

*City of Monterey Park, California*



***COMPREHENSIVE ANNUAL  
FINANCIAL REPORT***

*Year ended June 30, 2012*

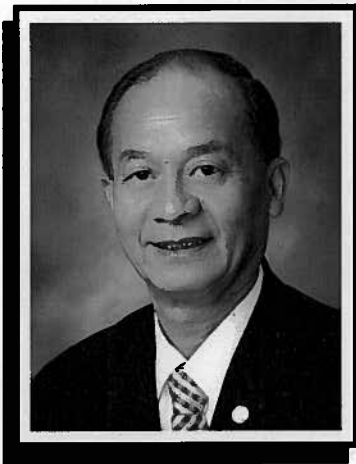
# City Council



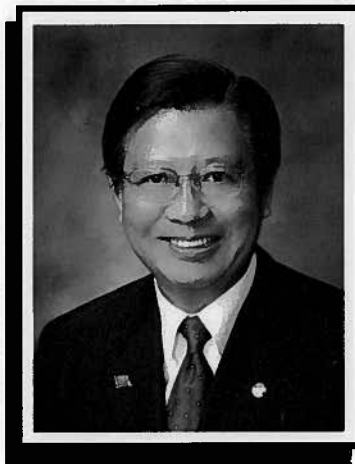
*Mayor*  
**Mitchell Ing**



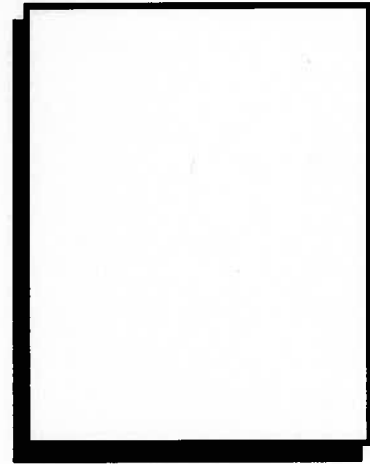
*Vice Mayor*  
**Teresa Real Sebastian**



*Council Member*  
**Anthony Wong**



*Council Member*  
**David T. Lau**



*Council Member*  
**Vacant**

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

**City Officials**

- Paul Talbot.....*City Manager*
- Jenkins & Hogin.....*City Attorney*
- Elias Saykali.....*Director of Public Works*
- James Birrell.....*Fire Chief*
- Jim Smith.....*Police Chief*
- Jim Basham.....*Director of Community Development*
- Dan Costley.....*Director of Recreation/Community Services*
- Norma Arvizu.....*Interim City Librarian*
- Tom Cody.....*Director of Human Resources/Risk Management*



City of Monterey Park, California

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year ended June 30, 2012

Prepared by the Management Services Department

Annie Yaung, CPFO  
Financial Services Manager



**CITY OF MONTEREY PARK**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2012**

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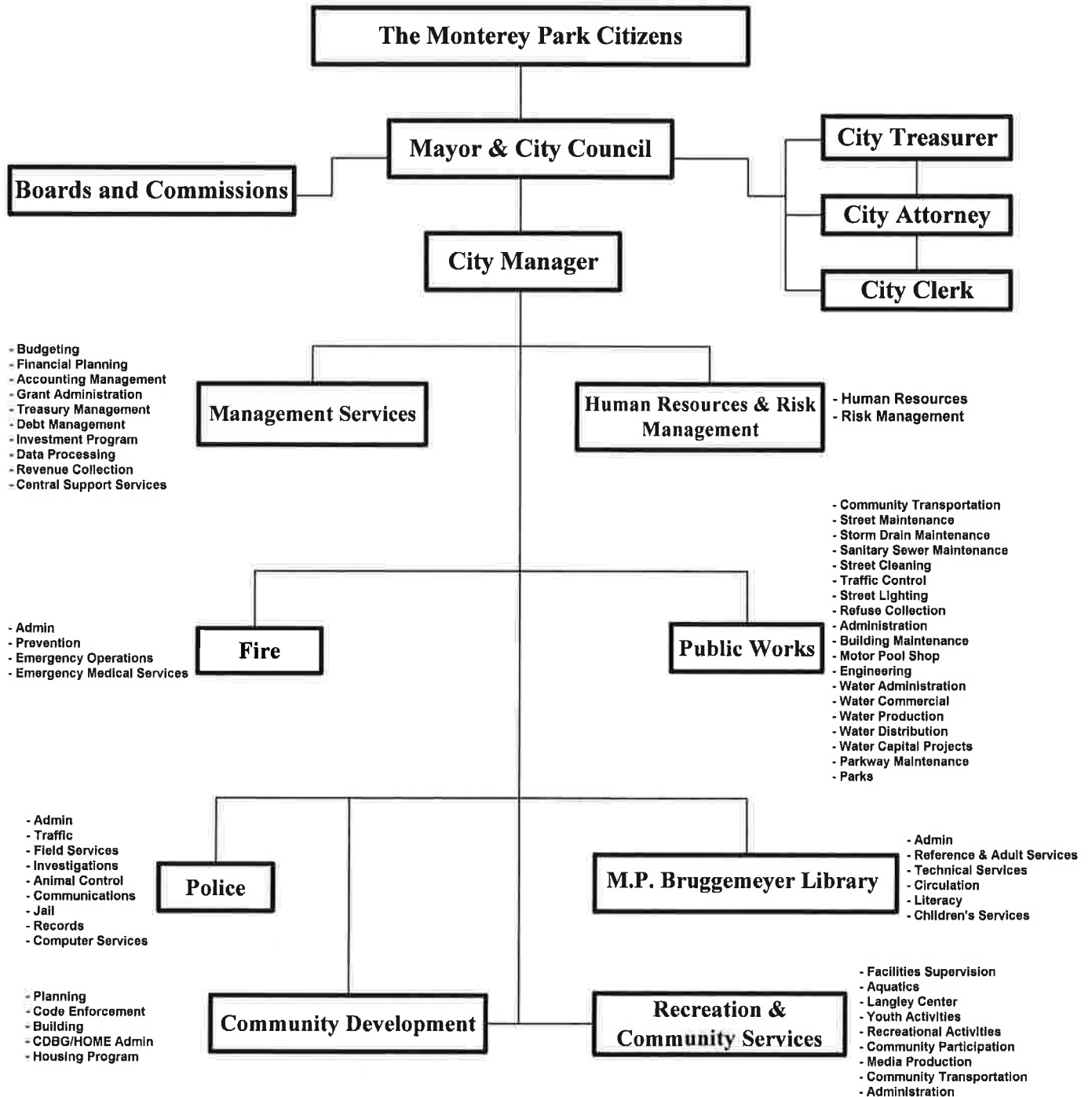
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# City of Monterey Park Organization Chart



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

# CITY OF MONTEREY PARK

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[www.ci.monterey-park.ca.us](http://www.ci.monterey-park.ca.us)



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**City Council**  
Mitchell Ing  
David T. Lau  
Teresa Real Sebastian  
Anthony Wong

**City Clerk**  
David Barron

**City Treasurer**  
Joseph Leon

December 3, 2012

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

Re: 2011-12 Comprehensive Annual Financial Report

We submit, for your information and review, the Comprehensive Annual Financial Report for the City of Monterey Park, California (the City), for the fiscal year ended June 30, 2012.

Monterey Park Municipal Code requires that the City annually publishes its financial statements audited by a firm of licensed certified public accountants. The goal of the audit was to provide reasonable assurance that the City's financial statements are free of material misstatements. The audit involves examining the City's books and records supporting the amounts and disclosures in the financial statements, assessing the accounting principles used by City management, and evaluating the overall financial statement presentation. Based on the audit, the auditor issued an unqualified (or clean) opinion indicating that the City's 2011-12 financial statements are presented in conformity with generally accepted accounting principles. The auditor's report is included in the financial section of this report.

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

## Single Audit

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

## **Budget**

The annual budget serves as the foundation for the City's financial planning and control. The City starts its budget process in January with the publication of a midyear review report. The midyear review report includes revenue and expenditure estimates for the current and upcoming fiscal years, a five-year financial projection for all City funds, a preliminary five-year capital improvement program, and updated goals and objectives for each department.

Departments begin their budget preparation in accordance with the City's strategic plan in March. After preliminary review by management, Finance compiles and submits to the City Council a proposed budget in May. In June, the City Council holds a public hearing to review and approve the proposed budget. The final budget, including adjustments by the City Council, is published in July.

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

## **Management Discussion & Analysis**

Discussions concerning the City's financial positions and activities for the 2011-12 fiscal year are included in Management's Discussion and Analysis (MD&A) and Notes to Financial Statements. We encourage readers to read these sections in conjunction with this transmittal letter as well as the City's financial statements.

## **Profile of Monterey Park**

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



In addition to governing the City, the City Council serves as the governing board of the Public Financing Authority and the Housing Authority. The financial information of these component units has been included with the City. Please see Notes to Financial Statements for discussion of the component units.

Monterey Park is a full service City, offering its residents a wide range of municipal services, including public safety, highways and streets, sanitation, water and sewer services, development and public infrastructure improvements, culture and leisure programming, general government functions and others.

## Local Economy

The nation's economy slowly moves ahead and the labor market are improving gradually. Financial prospects are brightening, though tempered. Banks are well-capitalized and have resumed lending, and the troubled housing market has started to rebound in many parts of the country. While there continue to be signs the economy is slowly emerging from the severe economic downturn, local governments' fiscal conditions remain extremely weak as traditional pillars of revenue, state and federal aid, were simultaneously cut from beneath them.



Monterey Park is located six miles east of Los Angeles at the western gateway to the San Gabriel Valley. It encompasses an area of 7.73 square miles with a population of 61,000. Monterey Park is primarily a residential community, with 78% of its land zoned for single and multiple family housing. Major businesses include food and drug, auto sales, banking, restaurants, hospitals and medical offices, and light manufacturing. Like everyone else, Monterey Park is not immune and the budget has been seriously affected since

2009. As a result of the Assembly Bill X1 26, the City's Community Redevelopment Agency was dissolved on February 1, 2012. This devastating ruling has a great impact to the City's budget and economic development activities.

Through a combination of layoffs, attrition, hiring freezes and furloughs, the City was able to sustain this economic distress imposed by the State's elimination of the City's redevelopment agency. We anticipate a slow recovery and there is potential for the City revenues to stay stagnant for a few years despite the City's stable property tax base that supports the City's property tax revenue. The City is stretching its dollars farther through implementation of various efficiency initiatives and is thinking through what are the absolute core services that cannot be affected by fiscal issues.

The City is dedicated to maintaining its community to be a vibrant, livable, and successful community for both its residents and businesses. Two major commercial development projects are currently underway. When completed, these projects will generate a large number of new jobs and tax revenues for the City. These two major development projects are as follows:

*Towne Centre* Towne Centre is a proposed mixed-use project at the southeast corner of Garvey and Garfield Avenues, in the downtown Monterey Park. Construction is scheduled to begin in 2013. Completion is expected within 18 to 24 months from start of construction.

*Market Place* This is a proposed 500,000 square feet retail center located on an Environmental Protection Agency Superfund site. The development of the shopping center includes the remediation of the site. Currently the City is processing approvals with the developers and various agencies on development related issues. Construction is anticipated to begin in 2013 and completion is anticipated within 18 to 24 months from start of construction.

## Financial Overview and Policies

The economic downturn that began more than four years ago has, indeed, proved to be among the most difficult challenges faced by the nation in many years. Despite economic weaknesses in many sectors, especially in sales tax, construction permits, and charges for services categories, the City's end of year financial condition for the 2011-12 fiscal year was improved due to its conservative fiscal management. As the City's development projects mentioned above continue to expand and move forward that will generate a large number of new jobs and tax revenues for the City.

The 2012-13 Budget includes a tightened spending plan and reflects modest personnel and operating budget reductions. The City strives to improve efficiencies by aligning closely related programs as well as consolidating departments to achieve long-term financial stability. Priority financial issues for the future are summarized as follows.

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

The City has another defined retirement plan, Massachusetts Mutual Retirement Plan, which provides retirement benefits to miscellaneous employees who were employed prior to April 1, 1976. Of the 78 participants that remain in the plan as of the June 30, 2012 valuation date, all of whom are no longer employed by the City or are currently participating in PERS.

AB 340 and 197 (*Public Pension Reform*) make substantial and wide-ranging changes to the public employee pension laws in California. The measures take effect January 1, 2013. CalPERS will be adopting regulations and/or policy to implement many of the provisions of the reform package. The City's current MOUs adopted with our labor associations include employees picking up their full share of their PERS contribution. We have also changed our retirement formulas for new hires effective January 1, 2013. It will be the City's efforts to continue to explore options to permanently resolve the pension funding issue.

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

The ongoing water treatment cost is estimated to be \$67 million for the next 30 years. The City has established a water treatment surcharge to pay for the ongoing treatment operation. Based on the 2011 annual water treatment surcharge report, barring from further changes to the water quality standards or new contaminations, the current water surcharge should provide sufficient revenue to

support the water treatment operations, thus freeing up the water operation funds for capital improvements, primarily water main replacement.

In October, the City completed a water rate study, which has been presented to the City Council with three options to ensure an appropriate rate structure in order to maintain the high standards of water services.

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

**Infrastructure Improvements and Funding** Continued investment in capital improvements is the key to a long-term economic success and better quality of life for our community. The City has made progress in updating its infrastructure through financing, maintenance fees, and grants, including various street resurfacing, downtown pedestrian linkage plan, signage and wayfinding plan, evidence room storage system, zoning ordinance updates, online payment process payment system, and water main replacement. Technology development to improve overall IT performance is also a priority of the City.

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

**Other Post Employment Benefits (OPEB)** The City provides retiree healthcare benefits for employees who retire from the City. Eligible retirees and dependents may elect lifetime coverage through the City's healthcare plans. The City makes contributions towards the retiree's premium up to specified caps that vary depending on bargaining unit and whether the participant has more or less than 20 years of service. Retirees pay the portion of premium not paid by the City. In addition to the direct City paid contribution, retirees also receive pre-65 benefits that are subsidized as they are eligible to receive coverage based on blended (active and retiree) premium rates instead of normally higher retiree rates. Beginning 2011-12, the City set aside an additional \$500,000 in the *Other Post Employment Benefits Internal Service Fund* for the City's annual retiree medical costs.

### **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 2011-12 appropriations limit was \$64.9 million and the City's actual appropriation subject to the limit was \$27.7 million.

## **Debt Administration**

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

## **Cash Management**

While the City monitors its cash balance daily and invests temporarily idle funds in accordance with the Government Code and the City's Investment Policy, there is potential to further enhance our returns and cash management. The City's investment and cash management is through pooling of various City funds to maximize safe and efficient investment operations. Investment earnings are distributed based on average cash balance. In accordance with the City's Investment Policy, the Investment Committee, which consists of the City Treasurer, City Manager, and the Financial Services Manager, plans and develops investment strategies. The Finance staff carries out the daily investment operations.

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 was recertified for the Certificate of Excellence Award in February 2011. During 2011-12, interest earnings were approximately \$218,000 and the average yield was 0.42% for the City. At June 30, 2012, the City's investment balances were \$69.2 million.

## **Risk Management**

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

## **Awards**

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, 2011. This was the 21<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

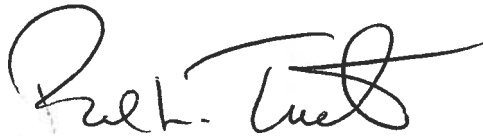
order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. Much credit for these awards goes to the Finance staff and the leadership of our Financial Services Manager, Annie Yaung.

The Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year. We believe this annual report continues to conform to the Certificate of Achievement program requirements and we will submit it to the GFOA for award consideration. In addition, the City's 2011-12 Budget has received awards for excellence in budgeting from both the Government Finance Officers Association of the United States and Canada and California Society of Municipal Finance Officers Association.

### **Acknowledgments**

We would like to express our sincere appreciation to the finance staff whose efficient and dedicated services have made this timely preparation of this report possible. We would also like to thank the Mayor and City Council for their support of excellence in financial reporting and fiscal integrity. Without their leadership, the preparation of this publication would not be possible.

Respectfully submitted,



Paul Talbot  
City Manager



Annie Yaung, CPFO  
Financial Services Manager

# 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, 2011

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



*Linda C. Danison*

President

*Jeffrey R. Emer*

Executive Director



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Monterey Park  
California**

For the Fiscal Year Beginning

**July 1, 2011**

*Linda C. Danton Jeffrey R. Egan*

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **City of Monterey Park, CA** for its annual budget for the fiscal year beginning **July 1, 2011**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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

# *California Society of Municipal Finance Officers*

*Certificate of Award*

## *Excellence Award in Operating Budget Fiscal Year 2011-2012*

*Presented to the*

*City of Monterey Park*

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

*February 29, 2012*



*Scott Johnson*  
\_\_\_\_\_  
Scott Johnson  
CSMFO President

*Chu Thai*  
\_\_\_\_\_  
Chu Thai, Chair  
Professional Standards and  
Recognition Committee

*Dedicated Excellence in Municipal Financial Reporting*



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Irvine, California 92606

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**Fax:** (949) 777-8850  
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## INDEPENDENT AUDITORS' REPORT

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

We have audited 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, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year partial comparative information has been derived from the financial statements of the City for the year ended June 30, 2011 which were audited by other auditors, whose report dated November 18, 2011, expressed unqualified opinions on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 19 to the basic financial statements, on December 29, 2011, the Supreme Court of the State of California upheld the enforceability of legislation that provides for the dissolution of the California redevelopment agencies. The Community Redevelopment Agency of the City of Monterey Park, a component unit of the City, was dissolved on February 1, 2012. On January 1, 2012, the City Council adopted a resolution and assumed the housing functions from the former Redevelopment Agency of the City of Monterey Park. All housing assets, net of liabilities, were transferred to the City and reported in the Special Revenue Housing Fund, and remaining assets, net of liabilities, were transferred to the Successor Agency to the Former Monterey Park Redevelopment Agency on February 1, 2012.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2012, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2012 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, and Schedules of Funding Progress on page 3 through 12 and 83 through 87 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Combining and Individual Nonmajor Fund Financial Statements, Budgetary Comparison Schedules, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The Combining and Individual Nonmajor Fund Financial Statements and Budgetary Comparison Schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Nonmajor Fund Financial Statements and Budgetary Comparison Schedules are fairly stated in all material respects in relation to the basic financial statements as a whole. The Introductory and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

 Paul J. McGeedy LLP

Irvine, California  
December 3, 2012

## **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, 2012, the transmittal letter, and notes to the financial statements.

### **Government-wide Financial Statements**

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

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

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

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

The government-wide financial statements include not only the City but also those legally separate entities for which the City is financially accountable. These entities include the Monterey Park Community Redevelopment Agency which was dissolved on February 1, 2012, the Monterey Park Housing Authority, and the Monterey Park Public Financing Authority. Financial information for these component units is reported as an integral part of the City. Please refer to Note Number 1(a) of the Notes to Financial Statements.

### **Fund Financial Statements**

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

## Governmental Funds

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

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

The City maintains 20 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for General Fund, Special Revenue Grants Fund, Special Revenue Retirement/Pension Liability Fund, and Special Revenue Housing Fund, which are reported as major funds. Information for the other 16 governmental funds is combined into a single column under Nonmajor Special Revenue Governmental Funds. Data for the nonmajor governmental funds is provided in the combining statements in this report.

The City adopts an annual appropriated budget for its governmental funds. Budgeted expenditures are controlled at the fund level. Budgetary comparison statements have been provided to demonstrate compliance with this budget. Please refer to Note Number 1(e) of the Notes to Financial Statements.

## Proprietary Funds

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

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

## Fiduciary Funds

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

## **Notes to the Financial Statements**

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

## **Required Supplementary Information**

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

## **Other Supplementary Information**

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

## **Financial Highlights**

- Total 2011-12 net assets increased by \$34.3 million (\$31.0 million increases for governmental activities and \$3.3 million increases for business-type activities) from 2010-11.
- As of June 30, 2012, the City's assets exceeded liabilities by \$120.9 million, of which \$67.8 million was related to investment in capital assets, and \$26.8 million was restricted for special revenues.
- At the 2011-12 year end, the General Fund total fund balance was \$15.5 million, increased by \$2.4 million from last year. The increase included \$1.83 million one-time sales of parking lot, \$430,000 from election cost and other reimbursements, and \$140,000 repayments of a General Fund loan from the Monterey Park Senior Village. Total unassigned General Fund balance remained at \$2.5 million at June 30, 2012.
- As a result of the Assembly Bills X1 26 and 1484, the City's Redevelopment Agency was dissolved on February 1, 2012, and the City assumed the responsibility of the housing assets and functions. Housing net assets in the amount of \$8.2 million were recorded under the Special Revenue Housing Fund at June 30, 2012. All former Redevelopment Agency's assets and liabilities were transferred to the Successor Agency and were reported in the Fiduciary Fund.

## Government-wide Financial Analysis

Net assets serve as an indicator of a government's financial position over time. As of June 30, 2012, the City's combined net assets (governmental and business-type activities) totaled \$120.9 million, up \$34.3 million over last year.

Net assets consist of three categories: invested in capital assets, net of related debt, restricted, and unrestricted. The largest portion of the City's net assets, approximately \$67.8 million, is the City's investment in capital assets including land, buildings, equipment, and infrastructure net of accumulated depreciation and related debt for acquiring these capital assets. Since the capital assets are used to provide services to citizens; therefore, they are not available to fund the City's day-to-day activities.

The City's restricted net assets totaled \$26.8 million at June 30, 2012. These are assets subject to external restrictions, constitutional provisions, or enabling legislation that limit how these assets may be used. The restricted assets include primarily grants, retirement/pension, housing and various non-major special revenue funds. Unrestricted net assets are assets available for use by the City for any legal purpose. As of June 30, 2012, the City's total unrestricted net assets were \$26.2 million.

Net Assets  
Fiscal Years Ended June 30, 2012 and June 30, 2011  
(In thousands)

	Government Activities		Business-type Activities		Total	
	6/30/2012	6/30/2011	6/30/2012	6/30/2011	6/30/2012	6/30/2011
<b>Assets:</b>						
Current	\$ 56,153	\$ 73,484	\$ 24,023	\$ 20,374	\$ 80,176	\$ 93,858
Noncurrent						
Capital Assets	50,638	45,845	25,973	26,309	76,611	72,154
Other Assets	24,224	40,677	-	-	24,224	40,677
<b>Total Assets:</b>	<b>\$ 131,015</b>	<b>\$ 160,006</b>	<b>\$ 49,996</b>	<b>\$ 46,683</b>	<b>\$ 181,011</b>	<b>\$ 206,689</b>
<b>Liabilities:</b>						
Current	\$ 9,888	\$ 10,491	\$ 3,491	\$ 3,204	\$ 13,379	\$ 13,695
Long-term	40,623	100,032	6,122	6,354	46,745	106,386
<b>Total liabilities:</b>	<b>\$ 50,511</b>	<b>\$ 110,523</b>	<b>\$ 9,613</b>	<b>\$ 9,558</b>	<b>\$ 60,124</b>	<b>\$ 120,081</b>
<b>Net Assets:</b>						
Invested in capital, net of related debt	\$ 47,381	\$ 42,184	\$ 20,440	\$ 19,372	\$ 67,821	\$ 61,556
Restricted	26,825	31,741	-	-	26,825	31,741
Unrestricted	6,298	(24,442)	19,943	17,753	26,241	(6,689)
<b>Total Net Assets</b>	<b>\$ 80,504</b>	<b>\$ 49,483</b>	<b>\$ 40,383</b>	<b>\$ 37,125</b>	<b>\$ 120,887</b>	<b>\$ 86,608</b>

Changes in Net Assets  
Fiscal Years Ended June 30, 2012 and June 30, 2011  
(In thousands)

	Government Activities		Business-type Activities		Total	
	6/30/2012	6/30/2011	6/30/2012	6/30/2011	6/30/2012	6/30/2011
Revenues:						
<u>Program Revenues:</u>						
Charges for Services	\$ 6,224	\$ 7,512	\$ 19,129	\$ 19,560	\$ 25,353	\$ 27,072
Operation Grants & Contributions	4,668	4,953	-	225	4,668	5,178
Capital Grants & Contributions	3,725	1,646	92	74	3,817	1,720
<u>General Revenues:</u>						
Taxes	37,353	41,098	-	-	37,353	41,098
Other	3,303	256	2,206	1,405	5,509	1,661
Total Revenues:	<u>55,273</u>	<u>55,465</u>	<u>21,427</u>	<u>21,264</u>	<u>76,700</u>	<u>76,729</u>
Expenses:						
General Government	4,405	3,497	-	-	4,405	3,497
Public Safety	27,764	27,575	-	-	27,764	27,575
Comm. Development	5,673	11,028	-	-	5,673	11,028
Culture & Recreation	6,378	6,686	-	-	6,378	6,686
Highway/Streets	4,886	5,210	-	-	4,886	5,210
Health	120	120	6,276	6,122	6,396	6,242
Debt Services	2,128	2,785	-	-	2,128	2,785
Water/Refuse/Sewer	-	-	11,543	10,908	11,543	10,908
Total Expenses:	<u>51,354</u>	<u>56,901</u>	<u>17,819</u>	<u>17,030</u>	<u>69,173</u>	<u>73,931</u>
Increase in Net Assets						
Before Others and Transfers	3,919	(1,928)	3,608	4,234	7,527	2,306
Transfer In (Out)	350	281	(350)	(281)	-	-
Dissolution of former RDA	26,752	-	-	-	26,752	-
Increase in Net Assets	<u>31,021</u>	<u>(1,647)</u>	<u>3,258</u>	<u>3,953</u>	<u>34,279</u>	<u>2,306</u>
Net Assets – July 1	<u>49,483</u>	<u>51,130</u>	<u>37,125</u>	<u>33,172</u>	<u>86,608</u>	<u>84,302</u>
Net Assets – June 30	<u>\$ 80,504</u>	<u>\$ 49,483</u>	<u>\$ 40,383</u>	<u>\$ 37,125</u>	<u>\$ 120,887</u>	<u>\$ 86,608</u>

Governmental Activities Financial Analysis

Overall governmental activities increased the City's net assets by \$34.3 million, due primarily to the dissolution of the former Redevelopment Agency \$26.8 million. The change in net assets before others and transfers is \$7.5 million which include \$3.9 million from government activities and \$3.6 million from business type activities.

## Governmental Funds

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

As of June 30, 2012, the City's governmental funds reported a combined ending fund balance of \$42.2 million, a decrease of \$36.7 million from the prior year. The fund balance categories of governmental fund displayed \$3.3 million nonspendable, \$24.2 million restricted, \$7.2 million committed, \$5.1 million assigned, and \$2.4 million as unassigned. Of the \$2.4 million unassigned, \$2.5 million was the General Fund portion, offset by a deficit of \$69,288 and \$83,832 unassigned portion in Public Safety Impact Fee Fund and Park Facilities Fund, respectively. These deficits will be eliminated in next year as the City receives revenues from development projects and reduces spending. *(Please refer to Note Number 15 of the Notes to Financial Statements for detailed breakdown.)*

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

**General Fund** is the main operating fund of the City, which finances the majority of the police, fire, recreation, parks maintenance, public works, library, community development, and general administrative services. General Fund revenues and other sources for 2011-12 totaled \$34.6 million, an increase of \$4.9 million over 2010-11. The increase mainly reflected in the Intergovernmental Revenue category which is the parking facilities and land transfer from the Successor Agency to the Special Revenue Housing Fund. General Fund expenditures for 2011-12 totaled \$32.2 million, an increase of \$1.9 million from 2010-11. This reflected the land expenditures of former Redevelopment Agency owned parcels.

