>	<u>(79,297,776)</u>
Total governmental activities net position	<u>\$ 49,974,860</u>	<u>\$ 80,503,828</u>	<u>\$ 79,989,046</u>	<u>\$ 80,455,122</u>	<u>\$ (13,042,071)</u>
<b>Business-Type Activities:</b>					
Net investment in capital assets	\$ 19,372,272	\$ 20,439,644	\$ 20,381,489	\$ 20,020,776	\$ 15,083,212
Restricted	-	-	-	-	-
Unrestricted	<u>17,752,724</u>	<u>19,943,174</u>	<u>25,700,563</u>	<u>26,197,066</u>	<u>24,186,095</u>
Total business-type activities net position	<u>\$ 37,124,996</u>	<u>\$ 40,382,818</u>	<u>\$ 46,082,052</u>	<u>\$ 46,217,842</u>	<u>\$ 39,269,307</u>
<b>Primary Government:</b>					
Net investment in capital assets	\$ 61,556,386	\$ 67,820,615	\$ 70,400,048	\$ 70,826,473	\$ 61,140,635
Restricted	29,449,081	26,824,487	20,629,264	18,330,529	20,198,282
Unrestricted	<u>(3,905,611)</u>	<u>26,241,544</u>	<u>35,041,786</u>	<u>37,515,962</u>	<u>(55,111,681)</u>
Total primary government net position	<u>\$ 87,099,856</u>	<u>\$ 120,886,646</u>	<u>\$ 126,071,098</u>	<u>\$ 126,672,964</u>	<u>\$ 26,227,236</u>

Source: City of Monterey Park Management Services Department

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

	Fiscal Year				
	2015/16	2016/17	2017/18	2018/19	2019/20
<b>Governmental Activities:</b>					
Net investment in capital assets	\$ 47,995,442	\$ 49,245,097	\$ 51,940,625	\$ 54,422,220	\$ 50,393,059
Restricted	22,221,698	20,689,401	22,583,024	28,308,812	28,524,906
Unrestricted	<u>(68,990,541)</u>	<u>(63,742,375)</u>	<u>(85,102,541)</u>	<u>(94,444,814)</u>	<u>(99,160,818)</u>
Total governmental activities net position	<u>\$ 1,226,599</u>	<u>\$ 6,192,123</u>	<u>\$ (10,578,892)</u>	<u>\$ (11,713,782)</u>	<u>\$ (20,242,853)</u>
<b>Business-Type Activities:</b>					
Net investment in capital assets	\$ 23,132,584	\$ 27,583,180	\$ 32,224,486	\$ 32,343,708	\$ 31,922,658
Restricted	514,518	-	-	-	-
Unrestricted	<u>18,629,778</u>	<u>19,078,479</u>	<u>18,182,441</u>	<u>22,623,485</u>	<u>23,894,813</u>
Total business-type activities net position	<u>\$ 42,276,880</u>	<u>\$ 46,661,659</u>	<u>\$ 50,406,927</u>	<u>\$ 54,967,193</u>	<u>\$ 55,817,471</u>
<b>Primary Government:</b>					
Net investment in capital assets	\$ 71,128,006	\$ 76,828,277	\$ 84,165,111	\$ 86,765,928	\$ 82,315,717
Restricted	22,736,216	20,689,401	22,583,024	28,308,812	28,524,906
Unrestricted	<u>(50,360,763)</u>	<u>(44,663,896)</u>	<u>(66,920,100)</u>	<u>(71,821,329)</u>	<u>(75,266,005)</u>
Total primary government net position	<u>\$ 43,503,459</u>	<u>\$ 52,853,782</u>	<u>\$ 39,828,035</u>	<u>\$ 43,253,411</u>	<u>\$ 35,574,618</u>

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

	Fiscal Year				
	2010/11	2011/2012	2012/2013	2013/2014	2014/2015
<b>Expenses:</b>					
Governmental activities:					
General government	\$ 3,497,432	\$ 4,405,489	\$ 6,522,107	\$ 4,050,482	\$ 4,610,081
Public safety	27,575,013	27,764,258	26,233,074	27,352,152	26,907,556
Community development	11,027,820	5,673,116	8,521,044	2,343,881	7,049,958
Culture and recreation	6,685,623	6,378,055	5,909,468	6,277,461	8,665,230
Highway and streets	5,209,925	4,886,331	5,380,336	6,434,924	5,512,170
Health	120,000	120,000	119,999	120,000	488,697
Interest and fiscal charges	2,785,485	2,128,198	1,275,063	1,207,716	1,269,034
Total governmental activities expenses	<u>56,901,298</u>	<u>51,355,447</u>	<u>53,961,091</u>	<u>47,786,616</u>	<u>54,502,726</u>
Business-type activities:					
Water	10,907,990	11,542,663	10,706,980	11,775,078	12,906,852
Refuse	5,812,305	5,944,116	6,040,457	6,985,344	6,657,089
Sewer	310,115	331,683	238,551	221,078	522,245
Total business-type activities expenses	<u>17,030,410</u>	<u>17,818,462</u>	<u>16,985,988</u>	<u>18,981,500</u>	<u>20,086,186</u>
Total primary government expenses	<u>73,931,708</u>	<u>69,173,909</u>	<u>70,947,079</u>	<u>66,768,116</u>	<u>74,588,912</u>
<b>Program revenues:</b>					
Governmental activities:					
Charges for services:					
General government	626,842	627,769	909,328	907,537	1,005,102
Public safety	3,186,391	2,926,775	3,037,155	3,076,644	2,956,084
Community development	1,567,774	1,608,072	1,541,110	1,442,835	2,023,271
Culture and recreation	770,602	692,083	738,884	690,289	1,320,369
Highway and Streets	1,360,611	369,180	451,744	400,382	1,462,323
Health					
Operating grants and contributions	4,952,726	4,667,552	5,258,202	1,516,481	7,963,721
Capital grants and contributions	1,646,048	3,725,194	1,988,468	627,628	557,625
Total government activities program revenues	<u>14,110,994</u>	<u>14,616,625</u>	<u>13,924,891</u>	<u>8,661,796</u>	<u>17,288,495</u>
Business-type activities:					
Charges for services:					
Water	10,533,780	12,853,684	13,302,811	10,747,045	11,452,592
Refuse	5,980,597	6,001,641	5,832,841	6,028,436	6,371,405
Sewer	271,984	273,496	273,556	287,548	1,714,098
Operating grants and contributions	225,000				
Capital grants and contributions	74,414	91,894	41,834	169,783	98,776
Total business-type activities revenues	<u>17,085,775</u>	<u>19,220,715</u>	<u>19,451,042</u>	<u>17,232,812</u>	<u>19,636,871</u>
Total primary government revenues	<u>\$ 31,196,769</u>	<u>\$ 33,837,340</u>	<u>\$ 33,375,933</u>	<u>\$ 25,894,608</u>	<u>\$ 36,925,366</u>