As of June 30, 2012, the total fund balance of the General Fund was \$15.5 million, up by \$2.4 million from last year. The increase included \$1.8 million from one-time sales of a city parking lot and \$600,000 miscellaneous refunds revenues. The unassigned portion of the fund balance remained unchanged for \$2.5 million.

**Special Revenue Grants Fund** reports the activities of various grants that the City received from the Federal, State, and County agencies. Unspent grant funds are accumulated for expenditures in the future years. Total grants received for governmental activities in 2011-12 were \$3.2 million, down \$1.1 million from last year. Total 2011-2012 grant funded expenditures was \$4.3 million, reflecting a major increase of \$600,000 in capital outlay. The increase was for the construction cost of East Los Angeles Transit Center capital project. Total fund balance of the Special Revenue Grants Fund as of June 30, 2012 was \$2.6 million.

***Special Revenue Retirement/Pension Liability Fund*** accounts for revenue received from voter-approved property tax levied to provide for employee retirement costs. Total revenues and transfers for 2011-12 were \$5.3 million. Total expenditures for 2011-12 were \$7.1 million, up \$351,000 from 2010-11. The increase in expenditures was due to higher PERS contribution rates for both the City's miscellaneous and safety retirement plans. Total fund balance in Retirement/Pension Liability Fund as of June 30, 2012 was \$8.5 million, which is restricted for employee retirement costs.

***Special Revenue Housing Fund*** is used to account for the City's housing activities and programs. The City elected to retain the housing assets and functions previously performed by the dissolved Redevelopment Agency. As a result, the City transferred Low and Moderate Income Housing Set-Aside Fund assets and liabilities to the Special Revenue Housing Fund. Total fund balance as of June 30, 2012 was \$8.2 million.

***Non-major Special Revenue Funds*** accounts for various activities including street improvement, transportation, library expansion and services, air quality improvement, lighting and landscaping district, and public safety. Total revenues for 2011-12 were \$11.6 million, decreased by \$9.8 million from 2010-11. Total expenditures and transfer-out for 2011-12 were \$10.5 million, a decrease of \$14.7 million over 2010-11. All these were due to the dissolution of the former Redevelopment Agency. As of June 30, 2012, the fund balance of the Non-major Special Revenue Funds totaled \$7.4 million.

#### Business-type Activities Financial Analysis

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

Total 2011-12 water revenues were \$15.1 million, an increase of \$131,000 from 2010-11. Total 2011-12 expenses and transfers were \$11.7 million. The increased in water revenue was primarily due to sales of water rights to the San Gabriel Valley Municipal Water Company. Overall, the net assets for the Water Fund were increased by \$3.3 million. *(Please refer to the Supplementary Information for the water operation and water treatment activities.)*

#### **General Fund Budgetary Highlights**

The originally adopted General Fund budget for this fiscal year was \$30 million. The final revised budget reflected amendments for several parking facilities and land transfers from the Successor Agency to the City as approved by the State Department of Finance.

#### Capital Asset Administration

The City's capital assets, net of accumulated depreciation, for its governmental and business type activities as of June 30, 2012, totaled \$76.6 million, an increase of \$4.5 million from prior year. The increase is due to transfers of capital assets from the Successor Agency. The capital assets include land, buildings, improvements, machinery and equipment, parks, roads, traffic lights, and traffic signals. *(Readers desiring more detailed information on capital asset activity should refer to Note Number 7 of the Notes to Financial Statements.)*

**Capital Assets Net of Depreciation**  
**Fiscal Years Ended June 30, 2012 and June 30, 2011**  
(In thousands)

	Government Activities		Business-type Activities		Total	
	6/30/2012	6/30/2011	6/30/2012	6/30/2011	6/30/2012	6/30/2011
Land	\$ 12,614	\$ 7,445	\$ 500	\$ 500	\$ 13,114	\$ 7,945
Buildings	18,341	18,901	186	192	18,527	19,093
Improvements	7,587	7,784	22,999	23,329	30,586	31,113
Construction in Progress	826	14	553	342	1,379	356
Equipment	2,006	3,269	179	301	2,185	3,570
Infrastructure	9,263	8,433	1,556	1,645	10,819	10,078
Total	<u>\$ 50,637</u>	<u>\$ 45,846</u>	<u>\$ 25,973</u>	<u>\$ 26,309</u>	<u>\$ 76,610</u>	<u>\$ 72,155</u>

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

- Transferred low and moderate housing assets of \$2.3 million from the former Redevelopment Agency's Housing Set-Aside Fund to the City's Special Revenue Housing Fund for on-going housing activities.
- Transferred several public parking facilities and Market Place lot of \$ \$2.9 million from the Successor Agency to the City for ongoing government usage.
- Constructed Transit Center on Collegian Avenue at East Los Angeles College.
- Improved the City's storm drain system by installing 400 catch basins on various City streets.
- Constructed various park restroom improvements throughout the City parks.
- Completed slurry seal and various street resurfacing, alley and sidewalk improvements.
- Continued water well, water main, and pumping station improvements according to the adopted Water Master Plan.

**Debt Administration**

As of June 30, 2012, the City's debt totaled \$50.3 million, a decrease of \$60.9 million during the fiscal year. The primary reason of debt decrease was due to dissolution of the City's Redevelopment Agency, totaling \$60.7 million. The debt which consisted of Tax Allocation Bonds for \$26 million and Tax Deferred Loans for \$34.7 million was transferred to the Successor Agency. *(Please refer to Note Number 9 of the Notes to the 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 \$834 million.

**Outstanding Debt**  
**Fiscal Years ended June 30, 2012 and June 30, 2011**  
(In thousands)

	Government Activities		Business-Type Activities		Total	
	6/30/2012	6/30/2011	6/30/2012	6/30/2011	6/30/2012	6/30/2011
Capital Leases	\$ 1,219	\$ 1,326	\$ 5,533	\$ 6,095	\$ 6,752	\$ 7,421
Tax Allocation Bonds	-	26,975	-	-	-	26,975
Pension Obligation Bonds	15,850	16,345	-	-	15,850	16,345
Compensated Absences	4,685	4,952	522	453	5,207	5,405
Tax Increment						
Deferred Loans	-	34,611	-	-	-	34,611
Section 108 Loan	4,487	4,768	-	-	4,487	4,768
Library Special Tax						
Revenue Note	2,038	2,335	-	-	2,038	2,335
Claims and Judgments	6,584	5,992	-	-	6,584	5,992
Other Post Employment						
Benefits ( <i>OPEB</i> )	8,725	7,078	687	255	9,412	7,333
<b>Total</b>	<b>\$ 43,588</b>	<b>\$ 104,382</b>	<b>\$ 6,742</b>	<b>\$ 6,803</b>	<b>\$ 50,330</b>	<b>\$ 111,185</b>

**Economic Factors and Next Year's Budgets**

- The City's total assessed valuation is \$5.56 billion, up 2% from last year.
- The 2012-13 Budget is balanced and it reflects budget reductions to offset the recessionary impacts of the economy on City revenues as well as the City's redevelopment agency dissolution. The 2012-13 budget development is based on the City's three-year citywide goals. These goals serve as the guidelines to identify community priorities and effectively align resources to achieve our mission.
- As part of diagnosing the City's fiscal condition, the City will conclude its Master Fee, Water, and Sewer Rates Study to examine whether user-charge revenues are covering service costs, and thus determine the best course of action to keep the City financially healthy and secure.
- The Atlantic Times Square development, which is a mixed-use commercial and residential project at North Atlantic Boulevard and Hellman Avenue, is 100% complete with most stores and the AMC Theater open now for business. The City expects to generate more sales tax and property tax revenues and job opportunities from this project since it has now become the third largest property tax contributor for the City of Monterey Park.
- The City has assumed its housing responsibilities and assets and will continue to pursue opportunities to develop affordable housing and maintain programs for residential maintenance and rental rehabilitation.
- The City will continue to develop major commercial developments, including Towne Centre in the downtown area and Market Place at the south part of the town.

## **Requests for Information**

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

## **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**CITY OF MONTEREY PARK**  
**Statement of Net Assets**  
**June 30, 2012**

	Governmental Activities	Business-type Activities	Total
<b><u>ASSETS</u></b>			
Current assets:			
Cash and investments	\$ 52,417,564	\$ 21,752,426	\$ 74,169,990
Cash and investments held by fiscal agent	122	-	122
Accounts receivable	3,749,996	2,196,795	5,946,791
Interest receivable	58,638	-	58,638
Inventory	657	-	657
Internal balance	(73,783)	73,783	-
<b>Total current assets</b>	<b>56,153,194</b>	<b>24,023,004</b>	<b>80,176,198</b>
Noncurrent assets:			
Loans receivable, net	1,995,058	-	1,995,058
Deferred charges	287,360	-	287,360
Advances to Fiduciary Fund	2,617,203	-	2,617,203
Net pension asset	19,324,091	-	19,324,091
Capital assets:			
Not being depreciated	13,439,917	1,052,861	14,492,778
Being depreciated, net	37,197,698	24,919,891	62,117,589
<b>Total noncurrent assets</b>	<b>74,861,327</b>	<b>25,972,752</b>	<b>100,834,079</b>
<b>Total assets</b>	<b>131,014,521</b>	<b>49,995,756</b>	<b>181,010,277</b>
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Accounts payable	2,825,919	2,410,687	5,236,606
Accrued payroll	895,377	67,273	962,650
Interest payable	189,653	-	189,653
Deposits and advances	861,635	393,135	1,254,770
Due to other governmental agencies	808,836	-	808,836
Current bonds payable	485,000	-	485,000
Current loans and notes payable	606,454	-	606,454
Current compensated absences payable	468,496	52,231	520,727
Current claims and judgments payable	2,633,755	-	2,633,755
Current capital lease obligations	112,762	567,503	680,265
<b>Total current liabilities</b>	<b>9,887,887</b>	<b>3,490,829</b>	<b>13,378,716</b>
Noncurrent liabilities			
Net pension obligation	841,700	-	841,700
Long-term bonds payable	15,365,000	-	15,365,000
Long-term loans and notes payable	5,918,624	-	5,918,624
Long-term compensated absences payable	4,216,474	470,076	4,686,550
Long-term claims and judgments payable	3,950,632	-	3,950,632
Long-term capital lease obligations	1,105,804	4,965,605	6,071,409
Net other post-employment health benefits liability	9,224,572	686,428	9,911,000
<b>Total noncurrent liabilities</b>	<b>40,622,806</b>	<b>6,122,109</b>	<b>46,744,915</b>
<b>Total liabilities</b>	<b>50,510,693</b>	<b>9,612,938</b>	<b>60,123,631</b>
<b><u>NET ASSETS</u></b>			
Invested in capital assets, net of related debt	47,380,971	20,439,644	67,820,615
Restricted for:			
Special revenues	26,824,487	-	26,824,487
Unrestricted	6,298,370	19,943,174	26,241,544
<b>Total net assets</b>	<b>\$ 80,503,828</b>	<b>\$ 40,382,818</b>	<b>\$ 120,886,646</b>

See accompanying Notes to Basic Financial Statements.

**CITY OF MONTEREY PARK**  
**Statements of Activities and Changes in Net Assets**  
**For the Year Ended June 30, 2012**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	\$ 4,405,489	\$ 627,769	\$ 71,051	\$ -
Public safety	27,764,258	2,926,775	473,091	-
Community development	5,673,116	1,608,072	1,943,414	2,876,300
Culture and recreation	6,378,055	692,083	225,145	-
Highway and streets	4,886,331	369,180	1,954,851	848,894
Health	120,000	-	-	-
Interest and fiscal charges	2,128,198	-	-	-
<b>Total governmental activities</b>	<b>51,355,447</b>	<b>6,223,879</b>	<b>4,667,552</b>	<b>3,725,194</b>
<b>Business-type activities:</b>				
Water	11,542,663	12,853,684	-	91,894
Refuse	5,944,116	6,001,641	-	-
Sewer	331,683	273,496	-	-
<b>Total business-type activities</b>	<b>17,818,462</b>	<b>19,128,821</b>	<b>-</b>	<b>91,894</b>
<b>Total</b>	<b>\$ 69,173,909</b>	<b>\$ 25,352,700</b>	<b>\$ 4,667,552</b>	<b>\$ 3,817,088</b>

**CITY OF MONTEREY PARK**  
**Statements of Activities and Changes in Net Assets, Continued**  
**For the Year Ended June 30, 2012**

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets		
	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>			
General government	\$ (3,706,669)	\$ -	\$ (3,706,669)
Public safety	(24,364,392)	-	(24,364,392)
Community development	754,670	-	754,670
Culture and recreation	(5,460,827)	-	(5,460,827)
Highway and streets	(1,713,406)	-	(1,713,406)
Health	(120,000)	-	(120,000)
Interest and fiscal charges	(2,128,198)	-	(2,128,198)
Total governmental activities	<u>(36,738,822)</u>	<u>-</u>	<u>(36,738,822)</u>
<b>Business-type activities:</b>			
Water	-	1,402,915	1,402,915
Refuse	-	57,525	57,525
Sewer	-	(58,187)	(58,187)
Total business-type activities	<u>-</u>	<u>1,402,253</u>	<u>1,402,253</u>
Total	<u>(36,738,822)</u>	<u>1,402,253</u>	<u>(35,336,569)</u>
<b>General Revenues:</b>			
<b>Taxes:</b>			
Property taxes	24,537,300	-	24,537,300
Sales taxes	5,057,132	-	5,057,132
Vehicle in-lieu taxes (Unrestricted, intergovernmental)	32,170	-	32,170
Utility user taxes	3,092,796	-	3,092,796
Franchise taxes	942,985	-	942,985
Business license taxes	945,367	-	945,367
Transient occupancy taxes	876,482	-	876,482
Other taxes	1,868,862	-	1,868,862
Revenues from use of money and property	776,649	-	776,649
Other	685,026	2,205,569	2,890,595
Gain on sale of capital assets	1,842,182	-	1,842,182
Transfers	350,000	(350,000)	-
<b>Extraordinary Item:</b>			
Gain from dissolution of former Community Redevelopment Agency of the City of Monterey Park (Note 18)	26,752,439	-	26,752,439
Total general revenues, transfers, and extraordinary item	<u>67,759,390</u>	<u>1,855,569</u>	<u>69,614,959</u>
Changes in net assets	31,020,568	3,257,822	34,278,390
Net assets - beginning of year	49,483,260	37,124,996	86,608,256
Net assets - end of year	<u>\$ 80,503,828</u>	<u>\$ 40,382,818</u>	<u>\$ 120,886,646</u>

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**FUND FINANCIAL STATEMENTS**

**CITY OF MONTEREY PARK**  
**Balance Sheet - Governmental Funds**  
**June 30, 2012**  
**(with comparative totals as of June 30, 2011)**

	Major Funds			
	General	Grants	Special Revenue Retirement/Pension	Housing
<u>Assets</u>				
Cash and investments	\$ 14,987,101	\$ 3,297,704	\$ 8,209,050	\$ 6,541,249
Cash and investments held by fiscal agents	-	-	122	-
Accounts receivable	2,353,813	705,203	375,576	-
Interest receivable	52,305	1,145	-	-
Due from other funds	724,120	-	-	-
Loans receivable, net	-	808,836	-	1,186,222
Land held for resale	-	-	-	-
Advances to other funds	703,230	-	-	-
Advances to Fiduciary Fund	-	-	-	2,617,203
Prepaid items	-	-	-	-
<b>Total Assets</b>	<b>\$ 18,820,569</b>	<b>\$ 4,812,888</b>	<b>\$ 8,584,748</b>	<b>\$ 10,344,674</b>
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Accounts payable	\$ 493,129	\$ 961,233	\$ 16,890	\$ 957,914
Accrued payroll	632,606	6,493	107,100	-
Deposits and advances	849,185	3,645	-	8,805
Due to other funds	-	448,398	-	-
Due to other governmental agencies	-	808,836	-	-
Deferred revenue	1,317,519	-	-	1,186,222
Advances from other funds	-	-	-	-
<b>Total Liabilities</b>	<b>3,292,439</b>	<b>2,228,605</b>	<b>123,990</b>	<b>2,152,941</b>
Fund Balance:				
Nonspendable				
Loans receivable	-	-	-	-
Land held for resale	-	-	-	-
Advances to other funds	703,230	-	-	-
Advances to Fiduciary Fund	-	-	-	2,617,203
Prepaid items	-	-	-	-
Restricted				
Grants	-	2,584,283	-	-
Retirement	-	-	8,460,758	-
Debt service	-	-	-	-
Housing	-	-	-	5,574,530
Nonmajor special revenue funds	-	-	-	-
Committed				
General fund	7,173,519	-	-	-
Capital projects funds	-	-	-	-
Assigned				
General fund	5,145,940	-	-	-
Capital projects funds	-	-	-	-
Unassigned				
General fund	2,505,441	-	-	-
Nonmajor special revenue funds	-	-	-	-
<b>Total Fund Balance</b>	<b>15,528,130</b>	<b>2,584,283</b>	<b>8,460,758</b>	<b>8,191,733</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 18,820,569</b>	<b>\$ 4,812,888</b>	<b>\$ 8,584,748</b>	<b>\$ 10,344,674</b>

See Accompanying Notes to Basic Financial Statements.

**CITY OF MONTEREY PARK**  
**Balance Sheet - Governmental Funds, Continued**  
**June 30, 2012**  
**(with comparative totals as of June 30, 2011)**

<u>Assets</u>	Nonmajor Governmental Funds	Total Governmental Funds	
		2012	2011
Cash and investments	\$ 8,398,123	\$ 41,433,227	\$ 56,549,032
Cash and investments held by fiscal agents	-	122	2,472,491
Accounts receivable	315,404	3,749,996	4,187,807
Interest receivable	5,188	58,638	99,707
Due from other funds	-	724,120	510,017
Loans receivable, net	-	1,995,058	9,863,648
Land held for resale	-	-	10,815,327
Advances to other funds	-	703,230	3,320,433
Advances to Fiduciary Fund	-	2,617,203	-
Prepaid items	-	-	7,100
Total Assets	<u>\$ 8,718,715</u>	<u>\$ 51,281,594</u>	<u>\$ 87,825,562</u>
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts payable	\$ 278,710	\$ 2,707,876	\$ 1,505,156
Accrued payroll	26,460	772,659	724,643
Deposits and advances	-	861,635	889,882
Due to other funds	275,722	724,120	510,017
Due to other governmental agencies	-	808,836	796,372
Deferred revenue	-	2,503,741	1,206,671
Advances from other funds	703,230	703,230	3,320,433
Total Liabilities	<u>1,284,122</u>	<u>9,082,097</u>	<u>8,953,174</u>
Fund Balance:			
Nonspendable			
Loans receivable	-	-	8,903,530
Land held for resale	-	-	10,815,327
Advances to other funds	-	703,230	3,320,433
Advances to Fiduciary Fund	-	2,617,203	-
Prepaid items	-	-	7,100
Restricted			
Grants	-	2,584,283	3,745,856
Retirement	-	8,460,758	10,278,428
Debt service	-	-	2,472,362
Housing	-	5,574,530	5,977,326
Nonmajor special revenue funds	7,587,713	7,587,713	6,975,109
Committed			
General fund	-	7,173,519	5,340,000
Capital projects funds	-	-	3,524,270
Assigned			
General fund	-	5,145,940	4,589,465
Capital projects funds	-	-	10,523,233
Unassigned			
General fund	-	2,505,441	2,505,441
Nonmajor special revenue funds	(153,120)	(153,120)	(105,492)
Total Fund Balance	<u>7,434,593</u>	<u>42,199,497</u>	<u>78,872,388</u>
Total Liabilities and Fund Balance	<u>\$ 8,718,715</u>	<u>\$ 51,281,594</u>	<u>\$ 87,825,562</u>

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**CITY OF MONTEREY PARK**  
**Reconciliation of the Statement of Net Assets**  
**of Government Activities**  
**For the Year Ended June 30, 2012**

Total fund balance of governmental funds in fund statements	\$ 42,199,497
Internal service funds are used by management to charge the costs of separation benefits, workers' compensation, vehicle, technology and general liability to individual funds. The assets and liabilities of internal service funds are reported with governmental activities in the statement of net assets. Total net assets is \$5,228,161 plus the portion of the current year change in net assets allocated to Business-Type activities of \$73,783.	5,154,378
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. (Total governmental assets of \$50,637,615 less internal service funds of \$1,131,279, which has already been accounted in the reconciliation of internal service funds elimination).	49,506,336
Long-term liabilities in the amount of \$43,587,573 are not due and payable in the current period and therefore are not reported in the governmental funds, net of \$6,647,351 included in reconciliation of internal service funds.	(37,440,222)
Interest on long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	(189,653)
Deferred charges related to issuance of long term debt are recorded as expenditures in governmental fund statements.	287,360
Net pension asset is not available to pay for current period expenditures and therefore is not recorded in the governmental funds.	19,324,091
Net pension obligation is not due and payable in the current period and therefore is not reported in the governmental funds.	(841,700)
Proposition 1A, AB 1290 pass through and RDA residual interest earned but unavailable is recorded as deferred revenue in governmental fund statements.	2,503,741
Net assets of governmental activities	\$ 80,503,828

**CITY OF MONTEREY PARK**  
**Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Governmental Funds**  
**For the Year Ended June 30, 2012**  
**(with comparative totals for the year ended June 30, 2011)**

	Major Funds			
	General	Special Revenue		
		Grants	Retirement/Pension	Housing (*)
Revenues:				
Taxes	\$ 21,519,774	\$ -	\$ 4,834,830	\$ -
Licenses and permits	1,856,887	-	-	-
Intergovernmental revenues	2,876,300	3,130,414	-	-
Charges for services	4,072,183	3,905	-	-
Revenues from use of money and property	634,355	38,723	122	9,262
Fines and forfeitures	770,959	-	-	-
Other	681,927	-	-	32,303
<b>Total Revenues</b>	<b>32,412,385</b>	<b>3,173,042</b>	<b>4,834,952</b>	<b>41,565</b>
Expenditures:				
Current:				
General government	2,520,226	-	967,926	3,094
Public safety	20,391,933	404,323	4,091,903	-
Community development	1,251,015	943,109	164,911	957,505
Culture and recreation	4,638,650	176,971	364,989	-
Highways and streets	483,723	41,324	23,233	-
Health	-	-	-	-
Capital outlay	2,931,881	2,114,808	-	2,292,090
Debt service:				
Principal retirement	-	388,897	495,000	-
Interest and fiscal charges	-	265,183	970,806	-
<b>Total Expenditures</b>	<b>32,217,428</b>	<b>4,334,615</b>	<b>7,078,768</b>	<b>3,252,689</b>
Excess (Deficiency) of Revenues Over Expenditures	194,957	(1,161,573)	(2,243,816)	(3,211,124)
Other Financing Sources (Uses):				
Transfers in	350,000	-	426,146	-
Transfers out	-	-	-	-
Proceeds from sale of property	1,837,937	-	-	-
Issuance of tax increment deferred loan	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>2,187,937</b>	<b>-</b>	<b>426,146</b>	<b>-</b>
<b>Net Change in Fund Balances before Extraordinary Item</b>	<b>2,382,894</b>	<b>(1,161,573)</b>	<b>(1,817,670)</b>	<b>(3,211,124)</b>
Extraordinary Item:				
Gain (Loss) on dissolution of the former Redevelopment Agency of Monterey Park (Note 18)	-	-	-	11,402,857
<b>Net Change in Fund Balances</b>	<b>2,382,894</b>	<b>(1,161,573)</b>	<b>(1,817,670)</b>	<b>8,191,733</b>
Fund Balances, Beginning of Year	13,145,236	3,745,856	10,278,428	-
<b>Fund Balances, End of Year</b>	<b>\$ 15,528,130</b>	<b>\$ 2,584,283</b>	<b>\$ 8,460,758</b>	<b>\$ 8,191,733</b>

\* For the five months period ended June 30, 2012.

**CITY OF MONTEREY PARK**  
**Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Governmental Funds, Continued**  
**For the Year Ended June 30, 2012**  
**(with comparative totals for the year ended June 30, 2011)**

	Nonmajor Governmental Funds	Total Governmental Funds	
		2012	2011
<b>Revenues:</b>			
Taxes	\$ 11,087,769	\$ 37,442,373	\$ 42,568,610
Licenses and permits	-	1,856,887	1,661,496
Intergovernmental revenues	-	6,006,714	4,262,737
Charges for services	284,280	4,360,368	4,554,131
Revenues from use of money and property	61,884	744,346	767,652
Fines and forfeitures	182,033	952,992	1,272,417
Other	6,000	720,230	376,314
<b>Total Revenues</b>	<b>11,621,966</b>	<b>52,083,910</b>	<b>55,463,357</b>
<b>Expenditures:</b>			
<b>Current:</b>			
General government	129,933	3,621,179	3,771,085
Public safety	793,213	25,681,372	25,692,272
Community development	2,317,442	5,633,982	10,826,979
Culture and recreation	396,597	5,577,207	5,561,337
Highways and streets	3,659,460	4,207,740	4,434,810
Health	120,000	120,000	120,000
Capital outlay	775,420	8,114,199	1,841,700
<b>Debt service:</b>			
Principal retirement	1,137,030	2,020,927	2,284,269
Interest and fiscal charges	754,872	1,990,861	2,731,427
<b>Total Expenditures</b>	<b>10,083,967</b>	<b>56,967,467</b>	<b>57,263,879</b>
Excess (Deficiency) of Revenues Over Expenditures	1,537,999	(4,883,557)	(1,800,522)
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	776,146	13,451,752
Transfers out	(426,146)	(426,146)	(13,170,352)
Proceeds from sale of property	4,245	1,842,182	6,627
Issuance of tax increment deferred loan	-	-	3,775,724
<b>Total Other Financing Sources (Uses)</b>	<b>(421,901)</b>	<b>2,192,182</b>	<b>4,063,751</b>
<b>Net Change in Fund Balances before Extraordinary Item</b>	<b>1,116,098</b>	<b>(2,691,375)</b>	<b>2,263,229</b>
<b>Extraordinary Item:</b>			
Gain (Loss) on dissolution of the former Redevelopment Agency of Monterey Park (Note 18)	(45,384,373)	(33,981,516)	-
<b>Net Change in Fund Balances</b>	<b>(44,268,275)</b>	<b>(36,672,891)</b>	<b>2,263,229</b>
<b>Fund Balances, Beginning of Year</b>	<b>51,702,868</b>	<b>78,872,388</b>	<b>76,609,159</b>
<b>Fund Balances, End of Year</b>	<b>\$ 7,434,593</b>	<b>\$ 42,199,497</b>	<b>\$ 78,872,388</b>

See Accompanying Notes to Basic Financial Statements.

**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, 2012**

Net change in fund balance - total governmental funds	\$ (36,672,891)
Amount reported for governmental activities in the statement of activities and changes in net assets are different because:	
Internal service funds are used by management to charge the costs of separation benefits, workers' compensation, vehicle, technology and general liability to individual funds. The net expense of certain activities of internal service fund of \$269,461 is reported with governmental activities. This amount includes \$132,426 charged to the Water and Refuse Enterprise Fund.	137,035
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlay (\$433,361 of capital outlay expenditures was for current program expenditures and was not capitalized), net of internal service fund addition of \$37,150.	7,680,838
Depreciation expense, net of internal service fund depreciation expense of \$443,605.	(2,467,525)
Principal debt repayment was recorded as an expenditure. However, this transaction is not recorded in the Statement of Activities and Changes in Net Assets. Instead, this transactions is reported as long-term debt payable in the Statement of Net Assets.	2,020,927
Amortization of bond issuance costs, bond discounts, and reacquisition cost in excess of the carrying value of the refunded bonds is not recorded in governmental fund statements.	(49,757)
Change in net pension asset reported in the statements of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.	250,347
Changes in compensated absences which are not due and payable in the governmental funds are charged to expenses in the Statement of Activities.	274,326
OPEB obligation costs are not due and payable in the current period and therefore are not reported in the governmental funds.	(2,146,591)
Interest on long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	(87,580)
Deferred revenue is not recognized as revenue in the governmental funds since the revenue is not available to fund expenditures of the fiscal year.	1,347,484
Extraordinary gain (loss) in the Statement of Activities resulted from the increase or decrease of long term assets and liabilities which were not reported in the governmental funds. This was caused by the dissolution of the Cerritos Redevelopment Agency. See Note 18 for further discussion.	60,733,955
Change in net assets of governmental activities	\$ 31,020,568

**PROPRIETARY FUND FINANCIAL STATEMENTS**

**CITY OF MONTEREY PARK**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2012**  
**(with comparative totals as of June 30, 2011)**

	Enterprise			Total
	Water Utility	Refuse	Nonmajor (Sewer)	
<u>Assets</u>				
Current Assets:				
Cash and investments	\$ 17,972,669	\$ 3,088,484	\$ 691,273	\$ 21,752,426
Accounts receivable	1,529,420	634,122	33,253	2,196,795
Inventory	-	-	-	-
Total Current Assets	<u>19,502,089</u>	<u>3,722,606</u>	<u>724,526</u>	<u>23,949,221</u>
Noncurrent Assets:				
Nondepreciable capital assets	1,052,861	-	-	1,052,861
Depreciable capital assets, net of accumulated depreciation	<u>23,331,260</u>	<u>4,164</u>	<u>1,584,467</u>	<u>24,919,891</u>
Total Capital Assets	<u>24,384,121</u>	<u>4,164</u>	<u>1,584,467</u>	<u>25,972,752</u>
Total Assets	<u>43,886,210</u>	<u>3,726,770</u>	<u>2,308,993</u>	<u>49,921,973</u>
<u>Liabilities and Net Assets</u>				
Current Liabilities:				
Accounts payable	1,560,617	829,958	20,112	2,410,687
Accrued payroll	57,344	8,274	1,655	67,273
Deposits and advances	393,135	-	-	393,135
Current claims and judgments payable	-	-	-	-
Current capital lease obligations	567,503	-	-	567,503
Current compensated absences payable	<u>40,520</u>	<u>9,111</u>	<u>2,600</u>	<u>52,231</u>
Total Current Liabilities	<u>2,619,119</u>	<u>847,343</u>	<u>24,367</u>	<u>3,490,829</u>
Noncurrent Liabilities:				
Long-term claims and judgments payable	-	-	-	-
Long-term capital lease obligations	4,965,605	-	-	4,965,605
Compensated absences payable	364,678	82,000	23,398	470,076
OPEB obligations payable	<u>530,331</u>	<u>128,901</u>	<u>27,196</u>	<u>686,428</u>
Total Noncurrent Liabilities	<u>5,860,614</u>	<u>210,901</u>	<u>50,594</u>	<u>6,122,109</u>
Total Liabilities	<u>8,479,733</u>	<u>1,058,244</u>	<u>74,961</u>	<u>9,612,938</u>
Net Assets:				
Invested in capital assets, net of related debt	18,851,013	4,164	1,584,467	20,439,644
Unrestricted	<u>16,555,464</u>	<u>2,664,362</u>	<u>649,565</u>	<u>19,869,391</u>
Total Net Assets	<u>\$ 35,406,477</u>	<u>\$ 2,668,526</u>	<u>\$ 2,234,032</u>	<u>\$ 40,309,035</u>
Adjustment to reflect the consolidation of internal service funds activities to related enterprise fund	<u>(159,013)</u>	<u>232,796</u>	<u>-</u>	<u>73,783</u>
Net Assets of Business-type Activities	<u>\$ 35,247,464</u>	<u>\$ 2,901,322</u>	<u>\$ 2,234,032</u>	<u>\$ 40,382,818</u>

See Accompanying Notes to Basic Financial Statements.

**CITY OF MONTEREY PARK**  
**Statement of Net Assets**  
**Proprietary Funds, Continued**  
**June 30, 2012**  
**(with comparative totals as of June 30, 2011)**

	Internal Service	Total Proprietary Funds	
		2012	2011
<u>Assets</u>			
Current Assets:			
Cash and investments	\$ 10,984,337	\$ 32,736,763	\$ 28,358,843
Accounts receivable	-	2,196,795	2,069,026
Inventory	657	657	701
Total Current Assets	10,984,994	34,934,215	30,428,570
Noncurrent Assets:			
Nondepreciable capital assets	-	1,052,861	842,323
Depreciable capital assets, net of accumulated depreciation	1,131,279	26,051,170	27,019,710
Total Capital Assets	1,131,279	27,104,031	27,862,033
Total Assets	12,116,273	62,038,246	58,290,603
<u>Liabilities and Net Assets</u>			
Current Liabilities:			
Accounts payable	118,043	2,528,730	2,681,627
Accrued payroll	122,718	189,991	76,348
Deposits and advances	-	393,135	382,093
Current claims and judgments payable	2,633,755	2,633,755	2,396,596
Current capital lease obligations	-	567,503	561,668
Current compensated absences payable	6,296	58,527	50,891
Total Current Liabilities	2,880,812	6,371,641	6,149,223
Noncurrent Liabilities:			
Long-term claims and judgments payable	3,950,632	3,950,632	3,594,895
Long-term capital lease obligations	-	4,965,605	5,533,108
Compensated absences payable	56,668	526,744	458,019
OPEB obligations payable	-	686,428	413,019
Total Noncurrent Liabilities	4,007,300	10,129,409	9,999,041
Total Liabilities	6,888,112	16,501,050	16,148,264
Net Assets:			
Invested in capital assets, net of related debt	1,131,279	21,570,923	21,767,257
Unrestricted	4,096,882	23,966,273	20,375,082
Total Net Assets	\$ 5,228,161	\$ 45,537,196	\$ 42,142,339

**CITY OF MONTEREY PARK**  
**Statement of Revenues, Expenses and Changes in**  
**Net Assets - Proprietary Funds**  
**For the Year Ended June 30, 2012**  
**(with comparative total for the year ended June 30, 2011)**

	Enterprise			Total
	Water Utility	Refuse	Nonmajor (Sewer)	
Operating Revenues:				
Charges for services	\$ 12,676,526	\$ 6,001,641	\$ 273,496	\$ 18,951,663
Meter installations	177,158	-	-	177,158
Grants	-	-	-	-
Other revenue	2,205,569	-	-	2,205,569
<b>Total Operating Revenues</b>	<b>15,059,253</b>	<b>6,001,641</b>	<b>273,496</b>	<b>21,334,390</b>
Operating Expenses:				
Water purchased	2,216,854	-	-	2,216,854
Administration	3,325,059	901,831	-	4,226,890
Commercial - water	564,474	-	-	564,474
Production - water	1,107,329	-	-	1,107,329
Distribution - water	974,951	-	-	974,951
Treatment plant	2,032,698	-	-	2,032,698
Street maintenance - refuse	-	41,075	-	41,075
Storm drain maintenance - refuse	-	74,430	-	74,430
Refuse collection	-	5,120,272	-	5,120,272
Sanitary sewer maintenance	-	-	210,797	210,797
Depreciation	1,148,011	1,665	120,886	1,270,562
Vehicle expense	-	-	-	-
Salaries and benefits	-	-	-	-
Materials and supplies	-	-	-	-
Insurance and claims	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Operating Expenses</b>	<b>11,369,376</b>	<b>6,139,273</b>	<b>331,683</b>	<b>17,840,332</b>
<b>Operating Income (Loss)</b>	<b>3,689,877</b>	<b>(137,632)</b>	<b>(58,187)</b>	<b>3,494,058</b>
Nonoperating Income:				
Interest expense	(110,556)	-	-	(110,556)
Gain (loss) on sale of surplus property	-	-	-	-
<b>Total Nonoperating Income (Loss)</b>	<b>(110,556)</b>	<b>-</b>	<b>-</b>	<b>(110,556)</b>
<b>Net Income (Loss) Before Transfers and Capital Contributions</b>	<b>3,579,321</b>	<b>(137,632)</b>	<b>(58,187)</b>	<b>3,383,502</b>
Capital contributions	91,894	-	-	91,894
Transfers in	-	-	-	-
Transfers out	(350,000)	-	-	(350,000)
<b>Total Transfers and Capital Contribution</b>	<b>(258,106)</b>	<b>-</b>	<b>-</b>	<b>(258,106)</b>
<b>Changes in Net Assets</b>	<b>3,321,215</b>	<b>(137,632)</b>	<b>(58,187)</b>	<b>3,125,396</b>
Net Assets, Beginning of Year	32,085,262	2,806,158	2,292,219	37,183,639
Net Assets, End of Year	<b>\$ 35,406,477</b>	<b>\$ 2,668,526</b>	<b>\$ 2,234,032</b>	<b>\$ 40,309,035</b>
<b>Changes in Net Assets</b>	<b>\$ 3,321,215</b>	<b>\$ (137,632)</b>	<b>\$ (58,187)</b>	<b>\$ 3,125,396</b>
Adjustment to reflect the consolidation of internal service fund activities to related enterprise fund	(62,731)	195,157	-	132,426
<b>Changes in Net Assets of Business-type Activities</b>	<b>\$ 3,258,484</b>	<b>\$ 57,525</b>	<b>\$ (58,187)</b>	<b>\$ 3,257,822</b>

See Accompanying Notes to Basic Financial Statements.

**CITY OF MONTEREY PARK**  
**Statement of Revenues, Expenses and Changes in**  
**Net Assets - Proprietary Funds, Continued**  
**For the Year Ended June 30, 2012**  
**(with comparative total for the year ended June 30, 2011)**

	Internal Service	Total Proprietary Funds	
		2012	2011
Operating Revenues:			
Charges for services	\$ 5,872,824	\$ 24,824,487	\$ 24,668,667
Meter installations	-	177,158	176,783
Grants	-	-	225,000
Other revenue	-	2,205,569	1,395,479
<b>Total Operating Revenues</b>	<b>5,872,824</b>	<b>27,207,214</b>	<b>26,465,929</b>
Operating Expenses:			
Water purchased	-	2,216,854	170,187
Administration	-	4,226,890	3,714,958
Commercial - water	-	564,474	667,871
Production - water	-	1,107,329	2,389,759
Distribution - water	-	974,951	1,067,767
Treatment plant	-	2,032,698	2,409,455
Street maintenance - refuse	-	41,075	31,020
Storm drain maintenance - refuse	-	74,430	86,411
Refuse collection	-	5,120,272	4,894,255
Sanitary sewer maintenance	-	210,797	156,768
Depreciation	443,605	1,714,167	1,974,492
Vehicle expense	1,790	1,790	14,072
Salaries and benefits	1,392,466	1,392,466	1,427,465
Materials and supplies	804,265	804,265	796,514
Insurance and claims	2,699,182	2,699,182	1,784,315
Miscellaneous	255,945	255,945	205,000
<b>Total Operating Expenses</b>	<b>5,597,253</b>	<b>23,437,585</b>	<b>21,790,309</b>
Operating Income (Loss)	<b>275,571</b>	<b>3,769,629</b>	<b>4,675,620</b>
Nonoperating Income:			
Interest expense	-	(110,556)	(116,860)
Gain (loss) on sale of surplus property	(6,110)	(6,110)	24,194
<b>Total Nonoperating Income (Loss)</b>	<b>(6,110)</b>	<b>(116,666)</b>	<b>(92,666)</b>
Net Income (Loss) Before Transfers and Capital Contributions	<b>269,461</b>	<b>3,652,963</b>	<b>4,582,954</b>
Capital contributions	-	91,894	74,414
Transfers in	600,000	600,000	-
Transfers out	(600,000)	(950,000)	(281,400)
<b>Total Transfers and Capital Contribution</b>	<b>-</b>	<b>(858,106)</b>	<b>(206,986)</b>
Changes in Net Assets	269,461	3,394,857	4,375,968
Net Assets, Beginning of Year	4,958,700	42,142,339	37,766,371
Net Assets, End of Year	<b>\$ 5,228,161</b>	<b>\$ 45,537,196</b>	<b>\$ 42,142,339</b>

**CITY OF MONTEREY PARK**  
**Statement of Cash Flows -**  
**Proprietary Funds**  
**For the Year Ended June 30, 2012**  
**(with comparative total for the year ended June 30, 2011)**

	Enterprise Funds			
	Water Utility	Refuse	Nonmajor (Sewer)	Total
Cash Flows from Operating Activities:				
Cash receipts from customers	\$ 15,003,593	\$ 5,943,023	\$ 271,047	\$ 21,217,663
Cash receipts from interfund services provided	-	-	-	-
Cash payments to suppliers for goods and services	(6,682,436)	(4,847,447)	(67,408)	(11,597,291)
Cash payments to employees for services	(3,529,921)	(742,757)	(94,307)	(4,366,985)
Cash payments for insurance premiums and self-insurance claims	-	-	-	-
Net Cash Provided by (Used in) Operating Activities	<u>4,791,236</u>	<u>352,819</u>	<u>109,332</u>	<u>5,253,387</u>
Cash Flows from Noncapital Financing Activities:				
Transfers out to other funds	(350,000)	-	-	(350,000)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(350,000)</u>	<u>-</u>	<u>-</u>	<u>(350,000)</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(842,049)	-	-	(842,049)
Proceeds from sale of surplus assets	-	-	-	-
Principal paid on lease financing	(561,668)	-	-	(561,668)
Interest paid on lease financing	(110,556)	-	-	(110,556)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(1,514,273)</u>	<u>-</u>	<u>-</u>	<u>(1,514,273)</u>
Net Increase in Cash and Cash Equivalents	2,926,963	352,819	109,332	3,389,114
Cash and cash equivalent, Beginning of Year	<u>15,045,706</u>	<u>2,735,665</u>	<u>581,941</u>	<u>18,363,312</u>
Cash and cash equivalent, End of Year	<u>\$ 17,972,669</u>	<u>\$ 3,088,484</u>	<u>\$ 691,273</u>	<u>\$ 21,752,426</u>
Noncash from Capital and Related Financing Activities:				
Capital contributions	<u>\$ 91,894</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,894</u>

**CITY OF MONTEREY PARK**  
**Statement of Cash Flows -**  
**Proprietary Funds, Continued**  
**For the Year Ended June 30, 2012**  
**(with comparative total for the year ended June 30, 2011)**

	Internal Service	Total Proprietary Funds	
		2012	2011
Cash Flows from Operating Activities:			
Cash receipts from customers	\$ -	\$ 21,217,663	\$ 20,810,821
Cash receipts from interfund services provided	5,872,824	5,872,824	5,307,085
Cash payments to suppliers for goods and services	(1,427,004)	(13,024,295)	(11,825,959)
Cash payments to employees for services	(1,293,169)	(5,660,154)	(5,684,390)
Cash payments for insurance premiums and self-insurance claims	(2,135,513)	(2,135,513)	(1,478,366)
Net Cash Provided by (Used in) Operating Activities	<u>1,017,138</u>	<u>6,270,525</u>	<u>7,129,191</u>
Cash Flows from Noncapital Financing Activities:			
Transfers out to other funds	-	(350,000)	(281,400)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>-</u>	<u>(350,000)</u>	<u>(281,400)</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(37,149)	(879,198)	(2,443,242)
Proceeds from sale of surplus assets	8,817	8,817	24,194
Principal paid on lease financing	-	(561,668)	(556,012)
Interest paid on lease financing	-	(110,556)	(116,860)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(28,332)</u>	<u>(1,542,605)</u>	<u>(3,091,920)</u>
Net Increase in Cash and Cash Equivalents	988,806	4,377,920	3,755,871
Cash and cash equivalent, Beginning of Year	<u>9,995,531</u>	<u>28,358,843</u>	<u>24,602,972</u>
Cash and cash equivalent, End of Year	<u>\$ 10,984,337</u>	<u>\$ 32,736,763</u>	<u>\$ 28,358,843</u>
Noncash from Capital and Related Financing Activities:			
Capital contributions	<u>\$ -</u>	<u>\$ 91,894</u>	<u>\$ 74,414</u>

(Continued)

**CITY OF MONTEREY PARK**  
**Statement of Cash Flows -**  
**Proprietary Funds, Continued**  
**Year Ended June 30, 2012**  
**(with comparative total for Year Ended June 30, 2011)**

	Enterprise Funds			Total
	Water Utility	Refuse	Nonmajor (Sewer)	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (Loss)	\$ 3,689,877	\$ (137,632)	\$ (58,187)	\$ 3,494,058
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation	1,148,011	1,665	120,886	1,270,562
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(66,702)	(58,618)	(2,449)	(127,769)
Decrease in inventory	-	-	-	-
Increase (decrease) in accounts payable	(198,052)	419,695	19,735	241,378
Increase in accrued payroll	18,543	2,777	371	21,691
Increase in claims and judgments payable	-	-	-	-
Increase (decrease) in compensated absences payable	71,205	(3,969)	1,780	69,016
Increase in OPEB obligations payable	117,312	128,901	27,196	273,409
Increase in deposits and advances	11,042	-	-	11,042
Total Adjustments	1,101,359	490,451	167,519	1,759,329
Net Cash Provided by (Used in) Operating Activities	\$ 4,791,236	\$ 352,819	\$ 109,332	\$ 5,253,387

(Continued)

**CITY OF MONTEREY PARK**  
**Statement of Cash Flows -**  
**Proprietary Funds, Continued**  
**Year Ended June 30, 2012**  
**(with comparative total for Year Ended June 30, 2011)**

	Internal Service	Total Proprietary Funds	
		2012	2011
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating income (Loss)	\$ 275,571	\$ 3,769,629	\$ 4,675,620
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation	443,605	1,714,167	1,974,492
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	-	(127,769)	(350,240)
Decrease in inventory	44	44	16,324
Increase (decrease) in accounts payable	(394,275)	(152,897)	377,179
Increase in accrued payroll	91,952	113,643	8,524
Increase in claims and judgments payable	592,896	592,896	277,286
Increase (decrease) in compensated absences payable	7,345	76,361	(9,976)
Increase in OPEB obligations payable	-	273,409	157,765
Increase in deposits and advances	-	11,042	2,217
Total Adjustments	741,567	2,500,896	2,453,571
Net Cash Provided by (Used in) Operating Activities	\$ 1,017,138	\$ 6,270,525	\$ 7,129,191
			(Concluded)

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**FIDUCIARY FUND FINANCIAL STATEMENTS**

**CITY OF MONTEREY PARK**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2012**  
**(with comparative data as of June 30, 2011)**

	Private Purpose		Total Fiduciary Funds	
	Trust Funds	Agency Funds	June 30, 2012	June 30, 2011
<b>Assets:</b>				
Cash and investments (Note 2)	\$ 22,134,809	\$ 3,071,724	\$ 25,206,533	\$ 2,402,858
Cash and investments with fiscal agent (Note 2)	2,470,949	-	2,470,949	-
Interest receivable	1,504	-	1,504	-
Loans receivable, net (Note 3I)	5,850,000	-	5,850,000	-
Deferred charges	513,972	-	513,972	-
Land held for resale (Note 6)	5,646,937	-	5,646,937	-
<b>Total assets</b>	<b>36,618,171</b>	<b>3,071,724</b>	<b>39,689,895</b>	<b>2,402,858</b>
<b>Liabilities:</b>				
Accounts payable	2,067,891	\$ 57,972	\$ 2,125,863	\$ 56,611
Deposits payable	3,083,007	3,013,752	6,096,759	2,346,247
Interest payable	416,984	-	416,984	-
Settlement payable (Note 19)	6,530,000	-	6,530,000	-
Advances from City of Monterey Park (Note 5)	2,617,203	-	2,617,203	-
Bonds payable	25,810,000	-	25,810,000	-
Tax increment deferred loans	34,610,799	-	34,610,799	-
Low/Mod Housing deferred loans (Note 3L)	1,186,222	-	1,186,222	-
<b>Total Liabilities</b>	<b>76,322,106</b>	<b>\$ 3,071,724</b>	<b>79,393,830</b>	<b>2,402,858</b>
<b>Net Assets (Deficit):</b>				
Held in trust	<u>\$ (39,703,935)</u>		<u>\$ (39,703,935)</u>	<u>\$ -</u>

**CITY OF MONTEREY PARK**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Five Months Ended June 30, 2012**

	Private Purpose Trust Funds	
	June 30, 2012	June 30, 2011
Additions:		
Revenue from use of money and property	\$ 413,877	\$ -
Deductions:		
Administration	831,737	-
Repayment of tax increment to County of Los Angeles	1,392,250	-
Low/Mod housing commitment	1,186,222	-
Contribution to City of Monterey Park	2,876,300	-
Atlantic Times Square settlement (Note 19)	6,530,000	-
Interest expense	548,864	-
Total deductions	13,365,373	-
Change in net assets	(12,951,496)	-
Net Assets:		
Beginning of year	-	-
Transfer of operations from the dissolved Community Redevelopment Agency of the City of Monterey Park (Note 18)	(26,752,439)	-
Ending of year	\$ (39,703,935)	\$ -

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**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**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 Redevelopment Agency of Monterey Park*

The Community Redevelopment Agency of the City of Monterey Park (the "Agency") was formed in 1969 under provisions of the California Community Redevelopment Law. The primary purpose of the Agency is to encourage private redevelopment of property and to rehabilitate areas suffering from economic disuse. The Agency has two redevelopment project areas encompassing approximately 918 acres. The members of the City Council act as the governing body of the Agency. The Agency's financial data and activity are reported within the debt service and capital projects fund types. The Agency was dissolved on February 1, 2012. See Note 18 for further discussion.

*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 Redevelopment Agency of Monterey Park. The members of the City Council act as the governing board of the Financing Authority. The Financing Authority does not issue separate financial statements.

*The Monterey Park Housing Authority*

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

*(b) Governmental-Wide and Fund Financial Statements*

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

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

***(b) Governmental-Wide and Fund Financial Statements, Continued***

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 governmental-wide financial statements. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

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

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

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

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

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

The City reports the following major governmental funds:

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

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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

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

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

The *Special Revenue Housing Fund* is used to account for housing activities for the City.

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

*Nonmajor Governmental Funds:*

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

The *Debt Service Fund* is used to account for the accumulation of resources for, and the payments of principal, interest, and related costs of the Community Redevelopment Agency. This fund was terminated due to the dissolution of the Redevelopment Agency on February 1, 2012.

The *Capital Projects Fund* is used to account for financial resources segregated for the acquisition and rehabilitation of capital facilities within the redevelopment project areas. This fund was terminated due to the dissolution of the Redevelopment Agency on February 1, 2012.

*Nonmajor Enterprise Funds:*

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

*Proprietary Fund (Internal Service Funds):*

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

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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

*Fiduciary Funds:*

The **Private Purpose Trust Fund** is used to account for non-housing 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the governmental-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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

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

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

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

*(d) Property Taxes*

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

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

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

*(e) Budgetary Control and Accounting*

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

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

Appropriated amounts are as originally adopted or as adjusted by the City Council throughout the year. During 2011-12, the Council made several supplemental budgetary appropriations, including a \$6,351,038 increase in the Special Revenue Grants Fund related to various grants received during the year, such as Police, Fire, Education, Library, Transportation, and Parks Grants, a \$2,674,477 increase in the General Fund for cost realignment at the mid term review session, parking facilities and land transfers from the Successor Agency, and a \$12,131 increase in the Special Revenue Retirement/Pension Liability Fund for recreation part time cost realignment.

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

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

Under Article XIII-B of the California Constitution (The Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations, and if certain proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or refunded to the taxpayers through revised tax rate or revised fee schedules. For the fiscal year ended June 30, 2012, based on calculations by City Management, proceeds of taxes did not exceed the appropriations limit.

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*(f) Cash and Cash Equivalents*

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

*(g) Investments*

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

*(h) Inventories*

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

*(i) Capital Assets*

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of assets are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. The capitalization threshold for property, plant and equipment is \$5,000 and for infrastructure assets is \$200,000. Depreciation is recorded in the governmental-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

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(j) *Compensated Absences***

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

**(k) *Claims and Judgments***

The accrual for workers' compensation and general liability claims is based upon past experience which has been modified for current trends and information. While the ultimate amount of losses incurred through June 30, 2012 is dependent on future developments, based on information from the plan administrators, City management believes that the aggregate accrual is adequate to cover such losses, including amounts for incurred but not reported claims (Note 13).

**(l) *Other Post Employment Benefits***

In addition to the pension benefits, the City provides postretirement medical insurance benefits (Note 12), in accordance with contractual provisions of the various Memoranda of Understanding with the City's recognized employee organizations, to all vested employees who retire from the City. Currently, 218 retirees meet those eligibility requirements. The City contributes between \$340 and \$875 per month toward medical insurance coverage for retired employees and up to 100% premium for retired elected official and City Manager. For those retirees who are eligible for Medicare, the City contributes toward Medicare supplemental insurance coverage. Upon retirement, vested full-time employees may, at their own cost, convert group life insurance coverage to individual life insurance coverage.

Expenditures for postretirement medical insurance benefits are recognized as annual premiums and are paid on a pay-as-you-go basis. During the year, expenditures of \$1,287,874 were recognized for postretirement medical insurance. Increases over the prior year expenditure of \$52,194 were attributable to increased monthly contributions for retirees.

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

**(m) *Fund Equity and Net Asset***

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

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

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

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

***(m) Fund Equity and Net Asset, Continued***

Committed Fund Balance – This amount indicate the portion of fund balances which can only be used for specific purposes pursuant to formal resolution or ordinance of the City Council.

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

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

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.

In the governmental-wide financial statements and proprietary fund financial statements, net assets are classified as follows:

Invested in Capital Assets, Net of Related Debt – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Assets – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Assets – This amount is all net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted net assets.”

When expenses are incurred for purposes in which both restricted and unrestricted net assets are available, the City’s policy is to apply restricted net assets first, and then unrestricted net assets as they are needed.