Source: City of Monterey Park Management Services Department

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

	<b>Fiscal Year</b>				
	<b>2015/2016</b>	<b>2016/2017</b>	<b>2017/2018</b>	<b>2018/2019</b>	<b>2019/2020</b>
<b>Expenses:</b>					
Governmental activities:					
General government	\$ 3,771,179	\$ 4,935,827	\$ 13,276,893	\$ 8,675,180	\$ 7,024,897
Public safety	27,479,974	30,527,993	35,442,619	41,058,210	46,448,518
Community development	2,456,567	2,368,605	2,536,781	2,555,488	385,629
Culture and recreation	7,151,089	7,383,391	8,037,936	8,394,326	8,194,387
Highway and streets	6,223,450	5,555,218	5,856,197	6,778,639	7,592,489
Health	116,629	250,000	160,000	150,000	137,500
Interest and fiscal charges	990,315	993,823	940,605	931,970	923,137
Total governmental activities expenses	<u>48,189,203</u>	<u>52,014,857</u>	<u>66,251,032</u>	<u>68,543,813</u>	<u>70,706,557</u>
Business-type activities:					
Water	11,962,698	13,197,497	11,978,551	15,975,908	16,130,638
Refuse	7,562,168	7,648,908	6,364,504	6,782,261	6,643,796
Sewer	1,117,677	1,332,184	2,120,013	1,925,498	2,066,260
Total business-type activities expenses	<u>20,642,543</u>	<u>22,178,589</u>	<u>20,463,068</u>	<u>24,683,667</u>	<u>24,840,693</u>
Total primary government expenses	<u>68,831,746</u>	<u>74,193,446</u>	<u>86,714,100</u>	<u>93,227,480</u>	<u>95,547,250</u>
<b>Program revenues:</b>					
Governmental activities:					
Charges for services:					
General government	1,157,100	1,216,968	1,290,795	1,951,847	1,418,515
Public safety	3,766,713	2,665,634	4,239,502	3,263,720	3,123,842
Community development	2,607,075	3,660,518	3,364,687	2,828,385	1,591,515
Culture and recreation	1,289,483	1,327,230	1,956,845	1,012,436	747,940
Highway and Streets	1,403,282	1,688,010	1,382,500	1,341,088	1,523,872
Health					
Operating grants and contributions	7,953,884	6,928,332	8,281,863	12,119,613	9,349,191
Capital grants and contributions	502,276	1,134,757	159,994	1,209,222	279,624
Total government activities program revenues	<u>18,779,813</u>	<u>18,621,449</u>	<u>20,676,186</u>	<u>23,726,311</u>	<u>18,034,499</u>
Business-type activities:					
Charges for services:					
Water	12,323,342	13,439,676	14,213,398	15,251,324	13,791,440
Refuse	6,954,603	7,124,768	6,760,312	6,674,188	6,722,940
Sewer	2,673,585	2,843,412	3,164,108	3,546,475	3,158,607
Operating grants and contributions					
Capital grants and contributions	97,507	1,916,453	2,341,781	1,362,136	149,262
Total business-type activities revenues	<u>22,049,037</u>	<u>25,324,309</u>	<u>26,479,599</u>	<u>26,834,123</u>	<u>23,822,249</u>
Total primary government revenues	<u>\$ 40,828,850</u>	<u>\$ 43,945,758</u>	<u>\$ 47,155,785</u>	<u>\$ 50,560,434</u>	<u>\$ 41,856,748</u>

Source: City of Monterey Park Management Services Department

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

	Fiscal Year				
	2010/11	2011/2012	2012/2013	2013/2014	2014/2015
<b>Net (expense)/revenue:</b>					
Governmental activities:	\$ (42,790,304)	\$ (36,738,822)	\$ (40,036,200)	\$ (39,124,820)	\$ (37,214,231)
Business-type activities:	55,365	1,402,253	2,465,054	(1,748,688)	(449,315)
Total primary government revenues	<u>\$ (42,734,939)</u>	<u>\$ (35,336,569)</u>	<u>\$ (37,571,146)</u>	<u>\$ (40,873,508)</u>	<u>\$ (37,663,546)</u>
<b>General revenues and other</b>					
<b>Changes in net position:</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 27,331,232	\$ 24,537,300	\$ 24,066,354	\$ 19,794,165	\$ 22,600,233
Sales tax	4,803,406	5,057,132	5,437,244	4,942,821	5,245,208
Vehicle in-lieu tax	345,406	32,170	33,334	27,588	26,649
Utility users tax	3,219,600	3,092,796	3,041,163	3,202,264	3,257,450
Utility franchise tax	967,322	942,985	942,736	970,212	1,028,025
Business license tax	944,837	945,367	941,005	974,816	1,340,197
Transient occupancy tax	756,873	876,482	957,024	1,049,070	1,158,767
Other taxes	1,837,784	1,868,862	2,760,446	7,282,605	346,203
Revenues from use of money and property	891,671	776,649	827,781	872,174	929,648
Other	249,075	685,026	499,923	731,679	1,153,382
Gain/(Loss) on sale of property	6,627	1,842,182	14,408		
Transfers	<u>281,400</u>	<u>350,000</u>	<u></u>	<u>18,000</u>	<u></u>
Total general revenues and transfers	<u>41,635,233</u>	<u>41,006,951</u>	<u>39,521,418</u>	<u>39,865,394</u>	<u>37,085,762</u>
Extraordinary item		26,752,439			
Business-type activities:					
Revenues from use of money and property					
Other	4,168,640	2,205,569	3,230,138	1,897,638	2,192
Gain/(Loss) on sale of property	9,865		4,042	4,840	1,258,626
Transfers	<u>(281,400)</u>	<u>(350,000)</u>	<u></u>	<u>(18,000)</u>	<u>18,485</u>
Total business-type activities	<u>3,897,105</u>	<u>1,855,569</u>	<u>3,234,180</u>	<u>1,884,478</u>	<u>1,279,303</u>
Total primary government	<u>45,532,338</u>	<u>42,862,520</u>	<u>42,755,598</u>	<u>41,749,872</u>	<u>38,365,065</u>
Changes in net position					
Governmental activities	(1,155,071)	31,020,568	(514,782)	740,574	(128,469)
Business-type activities	3,952,470	3,257,822	5,699,234	135,790	829,988
Total primary government	<u>\$ 2,797,399</u>	<u>\$ 34,278,390</u>	<u>\$ 5,184,452</u>	<u>\$ 876,364</u>	<u>\$ 701,519</u>

Source: City of Monterey Park Management Services Department

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

	Fiscal Year				
	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
<b>Net (expense)/revenue:</b>					
Governmental activities:	\$ (29,409,390)	\$ (33,393,408)	\$ (45,574,846)	\$ (44,817,502)	\$ (52,672,058)
Business-type activities:	1,406,494	3,145,720	6,016,531	2,150,457	(1,018,444)
Total primary government revenues	<u>\$ (28,002,896)</u>	<u>\$ (30,247,688)</u>	<u>\$ (39,558,315)</u>	<u>\$ (42,667,046)</u>	<u>\$ (53,690,502)</u>
<b>General revenues and other</b>					
<b>Changes in net position:</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 22,235,616	\$ 23,154,960	\$ 24,306,944	\$ 25,904,561	\$ 27,133,836
Sales tax	6,427,211	6,517,491	5,341,854	7,156,102	6,923,739
Vehicle in-lieu tax	25,041	27,482	32,428	29,876	48,934
Utility users tax	3,212,890	3,212,912	2,964,825	3,107,983	2,846,105
Utility franchise tax	992,615	938,802	966,346	973,084	982,837
Business license tax	1,052,086	1,244,295	1,146,838	1,140,840	985,158
Transient occupancy tax	1,248,578	1,261,777	1,163,775	1,064,049	847,272
Other taxes	285,845	269,734	585,106	158,828	171,413
Revenues from use of money and property	1,155,649	701,151	1,689,011	2,413,637	2,096,340
Other	1,403,883	1,030,348	1,736,642	1,733,652	1,565,830
Gain/(Loss) on sale of property					
Transfers					541,523
Total general revenues and transfers	<u>38,039,414</u>	<u>38,358,952</u>	<u>39,933,769</u>	<u>43,682,612</u>	<u>44,142,987</u>
Extraordinary item	5,638,626				
Business-type activities:					
Revenues from use of money and property		105			
Other	1,601,079	1,238,954	1,053,244	2,409,810	2,823,285
Gain/(Loss) on sale of property					
Transfers					(541,523)
Total business-type activities	<u>1,601,079</u>	<u>1,239,059</u>	<u>1,053,244</u>	<u>2,409,810</u>	<u>2,281,762</u>
Total primary government	<u>39,640,493</u>	<u>39,598,011</u>	<u>40,987,013</u>	<u>46,092,422</u>	<u>46,424,749</u>
Changes in net position					
Governmental activities	14,268,650	4,965,544	(5,641,077)	(1,134,890)	(8,529,071)
Business-type activities	3,007,573	4,384,779	7,069,775	4,560,267	1,263,318
Total primary government	<u>\$ 17,276,223</u>	<u>\$ 9,350,323</u>	<u>\$ 1,428,698</u>	<u>\$ 3,425,377</u>	<u>\$ (7,265,753)</u>