***(n) Comparative Data and Total Column***

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

Columns in the accompanying basic and fund financial statements for year ended June 30, 2011 are not necessary for a fair presentation of the financial statements in accordance with generally accepted accounting principles in the United States of America but are presented as additional analytical data. Such data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of these totals.

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

*(o) Use of Estimates*

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

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**2. CASH AND INVESTMENTS**

Cash and investments at June 30, 2012 are classified in the accompanying financial statements as follows:

	Government-Wide			Fiduciary Fund	Total
	Governmental Activities	Business-Type Activities	Total		
Cash and investments	\$ 52,417,564	\$ 21,752,426	\$ 74,169,990	\$ 25,206,533	\$ 99,376,523
Cash and investments held by fiscal agent	122	-	122	2,470,949	2,471,071
<b>Total cash and investments</b>	<b>\$ 52,417,686</b>	<b>\$ 21,752,426</b>	<b>\$ 74,170,112</b>	<b>\$ 27,677,482</b>	<b>\$ 101,847,594</b>

Cash and investments at June 30, 2012 consist of the following:

Cash on hand	\$ 4,450
Demand deposits with financial institutions	30,152,795
Certificates of deposits with financial institutions	4,569,000
Local Agency Investment Fund (LAIF)	66,343,112
Money market fund	778,237
<b>Total cash and investments</b>	<b>\$ 101,847,594</b>

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

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

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

***Deposits***

At June 30, 2012, the carrying amount of the City's demand deposits was \$30,152,795 and the bank balance was \$30,177,420. The \$24,625 difference represents outstanding checks, deposits in transit, and other reconciling items.

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

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

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**2. CASH AND INVESTMENTS, CONTINUED**

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

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

<sup>(2)</sup> Not to exceed \$250,000 with any one issuer.

***Investments Authorized by Debt Agreements.***

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

***Credit Risk***

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

***Concentration of Credit Risk***

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

***Custodial Risk***

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

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**2. CASH AND INVESTMENTS, CONTINUED**

*Custodial Risk, Continued*

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

Beginning December 31, 2010 through December 31, 2012, noninterest-bearing transaction accounts have unlimited coverage by federal depository insurance corporation ("FDIC"). As a result, the City's cash deposit in amount of \$30,177,420 at June 30, 2012 is fully insured by FDIC.

*Disclosures Relating to Interest Rate Risk*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of year-end, the average life-month end maturity of the investments contained in the LAIF investment pool is approximately 268 days.

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

<u>Investments</u>	<u>Credit Rating</u>	<u>Fair Value June 30, 2012</u>	<u>Maturity - 12 Months or Less</u>
Treasury Investments:			
Certificates of Deposit	N/A *	\$ 4,569,000	\$ 4,569,000
LAIF	N/A *	64,650,278	64,650,278
<b>Total Treasury Investments</b>		<u>69,219,278</u>	<u>69,219,278</u>
Investments Held by Fiscal Agents:			
LAIF	N/A *	1,692,834	1,692,834
Money Market Fund	N/A *	778,237	778,237
<b>Total Investments Held by Fiscal Agents</b>		<u>2,471,071</u>	<u>2,471,071</u>
<b>Total Investments</b>		<u>\$ 71,690,349</u>	<u>\$ 71,690,349</u>

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

*Investment in State Investment Pool*

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

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**2. CASH AND INVESTMENTS, CONTINUED**

The City's investments with LAIF at June 30, 2012, 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, 2012, the City had \$66,343,112 invested in LAIF, which had invested 3.47% of the pool investment funds in Structured Notes and Asset-Backed Securities. The LAIF fair value factor of 1.001219643 was used to calculate the fair value of the investments in LAIF.

**3. RECEIVABLES**

Receivables of the City as of June 30, 2012 were:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Accounts Receivable:</b>			
Property taxes	\$ 1,752,446	\$ -	\$ 1,752,446
Sales taxes	539,700	-	539,700
Utility taxes	255,411	-	255,411
Water, sewer and refuse sales	-	2,196,795	2,196,795
Subvention and grants	927,063	-	927,063
Other	275,376	-	275,376
<b>Total Accounts Receivable</b>	<b>\$ 3,749,996</b>	<b>\$ 2,196,795</b>	<b>\$ 5,946,791</b>
<b>Interest Receivable</b>	<b>\$ 58,638</b>	<b>\$ -</b>	<b>\$ 58,638</b>
<b>Loans Receivable:</b>			
Residential Rehabilitation (CDBG) (See Note 9)	\$ 48,015	\$ -	\$ 48,015
SERA Program (See Note 9)	185,300	-	185,300
Pacific Housing Loan (See Note 9)	213,045	-	213,045
Pacific Bridge Loan (See Note 9)	362,476	-	362,476
First-Time Homebuyers	192,202	-	192,202
Critical Maintenance (Housing)	87,865	-	87,865
Critical Maintenance (Grants)	143,547	-	143,547
Abajo del Sol Loan	2,019,299	-	2,019,299
Low/Mod Housing Deferred Loan	1,186,222	-	1,186,222
Subtotal	4,437,971	-	4,437,971
Less Allowance for Uncollectible Loans	(2,442,913)	-	(2,442,913)
<b>Total Loans Receivable</b>	<b>\$ 1,995,058</b>	<b>\$ -</b>	<b>\$ 1,995,058</b>
<b>Total Receivables</b>	<b>\$ 5,803,692</b>	<b>\$ 2,196,795</b>	<b>\$ 8,000,487</b>

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**3. RECEIVABLES, CONTINUED**

*Following is the detail of Loans Receivable:*

- A. Residential Rehabilitation:** The City provided low interest financing for the rehabilitation of residential sites within the City through the Community Development Block Grant program. The amount of outstanding loan balances at June 30, 2012 is \$48,015 and has been recorded as notes receivable in the Special Revenue Grants Fund.
- B. SERA Program:** The City participated in the State Earthquake Rehabilitation Assistance (“SERA”) program to assist residents with the application and loan processes for residential repairs and rehabilitation following the October 1987 Whittier-Narrows earthquake. The outstanding balance of loans placed through the program is \$185,300 at June 30, 2012 and has been recorded as notes receivable in the Special Revenue Grants Fund.
- C. Pacific Housing Loan:** On July 21, 2004, the City entered into an agreement to provide a loan to Pacific Housing Development Corporation for the purpose of construction and renovation of an affordable housing facility for persons with developmental disabilities. The loan, funded in April 2005, consists of a permanent residual receipts loan in the amount of \$175,000 and a subordinated construction loan in the amount of \$225,000. The subordinated construction loan has been paid off by Pacific Housing in 2008-09. Other remaining amounts bear interest at the rate of three percent per annum until paid. The loan was funded by use of Federal HOME Program funds and is reported in the Special Revenue Grants Fund. At June 30, 2012, outstanding principal and interest are \$175,000 and \$38,045, respectively.
- D. Pacific Bridge Loan:** In 1995, the Agency entered into a thirty-year loan agreement with Pacific Bridge Housing Corporation for the purpose of construction and renovation of a disabled adult affordable housing facility. In the agreement the Agency agreed to loan to Pacific Bridge Housing up to the maximum sum of \$240,478 bearing interest at the rate of three percent per annum until paid. Principal and interest payments are due in annual installments commencing upon February 15 of the first full calendar year following the date of the initial occupancy of the facility and continuing annually thereafter on each successive February 15 through and including the date which is thirty (30) years after the Repayment Commencement Date. 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, 2012, outstanding principal and interest are \$240,478 and \$121,998, 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 Agency’s Housing Capital Projects Fund to the City’s Special Revenue Housing Fund on February 1, 2012 due to the dissolution of the Agency. At June 30, 2012, \$192,202 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 governmental-wide statements.

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**3. RECEIVABLES, CONTINUED**

- F. *Critical Maintenance:*** Beginning in 1997-98, the City offered low interest rate loans through the Critical Maintenance Loan Program to assist low and moderate income homeowners for essential or emergency repairs. At June 30, 2012, the loans outstanding totaled \$231,412. Of this amount, \$87,865 is funded by the Agency's Housing Capital Projects Fund and \$143,547 is funded by the Federal HOME Program Grants Fund. The outstanding loan balance of \$87,865 was transferred from the Agency's Housing Set Aside Fund to the City's Special Revenue Housing Fund and has been reported as notes receivable with an offset of allowance for uncollectible notes in the fund level financial statements and in the governmental-wide statements. The outstanding loan balance of \$143,547 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 governmental-wide statements.
- G. *Abajo del Sol:*** In 1998, the Housing Authority and the Abajo del Sol, Limited Partnership had entered into a housing development agreement. Under the agreement, the Agency provided to the Developer a \$1.2 million loan bearing interest at the rate of 5.1% percent per annum for the construction of 60 units of affordable housing for senior citizens. On or before March 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, 2012, outstanding principal and interest being recorded as notes receivable are \$1,187,344 and \$831,955, respectively in the Special Revenue Grants Fund with an offset of allowance for uncollectible notes in the fund level financial statement and in the governmental-wide statements.
- H. *Monterey Park Senior Village:*** The City had entered into an agreement with the developers of Monterey Park Senior Village to defer the payment of entitlement and permit fees totaling \$300,000 bearing interest at the rate of five and six-tenths percent per annum. At June 30, 2012, the loan and interest had been fully paid off.
- I. *Atlantic Times Square – Mezzanine Loan:*** In November 2004, the Agency entered into an agreement for the development of the Atlantic Times Square mixed-use Project. On June 6, 2007, that agreement was amended. The amendment converted public assistance that the Agency previously provided to the developer into a market rate loan of up to \$8 million. The interest on that loan is Prime Rate plus 1.5% (with a cap of 9.85%). The loan will be due in full upon the earlier of the sale of the commercial element of the Project or 15 years after the issuance of a final certificate of occupancy for the project. On February 1, 2012, outstanding principal and interest balances in the amounts of \$5,850,000 and \$1,400,163, respectively, were transferred from the Agency's Merged Capital Projects Fund to the Successor Agency.
- K. *Towne Centre – Bridge Loan:*** In June 2006, the Agency entered into an Owner Participation and Disposition and Development Agreement with Magnus Sunhill Group for the development of the Monterey Park Towne Centre mixed-use project. As amended on May 29, 2009, the Agency agreed to make a Bridge loan of up to \$3,427,800 to the Developer bearing interest at the Prime Rate plus 1.5% (with a cap of 9.85%). The loan proceeds were used to pay for relocation of existing tenants and various permit fees. On February 1, 2012, outstanding principal and interest balances in the amounts of \$3,053,530 and \$404,251, respectively, were transferred from the Agency's Merged Capital Projects Fund to the Successor Agency. On February 28, 2012, the Bridge Loan was completely paid off.

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**3. RECEIVABLES, CONTINUED**

**L. Low/Mod Housing Deferred Loans:** State law requires redevelopment agencies to set aside 20 percent of their tax increment revenues for low/mod housing. In 1997, the Agency approved a plan to set aside future tax increment revenue in addition to the regular 20 percent set aside requirements. The Agency was dissolved on February 1, 2012. This commitment became a liability to the Successor Agency due to the City's Special Revenue Housing Fund. A summary of the repayment plan is presented below:

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

**4. INTERFUND TRANSACTIONS**

Individual interfund receivables and payables were as follows at June 30, 2012:

		<b>Due from Other Funds</b>
<b>Due to Other Funds</b>		<b>Governmental Fund</b>
		General Fund
<b>Governmental Funds:</b>		
Special Revenue Grants Fund	\$	448,398
Nonmajor Governmental Funds		275,722
<b>Total</b>	<b>\$</b>	<b><u>724,120</u></b>

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

		<b>Advances to Other Funds</b>
<b>Advances from Other Funds</b>		<b>Governmental Fund</b>
		General Fund
<b>Governmental Funds:</b>		
Nonmajor Governmental Funds	\$	703,230

Advances payable consists of loans from the General Fund to Park Facilities Fund in the amount of \$703,230 to finance parks projects. Repayment will be made in future years as sufficient park facilities fee is accumulated.

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**4. INTERFUND TRANSACTIONS, CONTINUED**

Transfers Out	Transfers In		Total
	Governmental Funds		
	General Fund	Special Revenue Retirement/ Pension	
<b>Governmental Funds:</b>			
Nonmajor Governmental Funds	\$ -	\$ 426,146 (1)	\$ 426,146
<b>Enterprise Fund:</b>			
Water Utility Fund	350,000 (2)	-	350,000
Total	350,000	426,146	776,146

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. Transfers are made for the following reasons: (1) transferring of pension tax override collections from the Agency’s Capital Projects Atlantic/Garvey and Merged Project Areas Fund to the Special Revenue Retirement/Pension Fund; (2) Water Fund’s annual street maintenance reimbursements to the General Fund.

**5. ADVANCES TO FIDUCIARY FUND**

In 2009, the State passed legislation in taking away redevelopment funds from local Agencies as part of an effort to address its budget deficit. Furthermore, SB 68 was signed into law which allowed agencies to use accumulated housing funds to pay for the State required Supplemental Educational Revenue Augmentation Funds (SERAF) payments. On August 4, 2010, the Agency passed two resolutions, RA 661 and 662, authorizing the Takeaway Loan 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 \$1,459,258 and \$1,142,640, respectively, without interest. This Takeaway Loan in the amount of \$2,601,898 will be paid back to the Special Revenue Housing Fund by June 30, 2015.

On May 4, 2011, the Agency passed two resolutions, RA 682 and 683, authorizing additional Takeaway Loans to be made from the Redevelopment Agency Capital Projects Fund (Housing Set Aside Fund) to the Redevelopment Agency Debt Service Fund (Atlantic-Garvey and Merged Project Areas), in an amount of \$300,436 and \$235,249, respectively. The interest is accumulated at LAIF rate. This Takeaway loan in the amount of \$535,685 will be paid back to the Special Revenue Housing Fund by June 30, 2016.

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

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**6. LAND HELD FOR RESALE**

Land held for resale is generally acquired for redevelopment through the use of disposition and development agreements. At January 31, 2012, the Agency held title to several parcels slated for development. Due to the dissolution of the Agency, the parcels for housing activities were transferred to the City Special Revenue Housing Fund totaling \$2,292,090. In addition, the parcels for government use as public parking facilities, and Market Place lot paid by the Section 108 Loan, totaling \$2,876,300, were transferred to the Successor Agency on February 1, 2012 then back to the City in June 2012 for City's use. The remaining parcels including \$4,233,000 Hotel Site and \$1,413,937 Garvey Lot were transferred to Successor Agency on February 1, 2012 and were reported in the Fiduciary Funds at June 30, 2012.

**7. CAPITAL ASSETS**

At June 30, 2012, the capital assets balances for the City are as follows:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Capital Assets, Not Being Depreciated:</b>			
Land	\$ 12,613,500	\$ 499,975	\$ 13,113,475
Construction in progress	826,417	552,886	1,379,303
<b>Total Capital Assets, Not Being Depreciated</b>	<b>13,439,917</b>	<b>1,052,861</b>	<b>14,492,778</b>
<b>Capital Assets, Being Depreciated:</b>			
Buildings	28,468,213	285,050	28,753,263
Improvements	10,742,191	38,683,252	49,425,443
Equipment	20,595,661	2,554,031	23,149,692
Infrastructure	26,666,747	10,008,655	36,675,402
<b>Total Capital Assets, Being Depreciated</b>	<b>86,472,812</b>	<b>51,530,988</b>	<b>138,003,800</b>
<b>Less Accumulated Depreciation:</b>			
Buildings	(10,126,985)	(98,792)	(10,225,777)
Improvements	(3,154,891)	(15,684,702)	(18,839,593)
Equipment	(18,589,411)	(2,375,005)	(20,964,416)
Infrastructure	(17,403,827)	(8,452,598)	(25,856,425)
<b>Total Accumulated Depreciation</b>	<b>(49,275,114)</b>	<b>(26,611,097)</b>	<b>(75,886,211)</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>37,197,698</b>	<b>24,919,891</b>	<b>62,117,589</b>
<b>Total Capital Assets, Net</b>	<b>\$ 50,637,615</b>	<b>\$ 25,972,752</b>	<b>\$ 76,610,367</b>

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**7. CAPITAL ASSETS, CONTINUED**

**Governmental Activities**

A summary of changes in capital asset activity for the year ended June 30, 2012 is as follows:

	<b>Balance</b>			<b>Balance</b>
	<b>July 1, 2011</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2012</b>
<b>Capital Assets, Not Being Depreciated:</b>				
Land	\$ 7,445,110	\$ 5,168,390	\$ -	\$ 12,613,500
Construction in progress	13,755	812,662	-	826,417
<b>Total Capital Assets, Not Being Depreciated</b>	<b>7,458,865</b>	<b>5,981,052</b>	<b>-</b>	<b>13,439,917</b>
<b>Capital Assets, Being Depreciated:</b>				
Buildings	28,468,213	-	-	28,468,213
Improvements	10,699,652	42,539	-	10,742,191
Equipment	20,650,466	338,843	(393,648)	20,595,661
Infrastructure	25,311,193	1,355,554	-	26,666,747
<b>Total Capital Assets, Being Depreciated</b>	<b>85,129,524</b>	<b>1,736,936</b>	<b>(393,648)</b>	<b>86,472,812</b>
<b>Less Accumulated Depreciation:</b>				
Buildings	(9,566,975)	(560,010)	-	(10,126,985)
Improvements	(2,915,656)	(239,235)	-	(3,154,891)
Equipment	(17,381,587)	(1,586,544)	378,720	(18,589,411)
Infrastructure	(16,878,486)	(525,341)	-	(17,403,827)
<b>Total Accumulated Depreciation</b>	<b>(46,742,704)</b>	<b>(2,911,130)</b>	<b>378,720</b>	<b>(49,275,114)</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>38,386,820</b>	<b>(1,174,194)</b>	<b>(14,928)</b>	<b>37,197,698</b>
<b>Total Capital Assets, Net</b>	<b>\$ 45,845,685</b>	<b>\$ 4,806,858</b>	<b>\$ (14,928)</b>	<b>\$ 50,637,615</b>

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**7. CAPITAL ASSETS, CONTINUED**

**Business-Type Activities**

A summary of changes in capital asset activity for the year ended June 30, 2012 is as follows:

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
<b>Capital Assets, Not Being Depreciated:</b>				
Land	\$ 499,975	\$ -	\$ -	\$ 499,975
Construction in progress	342,348	210,538	-	552,886
<b>Total Capital Assets, Not Being Depreciated</b>	<b>842,323</b>	<b>210,538</b>	<b>-</b>	<b>1,052,861</b>
<b>Capital Assets, Being Depreciated:</b>				
Buildings	285,050	-	-	285,050
Improvements	37,959,847	723,405	-	38,683,252
Equipment	2,554,031	-	-	2,554,031
Infrastructure	10,008,655	-	-	10,008,655
<b>Total Capital Assets, Being Depreciated</b>	<b>50,807,583</b>	<b>723,405</b>	<b>-</b>	<b>51,530,988</b>
<b>Less Accumulated Depreciation:</b>				
Buildings	(93,203)	(5,589)	-	(98,792)
Improvements	(14,630,600)	(1,054,102)	-	(15,684,702)
Equipment	(2,252,774)	(122,231)	-	(2,375,005)
Infrastructure	(8,363,958)	(88,640)	-	(8,452,598)
<b>Total Accumulated Depreciation</b>	<b>(25,340,535)</b>	<b>(1,270,562)</b>	<b>-</b>	<b>(26,611,097)</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>25,467,048</b>	<b>(547,157)</b>	<b>-</b>	<b>24,919,891</b>
<b>Total Capital Assets, Net</b>	<b>\$ 26,309,371</b>	<b>\$ (336,619)</b>	<b>\$ -</b>	<b>\$ 25,972,752</b>

Depreciation expense of \$4,181,692 was charged to the following functions:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General government	\$ 219,541	\$ -	\$ 219,541
Public safety	1,300,576	-	1,300,576
Community development	33,782	-	33,782
Culture and recreation	658,585	-	658,585
Street and highways	635,491	-	635,491
Water	52,283	1,148,011	1,200,294
Refuse	10,872	120,886	131,758
Sewer	-	1,665	1,665
<b>Total</b>	<b>\$ 2,911,130</b>	<b>\$ 1,270,562</b>	<b>\$ 4,181,692</b>

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**8. CAPITALIZED LEASE OBLIGATIONS**

The City has entered into lease agreements with Municipal Leasing Associates, San Gabriel Valley Municipal Water District and California Infrastructure and Economic Development Bank, to finance water system energy retrofit programs, water volatile organic chemicals treatment and La Loma and Highland Reservoirs project, Police Computer Aided Dispatch and Records Management System (CAD/RMS), and has recorded the transactions in the Governmental Fund and Water Fund. These leases are classified as capital leases for accounting purposes as defined under GASB Statement No. 13, "Accounting for Operating Leases with Scheduled Rent Increases" and therefore have been recorded at the present value of the future minimum lease payments at the date of inception of the leases.

The assets acquired through capital leases are as follows:

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Machinery and Equipment	\$ 1,771,926	\$ -	\$ 1,771,926
Improvements	-	10,115,694	10,115,694
Construction in Progress	-	216,258	216,258
	<u>1,771,926</u>	<u>10,331,952</u>	<u>12,103,878</u>
Less: Accumulated Depreciation	(1,573,708)	(2,686,539)	(4,260,247)
<b>Total</b>	<u>\$ 198,218</u>	<u>\$ 7,645,413</u>	<u>\$ 7,843,631</u>

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

<u>Fiscal Year</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
2013	\$ 165,867	\$ 667,185	\$ 833,052
2014	165,867	666,655	832,522
2015	165,867	666,109	831,976
2016	165,867	665,547	831,414
2017	165,867	664,970	830,837
2018-2022	663,476	2,053,857	2,717,333
2023-2026	-	549,378	549,378
2028-2031	-	438,154	438,154
<b>Subtotal</b>	<u>1,492,811</u>	<u>6,371,855</u>	<u>7,864,666</u>
<b>Less amount representing interest</b>	<u>(274,245)</u>	<u>(838,747)</u>	<u>(1,276,996)</u>
<b>Present Value of Future Minimum Lease Payment</b>	<u>\$ 1,218,566</u>	<u>\$ 5,533,108</u>	<u>\$ 6,587,670</u>

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**9. LONG-TERM DEBT**

Changes in long-term debt for the year ended June 30, 2012 are as follows:

<b>Governmental Activities</b>	<b>Balance July 1, 2011</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transferred to Successor Agency (Note 18)</b>	<b>Balance June 30, 2012</b>	<b>Amount Due Within One Year</b>	<b>Amount Due In More Than One Year</b>
<b>Bonds Payable:</b>							
1998 Tax Allocation							
Revenue Bonds - Merged Redevelopment Project	\$ 8,560,000	\$ -	\$ -	\$ (8,560,000)	\$ -	\$ -	\$ -
2002 Tax Allocation Bonds							
Atlantic-Garvey Project Redevelopment Project	18,415,000	-	(840,000)	(17,575,000)	-	-	-
2004 Taxable Pension Obligation							
Bonds	16,345,000	-	(495,000)	-	15,850,000	485,000	15,365,000
<b>Total bonds payable</b>	<b>43,320,000</b>	<b>-</b>	<b>(1,335,000)</b>	<b>(26,135,000)</b>	<b>15,850,000</b>	<b>485,000</b>	<b>15,365,000</b>
<b>Loans and Notes Payable</b>							
HUD Section 108 Loans Payable	4,768,000	-	(281,000)	-	4,487,000	298,000	4,189,000
Library Special Tax Revenue Notes							
Series 2005	2,335,108	-	(297,030)	-	2,038,078	308,454	1,729,624
<b>Total loans and notes payable</b>	<b>7,103,108</b>	<b>-</b>	<b>(578,030)</b>	<b>-</b>	<b>6,525,078</b>	<b>606,454</b>	<b>5,918,624</b>
<b>Tax Deferred Loans Payable:</b>							
Atlantic/Garvey Project	6,665,463	-	-	(6,665,463)	-	-	-
Merged Project	27,945,336	-	-	(27,945,336)	-	-	-
<b>Total tax deferred loans payable</b>	<b>34,610,799</b>	<b>-</b>	<b>-</b>	<b>(34,610,799)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Compensated Absences Payable	4,951,951	380,000	(646,981)	-	4,684,970	468,496	4,216,474
Claims and Judgments							
Payable (Note 13)	5,991,491	1,986,304	(1,393,408)	-	6,584,387	2,633,755	3,950,632
Capital Lease Obligations (Note 8)	1,326,463	-	(107,897)	-	1,218,566	112,762	1,105,804
Net Other Postemployment Benefits							
Obligation (Note 12)	7,077,981	1,646,591	-	-	8,724,572	-	8,724,572
<b>Total Governmental Activities</b>	<b>\$ 104,381,793</b>	<b>\$ 4,012,895</b>	<b>\$ (4,061,316)</b>	<b>\$ (60,745,799)</b>	<b>\$ 43,587,573</b>	<b>\$ 4,306,467</b>	<b>\$ 39,281,106</b>
<b>Business-Type Activities</b>							
Compensated Absences Payable	\$ 453,291	\$ 114,346	\$ (45,330)	\$ 522,307	\$ 52,231	\$ 470,076	
Capital Lease Obligations (Note 8)	6,094,776	-	(561,668)	5,533,108	567,503	4,965,605	
Net Other Postemployment Benefits							
Obligation (Note 12)	413,019	273,409	-	686,428	-	686,428	
<b>Total Business-Type Activities</b>	<b>\$ 6,961,086</b>	<b>\$ 387,755</b>	<b>\$ (606,998)</b>	<b>\$ 6,741,843</b>	<b>\$ 619,734</b>	<b>\$ 6,122,109</b>	

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**9. LONG-TERM DEBT, CONTINUED**

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, 2012, \$62,964 in compensated absences and \$6,584,387 in claims and judgments of internal service funds are included as part of the totals long-term debt for governmental activities.

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

***Tax Allocation Bonds***

***1998 Tax Allocation Revenue Bonds (Merged Project)***

On October 14, 1998, the Financing Authority issued the 1998 Tax Allocation Revenue Bonds in the principal amount of \$11,610,000. The proceeds were loaned to the Agency to advance refund the 1977 Freeway Bonds and to finance additional redevelopment activities within its Merged Project Area. The bonds are secured by a pledge of the tax revenues from the Merged Project Area and were issued in denominations of \$5,000, with interest rates ranging from 3.8% to 5.3%. Interest payments are payable semiannually on March 1 and September 1. Principal payments are due on March 1 of each year and continue until the year 2028. Outstanding balance in the amount of \$8,560,000 was transferred to the Successor Agency on February 1, 2012 due to the dissolution of the Agency.

\$ 0

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

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

***2002 Tax Allocation Revenue Bonds (Atlantic-Garvey Project)***

On August 22, 2002, the Agency issued \$24,270,000 Tax Allocation Bonds Issue of 2002, for the Atlantic-Garvey Redevelopment Project No. 1. These Bonds were issued to redeem outstanding 1992 Refunding Bonds on September 1, 2002 and to finance improvements within Atlantic-Garvey Redevelopment Project No. 1 Project area. The bonds are secured by a pledge of the tax revenues from the Project area and were issued in denominations of \$5,000, with interest rates ranging from 2.5% to 5.0%. Interest payments are payable semiannually on September 1 and March 1. Principal payments are made on September 1 of each year and continue until the year 2028. Outstanding balance in the amount of \$17,575,000 was transferred to the Successor Agency on February 1, 2012 due to the dissolution of the Agency.

\$ 0

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**9. LONG-TERM DEBT, CONTINUED**

*2002 Tax Allocation Revenue Bonds (Atlantic-Garvey Project), Continued*

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

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 Agency's Low and Moderate Income Housing Funds, the County of Los Angeles pass-thru agreement, and County administration fees. Annual Principal and interest payments on the bonds are expected to require less than 35% of net revenues. Principal and interest paid for the current year is \$1,488,708 and the net tax increment revenue is \$2,823,538.

Total Tax Allocation Bonds

\$           0

*2004 Taxable Pension Obligation Bonds*

On June 29, 2004, the City pursuant to an Agreement with the California Statewide Communities Development Authority, issued \$17,405,000 in Taxable Pension Obligation Bonds, 2004 Series A-1. These Bonds were issued to refund the unfunded liabilities of the City's Safety Plan to the California Public Employees Retirement System (CALPERS). The City is contractually obligated to appropriate and make payments to CALPERS arising as a result of retirement benefits accruing to members of CALPERS. The City's obligation includes, among others, the requirement to amortize the unfunded accrued actuarial liability over a multi-year period. On June 29, 2004, the City contributed \$17,012,841 of the bond proceeds to CALPERS to fund a portion of the unfunded liability for the Safety Plan that provides retirement benefits to the City's sworn Police Officers and Firefighters. This transaction resulted in a net economic gain of \$3,193,368.

Bond interest is payable semi-annually on June 1 and December 1 commencing December 1, 2004. The rate of interest varies from 4.510% to 6.076% per annum. Principal is payable in annual installments ranging from \$25,000 to \$1,350,000 commencing on June 1, 2009 and ending on June 1, 2034. On or before August 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.

\$15,850,000

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

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**9. LONG-TERM DEBT, CONTINUED**

***Section 108 Loan Program***

In August 2002, the City participated in the U.S. Department of Housing and Urban Development Section 108 Loan Guarantee Program and received note proceeds of \$6,500,000. The City uses the proceeds for the development of the Market Place project. The annual debt service payments are funded through the City's Community Development Block Grant funds. Interest rates range from 1.75% to 6.12%. Interest payments are made semiannually on August 1 and February 1. Principal payments are made on August 1 of each year and continue until the year 2023. \$4,487,000

***Library Special Tax Revenue Note Series 2005***

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

The note is secured by City's Special Library Tax. Annual Principal and interest payments on the note are expected to require less than 80% of net revenues. The amount of principal and interest outstanding at June 30, 2012 totaled \$2,299,167. Principal and interest paid for the current year is \$383,194 and the net library tax revenue was \$501,685. \$2,038,078

Total Tax Allocation Bonds, Pension Obligation Bonds, Section 108 Loan Program, and Library Special Tax Revenue Note \$22,375,078

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

	<u>Pension Obligation Bonds</u>		<u>HUD Section 108 Loan</u>		<u>Library Special Tax</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2013	\$ 485,000	\$ 945,165	\$ 298,000	\$ 250,933	\$ 308,454	\$ 74,741	\$ 2,362,293
2014	475,000	919,315	316,000	235,140	320,318	62,876	2,328,649
2015	465,000	893,627	335,000	217,687	332,639	50,556	2,294,509
2016	455,000	868,015	356,000	198,695	345,433	37,762	2,260,905
2017	450,000	842,589	378,000	178,082	358,719	24,475	2,231,865
2018-2022	2,175,000	3,820,862	2,265,000	520,095	372,515	10,679	9,164,151
2023-2027	3,370,000	3,118,392	539,000	16,493	-	-	7,043,885
2028-2032	5,350,000	1,810,648	-	-	-	-	7,160,648
2033-2034	2,625,000	241,521	-	-	-	-	2,866,521
	<u>\$ 15,850,000</u>	<u>\$ 13,460,134</u>	<u>\$ 4,487,000</u>	<u>\$ 1,617,125</u>	<u>\$ 2,038,078</u>	<u>\$ 261,089</u>	<u>\$ 37,713,426</u>

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**9. LONG-TERM DEBT, CONTINUED**

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

On August 20, 1987, the Agency entered an agreement for reimbursement of tax increment funds with the County of Los Angeles (County). In the Agreement, the County agreed to loan its portion of the tax increment revenues received from the amended area (88 Annex) to the Agency at a 7% compound interest rate, beginning fiscal year 1989-90. The percentage distribution from the basic tax levy for the 88 Annex area for the County and the Agency is 43.7% and 56.3% respectively. The Agency will commence repayment of this loan annually beginning with the fiscal year in which the Agency's share of tax increment revenues (excluding Housing Fund contributions) from the 88 Annex area exceeds \$800,000. Outstanding balance in the amount of \$6,665,463 was transferred to the Successor Agency on February 1, 2012 due to the dissolution of the Agency.

\$ 0

*Tax Increment Deferred Loan – (Merged Project)*

The Agency and the County Taxing Entities (the County of Los Angeles, the Los Angeles County Flood Control District, and the Los Angeles County Office of Education) entered into four agreements for reimbursement of the tax increment deferred amounts. In the Agreements, the County Taxing Entities agreed to loan their portions of the tax increment revenues received from 111 Southeast Project area, Freeway `99 Annex area, Central Commercial Project area, and Merged Monterey Pass Road area to the Agency at specified interest rates ranging from 0% to 7%. The percentage distribution from the basic tax levy and the repayment schedule of the deferred loans are also based on a specified formula for each taxing entity. Outstanding balance in the amount of \$27,945,336 was transferred to the Successor Agency on February 1, 2012 due to the dissolution of the Agency.

\$ 0

*Arbitrage*

The Tax Reform Act of 1986 substantially revised the treatment to be afforded to arbitrage earnings on invested bond proceeds and now requires the City to remit excess arbitrage earnings to the Internal Revenue Service. Certain of the City's debt and interest earned on the proceeds thereon fall under the requirements of the act. The City has made the necessary arbitrage rebate calculations. As of January 31, 2012, the Agency incurred no rebate liability for the 1998 Merged Bonds or for the 2002 Tax Allocation Bonds prior to transfer of the tax allocation bonds to the Successor Agency on February 1, 2012.

**10. DUE TO OTHER GOVERNMENTAL AGENCIES**

In the Special Revenue Grants Fund, an amount equal to the total outstanding balance of the identified loans receivable for the CDBG Residential Rehabilitation Program \$48,015, State Earthquake Rehabilitation Assistance (SERA) Program \$185,300, the Pacific Bridge Housing Corporation loan \$213,045, the Pacific Bridge Loan \$362,476, described in Note 3 at June 30, 2012 has been recorded as Due to Other Governmental Agencies. As these notes are repaid, the repayment proceeds must be returned to the applicable government agency.

Due to Other Governmental Agencies	Amount
CDBG Residential Rehabilitation Program	\$ 48,015
State Earthquake Rehabilitation Assistance (SERA) Program	185,300
The Pacific Bridge Housing Corporation Loan	213,045
The Pacific Bridge Loan	362,476
<b>Total</b>	<b>\$ 808,836</b>

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**11. PENSION PLANS**

**A. *Defined Benefit Pension Plans***

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

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

Participants are required to contribute 8% for miscellaneous employees and 9% for safety employees of their annual covered salary. Miscellaneous employees contribute 8% and all new-hire sworn Police employees contribute 6.55% toward their CalPERS retirement. The City makes 9% of the required employee contributions on behalf of sworn Fire and existing Police employees. The City is required to contribute at an actuarially determined rate; the current rate is 16.856% for non-safety employees, and 24.695% for safety employees, of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by CalPERS.

For fiscal year 2011-2012, the City's and Employee's annual pension cost was \$5,290,000 and \$796,654, respectively. The City actually contributed \$5,494,470. The required contribution was determined as part of the June 30, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases from 3.55% to 14.45% for miscellaneous plan and 3.55% to 13.15% for safety plan, depending on Age, Service, and type of employment, and (c) 3.25% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3%.

The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized as a level percent of projected payroll on a closed basis. The amortization period was 30 years for both miscellaneous plan and safety plan. The amortization period at June 30, 2009 was 22 years for miscellaneous plan and 27 years for safety plan.

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

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**11. PENSION PLANS**

**A. Defined Benefit Pension Plans**

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

The City's changes in net pension asset of the Safety Plan, for the year ended June 30, 2012, were as follows (amounts in thousands):

Annual Required Contribution	\$	4,083
Interest on Beginning Net Pension Assets		(1,482)
Adjustment to the Annual Required Contribution		1,278
		1,278
Annual Pension Cost		3,879
Contributions Made		4,083
		4,083
Change in Pension Assets		(204)
Net Pension Assets, Beginning of Year		(19,120)
		(19,120)
Net Pension Assets, End of Year	\$	(19,324)

**TREND INFORMATION FOR PERS**

<b>Schedule of Employer Contributions for Last Three Years (\$ Amount in Thousands)</b>					
<b>Safety Plan</b>					
<b>Fiscal Year</b>	<b>Annual Pension Cost (APC)</b>	<b>City Contribution</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Assets</b>	
6/30/2010	\$ 3,399	\$ 3,657	108%	\$	18,887
6/30/2011	3,510	3,743	107%		19,120
6/30/2012	3,879	4,083	105%		19,324

<b>Miscellaneous Plan</b>					
<b>Fiscal Year</b>	<b>Annual Pension Cost (APC)</b>	<b>City Contribution</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>	
6/30/2010	\$ 1,483	\$ 1,483	100%	\$	-
6/30/2011	1,369	1,369	100%		-
6/30/2012	1,411	1,411	100%		-

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**11. PENSION PLANS, CONTINUED**

**A. Defined Benefit Pension Plans, Continued**

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

Schedule of Funding Progress (\$ Amount in Thousands)						
Actuarial Validation Date	Actuarial Value of Assets	Entry Age Normal AAL	Unfunded AAL	Funded Status	Annual Covered Payroll	UAAL as a % of Payroll
	(a)	(b)	[(b)-(a)]	[(a)/(b)]	(c)	{[(b)-(a)]/(c)}
6/30/2011						
Miscellaneous	\$ 73,683	\$ 93,613	\$ 19,930	78.7%	\$ 11,054	180.3%
Safety	129,889	149,020	19,131	87.2%	11,592	165.0%
<b>Total</b>	<b>\$ 203,572</b>	<b>\$ 242,633</b>	<b>\$ 39,061</b>	<b>83.9%</b>	<b>\$ 22,646</b>	<b>172.5%</b>

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

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

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

Miscellaneous employees under the age of 55 joined PERS on April 1, 1976. However, these employees still remain vested under the MMRP and are eligible to receive retirement benefits at the time of retirement. Miscellaneous employees over the age of 55 (on or before April 1, 1976) could not participate in PERS and remain wholly in the MMRP. The MMRP was amended in 1976 to provide equivalent retirement benefits to all miscellaneous employees, whether totally vested in PERS, totally vested in the MMRP or partially vested in both plans. Eligibility requirements for the MMRP are the same as those for PERS. There are 78 individuals in the plan, all of whom are no longer employed by the City or are currently participating in PERS. The City's payroll for employees covered by the MMRP for the year ended June 30, 2012 was zero. The City does not issue a publicly available financial report for the MMRP.

**Funding Policy**

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

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**11. PENSION PLANS, CONTINUED**

**A. Defined Benefit Pension Plans, Continued**

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

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

Annual Required Contribution	\$ 760,000
Interest on Beginning Net Pension Assets	44,380
Adjustment to the Annual Required Contribution	(7,726)
	796,654
Annual Pension Cost	796,654
Contributions Made	(842,554)
	(45,900)
Change in Pension Liability	(45,900)
Net pension obligation, beginning of year	887,600
	887,600
Net pension obligation, end of year	\$ 841,700

**TREND INFORMATION FOR MMRP**

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

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>City Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2010	\$ 405	\$ 389	96%	\$ 888
6/30/2011	801	801	100%	888
6/30/2012	797	843	106%	842

**Schedule of Funding Progress (\$ Amount in Thousands)**

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

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

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**11. PENSION PLANS, CONTINUED**

**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 2011-12, 92 part-time employees participated in the plan. All contributions to the plan vest immediately. An employee who leaves the City is entitled to all contributions, including contributions made by the City, and earnings applied to the individual's account through the date of separation, less legally required income tax withholding. Participants that become full-time employees and enter the PERS retirement plan will have the amount in their individual accounts transferred from this plan into a Section 457, Deferred Compensation Plan, subject to all the rules governing Section 457 plans, including substantial penalties for withdrawal prior to the age of normal retirement. Contribution levels into the deferred compensation plan were established by City Council resolution at 4% and 3.5% for the City and nonbenefited, nonpersable part-time employees, respectively.

During the year, total required and actual contributions amounted to \$62,983 and covered payroll for the year ended June 30, 2012 totaled \$839,775. The City contributed \$33,591 (4% of current covered payroll) and employees contributed \$29,392 (3.5% of current covered payroll). Total plan assets at June 30, 2012 were \$677,732. Plan assets are held in trust for the exclusive benefit of participants and their beneficiaries and, therefore, are not included in the financial statements.

**12. OTHER POST EMPLOYMENT BENEFITS**

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

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

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**12. OTHER POST EMPLOYMENT BENEFITS, CONTINUED**

The City adopted GASB Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for the current fiscal year, elected to use the entry age normal cost method with unfunded liabilities amortized over 30 years, and continues to fund on a pay-as-you-go basis.

**Funding Policy**

The contribution requirements are established and amended by the City. The contribution is based on pay-as-you-go financing requirements. For fiscal year 2011-2012, the City contributed \$1,287,874 to the plan and the breakdown is as follows.

Police	\$	463,635
Fire		218,939
Miscellaneous		605,300
<b>Total</b>	<b>\$</b>	<b>1,287,874</b>

**Annual OPEB Cost and Net OPEB Obligation**

The City's annual Other Postemployment Benefit (OPEB) cost is calculated base on the *Annual Required Contribution of the Employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excesses) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB Obligation to the Plan.

Annual Required Contribution	\$	3,651
Interest on Beginning Net OPEB Obligation		376
Adjustment to the Annual Required Contribution		(319)
Annual OPEB Cost		3,708
Contributions Made Outside of a Trust		(1,288)
Change in Net OPEB Obligation		2,420
Net OPEB Obligation, Beginning of Year		7,491
Net OPEB Obligation, End of Year	\$	9,911

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 plus the two preceding year were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
6/30/2010	\$ 3,893	34.30%	\$ 4,850
6/30/2011	3,877	30.08%	7,491
6/30/2012	3,708	34.74%	9,911

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**12. OTHER POST EMPLOYMENT BENEFITS, CONTINUED**

**Funded Status and Funding Progress**

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

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

**Actuarial Methods and Assumptions**

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

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

**13. RISK MANAGEMENT**

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

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

The City retains the risk for the first \$500,000 of each Workers' Compensation claim and is a member of the Independent Cities Risk Management Authority for coverage up to \$100 million per occurrence. The City retains the risk for the first \$300,000 of each General Liability and Auto Liability claim and is a member of the Independent Cities Risk Management Authority for coverage up to \$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.

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**13. RISK MANAGEMENT, CONTINUED**

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

At June 30, 2012, total estimated claims payable were as follows:

General Liability	\$ 1,386,379
Workers' Compensation	<u>5,198,008</u>
<b>Total</b>	<u><u>\$ 6,584,387</u></u>

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

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

	<b>2012</b>	<b>2011</b>	<b>2010</b>
Claims liabilities - beginning balance	\$ 5,991,491	\$ 5,714,205	\$ 5,149,730
Incurred claims, representing the total of a provision for events of the current fiscal year and any change in the provision for events of prior fiscal years	1,986,304	810,027	4,525,438
Payments on claims attributable to events of both the current fiscal year and prior fiscal years	<u>(1,393,408)</u>	<u>(532,741)</u>	<u>(3,960,963)</u>
<b>Total</b>	<u><u>\$ 6,584,387</u></u>	<u><u>\$ 5,991,491</u></u>	<u><u>\$ 5,714,205</u></u>

**14. DEFICITS AND BUDGET OVERAGES**

**Fund Financial Statements**

At June 30, 2012, deficit fund balance and/or net assets were reported for the Park Facility Special Revenue Fund, Public Safety Impact Fee Fund and Workers' Compensation Internal Service Fund in the amount of \$83,832, \$69,288, and \$2,329,677 respectively. City management intends to eliminate the deficit fund balance of the Special Revenue Park Facility Fund and Special Revenue Public Safety Impact Fee by reducing spending and accumulating resources. In addition, city management intends to eliminate the deficit net assets of the Workers' Compensation 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 these funds is adequate to meet current needs.

Expenditures exceeded appropriations in the Special Revenue Public Safety Augmentation Fund by \$26,044 due to receipt of more allocated revenues.

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**15. FUND BALANCE CLASSIFICATIONS**

	Major Funds					Non-Major Funds	Total
	General	Special Revenue			Housing		
		Grants	Retirement/ Pension				
<b>Nonspendable:</b>							
Advances to other funds	\$ 703,230	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 703,230
Advances to Fiduciary Fund	-	-	-	2,617,203	-	-	2,617,203
<b>Total nonspendable</b>	<b>703,230</b>	<b>-</b>	<b>-</b>	<b>2,617,203</b>	<b>-</b>	<b>-</b>	<b>3,320,433</b>
<b>Restricted:</b>							
Housing	-	-	-	5,574,530	-	-	5,574,530
Street resurfacing	-	1,033,733	-	-	-	-	1,033,733
Economic development	-	578,308	-	-	-	-	578,308
Other capital projects under \$200,000 in aggregate	-	972,242	-	-	-	-	972,242
Retirement	-	-	8,460,758	-	-	-	8,460,758
OPA Proposition A	-	-	-	-	1,876,272	-	1,876,272
State Gas Tax	-	-	-	-	1,109,569	-	1,109,569
Proposition C	-	-	-	-	884,455	-	884,455
Assets forfeiture	-	-	-	-	966,516	-	966,516
Business Improvement Area #1	-	-	-	-	298,986	-	298,986
Measure R	-	-	-	-	1,055,835	-	1,055,835
Library tax	-	-	-	-	217,043	-	217,043
CERCLA Liability	-	-	-	-	798,871	-	798,871
Other special revenue under \$200,000 in aggregate	-	-	-	-	380,166	-	380,166
<b>Total restricted</b>	<b>-</b>	<b>2,584,283</b>	<b>8,460,758</b>	<b>5,574,530</b>	<b>7,587,713</b>	<b>-</b>	<b>24,207,284</b>
<b>Committed:</b>							
Unemployment claim	340,000	-	-	-	-	-	340,000
Catastrophic event	2,000,000	-	-	-	-	-	2,000,000
Working capital	3,000,000	-	-	-	-	-	3,000,000
Economic development	1,833,519	-	-	-	-	-	1,833,519
<b>Total committed</b>	<b>7,173,519</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,173,519</b>
<b>Assigned:</b>							
City capital improvement	5,145,940	-	-	-	-	-	5,145,940
<b>Total assigned</b>	<b>5,145,940</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,145,940</b>
<b>Unassigned:</b>							
General Fund	2,505,441	-	-	-	-	-	2,505,441
Nonmajor Special Revenue Funds	-	-	-	-	(153,120)	-	(153,120)
<b>Total unassigned</b>	<b>2,505,441</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(153,120)</b>	<b>-</b>	<b>2,352,321</b>
<b>Total</b>	<b>\$ 15,528,130</b>	<b>\$ 2,584,283</b>	<b>\$ 8,460,758</b>	<b>\$ 8,191,733</b>	<b>\$ 7,434,593</b>	<b>\$ -</b>	<b>\$ 42,199,497</b>

**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**16. CONTINGENCIES**

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

As of June 30, 2012, in the opinion of City management, there were no additional outstanding matters that would have a significant effect on the financial position of the funds of the City.

**17. PROPOSITION 1A BORROWING BY THE STATE OF CALIFORNIA**

Under the provisions of Proposition 1A and as part of the 2009-2010 budget package passed by the California State Legislature on July 28, 2009, the State of California borrowed 8% of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in lieu sales tax, and supplementary property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The State is required to repay this borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the City was \$1,042,925 with no interest accrued for the year ended June 30, 2012.

The borrowing by the State of California was recognized as a receivable and offset by deferred revenue since the revenues are not available to the City within 60 days of the end of the accounting period. The tax revenues will be recognized in the fiscal year for which they are received.

**18. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY**

On December 29, 2011, the Supreme Court of the State of California (the "Court") upheld the enforceability of legislation that provides for the dissolution of California redevelopment agencies, but struck down the Assembly Bill X1 27 which would have provided a means for redevelopment agencies to continue to exist and operate by means of a Voluntary Alternative Redevelopment Program. As a result of the Court ruling, the dissolution of California redevelopment agencies was effective as of February 1, 2012.

Assembly Bill X1 26 signed into law as part of the State's budget package on June 29, 2011, requires each California redevelopment agency to suspend nearly all activities except to implement existing contracts, meet already-incurred obligations, preserve its assets, prepare for the impending dissolution of the agency, and transfer all of its assets to a successor agency that is governed by an oversight board representing the various taxing jurisdictions in the community.



**CITY OF MONTEREY PARK**  
**Notes to Basic Financial Statements, Continued**  
**For the Year Ended June 30, 2012**

**19. SUBSEQUENT EVENT**

Atlantic Time Square – Mezzanine Loan

There are provisions within the agreement with the developer suggesting that the Agency may be obligated to provide millions of dollars of subsidies to the Atlantic Times Square development. Uncertainty regarding whether the Agency is actually obligated to provide subsidies, and how much, arises from a determination issued by the Department of Industrial Relations (DIR) in June 2010. That determination was appealed by the Agency. On August 26, 2011, the DIR upheld its previous 2010 determination and denied the Agency's appeal. The Agency filed a lawsuit in Superior Court to overturn the DIR's determination on October 19, 2011. The Agency was also subject to enforcement action from the Division of Labor Standards Enforcement (DLSE) for unpaid prevailing wages on the development project. On July 23, 2012, the parties entered into escrow agreement, and then on July 26, 2012 the Successor Agency deposited \$9,900,000 to the escrow account. On September 18 and 19, 2012, the Successor Agency entered into a settlement agreement with the DLSE and the developer, respectively, which resolved all outstanding issues. Pursuant to the settlement agreement, 1) the Mezzanine Loan in the amount of \$5,800,000 is converted to a grant and is no longer owed to the Successor Agency and 2) the Successor Agency will pay \$476,650 to DLSE, \$5,400,000 to the developer for costs related to the Atlantic Times Square project, and up to \$600,000 to the developer for settlement of the dispute from the escrow account. The remaining settlement to the Successor Agency is estimated to be \$3,370,000 and will be retained in escrow until November 30, 2014 upon expiration of the applicable statute of limitations for others to file a claim regarding the project, less any claims filed before such expiration. The Department of Finance approved the settlement agreement on November 21, 2012 and agreed that up to \$3,370,000 will be available for distribution to the taxing entities after the retention period ends in November 2014. The estimated settlement in the amount of \$6,530,000 is reported as settlement payable at June 30, 2012 in the Fiduciary Fund.