Source: City of Monterey Park Management Services Department

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

	Fiscal Year				
	2010/11	2011/12	2012/13	2013/14	2014/15
<b>General Fund:</b>					
Nondisposable	\$ 710,330	\$ 703,230	\$ -	\$ -	\$ 741,556
Restricted	-	-	-	-	-
Committed	5,340,000	7,173,519	7,173,519	7,173,519	7,173,519
Assigned	4,589,465	5,145,940	9,653,901	9,321,463	10,095,120
Unassigned	<u>2,505,441</u>	<u>2,505,441</u>	<u>3,554,425</u>	<u>3,554,425</u>	<u>3,556,499</u>
Total general fund	<u>\$ 13,145,236</u>	<u>\$ 15,528,130</u>	<u>\$ 20,381,845</u>	<u>\$ 20,049,407</u>	<u>\$ 21,566,694</u>
<b>All other governmental funds:</b>					
Nondisposable	\$ 22,336,060	-	\$ 1,989,686	\$ 1,989,686	\$ 1,921,015
Restricted	29,449,081	\$ 26,824,487	18,684,533	17,449,555	19,872,630
Committed	3,524,270			1,496,211	699,188
Assigned	10,523,233	-	-	-	-
Unassigned	<u>(105,492)</u>	<u>(153,120)</u>	<u>-</u>	<u>-</u>	<u>(931,973)</u>
Total all other governmental funds	<u>\$ 65,727,152</u>	<u>\$ 26,671,367</u>	<u>\$ 20,674,219</u>	<u>\$ 20,935,452</u>	<u>\$ 21,560,860</u>
<b>Total for Governmental Funds:</b>	<u>\$ 78,872,388</u>	<u>\$ 42,199,497</u>	<u>\$ 41,056,064</u>	<u>\$ 40,984,859</u>	<u>\$ 43,127,554</u>

Source: City of Monterey Park Management Services Department

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

	Fiscal Year				
	2015/16	2016/17	2017/18	2018/19	2019/20
<b>General Fund:</b>					
Nonspendable	\$ 741,556	\$ 816,495	\$ 74,939	\$ 75,778	\$ 78,802
Restricted	78,799	-	-	-	-
Committed	10,979,027	10,826,927	10,826,927	7,226,927	7,226,927
Assigned	12,052,503	14,414,724	15,064,826	20,147,039	19,365,589
Unassigned	<u>4,554,426</u>	<u>4,144,661</u>	<u>3,994,828</u>	<u>5,105,667</u>	<u>5,838,129</u>
Total general fund	<u>\$ 28,406,311</u>	<u>\$ 30,202,807</u>	<u>\$ 29,961,520</u>	<u>\$ 32,555,411</u>	<u>\$ 32,509,447</u>
<b>All other governmental funds:</b>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	21,597,574	21,426,308	22,145,598	26,088,353	26,887,421
Committed	584,570	472,919	437,426	417,741	418,383
Assigned	-	-	-	-	-
Unassigned	<u>(168,139)</u>	<u>(1,369,489)</u>	<u>-</u>	<u>-</u>	<u>(72,645)</u>
Total all other governmental funds	<u>\$ 22,014,005</u>	<u>\$ 20,529,738</u>	<u>\$ 22,583,024</u>	<u>\$ 26,506,094</u>	<u>\$ 27,233,159</u>
<b>Total for Governmental Funds:</b>	<u>\$ 50,420,316</u>	<u>\$ 50,732,545</u>	<u>\$ 52,544,544</u>	<u>\$ 59,061,505</u>	<u>\$ 59,742,606</u>

Source: City of Monterey Park Management Services Department

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

	Fiscal Year				
	2010/11 <sup>(1)</sup>	2011/12	2012/13	2013/14	2014/15
<b>Revenues:</b>					
Taxes	\$ 42,568,610	\$ 37,442,373	\$ 41,087,434	\$ 38,059,146	\$ 41,748,001
Licenses and permits	1,661,496	1,856,887	967,662	848,949	775,135
Intergovernmental revenues	4,262,737	6,006,714	4,693,489	2,035,035	3,072,957
Charges for services	4,554,131	4,360,368	4,981,641	4,922,983	5,521,035
Revenues from use of money & property	767,652	744,346	822,143	943,369	919,998
Fines and forfeitures	1,272,417	952,992	822,779	931,718	1,043,704
Other	376,314	720,230	1,374,275	767,790	1,180,868
<b>Total revenues</b>	<u>55,463,357</u>	<u>52,083,910</u>	<u>54,749,423</u>	<u>48,508,990</u>	<u>54,261,698</u>
<b>Expenditures</b>					
Current:					
General government	3,771,085	3,621,179	4,454,906	3,859,127	4,609,650
Public safety	25,692,272	25,681,372	25,080,613	25,647,992	27,076,488
Community development	10,826,979	5,633,982	7,808,273	2,345,099	3,015,194
Culture and recreation	5,561,337	5,577,207	5,677,937	5,587,721	6,738,804
Highways and streets	4,434,810	4,207,740	4,362,120	5,672,512	4,938,939
Health	120,000	120,000	119,999	120,000	488,697
Capital outlay	8,114,199	8,114,199	5,928,361	2,957,442	4,855,050
Debt service:					
Principal	2,284,269	2,020,927	1,204,215	1,229,166	1,255,802
Interest and fiscal charges	2,731,427	1,990,861	1,270,840	1,217,331	1,279,276
<b>Total expenditures</b>	<u>63,536,378</u>	<u>56,967,467</u>	<u>55,907,264</u>	<u>48,636,390</u>	<u>54,257,900</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,073,021)</u>	<u>(4,883,557)</u>	<u>(1,157,841)</u>	<u>(127,400)</u>	<u>3,798</u>
<b>Other financing sources (uses):</b>					
Transfers in	13,451,752	776,146	9,466	943,350	1,380,000
Transfers out	(13,170,352)	(426,146)	(9,466)	(903,905)	(1,380,000)
(Loss) on sale of property	-	-	-	-	-
Proceeds from sale of property	6,627	1,842,182	14,408	16,750	562,114
Proceeds from tax increment deferred	3,775,724	-	-	-	-
Proceeds from section 108 loan	-	-	-	-	-
Issue of long term debt	-	-	-	-	1,576,783
<b>Total other financing     Sources (uses)</b>	<u>4,063,751</u>	<u>2,192,182</u>	<u>14,408</u>	<u>56,195</u>	<u>2,138,897</u>
<b>Net change in fund balances     before Extraordinary Item</b>	<u>\$ (4,009,270)</u>	<u>\$ (2,691,375)</u>	<u>\$ (1,143,433)</u>	<u>\$ (71,205)</u>	<u>\$ 2,142,695</u>
Extraordinary Items	-	(33,981,516)	-	-	-
Net change in fund balances	<u>\$ (4,009,270)</u>	<u>\$ (36,672,891)</u>	<u>\$ (1,143,433)</u>	<u>\$ (71,205)</u>	<u>\$ 2,142,695</u>
Debt services as a percentage of noncapital expenditures <sup>(2)</sup>	9.05%	8.21%	4.95%	5.36%	5.13%

Notes:

(1) Starting 2010-11, Refuse and Sewer funds were classified as Enterprise Fund.

(2) The ratio of total debt service to noncapital expenditures is calculated as total debt service expenditures (principal and interest) / total noncapital expenditures (the difference between total expenditures and capitalized capital outlay expenditures).