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

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**CITY OF MONTEREY PARK**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Funding Progress (\$ Amount in Thousands)**  
**June 30, 2012**

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

<b>Actuarial Valuation Date</b>	<b>Actuarial Asset Value (a)</b>	<b>Entry Age Actuarial Accrued Liability (b)</b>	<b>Unfunded AAL (UAAL) [(b) - (a)]</b>	<b>Funded Ratio [(a)/(b)]</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a % of Covered Payroll {(b)-(a)/(c)}</b>
<b>06/30/09</b>						
Misc.	\$ 64,931	\$ 77,922	\$ 12,991	83.3%	\$ 12,871	100.9%
Safety	119,754	135,741	15,987	88.2%	11,941	133.9%
Total	<u>\$ 184,685</u>	<u>\$ 213,663</u>	<u>\$ 28,978</u>	<u>86.4%</u>	<u>\$ 24,812</u>	<u>116.8%</u>
<b>06/30/10</b>						
Misc.	\$ 69,203	\$ 84,267	\$ 15,064	82.1%	\$ 12,507	120.4%
Safety	124,278	142,589	18,311	87.2%	11,996	152.6%
Total	<u>\$ 193,481</u>	<u>\$ 226,856</u>	<u>\$ 33,375</u>	<u>85.3%</u>	<u>\$ 24,503</u>	<u>136.2%</u>
<b>06/30/11</b>						
Misc.	\$ 73,683	\$ 93,613	\$ 19,930	78.7%	\$ 11,054	180.3%
Safety	129,889	149,020	19,131	87.2%	11,592	165.0%
Total	<u>\$ 203,572</u>	<u>\$ 242,633</u>	<u>\$ 39,061</u>	<u>83.9%</u>	<u>\$ 22,646</u>	<u>172.5%</u>

**2. Massachusetts Mutual Retirement Plan (MMRP):**

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

**3. Other Post Employment Benefit (OPEB) Plan:**

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

**CITY OF MONTEREY PARK**  
**Required Supplementary Information (Unaudited), Continued**  
**General Fund**  
**Budgetary Comparison Schedules**  
**Year Ended June 30, 2012**

	General Fund			
	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		
Revenues:				
Taxes	\$ 21,629,500	\$ 21,629,500	\$ 21,519,774	\$ (109,726)
Licenses and permits	1,922,600	1,922,600	1,856,887	(65,713)
Intergovernmental revenues		2,876,300	2,876,300	-
Charges for services	4,183,690	4,186,703	4,072,183	(114,520)
Revenues from use of money and property	733,600	605,587	634,355	28,768
Fines and forfeitures	790,000	790,000	770,959	(19,041)
Other	355,950	355,950	681,927	325,977
Total Revenues	<u>29,615,340</u>	<u>32,366,640</u>	<u>32,412,385</u>	<u>45,745</u>
Expenditures:				
Current:				
General government	2,621,460	2,621,460	2,520,226	101,234
Public safety	20,662,451	20,642,115	20,391,933	250,182
Community development	1,283,551	1,283,551	1,251,015	32,536
Culture and recreation	4,510,388	4,512,144	4,638,650	(126,506)
Highways and streets	833,907	583,907	483,723	100,184
Capital outlay	48,770	2,991,827	2,931,881	59,946
Total Expenditures	<u>29,960,527</u>	<u>32,635,004</u>	<u>32,217,428</u>	<u>417,576</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (345,187)</u>	<u>\$ (268,364)</u>	<u>194,957</u>	<u>\$ 463,321</u>
Other Financing Sources:				
Transfers in			350,000	
Proceed from sale of property			1,837,937	
Total Other Financing Sources			<u>2,187,937</u>	
Net Change in Fund Balances			2,382,894	
Fund Balances, Beginning of Year			<u>13,145,236</u>	
Fund Balances, End of Year			<u>\$ 15,528,130</u>	

**CITY OF MONTEREY PARK**  
**Required Supplementary Information (Unaudited), Continued**  
**Special Revenue Grants Fund**  
**Budgetary Comparison Schedules**  
**Year Ended June 30, 2012**

	Special Revenue Grants Fund			
	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual	
Revenues:				
Intergovernmental revenues	\$ 2,428,803	\$ 2,566,235	\$ 3,130,414	\$ 564,179
Charges for services	-	-	3,905	3,905
Revenues from use of money and property	-	-	38,723	38,723
Total Revenues	<u>2,428,803</u>	<u>2,566,235</u>	<u>3,173,042</u>	<u>606,807</u>
Expenditures:				
Current:				
General government	2,600	2,600	-	2,600
Public safety	651	129,870	404,323	(274,453)
Community development	972,060	2,179,125	943,109	1,236,016
Culture and recreation	85,568	97,368	176,971	(79,603)
Highways and streets	8,757	17,612	41,324	(23,712)
Capital outlay	1,226,298	6,220,397	2,114,808	4,105,589
Debt service:				
Principal retirement	388,898	388,898	388,897	1
Interest and fiscal charges	265,184	265,184	265,183	1
Total Expenditures	<u>2,950,016</u>	<u>9,301,054</u>	<u>4,334,615</u>	<u>4,966,439</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (521,213)</u>	<u>\$ (6,734,819)</u>	<u>(1,161,573)</u>	<u>\$ 5,573,246</u>
Fund Balances, Beginning of Year			<u>3,745,856</u>	
Fund Balances, End of Year			<u>\$ 2,584,283</u>	

**CITY OF MONTEREY PARK**  
**Required Supplementary Information (Unaudited), Continued**  
**Special Revenue Retirement/Pension Liability Fund**  
**Budgetary Comparison Schedules**  
**Year Ended June 30, 2012**

	Special Revenue Retirement/Pension Liability			
	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual	
Revenues:				
Taxes	\$ 4,252,000	\$ 4,252,000	\$ 4,834,830	\$ 582,830
Revenues from use of money and property	-	-	122	122
Total Revenues	<u>4,252,000</u>	<u>4,252,000</u>	<u>4,834,952</u>	<u>582,952</u>
Expenditures:				
Current:				
General government	945,960	945,960	967,926	(21,966)
Public safety	4,268,354	4,267,552	4,091,903	175,649
Community development	98,329	98,329	164,911	(66,582)
Culture and recreation	357,048	369,981	364,989	4,992
Highways and streets	99,878	99,878	23,233	76,645
Debt service:				
Principal retirement	495,000	495,000	495,000	-
Interest and fiscal charges	970,807	970,807	970,806	1
Total Expenditures	<u>7,235,376</u>	<u>7,247,507</u>	<u>7,078,768</u>	<u>168,739</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,983,376)</u>	<u>\$ (2,995,507)</u>	<u>(2,243,816)</u>	<u>\$ 751,691</u>
Other Financing Sources:				
Transfers in			426,146	
Total Other Financing Sources			<u>426,146</u>	
Net Change in Fund Balances			(1,817,670)	
Fund Balances, Beginning of Year			<u>10,278,428</u>	
Fund Balances, End of Year			<u>\$ 8,460,758</u>	

**CITY OF MONTEREY PARK**  
**Required Supplementary Information (Unaudited), Continued**  
**Special Revenue Housing Fund**  
**Budgetary Comparison Schedules**  
**Year Ended June 30, 2012**

	Special Revenue Housing			
	Budgeted Amounts		Actual	Variance with Final Budget -
	Original (*)	Final (*)		
Revenues:				
Revenues from use of money and property	\$ -	\$ -	\$ 9,262	\$ 9,262
Other	-	-	32,303	32,303
Total Revenues	-	-	41,565	41,565
Expenditures:				
Current:				
General government	-	-	3,094	(3,094)
Community development	-	-	957,505	(957,505)
Capital outlay	-	-	2,292,090	(2,292,090)
Total Expenditures	-	-	3,252,689	(3,252,689)
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	(3,211,124)	\$ (3,211,124)
Net Change in Fund Balances before Extraordinary Item			(3,211,124)	
Extraordinary Item:				
Gain on dissolution of the former Redevelopment Agency of Monterey Park (Note 18)			11,402,857	
Net Change in Fund Balances			8,191,733	
Fund Balances, Beginning of Year			-	
Fund Balances, End of Year			\$ 8,191,733	

**(\*) Budget was not adopted for the Special Revenue Housing Fund due to the Fund was newly established on February 1, 2012 as a result of the dissolution of the former Community Redevelopment Agency of the City of Monterey Park.**

**CITY OF MONTEREY PARK**  
**Notes to Required Supplementary Information (Unaudited)**  
**June 30, 2012**

**Budgetary Control and Accounting**

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

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

Appropriated amounts are as originally adopted or as adjusted by the City Council throughout the year. During the 2011-2012, the City made several supplemental budgetary appropriations, including a \$2,674,477 increase in the General Fund, a \$6,351,038 increase in the Special Revenue Grants Fund, and \$12,131 increase in the Special Revenue Retirement/Pension Liability Fund.

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

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

**SUPPLEMENTARY INFORMATION**

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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**

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

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

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

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

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

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

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

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

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

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

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

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

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS, Continued**

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

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

### **DEBT SERVICE FUND**

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

### **CAPITAL PROJECTS FUND**

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

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**CITY OF MONTEREY PARK**  
**Combining Balance Sheet - Nonmajor Governmental Funds**  
**June 30, 2012**  
**(with comparative total as of June 30, 2011)**

	Special Revenue Funds				
	Proposition A	Gas Tax	Bike Route	Proposition C	Air Quality Improvement
<u>Assets</u>					
Cash and investments	\$ 1,959,200	\$ 1,177,102	\$ -	\$ 938,614	\$ 173,168
Cash and investments held by fiscal agent					
Accounts receivable	-	-	65,181	-	18,714
Interest receivable	1,278	825	-	639	114
Loans receivable, net	-	-	-	-	-
Land held for resale	-	-	-	-	-
Advances to other fund	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,960,478</b>	<b>\$ 1,177,927</b>	<b>\$ 65,181</b>	<b>\$ 939,253</b>	<b>\$ 191,996</b>
<u>Liabilities and Fund Balance</u>					
Liabilities:					
Accounts payable	\$ 76,249	\$ 54,872	\$ -	\$ 54,798	\$ -
Accrued payroll	7,957	13,486	-	-	-
Due to other funds	-	-	65,181	-	-
Advances from other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>84,206</b>	<b>68,358</b>	<b>65,181</b>	<b>54,798</b>	<b>-</b>
Fund Balance:					
Nonspendable	-	-	-	-	-
Restricted	1,876,272	1,109,569	-	884,455	191,996
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total Fund Balance</b>	<b>1,876,272</b>	<b>1,109,569</b>	<b>-</b>	<b>884,455</b>	<b>191,996</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,960,478</b>	<b>\$ 1,177,927</b>	<b>\$ 65,181</b>	<b>\$ 939,253</b>	<b>\$ 191,996</b>

**CITY OF MONTEREY PARK**  
**Combining Balance Sheet - Nonmajor Governmental Funds, Continued**  
**June 30, 2012**  
**(with comparative total as of June 30, 2011)**

	Special Revenue Funds				
	Asset Forfeiture	Park Facilities	Business Improvement Area #1	Maintenance District 93-1	Public Safety Impact Fee
<u>Assets</u>					
Cash and investments	\$ 993,503	\$ 620,318	\$ 299,159	\$ 139,433	\$ -
Cash and investments held by fiscal agent					
Accounts receivable	10,276	-	-	55,733	-
Interest receivable	649	-	200	-	124
Loans receivable, net	-	-	-	-	-
Land held for resale	-	-	-	-	-
Advances to other fund	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,004,428</b>	<b>\$ 620,318</b>	<b>\$ 299,359</b>	<b>\$ 195,166</b>	<b>\$ 124</b>
<u>Liabilities and Fund Balance</u>					
Liabilities:					
Accounts payable	\$ 37,665	\$ 920	\$ 373	\$ 2,899	\$ 3,772
Accrued payroll	247	-	-	4,097	-
Due to other funds	-	-	-	-	65,640
Advances from other funds	-	703,230	-	-	-
<b>Total Liabilities</b>	<b>37,912</b>	<b>704,150</b>	<b>373</b>	<b>6,996</b>	<b>69,412</b>
Fund Balance:					
Nonspendable	-	-	-	-	-
Restricted	966,516	-	298,986	188,170	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	(83,832)	-	-	(69,288)
<b>Total Fund Balance</b>	<b>966,516</b>	<b>(83,832)</b>	<b>298,986</b>	<b>188,170</b>	<b>(69,288)</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,004,428</b>	<b>\$ 620,318</b>	<b>\$ 299,359</b>	<b>\$ 195,166</b>	<b>\$ 124</b>

(Continued)

**CITY OF MONTEREY PARK**  
**Combining Balance Sheet - Nonmajor Governmental Funds, Continued**  
**June 30, 2012**  
**(with comparative total as of June 30, 2011)**

	Special Revenue Funds				Total
	Public Safety Augmentation	Measure R	Library Tax	CERCLA Liability	
<b>Assets</b>					
Cash and investments	\$ -	\$ 1,094,103	\$ 205,181	\$ 798,342	\$ 8,398,123
Cash and investments held by fiscal agent					-
Accounts receivable	144,901	-	20,599	-	315,404
Interest receivable	-	701	129	529	5,188
Loans receivable, net	-	-	-	-	-
Land held for resale	-	-	-	-	-
Advances to other fund	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 144,901</b>	<b>\$ 1,094,804</b>	<b>\$ 225,909</b>	<b>\$ 798,871</b>	<b>\$ 8,718,715</b>
<b>Liabilities and Fund Balance</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ 38,969	\$ 8,193	\$ -	\$ 278,710
Accrued payroll	-	-	673	-	26,460
Due to other funds	144,901	-	-	-	275,722
Advances from other funds	-	-	-	-	703,230
<b>Total Liabilities</b>	<b>144,901</b>	<b>38,969</b>	<b>8,866</b>	<b>-</b>	<b>1,284,122</b>
<b>Fund Balance:</b>					
Nonspendable	-	-	-	-	-
Restricted	-	1,055,835	217,043	798,871	7,587,713
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(153,120)
<b>Total Fund Balance</b>	<b>-</b>	<b>1,055,835</b>	<b>217,043</b>	<b>798,871</b>	<b>7,434,593</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 144,901</b>	<b>\$ 1,094,804</b>	<b>\$ 225,909</b>	<b>\$ 798,871</b>	<b>\$ 8,718,715</b>

**CITY OF MONTEREY PARK**  
**Combining Balance Sheet - Nonmajor Governmental Funds, Continued**  
**June 30, 2012**  
**(with comparative total as of June 30, 2011)**

	Debt (*)	Capital (*)	Total Nonmajor	
	Service Fund	Projects Fund	Governmental Funds	
			2012	2011
<u>Assets</u>				
Cash and investments	\$ -	\$ -	\$ 8,398,123	\$ 29,869,718
Cash and investments held by fiscal agent			-	2,472,362
Accounts receivable	-	-	315,404	1,212,394
Interest receivable	-	-	5,188	42,313
Loans receivable, net	-	-	-	8,903,530
Land held for resale	-	-	-	10,815,327
Advances to other fund	-	-	-	2,617,203
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,718,715</b>	<b>\$ 55,932,847</b>
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 278,710	\$ 704,690
Accrued payroll	-	-	26,460	25,041
Due to other funds	-	-	275,722	179,815
Advances from other funds	-	-	703,230	3,320,433
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>1,284,122</b>	<b>4,229,979</b>
Fund Balance:				
Nonspendable	-	-	-	22,336,060
Restricted	-	-	7,587,713	15,424,797
Committed	-	-	-	3,524,270
Assigned	-	-	-	10,523,233
Unassigned	-	-	(153,120)	(105,492)
<b>Total Fund Balance</b>	<b>-</b>	<b>-</b>	<b>7,434,593</b>	<b>51,702,868</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,718,715</b>	<b>\$ 55,932,847</b>

(Concluded)

(\*) As of February 1, 2012.

**CITY OF MONTEREY PARK**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Nonmajor Governmental Funds**  
**Year Ended June 30, 2012**  
**(with comparative total for the year ended June 30, 2011)**

Special Revenue Funds

	Proposition A	Gas Tax	Bike Route	Proposition C	Air Quality Improvement
Revenues:					
Taxes	\$ 1,045,952	\$ 1,617,279	\$ 58,381	\$ 789,342	\$ 72,842
Charges for services	53,475	-	-	-	-
Revenues from use of money and property	4,741	2,278	-	2,591	395
Fines and forfeitures	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Revenues</b>	<b>1,104,168</b>	<b>1,619,557</b>	<b>58,381</b>	<b>791,933</b>	<b>73,237</b>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Community development	-	56,110	-	-	-
Culture and recreation	-	-	-	-	-
Highways and streets	852,104	1,220,460	-	858,708	53,342
Health	-	-	-	-	-
Capital outlay	3,816	17,969	58,381	38,008	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total Expenditures</b>	<b>855,920</b>	<b>1,294,539</b>	<b>58,381</b>	<b>896,716</b>	<b>53,342</b>
Excess (Deficiency) of Revenues Over Expenditures	248,248	325,018	-	(104,783)	19,895
Other Financing Sources (Uses):					
Transfers out	-	-	-	-	-
Proceeds from sale of property	3,055	-	-	-	-
Issuance of tax increment deferred loan	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>3,055</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances before Extraordinary Item	251,303	325,018	-	(104,783)	19,895
Extraordinary Item:					
Gain (Loss) on dissolution of the former Redevelopment Agency of Monterey Park (Note 18)	-	-	-	-	-
Net Change in Fund Balances	251,303	325,018	-	(104,783)	19,895
Fund Balance, Beginning of Year	1,624,969	784,551	-	989,238	172,101
Fund Balance, End of Year	<u>\$ 1,876,272</u>	<u>\$ 1,109,569</u>	<u>\$ -</u>	<u>\$ 884,455</u>	<u>\$ 191,996</u>

**CITY OF MONTEREY PARK**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Nonmajor Governmental Funds, Continued**  
**Year Ended June 30, 2012**  
**(with comparative total for the year ended June 30, 2011)**

	Special Revenue Funds				
	Asset Forfeiture	Park Facilities	Business Improvement Area #1	Maintenance District 93-1	Public Safety Impact Fee
Revenues:					
Taxes	\$ -	\$ 25,455	\$ 58,395	\$ 977,552	\$ -
Charges for services	-	-	-	-	106,495
Revenues from use of money and property	2,669	-	732	-	124
Fines and forfeitures	182,033	-	-	-	-
Other	-	-	-	-	-
<b>Total Revenues</b>	<b>184,702</b>	<b>25,455</b>	<b>59,127</b>	<b>977,552</b>	<b>106,619</b>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	216,204	-	-	-	10,965
Community development	-	-	20,494	-	-
Culture and recreation	-	-	-	322,593	-
Highways and streets	-	-	-	609,649	-
Health	-	-	-	-	-
Capital outlay	105,730	34,598	-	-	114,139
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	20,000
<b>Total Expenditures</b>	<b>321,934</b>	<b>34,598</b>	<b>20,494</b>	<b>932,242</b>	<b>145,104</b>
Excess (Deficiency) of Revenues Over Expenditures	(137,232)	(9,143)	38,633	45,310	(38,485)
Other Financing Sources (Uses):					
Transfers out	-	-	-	-	-
Proceeds from sale of property	1,190	-	-	-	-
Issuance of tax increment deferred loan	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,190</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances before Extraordinary Item</b>	<b>(136,042)</b>	<b>(9,143)</b>	<b>38,633</b>	<b>45,310</b>	<b>(38,485)</b>
Extraordinary Item:					
Gain (Loss) on dissolution of the former Redevelopment Agency of Monterey Park (Note 18)	-	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>(136,042)</b>	<b>(9,143)</b>	<b>38,633</b>	<b>45,310</b>	<b>(38,485)</b>
Fund Balance, Beginning of Year	1,102,558	(74,689)	260,353	142,860	(30,803)
Fund Balance, End of Year	\$ 966,516	\$ (83,832)	\$ 298,986	\$ 188,170	\$ (69,288)

(Continued)

**CITY OF MONTEREY PARK**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Nonmajor Governmental Funds, Continued**  
**Year Ended June 30, 2012**  
**(with comparative total for the year ended June 30, 2011)**

	Special Revenue Funds				
	Public Safety Augmentation	Measure R	Library Tax	CERCLA Liability	Total
Revenues:					
Taxes	\$ 566,044	\$ 587,323	\$ 501,685	\$ -	\$ 6,300,250
Charges for services	-	-	-	124,310	284,280
Revenues from use of money and property	-	2,621	465	2,041	18,657
Fines and forfeitures	-	-	-	-	182,033
Other	-	-	-	-	-
<b>Total Revenues</b>	<b>566,044</b>	<b>589,944</b>	<b>502,150</b>	<b>126,351</b>	<b>6,785,220</b>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	566,044	-	-	-	793,213
Community development	-	-	-	-	76,604
Culture and recreation	-	-	74,004	-	396,597
Highways and streets	-	65,197	-	-	3,659,460
Health	-	-	-	120,000	120,000
Capital outlay	-	402,779	-	-	775,420
Debt service:					
Principal retirement	-	-	297,030	-	297,030
Interest and fiscal charges	-	-	86,165	-	106,165
<b>Total Expenditures</b>	<b>566,044</b>	<b>467,976</b>	<b>457,199</b>	<b>120,000</b>	<b>6,224,489</b>
Excess (Deficiency) of Revenues Over Expenditures	-	121,968	44,951	6,351	560,731
Other Financing Sources (Uses):					
Transfers out	-	-	-	-	-
Proceeds from sale of property	-	-	-	-	4,245
Issuance of tax increment deferred loan	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,245</b>
Net Change in Fund Balances before Extraordinary Item	-	121,968	44,951	6,351	564,976
Extraordinary Item:					
Gain (Loss) on dissolution of the former Redevelopment Agency of Monterey Park (Note18)	-	-	-	-	-
Net Change in Fund Balances	-	121,968	44,951	6,351	564,976
Fund Balance, Beginning of Year	-	933,867	172,092	792,520	6,869,617
Fund Balance, End of Year	\$ -	\$ 1,055,835	\$ 217,043	\$ 798,871	\$ 7,434,593

**CITY OF MONTEREY PARK**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Nonmajor Governmental Funds, Continued**  
**Year Ended June 30, 2012**  
**(with comparative total for the year ended June 30, 2011)**

	Debt (*)	Capital (*)	Total Nonmajor	
	Service Fund	Projects Fund	Governmental Funds	
			2012	2011
Revenues:				
Taxes	\$ 3,830,014	\$ 957,505	\$ 11,087,769	\$ 16,612,047
Charges for services	-	-	284,280	252,794
Revenues from use of money and property	6,004	37,223	61,884	170,649
Fines and forfeitures	-	-	182,033	485,683
Other	-	6,000	6,000	124,395
<b>Total Revenues</b>	<b>3,836,018</b>	<b>1,000,728</b>	<b>11,621,966</b>	<b>17,645,568</b>
Expenditures:				
Current:				
General government	129,933	-	129,933	144,748
Public safety	-	-	793,213	992,581
Community development	876,543	1,364,295	2,317,442	8,259,221
Culture and recreation	-	-	396,597	459,781
Highways and streets	-	-	3,659,460	3,480,802
Health	-	-	120,000	120,000
Capital outlay	-	-	775,420	235,046
Debt service:				
Principal retirement	840,000	-	1,137,030	1,406,028
Interest and fiscal charges	648,707	-	754,872	1,456,834
<b>Total Expenditures</b>	<b>2,495,183</b>	<b>1,364,295</b>	<b>10,083,967</b>	<b>16,555,041</b>
Excess (Deficiency) of Revenues Over Expenditures	1,340,835	(363,567)	1,537,999	1,090,527
Other Financing Sources (Uses):				
Transfers out	-	(426,146)	(426,146)	(8,657,616)
Proceeds from sale of property	-	-	4,245	4,625
Issuance of tax increment deferred loan	-	-	-	3,775,724
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(426,146)</b>	<b>(421,901)</b>	<b>(4,877,267)</b>
Net Change in Fund Balances before Extraordinary Item	1,340,835	(789,713)	1,116,098	(3,786,740)
Extraordinary Item:				
Gain (Loss) on dissolution of the former Redevelopment Agency of Monterey Park (Note 18)	(3,813,197)	(41,571,176)	(45,384,373)	-
Net Change in Fund Balances	(2,472,362)	(42,360,889)	(44,268,275)	(3,786,740)
Fund Balance, Beginning of Year	2,472,362	42,360,889	51,702,868	55,489,608
Fund Balance, End of Year	\$ -	\$ -	\$ 7,434,593	\$ 51,702,868

(Concluded)

(\*) For the seven months period ended January 31, 2012.

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Special Revenue Proposition A Fund**  
**Year Ended June 30, 2012**  
**(with comparative actual for the year ended June 30, 2011)**

	2012		Variance Positive (Negative)	2011
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 924,000	\$ 1,045,952	\$ 121,952	\$ 988,521
Charges for services	69,000	53,475	(15,525)	54,853
Revenues from use of money and property	10,000	4,741	(5,259)	5,056
Total Revenues	1,003,000	1,104,168	101,168	1,048,430
Expenditures:				
Current:				
Highways and streets	978,929	852,104	126,825	960,215
Capital outlay	553,381	3,816	549,565	14,806
Total Expenditures	1,532,310	855,920	676,390	975,021
Excess of Revenues Over Expenditures	\$ (529,310)	248,248	\$ 777,558	73,409
Other Financing Sources:				
Proceed from sale of property		3,055		-
Net Change in Fund Balance		251,303		74,298
Fund Balance, Beginning of Year		1,624,969		1,551,560
Fund Balance, End of Year		\$ 1,876,272		\$ 1,624,969

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Special Revenue Gas Tax Fund**  
**Year Ended June 30, 2012**  
**(with comparative actual for the year ended June 30, 2011)**

	2012		Variance Positive (Negative)	2011
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 1,690,500	\$ 1,617,279	\$ (73,221)	\$ 1,602,480
Revenues from use of money and property	200	2,278	2,078	683
Total Revenues	<u>1,690,700</u>	<u>1,619,557</u>	<u>(71,143)</u>	<u>1,603,163</u>
Expenditures:				
Current:				
Community development	43,221	56,110	(12,889)	33,532
Highways and streets	1,269,808	1,220,460	49,348	1,022,966
Capital outlay	<u>38,600</u>	<u>17,969</u>	<u>20,631</u>	<u>-</u>
Total Expenditures	<u>1,351,629</u>	<u>1,294,539</u>	<u>57,090</u>	<u>1,056,498</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 339,071</u>	<u>325,018</u>	<u>\$ (14,053)</u>	<u>546,665</u>
Net Change in Fund Balance		325,018		546,665
Fund Balance, Beginning of Year		<u>784,551</u>		<u>237,886</u>
Fund Balance, End of Year		<u>\$ 1,109,569</u>		<u>\$ 784,551</u>

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Special Revenue Bike Route Fund**  
**Year Ended June 30, 2012**  
**(with comparative actual for the year ended June 30, 2011)**

	2012		Variance Positive (Negative)	2011
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 26,088	\$ 58,381	\$ 32,293	\$ 4,800
Expenditures:				
Capital outlay	90,200	58,381	31,819	4,800
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (64,112)</u>	<u>-</u>	<u>\$ 64,112</u>	<u>-</u>
Net Change in Fund Balance		-		-
Fund Balance, Beginning of Year		-		-
Fund Balance, End of Year		<u>\$ -</u>		<u>\$ -</u>

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Special Revenue Proposition C Fund**  
**Year Ended June 30, 2012**  
**(with comparative actual for the year ended June 30, 2011)**

	2012		Variance Positive (Negative)	2011
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 720,000	\$ 789,342	\$ 69,342	\$ 728,723
Revenues from use of money and property	<u>9,500</u>	<u>2,591</u>	<u>(6,909)</u>	<u>3,610</u>
Total Revenues	<u>729,500</u>	<u>791,933</u>	<u>62,433</u>	<u>732,333</u>
Expenditures:				
Current:				
Highways and streets	884,400	858,708	25,692	795,697
Capital outlay	<u>173,240</u>	<u>38,008</u>	<u>135,232</u>	<u>8,471</u>
Total Expenditures	<u>1,057,640</u>	<u>896,716</u>	<u>160,924</u>	<u>804,168</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (328,140)</u>	<u>(104,783)</u>	<u>\$ 223,357</u>	<u>(71,835)</u>
Net Change in Fund Balance		(104,783)		(71,835)
Fund Balance, Beginning of Year		<u>989,238</u>		<u>1,061,073</u>
Fund Balance, End of Year		<u>\$ 884,455</u>		<u>\$ 989,238</u>

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Special Revenue Air Quality Improvement Fund**  
**Year Ended June 30, 2012**  
**(with comparative actual for the year ended June 30, 2011)**

	2012		Variance Positive (Negative)	2011
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 74,000	\$ 72,842	\$ (1,158)	\$ 75,725
Revenues from use of money and property	<u>750</u>	<u>395</u>	<u>(355)</u>	<u>501</u>
Total Revenues	74,750	73,237	(1,513)	76,226
Expenditures:				
Current:				
Highways and streets	34,500	53,342	(18,842)	84,748
Capital outlay	<u>55,600</u>	<u>-</u>	<u>55,600</u>	<u>-</u>
Total Expenditures	<u>90,100</u>	<u>53,342</u>	<u>36,758</u>	<u>84,748</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (15,350)</u>	<u>19,895</u>	<u>\$ 35,245</u>	<u>(8,522)</u>
Net Change in Fund Balance		19,895		(8,522)
Fund Balance, Beginning of Year		<u>172,101</u>		<u>180,623</u>
Fund Balance, End of Year		<u>\$ 191,996</u>		<u>\$ 172,101</u>

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Special Revenue Asset Forfeiture Fund**  
**Year Ended June 30, 2012**  
**(with comparative actual for the year ended June 30, 2011)**

	2012		Variance Positive (Negative)	2011
	Budget	Actual		Actual
<b>Revenues:</b>				
Revenues from use of money and property	\$ 6,000	\$ 2,669	\$ (3,331)	\$ 3,772
Fines and forfeitures	371,000	182,033	(188,967)	485,683
<b>Total Revenues</b>	<b>377,000</b>	<b>184,702</b>	<b>(192,298)</b>	<b>489,455</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	247,962	216,204	31,758	342,978
Capital outlay	307,886	105,730	202,156	126,587
<b>Total Expenditures</b>	<b>555,848</b>	<b>321,934</b>	<b>233,914</b>	<b>469,565</b>
 Excess (Deficiency) of Revenues Over Expenditures	 <b>\$ (178,848)</b>	 (137,232)	 <b>\$ 41,616</b>	 19,890
<b>Other Financing Sources:</b>				
Proceeds from sale of property		1,190		4,625
<b>Net Change in Fund Balance</b>		<b>(136,042)</b>		<b>24,515</b>
 Fund Balance, Beginning of Year		 1,102,558		 1,078,043
<b>Fund Balance, End of Year</b>		<b>\$ 966,516</b>		<b>\$ 1,102,558</b>

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Special Revenue Park Facilities Fund**  
**Year Ended June 30, 2012**  
**(with comparative actual for the year ended June 30, 2011)**

	2012		Variance Positive (Negative)	2011
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 100,000	\$ 25,455	\$ (74,545)	\$ 27,477
Expenditures:				
Capital outlay	63,799	34,598	29,201	41,134
Excess (Deficiency) of Revenues Over Expenditures	\$ 36,201	(9,143)	\$ (45,344)	(13,657)
Net Change in Fund Balance		(9,143)		(13,657)
Fund Balance, Beginning of Year		(74,689)		(61,032)
Fund Balance, End of Year		\$ (83,832)		\$ (74,689)

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Special Revenue Business Improvement Area #1 Fund**  
**Year Ended June 30, 2012**  
**(with comparative actual for the year ended June 30, 2011)**

	2012		Variance Positive (Negative)	2011
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 57,000	\$ 58,395	\$ 1,395	\$ 60,216
Revenues from use of money and property	<u>400</u>	<u>732</u>	<u>332</u>	<u>866</u>
Total Revenues	<u>57,400</u>	<u>59,127</u>	<u>1,727</u>	<u>61,082</u>
Expenditures:				
Current:				
Community development	<u>116,923</u>	<u>20,494</u>	<u>96,429</u>	<u>63,330</u>
Net Change in Fund Balance	<u><u>\$ (59,523)</u></u>	<u><u>38,633</u></u>	<u><u>\$ 98,156</u></u>	<u><u>(2,248)</u></u>
Fund Balance, Beginning of Year		<u>260,353</u>		<u>262,601</u>
Fund Balance, End of June		<u><u>\$ 298,986</u></u>		<u><u>\$ 260,353</u></u>

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Special Revenue Maintenance District 93-1 Fund**  
**Year Ended June 30, 2012**  
**(with comparative actual for the year ended June 30, 2011)**

	2012		Variance Positive (Negative)	2011
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 970,000	\$ 977,552	\$ 7,552	\$ 970,020
Expenditures:				
Current:				
Culture and recreation	365,661	322,593	43,068	375,413
Highways and streets	662,365	609,649	52,716	617,176
Total Expenditures	1,028,026	932,242	95,784	992,589
Net Change in Fund Balance	\$ (58,026)	45,310	\$ 103,336	(22,569)
Fund Balance, Beginning of Year		142,860		165,429
Fund Balance, End of Year		\$ 188,170		\$ 142,860

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Special Revenue Public Safety Impact Fee Fund**  
**Year Ended June 30, 2012**  
**(with comparative actual for the year ended June 30, 2011)**

	2012		Variance Positive (Negative)	2011
	Budget	Actual		Actual
Revenues:				
Charges for services	\$ 300,000	\$ 106,495	\$ (193,505)	\$ 77,155
Revenues from use of money and property	-	124	124	80
Total Revenues	300,000	106,619	(193,381)	77,235
Expenditures:				
Current:				
Public safety	134,920	10,965	123,955	122,357
Capital outlay	321,738	114,139	207,599	300
Debt services:				
Interest and fiscal charges	20,000	20,000	-	32,996
Total Expenditures	476,658	145,104	331,554	155,653
Excess (Deficiency) of Revenues Over Expenditures	\$ (176,658)	(38,485)	\$ 138,173	(78,418)
Fund Balance, Beginning of Year		(30,803)		47,615
Fund Balance, End of Year		\$ (69,288)		\$ (30,803)

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Special Revenue Public Safety Augmentation Fund**  
**Year Ended June 30, 2012**  
**(with comparative actual for the year ended June 30, 2011)**

	2012		Variance Positive (Negative)	2011
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 540,000	\$ 566,044	\$ 26,044	\$ 527,246
Expenditures:				
Current:				
Public safety	540,000	566,044	(26,044)	527,246
Net Change in Fund Balance	\$ -	-	\$ -	-
Fund Balance, Beginning of Year		-		-
Fund Balance, End of Year		\$ -		\$ -

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Special Revenue Measure R Fund**  
**Year Ended June 30, 2012**  
**(with comparative actual for the year ended June 30, 2011)**

	2012		Variance Positive (Negative)	2011
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 450,000	\$ 587,323	\$ 137,323	\$ 543,998
Revenues from use of money and property	-	2,621	2,621	2,365
Total Revenues	450,000	589,944	139,944	546,363
Expenditures:				
Current:				
Highway and streets	85,000	65,197	19,803	-
Capital outlay	519,800	402,779	117,021	22,744
Total Expenditures	604,800	467,976	136,824	22,744
Net Change in Fund Balance	\$ (154,800)	121,968	\$ 276,768	523,619
Fund Balance, Beginning of Year		933,867		410,248
Fund Balance, End of Year		\$ 1,055,835		\$ 933,867

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Special Revenue Library Tax Fund**  
**Year Ended June 30, 2012**  
**(with comparative actual for the year ended June 30, 2011)**

	2012		Variance Positive (Negative)	2011
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 500,000	\$ 501,685	\$ 1,685	\$ 501,531
Revenues from use of money and property	500	465	(35)	488
Total Revenues	500,500	502,150	1,650	502,019
Expenditures:				
Current:				
Culture and recreation	115,658	74,004	41,654	84,368
Debt service:				
Principal retirement	297,030	297,030	-	286,028
Interest and fiscal charges	86,166	86,165	1	97,167
Total Expenditures	498,854	457,199	41,655	467,563
Net Change in Fund Balance	\$ 1,646	44,951	\$ 43,305	34,456
Fund Balance, Beginning of Year		172,092		137,636
Fund Balance, End of Year		\$ 217,043		\$ 172,092

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Special Revenue CERCLA Liability Fund**  
**Year Ended June 30, 2012**  
**(with comparative actual for the year ended June 30, 2011)**

	2012		Variance Positive (Negative)	2011
	Budget	Actual		Actual
Revenues:				
Charges for services	\$ 125,000	\$ 124,310	\$ (690)	\$ 120,786
Revenues from use of money and property	<u>12,000</u>	<u>2,041</u>	<u>(9,959)</u>	<u>2,589</u>
Total Revenues	137,000	126,351	(10,649)	123,375
Expenditures:				
Current:				
Health	<u>120,000</u>	<u>120,000</u>	<u>-</u>	<u>120,000</u>
Net Change in Fund Balance	<u><u>\$ 17,000</u></u>	<u>6,351</u>	<u><u>\$ (10,649)</u></u>	<u>3,375</u>
Fund Balance, Beginning of Year		<u>792,520</u>		<u>789,145</u>
Fund Balance, End of Year		<u><u>\$ 798,871</u></u>		<u><u>\$ 792,520</u></u>

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**Year Ended June 30, 2012**  
**(with comparative actual for the year ended June 30, 2011)**

	2012		Variance Positive (Negative)	2011
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 10,229,000	\$ 3,830,014	\$ (6,398,986)	\$ 8,465,048
Revenues from use of money and property	20,200	6,004	(14,196)	31,092
Other	-	-	-	-
Total Revenues	<u>10,249,200</u>	<u>3,836,018</u>	<u>(6,413,182)</u>	<u>8,496,140</u>
Expenditures:				
Current:				
General government	150,000	129,933	20,067	144,748
Community development	895,000	876,543	18,457	5,184,128
Debt service:				
Principal retirement	1,165,000	840,000	325,000	1,120,000
Interest and fiscal charges	<u>1,282,718</u>	<u>648,707</u>	<u>634,011</u>	<u>1,326,671</u>
Total Expenditures	<u>3,492,718</u>	<u>2,495,183</u>	<u>997,535</u>	<u>7,775,547</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 6,756,482</u>	<u>1,340,835</u>	<u>\$ (5,415,647)</u>	<u>720,593</u>
Other Financing Sources (Uses):				
Transfers out		-		(4,498,847)
Issuance of tax increment deferred loan		-		<u>3,775,724</u>
Total Other Financing Sources (Uses)		<u>-</u>		<u>(723,123)</u>
Net Change in Fund Balances before Extraordinary Item		1,340,835		(2,530)
Extraordinary Item:				
Loss on dissolution of the former Redevelopment Agency of Monterey Park (Note 18)		<u>(3,813,197)</u>		<u>-</u>
Net Change in Fund Balances		(2,472,362)		
Fund Balances, Beginning of Year		<u>2,472,362</u>		<u>2,474,892</u>
Fund Balances, End of Year		<u>\$ -</u>		<u>\$ 2,472,362</u>

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Capital Projects Fund**  
**Year Ended June 30, 2012**  
**(with comparative actual for the year ended June 30, 2011)**

	2012		Variance Positive (Negative)	2011
	Budget	Actual		Actual
<b>Revenues:</b>				
Taxes	\$ 2,175,000	\$ 957,505	\$ (1,217,495)	\$ 2,116,262
Revenues from use of money and property	167,000	37,223	(129,777)	119,547
Other	10,000	6,000	(4,000)	124,395
<b>Total Revenues</b>	<b>2,352,000</b>	<b>1,000,728</b>	<b>(1,351,272)</b>	<b>2,360,204</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Community development	4,029,949	1,364,295	2,665,654	2,978,231
Capital outlay	869,350	-	869,350	16,204
<b>Total Expenditures</b>	<b>4,899,299</b>	<b>1,364,295</b>	<b>3,535,004</b>	<b>2,994,435</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (2,547,299)</b>	<b>(363,567)</b>	<b>\$ 2,183,732</b>	<b>(634,231)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in		-		4,498,847
Transfers out		(426,146)		(8,657,616)
<b>Total Other Financing Sources (Uses)</b>		<b>(426,146)</b>		<b>(4,158,769)</b>
<b>Net Change in Fund Balances before Extraordinary Item</b>		<b>(789,713)</b>		<b>(4,793,000)</b>
<b>Extraordinary Item:</b>				
Loss on dissolution of the former Redevelopment Agency of Monterey Park (Note 18)		(41,571,176)		-
<b>Net Change in Fund Balances</b>		<b>(42,360,889)</b>		<b>(4,793,000)</b>
<b>Fund Balances, Beginning of Year</b>		<b>42,360,889</b>		<b>47,153,889</b>
<b>Fund Balances, End of Year</b>		<b>\$ -</b>		<b>\$ 42,360,889</b>

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## DESCRIPTION OF INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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

**CITY OF MONTEREY PARK**  
**Combining Statement of Net Assets - Internal Service Funds**  
**June 30, 2012**  
**(with comparative total as of June 30, 2011)**

<u>Assets</u>	<u>Separation Benefits</u>	<u>General Liability</u>	<u>Workers' Compensation</u>	<u>Other Post Employment Benefits</u>
Current:				
Cash and investments	\$ 3,153,224	\$ 1,737,395	\$ 2,872,905	\$ 500,000
Inventory	-	-	-	-
Total Current Assets	<u>3,153,224</u>	<u>1,737,395</u>	<u>2,872,905</u>	<u>500,000</u>
Depreciable capital assets, net of accumulated depreciation	-	-	-	-
Total Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>3,153,224</u>	<u>1,737,395</u>	<u>2,872,905</u>	<u>500,000</u>
 <u>Liabilities</u>				
Current Liabilities:				
Accounts payable	-	14,179	160	-
Accrued payroll	116,266	952	395	-
Claims and judgments payable - current portion	-	554,552	2,079,203	-
Compensated absences payable - current portion	-	502	402	-
Total Current Liabilities	<u>116,266</u>	<u>570,185</u>	<u>2,080,160</u>	<u>-</u>
Noncurrent:				
Claims and judgments payable - long term portion	-	831,827	3,118,805	-
Compensated absences payable - long term portion	-	4,515	3,617	-
Total Noncurrent Liabilities	<u>-</u>	<u>836,342</u>	<u>3,122,422</u>	<u>-</u>
Total Liabilities	<u>116,266</u>	<u>1,406,527</u>	<u>5,202,582</u>	<u>-</u>
 <u>Net Assets</u>				
Invested in capital assets, net of related debt	-	-	-	-
Unrestricted	<u>3,036,958</u>	<u>330,868</u>	<u>(2,329,677)</u>	<u>500,000</u>
Total Net Assets (Deficits)	<u>\$ 3,036,958</u>	<u>\$ 330,868</u>	<u>\$ (2,329,677)</u>	<u>\$ 500,000</u>

**CITY OF MONTEREY PARK**  
**Combining Statement of Net Assets - Internal Service Funds, Continued**  
**June 30, 2012**  
**(with comparative total as of June 30, 2011)**

<u>Assets</u>	<u>Shop</u>	<u>Technology</u>	<u>Totals</u>	
			<u>2012</u>	<u>2011</u>
Current:				
Cash and investments	\$ 1,762,263	\$ 958,550	\$ 10,984,337	\$ 9,995,531
Inventory	657	-	657	701
Total Current Assets	<u>1,762,920</u>	<u>958,550</u>	<u>10,984,994</u>	<u>9,996,232</u>
Depreciable capital assets, net of accumulated depreciation	<u>941,551</u>	<u>189,728</u>	<u>1,131,279</u>	<u>1,552,662</u>
Total Capital Assets	<u>941,551</u>	<u>189,728</u>	<u>1,131,279</u>	<u>1,552,662</u>
Total Assets	<u>2,704,471</u>	<u>1,148,278</u>	<u>12,116,273</u>	<u>11,548,894</u>
 <u>Liabilities</u>				
Current Liabilities:				
Accounts payable	97,138	6,566	\$ 118,043	\$ 512,318
Accrued payroll	5,105	-	122,718	30,766
Claims and judgments payable - current portion	-	-	2,633,755	2,396,596
Compensated absences payable - current portion	<u>5,392</u>	<u>-</u>	<u>6,296</u>	<u>5,562</u>
Total Current Liabilities	<u>107,635</u>	<u>6,566</u>	<u>2,880,812</u>	<u>2,945,242</u>
Noncurrent:				
Claims and judgments payable - long term portion	-	-	3,950,632	3,594,895
Compensated absences payable - long term portion	<u>48,536</u>	<u>-</u>	<u>56,668</u>	<u>50,057</u>
Total Noncurrent Liabilities	<u>48,536</u>	<u>-</u>	<u>4,007,300</u>	<u>3,644,952</u>
Total Liabilities	<u>156,171</u>	<u>6,566</u>	<u>6,888,112</u>	<u>6,590,194</u>
 <u>Net Assets</u>				
Invested in capital assets, net of related debt	941,551	189,728	1,131,279	1,552,662
Unrestricted	<u>1,606,749</u>	<u>951,984</u>	<u>4,096,882</u>	<u>3,406,038</u>
Total Net Assets (Deficits)	<u>\$ 2,548,300</u>	<u>\$ 1,141,712</u>	<u>\$ 5,228,161</u>	<u>\$ 4,958,700</u>

**CITY OF MONTEREY PARK**  
**Combining Statement of Revenues, Expenses and**  
**Changes in Net Assets - Internal Service Funds**  
**Year Ended June 30, 2012**  
**(with comparative total for the year ended June 30, 2011)**

	Separation Benefits	General Liability	Workers' Compensation	Other Post Employment Benefit
Operating Revenues:				
Charges for services	\$ 1,530,142	\$ 792,000	\$ 1,167,545	\$ 500,000
Other revenue	-	-	-	-
Total Operating Revenues	<u>1,530,142</u>	<u>792,000</u>	<u>1,167,545</u>	<u>500,000</u>
Operating Expenses:				
Depreciation	-	-	-	-
Vehicle expense	-	-	-	-
Salaries and benefits	987,632	32,263	23,194	-
Materials and supplies	-	-	-	-
Insurance and claims	-	1,465,245	1,233,937	-
Miscellaneous	-	-	-	-
Total Operating Expenses	<u>987,632</u>	<u>1,497,508</u>	<u>1,257,131</u>	<u>-</u>
Operating Income (Loss)	542,510	(705,508)	(89,586)	500,000
Nonoperating Income (Loss):				
Gain (Loss) on sale of surplus property	-	-	-	-
Transfers in	-	-	600,000	-
Transfers out	-	(600,000)	-	-
Total Nonoperating Income (Loss)	<u>-</u>	<u>(600,000)</u>	<u>600,000</u>	<u>-</u>
Change in Net Assets	542,510	(1,305,508)	510,414	500,000
Net Assets (Deficits), Beginning of Year	<u>2,494,448</u>	<u>1,636,376</u>	<u>(2,840,091)</u>	<u>-</u>
Net Assets (Deficits), End of Year	<u>\$ 3,036,958</u>	<u>\$ 330,868</u>	<u>\$ (2,329,677)</u>	<u>\$ 500,000</u>

**CITY OF MONTEREY PARK**  
**Combining Statement of Revenues, Expenses and**  
**Changes in Net Assets - Internal Service Funds, Continued**  
**Year Ended June 30, 2012**  
**(with comparative total for the year ended June 30, 2011)**

	Shop	Technology	Totals	
			2012	2011
Operating Revenues:				
Charges for services	\$ 1,741,390	\$ 141,747	\$ 5,872,824	\$ 5,285,928
Other revenue	-	-	-	-
Total Operating Revenues	<u>1,741,390</u>	<u>141,747</u>	<u>5,872,824</u>	<u>5,285,928</u>
Operating Expenses:				
Depreciation	344,447	99,158	443,605	626,636
Vehicle expense	1,790	-	1,790	14,072
Salaries and benefits	349,377	-	1,392,466	1,427,465
Materials and supplies	804,265	-	804,265	796,514
Insurance and claims	-	-	2,699,182	1,784,315
Miscellaneous	208,437	47,508	255,945	205,000
Total Operating Expenses	<u>1,708,316</u>	<u>146,666</u>	<u>5,597,253</u>	<u>4,854,002</u>
Operating Income (Loss)	33,074	(4,919)	275,571	431,926
Nonoperating Income (Loss):				
Gain (Loss) on sale of surplus property	(6,110)	-	(6,110)	14,329
Transfers in	-	-	600,000	-
Transfers out	-	-	(600,000)	-
Total Nonoperating Income (Loss)	<u>(6,110)</u>	<u>-</u>	<u>(6,110)</u>	<u>14,329</u>
Change in Net Assets	26,964	(4,919)	269,461	446,255
Net Assets (Deficits), Beginning of Year	<u>2,521,336</u>	<u>1,146,631</u>	<u>4,958,700</u>	<u>4,512,445</u>
Net Assets (Deficits), End of Year	<u>\$ 2,548,300</u>	<u>\$ 1,141,712</u>	<u>\$ 5,228,161</u>	<u>\$ 4,958,700</u>

**CITY OF MONTEREY PARK**  
**Combining Statement of Cash Flows - Internal Service Funds**  
**Year Ended June 30, 2012**  
**(with comparative total for the year ended June 30, 2011)**

	Separation Benefits	General Liability	Workers' Compensation	Other Post Employment Benefits
<b>Cash Flows from Operating Activities:</b>				
Cash receipts from interfund services provided	\$ 1,530,142	\$ 792,000	\$ 1,167,545	\$ 500,000
Cash payments to suppliers for goods and services	-	-	-	-
Cash payments to employees for services	(896,665)	(29,477)	(21,963)	-
Cash payments for insurance premiums and self-insurance claims	-	(1,005,721)	(1,129,792)	-
	<u>633,477</u>	<u>(243,198)</u>	<u>15,790</u>	<u>500,000</u>
Net Cash Provided by (Used in) Operating Activities				
<b>Cash Flows from Noncapital Financing Activities:</b>				
Transfers in from (out to) other funds	-	(600,000)	600,000	-
	<u>-</u>	<u>(600,000)</u>	<u>600,000</u>	<u>-</u>
Net Cash Provided by (Used in) Noncapital Financing Activities				
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	-	-	-	-
Proceeds from sale of surplus assets	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities				
Net Increase (Decrease) in Cash and Cash Equivalents	633,477	(843,198)	615,790	500,000
Cash and Cash Equivalents, Beginning of Year	<u>2,519,747</u>	<u>2,580,593</u>	<u>2,257,115</u>	<u>-</u>
Cash and Cash Equivalents, End of Year	<u>\$ 3,153,224</u>	<u>\$ 1,737,395</u>	<u>\$ 2,872,905</u>	<u>\$ 500,000</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>				
Operating income (loss)	\$ 542,510	\$ (705,508)	\$ (89,586)	\$ 500,000
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>				
Depreciation	-	-	-	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	-	-	-	-
(Increase) decrease in inventory	-	-	-	-
Increase (decrease) in accounts payable	-	(23,137)	(6,090)	-
Increase (decrease) in accrued payroll	90,967	656	99	-
Increase (decrease) in claims and judgments payable	-	482,661	110,235	-
Increase (decrease) in compensated absences payable	-	2,130	1,132	-
Total Adjustments	<u>90,967</u>	<u>462,310</u>	<u>105,376</u>	<u>-</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 633,477</u>	<u>\$ (243,198)</u>	<u>\$ 15,790</u>	<u>\$ 500,000</u>

**CITY OF MONTEREY PARK**  
**Combining Statement of Cash Flows - Internal Service Funds, Continued**  
**Year Ended June 30, 2012**  
**(with comparative total for the year ended June 30, 2011)**

	Shop	Technology	Totals	
			2012	2011
<b>Cash Flows from Operating Activities:</b>				
Cash receipts from interfund services provided	\$ 1,741,390	\$ 141,747	\$ 5,872,824	\$ 5,307,085
Cash payments to suppliers for goods and services	(1,256,114)	(170,890)	(1,427,004)	(626,026)
Cash payments to employees for services	(345,064)	-	(1,293,169)	(1,413,290)
Cash payments for insurance premiums and self-insurance claims	-	-	(2,135,513)	(1,478,366)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>140,212</b>	<b>(29,143)</b>	<b>1,017,138</b>	<b>1,789,403</b>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Transfers to/(from) other funds	-	-	-	-
<b>Net Cash Provided by (Used in) Noncapital Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	(17,108)	(20,041)	(37,149)	(634,219)
Proceeds from sale of surplus assets	8,817	-	8,817	14,329
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<b>(8,291)</b>	<b>(20,041)</b>	<b>(28,332)</b>	<b>(619,890)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>131,921</b>	<b>(49,184)</b>	<b>988,806</b>	<b>1,169,513</b>
Cash and Cash Equivalents, Beginning of Year	1,630,342	1,007,734	9,995,531	8,826,018
Cash and Cash Equivalents, End of Year	\$ 1,762,263	\$ 958,550	\$ 10,984,337	\$ 9,995,531
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>				
Operating income (loss)	\$ 33,074	\$ (4,919)	\$ 275,571	\$ 431,926
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>				
Depreciation	344,447	99,158	443,605	626,636
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	-	-	-	21,157
(Increase) decrease in inventory	44	-	44	16,324
Increase (decrease) in accounts payable	(241,666)	(123,382)	(394,275)	401,899
Increase (decrease) in accrued payroll	230	-	91,952	8,138
Increase (decrease) in claims and judgments payable	-	-	592,896	277,286
Increase (decrease) in compensated absences payable	4,083	-	7,345	6,037
<b>Total Adjustments</b>	<b>107,138</b>	<b>(24,224)</b>	<b>741,567</b>	<b>1,357,477</b>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ 140,212</b>	<b>\$ (29,143)</b>	<b>\$ 1,017,138</b>	<b>\$ 1,789,403</b>

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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:**

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

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

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

**CITY OF MONTEREY PARK**  
**Combining Statement of Assets and Liabilities - All Agency Funds**  
**June 30, 2012**  
**(with comparative total as of June 30, 2011)**

	Deposits	Construction	Manta Rays	Totals	
	Fund	Agency Fund	Swim Team Fund	2012	2011
<u>Assets</u>					
Cash and investments	\$ 2,989,263	\$ 82,461	\$ -	\$ 3,071,724	\$ 2,402,858
Total Assets	<u>\$ 2,989,263</u>	<u>\$ 82,461</u>	<u>\$ -</u>	<u>\$ 3,071,724</u>	<u>\$ 2,402,858</u>
<u>Liabilities</u>					
Accounts payable	\$ 39,962	\$ 18,010	\$ -	\$ 57,972	\$ 56,611
Deposits payable	<u>2,949,301</u>	<u>64,451</u>	<u>-</u>	<u>3,013,752</u>	<u>2,346,247</u>
Total Liabilities	<u>\$ 2,989,263</u>	<u>\$ 82,461</u>	<u>\$ -</u>	<u>\$ 3,071,724</u>	<u>\$ 2,402,858</u>

**CITY OF MONTEREY PARK**  
**Combining Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
**Year Ended June 30, 2012**

<u>Deposits Fund</u>	<u>Balance at July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2012</u>
Assets:				
Cash and investments	\$ 2,300,505	\$ 3,518,387	\$ (2,829,629)	\$ 2,989,263
Liabilities:				
Accounts payable	\$ 56,611	\$ 1,426,471	\$ (1,443,120)	\$ 39,962
Deposits payable	2,243,894	2,091,916	(1,386,509)	2,949,301
Total Liabilities	<u>\$ 2,300,505</u>	<u>\$ 3,518,387</u>	<u>\$ (2,829,629)</u>	<u>\$ 2,989,263</u>
 <u>Construction Agency Fund</u>				
Assets:				
Cash and investments	\$ 75,454	\$ 65,257	\$ (58,250)	\$ 82,461
Liabilities:				
Accounts payable	\$ -	\$ 38,130	\$ (20,120)	\$ 18,010
Deposits payable	75,454	27,127	(38,130)	64,451
Total Liabilities	<u>\$ 75,454</u>	<u>\$ 65,257</u>	<u>\$ (58,250)</u>	<u>\$ 82,461</u>
 <u>Manta Rays Swim Team Fund</u>				
Assets:				
Cash and investments	\$ 26,899	\$ 14,451	\$ (41,350)	\$ -
Liabilities:				
Deposits payable	\$ 26,899	\$ 14,451	\$ (41,350)	\$ -
 <u>Total - All Agency Funds</u>				
Assets:				
Cash and investments	\$ 2,402,858	\$ 3,598,095	\$ (2,929,229)	\$ 3,071,724
Liabilities:				
Accounts payable	\$ 56,611	\$ 1,464,601	\$ (1,463,240)	\$ 57,972
Deposits payable	2,346,247	2,133,494	(1,465,989)	3,013,752
Total Liabilities	<u>\$ 2,402,858</u>	<u>\$ 3,598,095</u>	<u>\$ (2,929,229)</u>	<u>\$ 3,071,724</u>

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## **GENERAL FUNDS**

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

**CITY OF MONTEREY PARK**  
**General Fund**  
**Balance Sheet**  
**June 30, 2012**  
**(with comparative data as of June 30, 2011)**

<u>Assets</u>	Totals	
	2012	2011
Cash and investments	\$ 14,987,101	\$ 12,592,609
Accounts receivable	2,353,813	2,481,415
Interest receivable	52,305	56,103
Due from other funds	724,120	510,017
Notes receivable	-	163,746
Advances to other funds	703,230	703,230
Prepaid items	-	7,100
Total Assets	\$ 18,820,569	\$ 16,514,220
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	\$ 493,129	\$ 672,102
Accrued payroll	632,606	612,134
Deposits and advances	849,185	878,077
Deferred revenue	1,317,519	1,206,671
Total Liabilities	3,292,439	3,368,984
Fund Balance:		
Nonspendable		
Advances to other funds	703,230	703,230
Prepaid items	-	7,100
Committed	7,173,519	5,340,000
Assigned	5,145,940	4,589,465
Unassigned	2,505,441	2,505,441
Total Fund Balance	15,528,130	13,145,236
Total Liabilities and Fund Balance	\$ 18,820,569	\$ 16,514,220