Source: City of Monterey Park Management Services Department

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

	Fiscal Year				
	2015/16	2016/17	2017/18	2018/19	2019/20
<b>Revenues:</b>					
Taxes	\$ 41,158,303	\$ 41,891,277	\$ 42,680,203	\$ 47,193,914	\$ 47,352,447
Licenses and permits	2,428,895	2,913,671	2,729,412	3,038,847	1,837,426
Intergovernmental revenues	3,203,752	1,851,272	2,927,646	4,247,826	2,193,113
Charges for services	6,110,829	6,721,667	8,417,372	7,161,652	6,057,607
Revenues from use of money & property	1,207,629	694,820	1,727,784	2,701,145	2,329,927
Fines and forfeitures	1,295,647	605,957	680,133	1,623,039	587,059
Other	1,414,172	1,074,799	1,756,785	1,741,046	1,566,488
<b>Total revenues</b>	<u>56,819,227</u>	<u>55,753,463</u>	<u>60,919,335</u>	<u>67,707,469</u>	<u>61,924,067</u>
<b>Expenditures</b>					
Current:					
General government	5,744,019	5,844,104	7,146,292	6,136,588	6,898,124
Public safety	28,396,653	29,258,673	30,235,225	34,708,110	35,762,037
Community development	2,261,895	2,392,374	2,497,952	2,563,517	316,097
Culture and recreation	6,464,589	6,634,294	6,981,663	7,383,682	7,034,788
Highways and streets	5,103,275	4,780,221	4,812,085	5,347,037	6,627,295
Health	-	250,000	160,000	150,000	137,500
Capital outlay	4,594,721	3,415,464	4,413,196	2,927,407	3,111,577
Debt service:					
Principal	1,291,263	1,370,156	1,416,257	1,079,149	1,115,754
Interest and fiscal charges	1,058,676	995,948	944,666	895,018	853,417
<b>Total expenditures</b>	<u>54,915,091</u>	<u>54,941,234</u>	<u>58,607,336</u>	<u>61,190,508</u>	<u>61,856,589</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,904,136</u>	<u>812,229</u>	<u>2,311,999</u>	<u>6,516,961</u>	<u>67,478</u>
<b>Other financing sources (uses):</b>					
Transfers in	2,327,332	2,246,686	2,225,885	3,003,264	4,319,658
Transfers out	(2,577,332)	(2,746,686)	(2,725,885)	(3,003,264)	(3,706,035)
(Loss) on sale of property	-	-	-	-	-
Proceeds from sale of property	-	-	-	-	-
Proceeds from tax increment deferred	-	-	-	-	-
Proceeds from section 108 loan	-	-	-	-	-
Issue of long term debt	-	-	-	-	-
<b>Total other financing     Sources (uses)</b>	<u>(250,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>	<u>613,623</u>
<b>Net change in fund balances     before Extraordinary Item</b>	<u>\$ 1,654,136</u>	<u>\$ 312,229</u>	<u>\$ 1,811,999</u>	<u>\$ 6,516,961</u>	<u>\$ 681,101</u>
Extraordinary Items	<u>5,638,626</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 7,292,762</u>	<u>\$ 312,229</u>	<u>\$ 1,811,999</u>	<u>\$ 6,516,961</u>	<u>\$ 681,101</u>
Debt services as a percentage of noncapital expenditures <sup>(2)</sup>	4.67%	4.59%	4.36%	3.39%	3.35%

Notes:

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

Source: City of Monterey Park Management Services Department

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**CITY OF MONTEREY PARK**  
**Assessed Value of Taxable Property <sup>(1)</sup>**  
**Last Ten Fiscal Years**  
**(In Thousands)**

<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Other Property</b>	<b>Tax-Exempt Property <sup>(2)</sup></b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate <sup>(3) (4)</sup></b>
<b>2010/11</b>	4,063,980,933	919,141,515	136,429,404	329,231,172	43,696,766	5,448,783,024	0.39312
<b>2011/12</b>	4,176,308,316	914,084,645	141,375,663	330,098,283	34,278,620	5,561,866,907	0.39069
<b>2012/13</b>	4,392,899,226	1,016,937,428	146,514,412	265,303,532	33,633,996	5,821,654,598	0.40086
<b>2013/14</b>	4,589,336,142	1,037,976,948	156,760,121	268,842,451	33,633,996	6,052,915,662	0.24388
<b>2014/15</b>	4,819,968,671	1,058,583,010	160,416,355	276,605,994	29,479,877	6,315,574,030	0.24412
<b>2015/16</b>	5,057,044,107	1,093,431,570	164,909,195	276,512,462	29,538,778	6,591,897,334	0.24437
<b>2016/17</b>	5,307,806,812	1,140,647,311	173,217,543	312,397,210	28,011,283	6,934,068,876	0.24460
<b>2017/18</b>	5,602,078,820	1,173,225,228	186,112,221	308,114,143	27,269,372	7,269,530,412	0.24384
<b>2018/19</b>	5,900,997,427	1,246,669,672	202,037,631	301,345,786	27,122,190	7,651,050,516	0.24490
<b>2019/20</b>	6,154,110,366	1,385,210,969	214,058,031	335,807,643	27,122,190	8,089,187,009	0.24507

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 as a result of new construction activity or at the time that it is sold to a new owner. At that point, the property is reassessed based on the added value of the construction or at the purchase price (market value) or economic value 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.

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

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

Agency	Fiscal Year				
	2010/11	2011/12	2012/13	2013/14	2014/15
<b>Basic Levy <sup>(1)</sup></b>	1.00000	1.00000	1.00000	1.00000	1.00000
City Direct Rates:					
Monterey Park - Pension Obligation Bonds	0.09117	0.09117	0.09117	0.09117	0.09117
<b>Total Direct Rates</b>	<b><u>1.09117</u></b>	<b><u>1.09117</u></b>	<b><u>1.09117</u></b>	<b><u>1.09117</u></b>	<b><u>1.09117</u></b>
Overlapping Rates:					
Alhambra Unified School District	0.05477	0.06923	0.06228	0.04906	0.04985
Garvey School District	0.05733	0.05686	0.06037	0.05978	0.05947
Garvey-Alhambra	0.03289	0.03205	0.03327	0.04914	0.04522
Los Angeles Community College District	0.04031	0.03530	0.04875	0.04454	0.04017
Los Angeles Unified School District	0.18695	0.16819	0.17561	0.14644	0.14688
Metropolitan Water District	0.01800	0.01800	0.01800	0.01800	0.01800
Montebello Unified School District	0.09792	0.10001	0.09630	0.09457	0.08750
Monterey Park GO Debt	0.09117	0.09117	0.09117	0.09117	0.09117
<b>Total Overlapping Rates</b>	<b><u>0.57934</u></b>	<b><u>0.57081</u></b>	<b><u>0.58575</u></b>	<b><u>0.55270</u></b>	<b><u>0.53826</u></b>
<b>Total Direct &amp; Overlapping <sup>(2)</sup> Tax Rates</b>	<b><u>1.67051</u></b>	<b><u>1.66198</u></b>	<b><u>1.67692</u></b>	<b><u>1.64387</u></b>	<b><u>1.62943</u></b>
<b>City's Share of 1% Levy Per Prop 13 <sup>(3)</sup></b>	0.15778	0.15778	0.15778	0.15778	0.15778
<b>General Obligation Debt Rate</b>	0.09117	0.09117	0.09117	0.09117	0.09117
<b>Redevelopment Rate <sup>(4)</sup></b>	1.10918	1.10918	0.00000	0.00000	0.00000
<b>Total Direct Rate <sup>(5)</sup></b>	0.39312	0.39069	0.40086	0.24388	0.24412

Notes:

- (1) In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
- (2) Overlapping rates are those of local and county governments that apply to property owners within the city. Not all overlapping rates apply to all City property owners.
- (3) City's share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figure.
- (4) Redevelopment rate is based on the largest RDA tax rate area and only includes rates(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.
- (5) Total direct rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information and excludes revenue derived from aircraft. Beginning in 2013/14 the total direct rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.
- (6) Because basic and debt rates vary by tax rate area, individual rates cannot be summed.

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

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

Agency	Fiscal Year				
	2015/16	2016/17	2017/18	2018/19	2019/20
<b>Basic Levy <sup>(1)</sup></b>	1.00000	1.00000	1.00000	1.00000	1.00000
City Direct Rates:					
Monterey Park - Pension Obligation Bonds	0.09117	0.09117	0.09117	0.09117	0.09117
<b>Total Direct Rates</b>	<b><u>1.09117</u></b>	<b><u>1.09117</u></b>	<b><u>1.09117</u></b>	<b><u>1.09117</u></b>	<b><u>1.09117</u></b>
Overlapping Rates:					
Alhambra Unified School District	0.04926	0.03615	0.05786	0.05404	0.04501
Garvey School District	0.05874	0.06067	0.08332	0.08705	0.08623
Garvey-Alhambra	0.04538	0.05303	0.09319	0.08800	0.07055
Los Angeles Community College District	0.03575	0.03596	0.04599	0.04621	0.02717
Los Angeles Unified School District	0.12971	0.13110	0.12219	0.12323	0.12552
Metropolitan Water District	0.01800	0.02300	0.03000	0.03000	0.03000
Montebello Unified School District	0.08715	0.14705	0.13514	0.13921	0.09306
Monterey Park GO Debt	0.09117	0.09117	0.09117	0.09117	0.09117
<b>Total Overlapping Rates</b>	<b><u>0.51516</u></b>	<b><u>0.57813</u></b>	<b><u>0.65886</u></b>	<b><u>0.65891</u></b>	<b><u>0.56871</u></b>
<b>Total Direct &amp; Overlapping <sup>(2)</sup> Tax Rates</b>	<b><u>1.60633</u></b>	<b><u>1.66930</u></b>	<b><u>1.75003</u></b>	<b><u>1.75008</u></b>	<b><u>1.65988</u></b>
<b>City's Share of 1% Levy Per Prop 13 <sup>(3)</sup></b>	0.15778	0.15778	0.15778	0.15778	0.15778
<b>General Obligation Debt Rate</b>	0.09117	0.09117	0.09117	0.09117	0.09117
<b>Redevelopment Rate <sup>(4)</sup></b>	0.00000	0.00000	0.00000	0.00000	0.00000
<b>Total Direct Rate <sup>(5)</sup></b>	0.24437	0.24460	0.24384	0.24490	0.24507

Notes:

- (1) In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
- (2) Overlapping rates are those of local and county governments that apply to property owners within the city. Not all overlapping rates apply to all City property owners.
- (3) City's share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figure.
- (4) Redevelopment rate is based on the largest RDA tax rate area and only includes rates(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.
- (5) Total Direct rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information and excludes revenue derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.
- (6) Because basic and debt rates vary by tax rate area, individual rates cannot be summed.

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

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

<u>Taxpayers</u>	<u>2019/20</u>	
	<u>Taxable Assessed Valuation</u>	<u>Percent of Total City Taxable Assessed Valuation</u>
Atlantic Times Square II LLC	\$ 109,188,937	1.35%
Monterey Park Retail Partners LLC	93,210,747	1.15%
Omninet LACC LLC ET AL	84,272,400	1.04%
Atlantic Square LLC	71,307,972	0.88%
Union Bank	65,424,830	0.81%
Garfield Calmed Investment LP	54,281,842	0.67%
Ethan Capital LLC	40,516,680	0.50%
BRE California Saturn LLC	39,780,000	0.49%
Atlantic Times Square X LLC	38,416,449	0.47%
Emerald Hills LLC	34,966,630	0.43%
	<u>\$ 631,366,487</u>	<u>7.81%</u>
 Total City Assessed Value	 <u>\$ 8,089,187,009</u>	

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

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

<u>Taxpayers</u>	<u>2010/11</u>	
	<u>Taxable Assessed Valuation</u>	<u>Percent of Total City Taxable Assessed Valuation</u>
Los Angeles Corporate Center LLC	\$ 82,903,050	1.52%
Cheung R P L And Lau N T Trust	64,201,590	1.18%
Union Bank	61,558,055	1.13%
Garfield Calmed Investment LP	50,756,071	0.93%
1977 Saturn LLC	50,370,000	0.92%
GMS Five	33,699,180	0.62%
MPM Partners LLC	25,236,138	0.46%
Emerald Hills LLC	24,027,602	0.44%
Atlantic Shopping Center LP	22,004,205	0.40%
Real Estate Investors 1984 1	22,000,000	0.40%
	<u>\$ 436,755,891</u>	<u>8.02%</u>
 Total City Assessed Value	 <u>\$ 5,448,783,024</u>	

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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
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 <sup>(2)</sup>	6,986,871	4,290,564	11,277,435	89.56%
2013/14	7,634,155	4,523,042	12,157,197	7,425,568	4,437,271	11,862,839	97.58%
2014/15	8,065,770	4,540,488	12,606,259	7,796,253	4,443,105	12,239,358	97.09%
2015/16	8,455,052	4,956,680	13,411,732	8,163,466	4,837,739	13,001,205	96.94%
2016/17	8,824,332	5,182,017	14,006,349	8,497,606	5,046,043	13,543,649	96.70%
2017/18	9,279,439	5,447,199	14,726,639	8,918,736	5,290,647	14,209,382	96.49%
2018/19	9,729,981	5,745,652	15,475,634	9,348,499	5,629,544	14,978,043	96.78%
2019/20	10,218,301	5,990,008	16,208,309	9,742,395	5,844,063	15,586,458	96.16%

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

(1) This percentage may exceed 100% due to information provided by Tax Assessor may not clearly identify the year collected.

(2) Amount included pension override voter approved portion generated from the former redevelopment project areas.

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Source: City of Monterey Park Management Services Department  
County of Los Angeles Tax Assessor

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

Fiscal Year	1% - PY PER BOOK			Total Collections to Date			
	Collections in Subsequent Years						Percentage of Levy <sup>(1)</sup>
	1%	D.S.	Amount	1%	D.S.	Amount	
2010/11	287,500	99,043	386,544	6,828,866	3,986,847	10,815,713	98%
2011/12	72,698	110,634	183,332	6,638,478	4,662,440	11,300,918	100%
2012/13	196,955	50,990	247,945	7,183,826	4,341,554	11,525,380	92%
2013/14	273,471	95,500	368,971	7,699,039	4,532,770	12,231,809	101%
2014/15	143,686	77,728	221,414	7,939,938	4,520,833	12,460,772	99%
2015/16	196,898	120,616	317,514	8,360,364	4,958,355	13,318,719	99%
2016/17	265,175	110,404	375,579	8,762,781	5,156,448	13,919,228	99%
2017/18	109,223	150,134	259,357	9,027,959	5,440,781	14,468,740	98%
2018/19	196,298	130,331	326,629	9,544,797	5,759,875	15,304,672	99%
2019/20	456,762	107,931	564,692	10,199,157	5,951,993	16,151,150	100%

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

(1) This percentage may exceed 100% due to information provided by Tax Assessor may not clearly identify the year collected.

(2) Amount included pension override voter approved portion generated from the former redevelopment project areas.

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Source: City of Monterey Park Management Services Department  
County of Los Angeles Tax Assessor

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

<u>Fiscal Year</u>	<u>Governmental Activities</u>						<u>Total Governmental Activities</u>
	<u>Pension Obligation Bonds</u>	<u>Tax Allocation Bonds</u>	<u>Tax Increment Deferred Loan</u>	<u>HUD Section 108 Loans</u>	<u>Library Special Tax Revenue Note</u>	<u>Capital Lease Obligation</u>	
2010/11	16,345	26,975	34,611	4,768	2,335	1,326	86,360
2011/12 <sup>(3)</sup>	15,850	-	-	4,487	2,038	1,219	23,594
2012/13	15,365	-	-	4,189	1,729	1,106	22,389
2013/14	14,890	-	-	3,873	1,409	988	21,160
2014/15	14,425	-	-	3,538	1,077	2,442	21,482
2015/16	13,970	-	-	3,182	731	2,307	20,190
2016/17	13,520	-	-	2,804	373	2,123	18,820
2017/18	13,075	-	-	2,403	-	1,926	17,404
2018/19	12,635	-	-	1,977	-	4,162	18,774
2019/20	12,200	-	-	1,526	-	3,587	17,313

Notes:

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

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Source: City of Monterey Park Management Services Department

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

<u>Fiscal Year</u>	<u>Business-Type Activity</u>  <u>Capital Lease Obligation</u>	<u>Total Primary Government</u>	<u><sup>(1)</sup> Percentage of Personal Income</u>	<u>Population</u>	<u><sup>(2)</sup> Debt Per Capita</u>
2010/11	6,095	92,455	0.02%	60,435	1,530
2011/12 <sup>(3)</sup>	5,533	29,127	0.01%	61,153	476
2012/13	4,966	27,355	0.01%	61,445	445
2013/14	4,392	25,552	0.01%	61,777	414
2014/15	12,747	34,229	0.01%	62,063	552
2015/16	12,127	32,317	0.01%	61,346	527
2016/17	10,567	29,387	0.00%	61,606	477
2017/18	9,809	27,213	1.08% <sup>(4)</sup>	62,240	437
2018/19	9,167	27,941	1.06%	61,828	452
2019/20	8,466	25,779	N/A	60,734	424

Notes:

- (1) Percentage of Personal Income was based on data from Los Angeles County State of California Employment Department.
- (2) Debt per capita data was based on the number of population within the City of Monterey Park.
- (3) Starting February 1, 2012, Redevelopment Agency was dissolved and the City became the Successor Agency for the former Redevelopment Agency.
- (4) Start from FY17/18, personal income data for California

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Source: City of Monterey Park Management Services Department

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

<b>Fiscal Year</b>	<b>Pension Obligation Bonds <sup>(1)</sup></b>	<b>Actual Taxable Value of Property</b>	<b>Percent of Actual Taxable Value of Property <sup>(2)</sup></b>	<b>Population</b>	<b>Net Bonded Debt Per Capita</b>
<b>2010/11</b>	16,345	5,448,783	0.30%	60,435	270
<b>2011/12 <sup>(3)</sup></b>	15,850	5,561,867	0.28%	61,153	259
<b>2012/13</b>	15,365	5,821,655	0.26%	61,445	250
<b>2013/14</b>	14,890	6,052,916	0.25%	61,777	241
<b>2014/15</b>	14,425	6,315,574	0.23%	62,063	232
<b>2015/16</b>	13,970	6,591,897	0.21%	61,346	228
<b>2016/17</b>	13,520	6,934,069	0.19%	61,606	219
<b>2017/18</b>	13,075	7,269,530	0.18%	62,240	210
<b>2018/19</b>	12,635	7,651,050	0.17%	61,828	204
<b>2019/20</b>	12,200	8,089,187	0.15%	60,734	201

Note:

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

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Source: City of Monterey Park Management Services Department

**CITY OF MONTEREY PARK**  
**Direct and Overlapping Debt**  
**As of June 30, 2020**

	<u>Gross Bonded Debt Balance</u>	<u>Percent Applicable To City</u>	<u>Net Bonded Debt</u>
<b>Overlapping Debt</b>			
METROPOLITAN WATER DISTRICT	18,151,752	0.029	5,326
GARVEY SD DS 2004 SERIES 2006	12,339,236	29.409	3,628,899
GARVEY SD DS 2004 SERIES C	8,221,018	29.409	2,417,755
GARVEY SD DS 2011 REFUND BONDS	2,755,000	29.409	810,230
GARVEY SD DS 2013 REF BONDS	495,000	29.409	145,577
GARVEY SD DS 2014 REF BONDS	2,845,000	29.409	836,698
GARVEY SD DS 2016 SERIES A	8,700,000	29.409	2,558,621
GARVEY SD DS 2016 SERIES B	10,000,000	29.409	2,940,943
LA CCD DS 2003 TAXABLE SERIES 2004B	2,115,000	0.893	18,881
LA CCD DS 2001 TAXABLE SERIES 2004A	31,555,000	0.893	281,695
LA CCD DS 2008, 2009 TAXABLE SER B	75,000,000	0.893	669,533
LA CCD DS 2008, 2010 TAX SERIES D	125,000,000	0.893	1,115,888
LA CCD DS 2008, 2010 TAX SER E (BABS)	900,000,000	0.893	8,034,391
LA CCD DS 2008 2012 SERIES F	199,000,000	0.893	1,776,493
LA CCD DS 2013 REF BONDS	35,410,000	0.893	316,109
LA CCD DS 2008 SERIES G	205,725,000	0.893	1,836,528
LA CCD DS 2015 REF SERIES A	1,395,190,000	0.893	12,455,003
LA CCD DS 2015 REF SERIES B	24,305,000	0.893	216,973
LA CCD DS 2015 REF SERIES C	230,015,000	0.893	2,053,367
LA CCD DS 2008 SERIES I	197,360,000	0.893	1,761,853
LA CCD DS 2016 REF BONDS	813,785,000	0.893	7,264,741
LOS ANGELES UNIF DS 2002 SERIES E	200,000,000	0.034	67,913
LOS ANGELES UNIF DS 2005 SERIES H	80,625,000	0.034	27,378
LOS ANGELES UNIF MEASURE R SERIES KRY BABS	363,005,000	0.034	123,264
LOS ANGELES UNIF MEASURE Y 2009 SERIES KRY BABS	806,795,000	0.034	273,961
LOS ANGELES UNIF MEASURE K 2010 SERIES KRY	145,250,000	0.034	49,322
LOS ANGELES UNIF MEASURE R 2010 SERIES KRY	143,360,000	0.034	48,680
LOS ANGELES UNIF MEASURE Y 2010 SERIES KRY	95,770,000	0.034	32,520
LOS ANGELES UNIF MEASURE R 2010 SERIES RY BABS	477,630,000	0.034	162,187
LOS ANGELES UNIF MEASURE Y 2010 SERIES RY BABS	772,955,000	0.034	262,470
LOS ANGELES UNIF DS 2005 2010 SERIES J-1 QSCBS	286,760,000	0.034	97,374
LOS ANGELES UNIF DS 2005 2010 SERIES J-2 QSCBS	153,350,000	0.034	52,073
LOS ANGELES UNIF DS 2011 REFUNDING BOND SERIES A 1	104,795,000	0.034	35,585
LOS ANGELES UNIF DS 2011 REFUNDING BOND SERIES A 2	141,880,000	0.034	48,178
LOS ANGELES UNIF DS 2012 REFUNDING BOND SERIES A	95,760,000	0.034	32,517
			<u>\$ 52,458,926</u>

2019/20 Assessed Valuation: \$6,447,361,199 After Deducting \$1,641,825,810 Incremental Value.

Debt to Assessed Valuation Ratios:	Direct Debt	0.00%
	Overlapping debt	1.93%
	Total debt	1.93%

Notes:

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

Source: HDL Coren & Cone

**CITY OF MONTEREY PARK**  
**Direct and Overlapping Debt**  
As of June 30, 2020

	<u>Gross Bonded Debt Balance</u>	<u>Percent Applicable To City</u>	<u>Net Bonded Debt</u>
<b>Overlapping Debt (Continued)</b>			
LOS ANGELES UNIF DS 2014 REF BOND SERIES A	58,580,000	0.034	19,892
LOS ANGELES UNIF DS 2014 REF BOND SERIES B	150,940,000	0.034	51,254
LOS ANGELES UNIF DS 2014 REF BOND SERIES C	821,985,000	0.034	279,119
LOS ANGELES UNIF DS 2014 REF BOND SERIES D	130,045,000	0.034	44,159
LOS ANGELES UNIF DS 2015 REF BONDS SERIES A	269,400,000	0.034	91,479
LOS ANGELES UNIF DS 2008 SERIES A 2016	600,270,000	0.034	203,832
LOS ANGELES UNIF DS 2016 REF BONDS SERIES A	403,410,000	0.034	136,985
LOS ANGELES UNIF DS 2016 REF BONDS SERIES B	498,240,000	0.034	169,186
LOS ANGELES UNIF DS 2017 REF BONDS SER A PROP BB	113,455,000	0.034	38,526
LOS ANGELES UNIF DS 2017 REF BONDS SER A MEAS K	921,240,000	0.034	312,823
LOS ANGELES UNIF DS 2005 SERIES M 1 2018	114,165,000	0.034	38,767
LOS ANGELES UNIF DS 2008 SERIES B 1 2018	1,060,780,000	0.034	360,206
LOS ANGELES UNIF DS 2019 REF 2002 SER D MEAS K	150,055,000	0.034	50,954
LOS ANGELES UNIF DS 2019 REF 2004 SER I MEAS R	333,005,000	0.034	113,077
LOS ANGELES UNIF DS 2019 REF 2005 SER F MEAS Y	90,085,000	0.034	30,590
LOS ANGELES UNIF DS 2019 REF SER KRY 2009	952,160,000	0.034	323,322
MONTEBELLO USD DS 1998 SERIES 1998	2,797,152	9.091	254,276
MONTEBELLO USD DS 1998 SERIES 1999	5,484,723	9.091	498,591
MONTEBELLO USD DS 1998 SERIES 2004	5,562,649	9.091	505,675
MONTEBELLO USD DS 1998 SERIES 2002	4,860,085	9.091	441,808
MONTEBELLO USD DS 2004 SERIES 2009A-2 BABS	12,640,000	9.091	1,149,045
MONTEBELLO USD DS 2010 REFUNDING BONDS	1,200,000	9.091	109,087
MONTEBELLO USD DS REF 2004 SERIES 2013A	16,150,000	9.091	1,468,123
MONTEBELLO USD DS REF BOND SERIES 2015	27,250,000	9.091	2,477,174
MONTEBELLO USD DS REF BONDS 2016 SERIES A	14,585,000	9.091	1,325,856
MONTEBELLO USD DS 2016 SERIES A	79,345,000	9.091	7,212,894
ALHAMBRA USD DS 1999 SERIES A	5,929,086	32.588	1,932,169
ALHAMBRA USD DS 2005 REF BONDS	4,565,000	32.588	1,487,641
ALHAMBRA USD DS 2008 SERIES B-1 QSCB	7,216,000	32.588	2,351,548
ALHAMBRA USD-GARVEY DS 2012 REF SERIES A	53,534,695	32.588	17,445,870
ALHAMBRA USD DS 2012 REF SERIES B	3,430,000	32.588	1,117,767
ALHAMBRA USD-GARVEY DS 2016 REF SERIES A	10,670,000	32.588	3,477,136
ALHAMBRA USD DS 2016 REF BOND SERIES B	22,810,000	32.588	7,433,316
ALHAMBRA USD DS 2016 SERIES A	37,649,708	32.588	12,269,275
ALHAMBRA USD-GARVEY DS 2016 SERIES A	21,505,000	32.588	7,008,043
<b>Sub-Total Overlapping Debt</b>			<u>\$ 72,229,465</u>
<b>Total Overlapping Debt</b>			<u>\$ 124,688,391</u>
Direct Debt:			
Pension Obligation Bonds	1,220,000	100%	1,220,000
HUD Section 108 Loan	1,526,000	100%	1,526,000
Capital Lease Obligation	3,587,410	100%	3,587,410
<b>Total Direct Debt</b>			<u>\$ 6,333,410</u>
<b>Total Direct and Overlapping Debt</b>			<u>\$ 131,021,801</u>

Source: HDL Coren & Cone

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

	Fiscal Year				
	2010/11	2011/12	2012/13	2013/14	2014/15
Assessed valuation	5,448,783	5,561,867	5,821,655	6,052,916	6,315,574
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	817,317	834,280	873,248	907,937	947,336
Total net debt applicable to limit: Pension obligation bonds	<u>16,345</u>	<u>15,850</u>	<u>15,365</u>	<u>14,890</u>	<u>14,425</u>
Legal debt margin	<u>\$ 800,972</u>	<u>\$ 818,430</u>	<u>\$ 857,883</u>	<u>\$ 893,047</u>	<u>\$ 932,911</u>
Total debt applicable to the limit as a percentage of debt limit	2.00%	1.90%	1.76%	1.64%	1.52%

Note: In accordance with California Government Code Section 43605, total general obligation bonds exceed 15 percent of total assessed valuation.

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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**  
**Last Ten Fiscal Years**  
**(In Thousands)**

	Fiscal Year				
	2015/16	2016/17	2017/18	2018/19	2019/20
Assessed valuation	6,591,897	6,934,068	7,269,530	7,651,050	8,089,187
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	988,785	1,040,110	1,090,430	1,147,657	1,213,378
Total net debt applicable to limit: Pension obligation bonds	<u>13,970</u>	<u>13,520</u>	<u>13,075</u>	<u>12,635</u>	<u>12,200</u>
Legal debt margin	<u>\$ 974,815</u>	<u>\$ 1,026,590</u>	<u>\$ 1,077,355</u>	<u>\$ 1,135,022</u>	<u>\$ 1,201,178</u>
Total debt applicable to the limit as a percentage of debt limit	1.41%	1.30%	1.20%	1.10%	1.01%

Note: In accordance with California Government Code Section 43605, total general obligation bonds exceed 15 percent of total assessed valuation.

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

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

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
<b>2010/11</b>	60,435	420,913,463	42,564	9.3%
<b>2011/12</b>	61,153	443,088,010	44,474	9.0%
<b>2012/13</b>	61,445	466,098,988	46,530	7.0%
<b>2013/14</b>	61,777	499,767,889	49,400	6.5%
<b>2014/15</b>	62,063	544,324,900	53,521	5.2%
<b>2015/16</b>	61,346	563,907,868	55,624	5.2%
<b>2016/17</b>	61,606	593,741,110	58,419	4.5%
<b>2017/18 <sup>(1)</sup></b>	62,240	2,514,503	63,720	3.9%
<b>2018/19</b>	61,828	2,632,280	66,619	4.1%
<b>2019/20</b>	60,734	N/A	N/A	9.6%

Note: (1) Start from FY17/18, personal income and Per capita personal income are the data shown for California from Bureau of Economic Analysis.

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

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

<b>Employers</b>	<b>2019/20</b>	
	<b>Number of Employees</b>	<b>Percentage of Total Employment <sup>(1)</sup></b>
Garfield Medical Center	979	0.020%
Blue Shield of California Promise Health Plan	444	0.009%
Monterey Park Hospital	428	0.009%
Costco Wholesale	373	0.008%
Southern California Gas Company	326	0.007%
Network Medical Management Inc	232	0.005%
Ralph's Grocery Store (2 Locations)	169	0.003%
Remitco LLC	161	0.003%
Camino Real Chevrolet	122	0.002%
Chinese Daily News	118	0.002%
Home Depot	112	0.002%
Heritage Manor HealthCare	97	0.002%

Note:

(1) Percentage of total employment is calculated based on Los Angeles County's total employment annual force of 4,894,300 in 2019 and 4,327,900 in 2011.

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

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

<b>Employers</b>	<b>2010/11</b>	
	<b>Number of Employees</b>	<b>Percentage of Total Employment <sup>(1)</sup></b>
Garfield Medical Center	972	0.022%
City of Monterey Park	407	0.009%
Monterey Park Hospital	362	0.008%
Southern California Gas Company	298	0.007%
SynerMed Inc	227	0.005%
Care 1st Health Plan (2 Locations)	353	0.008%
Ralph's Grocery Store (2 Locations)	165	0.004%
Remitco LLC	136	0.003%
Chinese Daily News	128	0.003%
Southern California Edison Co.	126	0.003%
Camino Real Chevrolet	119	0.003%
24 Hours Fitness	95	0.002%

Note:

(1) Percentage of total employment is calculated based on Los Angeles County's total employment annual force of 4,894,300 in 2010 and 4,327,900 in 2011.

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

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

<b><u>Function</u></b>	<b>Fiscal Year</b>									
	<b><u>10-11</u></b>	<b><u>11-12</u></b>	<b><u>12-13</u></b>	<b><u>13-14</u></b>	<b><u>14-15</u></b>	<b><u>15-16</u></b>	<b><u>16-17</u></b>	<b><u>17-18</u></b>	<b><u>18-19</u></b>	<b><u>19-20</u></b>
General Government	35	32	32	32	31	32	33	33	35	38
Public Safety										
Police	113	113	114	114	114	116	119	119	122	122
Fire	59	58	58	58	58	58	59	61	61	66
Public Works	70	70	70	70	71	71	71	71	71	80
Culture and Recreation										
Library	24	24	25	25	26	26	26	26	26	25
Recreation/Community Services	36	36	36	36	37	37	37	37	37	36
Community/Economic Development <sup>(1)</sup>	15	12	13	13	14	14	15	17	17	0
<b>Total</b>	<b><u>352</u></b>	<b><u>345</u></b>	<b><u>348</u></b>	<b><u>347</u></b>	<b><u>350</u></b>	<b><u>352</u></b>	<b><u>359</u></b>	<b><u>364</u></b>	<b><u>368</u></b>	<b><u>367</u></b>

Note: Numbers represent Full-Time-Equivalent positions.

(1) Starting from FY2019-20, personnel and functions from Community/Economic Development are distributed to Fire and Public Works departments. In FY2019-20, code Enforcement Division is under the supervision of Fire Department and Planning and Building Divisions are under the supervision of Public Works Department.

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Source: City of Monterey Park Annual Budget

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

	Fiscal Year				
	2010/11	2011/12	2012/13	2013/14	2014/15
<b>Police:</b>					
Number of service calls	54,363	54,128	51,130	51,735	54,568
Response time priority I (emergency) (minutes/seconds)	4:03	4:10	3:55	4:28	3:56
<b>Fire:</b>					
Number of emergency calls	3,757	4,103	4,565	4,538	4,605
Inspections	3,438	2,570	2,385	2,955	2,424
<b>Public works:</b>					
Street resurfacing (miles)	0.47	2.05	14.68	0.48	0.16
<b>Parks and recreation:</b>					
Hours of recreation classes	770	770	540	640	640
Number of facility rentals / Number of hours of facility rentals <sup>(1)</sup>	141	177	145	167	165
<b>Water:</b>					
Meters changed and upgrades <sup>(2)</sup>	564	1,149	739	329	10,994
Water turn-ons and turn-offs	2,079	2,436	2,856	2,412	2,412
Average daily consumption (thousand of gallons)	8,000	8,000	8,000	8,000	8,000

Note:

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

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

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

	Fiscal Year				
	2015/16	2016/17	2017/18	2018/19	2019/20
<b>Police:</b>					
Number of service calls	54,183	53,646	54,696	53,534	53,985
Response time priority I (emergency) (minutes/seconds)	4:49	4:46	4:22	4:02	3:50
<b>Fire:</b>					
Number of emergency calls	4,985	5,047	5,121	4,355	4,286
Inspections	5,139	3,523	3,523	2,922	3,057
<b>Public works:</b>					
Street resurfacing (miles)	2.12	2.71	2.80	-	2.79
<b>Parks and recreation:</b>					
Hours of recreation classes	650	600	922	960	559
Number of facility rentals / Number of hours of facility rentals <sup>(1)</sup>	175	1,197	1,230	2,816	2,886
<b>Water:</b>					
Meters changed and upgrades <sup>(2)</sup>	98	112	8	5	6
Water turn-ons and turn-offs	2,682	2,440	2,440	2,080	2,420
Average daily consumption (thousand of gallons)	8,000	8,000	8,000	8,000	8,000

Note:

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

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

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

	Fiscal Year				
	2010/11	2011/12	2012/13	2013/14	2014/15
<b>Police:</b>					
Stations	1	1	1	1	1
<b>Fire:</b>					
Fire stations	3	3	3	3	3
<b>Public works:</b>					
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
<b>Parks and recreation:</b>					
Parks	14	14	14	14	14
Community centers					
<b>Water:</b>					
Water mains (miles)	134	134	134	134	134
Maximum Actual Daily Pumped (thousands of gallons)	11,140	11,340	12,810	11,510	9,680
<b>Wastewater:</b>					
Sanitary sewers (miles)	126	126	126	126	126
Storm sewers (miles)	12.43	12.43	12.43	12.43	12.43

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

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

	Fiscal Year				
	2015/16	2016/17	2017/18	2018/19	2019/20
<b>Police:</b>					
Stations	1	1	1	1	1
<b>Fire:</b>					
Fire stations	3	3	3	3	3
<b>Public works:</b>					
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
<b>Parks and recreation:</b>					
Parks	14	14	14	14	14
Community centers					
<b>Water:</b>					
Water mains (miles)	134	134	134	134	134
Maximum Actual Daily Pumped (thousands of gallons)	7,200	6,800	7,000	6,700	6,700
<b>Wastewater:</b>					
Sanitary sewers (miles)	126	126	126	126	126
Storm sewers (miles)	12.43	12.43	12.43	12.43	12.43

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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)**

	<b>Fiscal Year</b>				
	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
Type of Customers:					
Residential	2,718.3	2,570.3	2,825.1	2,824.1	2,431.1
Commercial	935.0	861.8	893.6	893.8	896.6
Institutional	130.0	175.0	163.0	160.0	159.1
Government	<u>89.1</u>	<u>90.0</u>	<u>88.0</u>	<u>82.0</u>	<u>80.0</u>
 Total	 <u><u>3,872.4</u></u>	 <u><u>3,697.1</u></u>	 <u><u>3,969.7</u></u>	 <u><u>3,959.9</u></u>	 <u><u>3,566.8</u></u>

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Source: City of Monterey Park Management Services Department

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

	<b>Fiscal Year</b>				
	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Type of Customers:					
Residential	2,504.0	2,151.5	2,355.5	2,435.4	2,445.0
Commercial	914.5	835.8	876.9	901.5	896.4
Institutional	163.9	161.1	163.3	165.4	163.2
Government	<u>81.6</u>	<u>80.3</u>	<u>83.1</u>	<u>85.3</u>	<u>84.7</u>
 Total	 <u>3,664.0</u>	 <u>3,228.7</u>	 <u>3,478.8</u>	 <u>3,587.6</u>	 <u>3,589.3</u>

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Source: City of Monterey Park Management Services Department

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

<b>Fiscal Year</b>	<b>Monthly Base Rate</b>	<b>Rate per 1,000 Gallons</b>
<b>2010/11</b>	12.63	2.21
<b>2011/12</b>	12.63	2.21
<b>2012/13</b>	12.63	2.21
<b>2013/14</b>	12.63	2.21
<b>2014/15</b>	14.50	2.39
<b>2015/16</b>	15.95	2.49
<b>2016/17</b>	17.55	2.89
<b>2017/18</b>	19.30	3.02
<b>2018/19</b>	21.25	3.15
<b>2019/20</b>	19.20	3.01

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.

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Source: City of Monterey Park Management Services Department

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

<b>Water Customer</b>	<b>2019/20</b>		<b>2015/2016</b>	
	<b>Water Charges</b>	<b>Percent of Total Water Revenues</b>	<b>Water Charges</b>	<b>Percent of Total Water Revenues</b>
Garfield Estates	\$ 115,369	1.13%	\$ 99,857	1.33%
Atlantic Times Square II, LLC	112,722	1.10%	80,895	1.08%
Garfield Medical Ctr	96,379	0.94%	55,615	0.74%
MP 3600 LLC	95,125	0.93%	-	0.00%
Atlantic Times Square II, LLC	92,086	0.90%	108,159	1.45%
Continental Homes	84,636	0.83%	63,207	0.84%
Aespace America Inc	76,502	0.75%	84,342	1.13%
Judicial Council of CA	58,767	0.57%	-	0.00%
Mtry Pk Intrecom Hosp	50,068	0.49%	43,900	0.59%
L A County I S D	47,692	0.47%	16,888	0.23%
	<u>\$ 829,345</u>	<u>8.11%</u>	<u>\$ 552,864</u>	<u>7.39%</u>

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Source: City of Monterey Park Management Services Department

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