**CITY OF MONTEREY PARK**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Year Ended June 30, 2012**  
**(with comparative data for the year ended June 30, 2011)**

	Totals	
	2012	2011
Revenues:		
Taxes	\$ 21,519,774	\$ 21,781,215
Licenses and permits	1,856,887	1,661,496
Intergovernmental revenues	2,876,300	-
Charges for services	4,072,183	4,297,109
Revenues from use of money and property	634,355	591,777
Fines and forfeitures	770,959	786,734
Other	681,927	251,919
Total Revenues	32,412,385	29,370,250
Expenditures:		
Current:		
General government	2,520,226	2,674,233
Public safety	20,391,933	20,712,004
Community development	1,251,015	1,533,367
Culture and recreation	4,638,650	4,391,874
Highways and streets	483,723	913,979
Capital outlay	2,931,881	59,552
Total Expenditures	32,217,428	30,285,009
Excess (Deficiency) of Revenues Over Expenditures	194,957	(914,759)
Other Financing Sources:		
Transfers in	350,000	295,289
Proceed from sale of property	1,837,937	2,002
Total Other Financing Sources	2,187,937	297,291
Net Change in Fund Balance	2,382,894	(617,468)
Fund Balance, Beginning of Year	13,145,236	13,762,704
Fund Balance, End of Year	\$ 15,528,130	\$ 13,145,236

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## **MAJOR SPECIAL REVENUE FUND**

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

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

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

**CITY OF MONTEREY PARK**  
**Special Revenue Grants Fund**  
**Balance Sheet**  
**June 30, 2012**  
**(with comparative data as of June 30, 2011)**

<u>Assets</u>	Totals	
	2012	2011
Cash and investments	\$ 3,297,704	\$ 3,814,003
Accounts receivable	705,203	367,025
Interest receivable	1,145	1,291
Notes receivable	808,836	796,372
Total Assets	\$ 4,812,888	\$ 4,978,691
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	\$ 961,233	\$ 127,614
Accrued payroll	6,493	5,798
Deposits and advances	3,645	3,000
Due to other funds	448,398	300,051
Due to other governmental agencies	808,836	796,372
Total Liabilities	2,228,605	1,232,835
Fund Balance:		
Restricted	2,584,283	3,745,856
Total Fund Balance	2,584,283	3,745,856
Total Liabilities and Fund Balance	\$ 4,812,888	\$ 4,978,691

**CITY OF MONTEREY PARK**  
**Special Revenue Grants Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Year Ended June 30, 2012**  
**(with comparative data for the year ended June 30, 2011)**

	Totals	
	2012	2011
Revenues:		
Intergovernmental revenues	\$ 3,130,414	\$ 4,262,737
Charges for services	3,905	4,228
Revenues from use of money and property	38,723	5,097
Total Revenues	3,173,042	4,272,062
Expenditures:		
Current:		
Public safety	404,323	235,601
Community development	943,109	874,009
Culture and recreation	176,971	376,819
Highways and streets	41,324	16,178
Capital outlay	2,114,808	1,547,102
Debt service:		
Principal retirement	388,897	368,241
Interest and fiscal charges	265,183	278,185
Total Expenditures	4,334,615	3,696,135
Excess (Deficiency) of Revenues Over Expenditures	(1,161,573)	575,927
Other Financing Uses:		
Transfers out	-	(13,889)
Net Change in Fund Balance	(1,161,573)	562,038
Fund Balance, Beginning of Year	3,745,856	3,183,818
Fund Balance, End of Year	\$ 2,584,283	\$ 3,745,856

**CITY OF MONTEREY PARK**  
**Special Revenue Retirement/Pension Liability Fund**  
**Balance Sheet**  
**June 30, 2012**  
**(with comparative data as of June 30, 2011)**

<u>Assets</u>	Totals	
	2012	2011
Cash and investments	\$ 8,209,050	\$ 10,272,702
Cash and investments held by fiscal agents	122	129
Accounts receivable	375,576	126,973
Total Assets	\$ 8,584,748	\$ 10,399,804
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	\$ 16,890	\$ 750
Accrued payroll	107,100	81,670
Due to other funds	-	38,956
Total Liabilities	123,990	121,376
Fund Balance:		
Restricted	8,460,758	10,278,428
Total Fund Balance	8,460,758	10,278,428
Total Liabilities and Fund Balance	\$ 8,584,748	\$ 10,399,804

**CITY OF MONTEREY PARK**  
**Special Revenue Retirement/Pension Liability Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Year Ended June 30, 2012**  
**(with comparative data for the year ended June 30, 2011)**

	Totals	
	2012	2011
Revenues:		
Tax	\$ 4,834,830	\$ 4,175,348
Revenues from use of money and property	122	129
Total Revenues	4,834,952	4,175,477
Expenditures:		
Current:		
General government	967,926	952,104
Public safety	4,091,903	3,752,086
Community development	164,911	160,382
Culture and recreation	364,989	332,863
Highways and streets	23,233	23,851
Debt service:		
Principal retirement	495,000	510,000
Interest and fiscal charges	970,806	996,408
Total Expenditures	7,078,768	6,727,694
Excess (Deficiency) of Revenues Over Expenditures	(2,243,816)	(2,552,217)
Other Financing Sources:		
Transfers in	426,146	8,657,616
Net Change in Fund Balance	(1,817,670)	6,105,399
Fund Balance, Beginning of Year	10,278,428	4,173,029
Fund Balance, End of Year	\$ 8,460,758	\$ 10,278,428

**CITY OF MONTEREY PARK**  
**Special Revenue Housing Fund**  
**Balance Sheet**  
**June 30, 2012**  
**(with comparative data as of June 30, 2011)**

	Totals	
<u>Assets</u>	2012	2011
Cash and investments	\$ 6,541,249	\$ -
Loans receivables, net	1,186,222	-
Advances to Fiduciary Fund	2,617,203	-
Total Assets	\$ 10,344,674	\$ -
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	\$ 957,914	\$ -
Deposits and advances	8,805	-
Deferred revenue	1,186,222	-
Total Liabilities	2,152,941	-
Fund Balance:		
Nonspendable	2,617,203	
Restricted	5,574,530	-
Total Fund Balance	8,191,733	-
Total Liabilities and Fund Balance	\$ 10,344,674	\$ -

**CITY OF MONTEREY PARK**  
**Special Revenue Housing Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Year Ended June 30, 2012**  
**(with comparative data for the year ended June 30, 2011)**

	Totals	
	2012 (*)	2011
Revenues:		
Revenues from use of money and property	\$ 9,262	\$ -
Other	32,303	-
Total Revenues	41,565	-
Expenditures:		
Current:		
General government	3,094	-
Community development	957,505	-
Capital outlay	2,292,090	-
Total Expenditures	3,252,689	-
Excess (Deficiency) of Revenues Over Expenditures	(3,211,124)	-
Extraordinary Item:		
Gain on dissolution of the dissolved former Redevelopment Agency of Monterey Park	11,402,857	-
Net Change in Fund Balance	8,191,733	-
Fund Balance, Beginning of Year	-	-
Fund Balance, End of Year	\$ 8,191,733	\$ -

(\*) For the five months period ended June 30, 2012.

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## MAJOR ENTERPRISE FUNDS

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

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

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

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

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

**CITY OF MONTEREY PARK**  
**Water Enterprise Fund**  
**Schedule of Assets, Liabilities and Net Assets by Function**  
**June 30, 2012**  
**(with comparative total as of June 30, 2011)**

<u>Assets</u>	<u>Water Operations Activity</u>	<u>Water Treatment Activity</u>
Current Assets:		
Cash and investments	\$ 11,926,642	\$ 6,046,027
Accounts receivable	1,529,420	-
Total Current Assets	<u>13,456,062</u>	<u>6,046,027</u>
Noncurrent Assets:		
Nondepreciable capital assets	817,481	235,380
Depreciable capital assets, net of accumulated depreciation	15,899,749	7,431,511
Total Assets	<u>30,173,292</u>	<u>13,712,918</u>
<u>Liabilities and Net Assets</u>		
Current Liabilities:		
Accounts payable	1,396,687	163,930
Accrued payroll	46,747	10,597
Deposits and advances	393,135	-
Capital lease obligation - current portion	197,503	370,000
Current compensated absences payable	36,363	4,157
Total Current Liabilities	<u>2,070,435</u>	<u>548,684</u>
Noncurrent Liabilities:		
Capital lease obligation	2,715,605	2,250,000
Compensated absences payable	327,268	37,410
OPEB obligations payable	530,331	-
Total Non Current Liabilities	<u>3,573,204</u>	<u>2,287,410</u>
Total Liabilities	<u>5,643,639</u>	<u>2,836,094</u>
Net Assets:		
Invested in capital assets, net of related debt	13,804,122	5,046,891
Unrestricted	10,725,531	5,829,933
Total Net Assets	<u>\$ 24,529,653</u>	<u>\$ 10,876,824</u>
Adjustment to reflect the consolidation of internal service funds activities to related activity	<u>(159,013)</u>	<u>-</u>
Net Assets Related to Water Enterprise Activities	<u>\$ 24,370,640</u>	<u>\$ 10,876,824</u>

**CITY OF MONTEREY PARK**  
**Water Enterprise Fund**  
**Schedule of Assets, Liabilities and Net Assets by Function, Continued**  
**June 30, 2012**  
**(with comparative total as of June 30, 2011)**

<u>Assets</u>	<u>Totals</u>	
	<u>2012</u>	<u>2011</u>
Current Assets:		
Cash and investments	\$ 17,972,669	\$ 15,045,706
Accounts receivable	1,529,420	1,462,718
Total Current Assets	<u>19,502,089</u>	<u>16,508,424</u>
Noncurrent Assets:		
Nondepreciable capital assets	1,052,861	842,323
Depreciable capital assets, net of accumulated depreciation	23,331,260	23,755,866
Total Assets	<u>43,886,210</u>	<u>41,106,613</u>
<u>Liabilities and Net Assets</u>		
Current Liabilities:		
Accounts payable	1,560,617	1,758,669
Accrued payroll	57,344	38,801
Deposits and advances	393,135	382,093
Capital lease obligation - current portion	567,503	561,668
Current compensated absences payable	40,520	33,399
Total Current Liabilities	<u>2,619,119</u>	<u>2,774,630</u>
Noncurrent Liabilities:		
Capital lease obligation	4,965,605	5,533,108
Compensated absences payable	364,678	300,594
OPEB obligations payable	530,331	413,019
Total Non Current Liabilities	<u>5,860,614</u>	<u>6,246,721</u>
Total Liabilities	<u>8,479,733</u>	<u>9,021,351</u>
Net Assets:		
Invested in capital assets, net of related debt	18,851,013	18,503,413
Unrestricted	16,555,464	13,581,849
Total Net Assets	<u>\$ 35,406,477</u>	<u>\$ 32,085,262</u>
Adjustment to reflect the consolidation of internal service funds activities to related activity	<u>(159,013)</u>	<u>(96,282)</u>
Net Assets Related to Water Enterprise Activities	<u>\$ 35,247,464</u>	<u>\$ 31,988,980</u>

**CITY OF MONTEREY PARK**  
**Water Enterprise Fund**  
**Schedule of Revenues, Expenses and Changes in Net Assets by Function**  
**Year Ended June 30, 2012**  
**(with comparative total for the year ending June 30, 2011)**

	Water Operations Activity	Water Treatment Activity
Operating Revenues:		
Charges for services	\$ 9,900,864	\$ 2,775,662
Meter installations	177,158	-
Grants	-	-
Other revenue	2,345	2,203,224
Total Operating Revenues	10,080,367	4,978,886
Operating Expenses:		
Water purchased	2,216,854	-
Administration-water	3,325,059	-
Commercial-water	564,474	-
Production-water	1,107,329	-
Distribution-water	974,951	-
Treatment plant operations	-	2,032,698
Depreciation	807,591	340,420
Total Operating Expenses	8,996,258	2,373,118
Operating Income (Loss)	1,084,109	2,605,768
Nonoperating Income (Loss):		
Interest expense	(110,556)	-
Gain on sale of surplus property	-	-
Total Nonoperating Income (Loss)	(110,556)	-
Net Income (Loss) Before Transfers and Contribution	973,553	2,605,768
Capital contributions	91,894	-
Transfers out	(350,000)	-
Total Transfers and Capital Contributions	(258,106)	-
Changes in Net Assets	715,447	2,605,768
Net Assets, Beginning of Year	23,814,206	8,271,056
Net Assets, End of Year	\$ 24,529,653	\$ 10,876,824
Changes in Net Assets	\$ 715,447	\$ 2,605,768
Adjustment to reflect consolidation of internal service fund activities to related enterprise activity	(62,731)	-
Changes in Net Activities of Water Enterprise Activities	\$ 652,716	\$ 2,605,768

**CITY OF MONTEREY PARK**  
**Water Enterprise Fund**  
**Schedule of Revenues, Expenses and Changes in Net Assets by Function, Continued**  
**Year Ended June 30, 2012**  
**(with comparative total for the year ending June 30, 2011)**

	Totals	
	2012	2011
Operating Revenues:		
Charges for services	\$ 12,676,526	\$ 13,130,158
Meter installations	177,158	176,783
Grants	-	225,000
Other revenue	2,205,569	1,395,479
Total Operating Revenues	<u>15,059,253</u>	<u>14,927,420</u>
Operating Expenses:		
Water purchased	2,216,854	170,187
Administration-water	3,325,059	2,915,170
Commercial-water	564,474	667,871
Production-water	1,107,329	2,389,759
Distribution-water	974,951	1,067,767
Treatment plant operations	2,032,698	2,409,455
Depreciation	1,148,011	1,191,022
Total Operating Expenses	<u>11,369,376</u>	<u>10,811,231</u>
Operating Income (Loss)	3,689,877	4,116,189
Nonoperating Income (Loss):		
Interest expense	(110,556)	(116,860)
Gain on sale of surplus property	-	9,865
Total Nonoperating Income (Loss)	<u>(110,556)</u>	<u>(106,995)</u>
Net Income (Loss) Before Transfers and Contribution	3,579,321	4,009,194
Capital contributions	91,894	74,414
Transfers out	(350,000)	(281,400)
Total Transfers and Capital Contributions	<u>(258,106)</u>	<u>(206,986)</u>
Changes in Net Assets	3,321,215	3,802,208
Net Assets, Beginning of Year	32,085,262	28,283,054
Net Assets, End of Year	<u>\$ 35,406,477</u>	<u>\$ 32,085,262</u>
Changes in Net Assets	\$ 3,321,215	\$ 3,802,208
Adjustment to reflect consolidation of internal service fund activities to related enterprise activity	<u>(62,731)</u>	<u>20,101</u>
Changes in Net Activities of Water Enterprise Activities	<u>\$ 3,258,484</u>	<u>\$ 3,822,309</u>

**CITY OF MONTEREY PARK**  
**Refuse Enterprise Fund**  
**Schedule of Assets, Liabilities and Net Assets by Function**  
**June 30, 2012**  
**(with comparative total as of June 30, 2011)**

<u>Assets</u>	<u>Totals</u>	
	<u>2012</u>	<u>2011</u>
Current Assets:		
Cash and investments	\$ 3,088,484	\$ 2,735,665
Accounts receivable	634,122	575,504
Total Current Assets	<u>3,722,606</u>	<u>3,311,169</u>
Noncurrent Assets:		
Depreciable capital assets, net of accumulated depreciation	4,164	5,829
Total Assets	<u>3,726,770</u>	<u>3,316,998</u>
 <u>Liabilities and Net Assets</u>		
Current Liabilities:		
Accounts payable	829,958	410,263
Accrued payroll	8,274	5,497
Current compensated absences payable	9,111	9,508
Total Current Liabilities	<u>847,343</u>	<u>425,268</u>
Noncurrent Liabilities:		
Compensated absences payable	82,000	85,572
OPEB obligations payable	128,901	-
Total Non Current Liabilities	<u>210,901</u>	<u>85,572</u>
Total Liabilities	<u>1,058,244</u>	<u>510,840</u>
Net Assets:		
Invested in capital assets, net of related debt	4,164	5,829
Unrestricted	2,664,362	2,800,329
Total Net Assets	<u>\$ 2,668,526</u>	<u>\$ 2,806,158</u>
Adjustment to reflect the consolidation of internal service funds activities to related activity	<u>232,796</u>	<u>37,639</u>
Net Assets Related to Refuse Enterprise Activities	<u>\$ 2,901,322</u>	<u>\$ 2,843,797</u>

**CITY OF MONTEREY PARK**  
**Refuse Enterprise Fund**  
**Schedule of Revenues, Expenses and Changes in Net Assets by Function**  
**Year Ended June 30, 2012**  
**(with comparative total for the year ending June 30, 2011)**

	Totals	
	2012	2011
Operating Revenues:		
Charges for services	\$ 6,001,641	\$ 5,980,597
Total Operating Revenues	<u>6,001,641</u>	<u>5,980,597</u>
Operating Expenses:		
Administration	901,831	799,788
Street maintenance - refuse	41,075	31,020
Storm drain maintenance - refuse	74,430	86,411
Refuse collection	5,120,272	4,894,255
Depreciation	1,665	3,487
Total Operating Expenses	<u>6,139,273</u>	<u>5,814,961</u>
Operating Income (Loss)	(137,632)	165,636
Changes in Net Assets	(137,632)	165,636
Net Assets (Deficits), Beginning of Year	<u>2,806,158</u>	<u>2,640,522</u>
Net Assets (Deficits), End of Year	<u>\$ 2,668,526</u>	<u>\$ 2,806,158</u>
Changes in Net Assets	\$ (137,632)	\$ 165,636
Adjustment to reflect consolidation of internal service fund activities to related enterprise activity	<u>195,157</u>	<u>2,656</u>
Changes in Net Activities of Refuse Enterprise Activities	<u>\$ 57,525</u>	<u>\$ 168,292</u>

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Monterey Park, California (the "City"), as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 3, 2012. 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.

**Internal Control Over Financial Reporting**

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

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

**Compliance and Other Matters**

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

This report is intended solely for the information and use of management, the City Council, others within the City, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Paul J. McGeady LLP". The signature is written in a cursive, slightly slanted style.

Irvine, California  
December 3, 2012

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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.

#### Index

#### Page

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

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**CITY OF MONTEREY PARK**

**Net Assets by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)**

	Fiscal Year				
	<u>2002/03</u>	<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>
<b>Governmental Activities:</b>					
Invested in capital assets, net of related debt	\$ 28,473,823	\$ 28,995,314	\$ 33,316,889	\$ 39,935,338	\$ 41,243,683
Restricted	35,032,907	37,577,409	44,040,390	40,358,826	41,256,879
Unrestricted	<u>(34,029,791)</u>	<u>(32,196,829)</u>	<u>(34,565,344)</u>	<u>(31,003,360)</u>	<u>(28,542,889)</u>
Total governmental activities net assets	<u>\$ 29,476,939</u>	<u>\$ 34,375,894</u>	<u>\$ 42,791,935</u>	<u>\$ 49,290,804</u>	<u>\$ 53,957,673</u>
<b>Business-Type Activities:</b>					
Invested in capital assets, net of related debt	\$ 13,267,529	\$ 17,067,003	\$ 19,880,710	\$ 19,700,171	\$ 20,202,373
Restricted	-	-	-	-	-
Unrestricted	<u>1,300,140</u>	<u>1,608,386</u>	<u>1,210,407</u>	<u>2,099,749</u>	<u>2,704,071</u>
Total business-type activities net assets	<u>\$ 14,567,669</u>	<u>\$ 18,675,389</u>	<u>\$ 21,091,117</u>	<u>\$ 21,799,920</u>	<u>\$ 22,906,444</u>
<b>Primary Government:</b>					
Invested in capital assets, net of related debt	\$ 41,741,352	\$ 46,062,317	\$ 53,197,599	\$ 59,635,509	\$ 61,446,056
Restricted	15,474,589	6,139,301	44,040,390	40,358,826	41,256,879
Unrestricted	<u>(13,171,333)</u>	<u>849,665</u>	<u>(33,354,937)</u>	<u>(28,903,611)</u>	<u>(25,838,818)</u>
Total primary government net assets	<u>\$ 44,044,608</u>	<u>\$ 53,051,283</u>	<u>\$ 63,883,052</u>	<u>\$ 71,090,724</u>	<u>\$ 76,864,117</u>

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

	Fiscal Year				
	2007/08	2008/09	2009/10	2010/11	2011/12
<b>Governmental Activities:</b>					
Invested in capital assets, net of related debt	\$ 42,188,514	\$ 40,863,652	\$ 44,779,820	\$ 42,184,114	\$ 47,380,971
Restricted	50,363,018	57,279,208	54,638,570	29,449,081	26,824,487
Unrestricted	<u>(29,746,073)</u>	<u>(37,034,912)</u>	<u>(43,282,599)</u>	<u>(21,658,335)</u>	<u>6,298,370</u>
Total governmental activities net assets	<u>\$ 62,805,459</u>	<u>\$ 61,107,948</u>	<u>\$ 56,135,791</u>	<u>\$ 49,974,860</u>	<u>\$ 80,503,828</u>
<b>Business-Type Activities:</b>					
Invested in capital assets, net of related debt	\$ 19,228,082	\$ 17,370,937	\$ 17,254,986	\$ 19,372,272	\$ 20,439,644
Restricted	-	-	-		
Unrestricted	<u>5,798,733</u>	<u>9,077,541</u>	<u>10,911,685</u>	<u>17,752,724</u>	<u>19,943,174</u>
Total business-type activities net assets	<u>\$ 25,026,815</u>	<u>\$ 26,448,478</u>	<u>\$ 28,166,671</u>	<u>\$ 37,124,996</u>	<u>\$ 40,382,818</u>
<b>Primary Government:</b>					
Invested in capital assets, net of related debt	\$ 61,416,596	\$ 58,234,589	\$ 62,034,806	\$ 61,556,386	\$ 67,820,615
Restricted	50,363,018	57,279,208	54,638,570	29,449,081	26,824,487
Unrestricted	<u>(23,947,340)</u>	<u>(27,957,371)</u>	<u>(32,370,914)</u>	<u>(3,905,611)</u>	<u>26,241,544</u>
Total primary government net assets	<u>\$ 87,832,274</u>	<u>\$ 87,556,426</u>	<u>\$ 84,302,462</u>	<u>\$ 87,099,856</u>	<u>\$ 120,886,646</u>

## CITY OF MONTEREY PARK

### Changes in Net Assets Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year				
	2002/03	2003/04	2004/05	2005/06	2006/07
<b>Expenses:</b>					
Governmental activities:					
General government	\$ 3,875,042	\$ 3,766,150	\$ 4,110,311	\$ 3,805,164	\$ 5,740,916
Public safety	19,712,262	19,275,515	20,418,214	22,168,220	23,991,371
Community development	5,601,070	6,494,687	6,880,151	7,206,979	9,550,291
Culture and recreation	5,322,394	5,380,342	5,348,469	5,536,176	5,776,367
Highway and streets	4,421,007	5,595,749	4,776,390	5,283,276	6,550,763
Health	(126,206)	(166,786)	133,689	60,109	141,672
Interest and fiscal charges	2,008,899	3,040,713	4,079,124	4,292,781	3,211,151
Total governmental activities expenses	<u>40,814,468</u>	<u>43,386,370</u>	<u>45,746,348</u>	<u>48,352,705</u>	<u>54,962,531</u>
Business-type activities:					
Water	8,877,261	6,296,717	8,620,295	8,594,316	10,253,822
Refuse	4,569,867	4,707,391	4,667,202	5,051,358	5,208,786
Sewer	279,081	47,039	123,478	178,053	224,847
Total business-type activities expenses	<u>13,726,209</u>	<u>11,051,147</u>	<u>13,410,975</u>	<u>13,823,727</u>	<u>15,687,455</u>
Total primary government expenses	<u>54,540,677</u>	<u>54,437,517</u>	<u>59,157,323</u>	<u>62,176,432</u>	<u>70,649,986</u>
<b>Program revenues:</b>					
Governmental activities:					
Charges for services:					
General government	1,442,693	1,331,238	1,449,459	1,458,109	1,469,072
Public safety	2,994,168	2,564,364	3,018,772	3,309,549	3,521,884
Community development	1,623,800	957,673	2,106,140	2,166,424	1,840,229
Culture and recreation	877,441	937,278	792,172	697,239	766,051
Highway and Streets	1,208,418	1,186,860	1,303,633	1,457,019	1,422,080
Health	70,940	(70,940)	-	-	-
Operating grants and contributions	1,809,654	1,969,482	2,302,117	2,572,146	6,794,692
Capital grants and contributions	1,768,359	3,081,881	6,125,743	2,955,297	2,055,895
Total government activities program revenues	<u>11,795,473</u>	<u>11,957,836</u>	<u>17,098,036</u>	<u>14,615,783</u>	<u>17,869,903</u>
Business-type activities:					
Charges for services:					
Water	7,860,078	6,718,386	7,590,509	8,842,158	10,729,127
Refuse	4,631,854	4,739,102	4,886,324	5,252,977	5,498,006
Sewer	301,513	265,205	253,049	297,400	294,888
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	4,672,557	855,628	3,331,675	319,059	287,506
Total business-type activities revenues	<u>17,466,002</u>	<u>12,578,321</u>	<u>16,061,557</u>	<u>14,711,594</u>	<u>16,809,527</u>
Total primary government revenues	<u>\$ 29,261,475</u>	<u>\$ 24,536,157</u>	<u>\$ 33,159,593</u>	<u>\$ 29,327,377</u>	<u>\$ 34,679,430</u>

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

	Fiscal Year				
	2007/08	2008/09	2009/10	2010/11	2011/12
<b>Expenses:</b>					
Governmental activities:					
General government	\$ 4,338,308	\$ 3,879,270	\$ 3,393,846	\$ 3,497,432	\$ 4,405,489
Public safety	25,259,657	28,781,812	29,652,341	27,575,013	27,764,258
Community development	8,388,572	11,507,775	13,427,547	11,027,820	5,673,116
Culture and recreation	6,914,716	7,411,985	7,009,277	6,685,623	6,378,055
Highway and streets	5,184,431	5,812,714	5,981,608	5,209,925	4,886,331
Health	70,590	98,918	88,940	120,000	120,000
Interest and fiscal charges	3,040,769	2,975,762	2,909,194	2,785,485	2,128,198
Total governmental activities expenses	<u>53,197,043</u>	<u>60,468,236</u>	<u>62,462,753</u>	<u>56,901,298</u>	<u>51,355,447</u>
Business-type activities:					
Water	9,549,450	9,724,233	9,506,799	10,907,990	11,542,663
Refuse	5,465,893	5,676,667	5,793,221	5,812,305	5,944,116
Sewer	193,391	229,524	181,271	310,115	331,683
Total business-type activities expenses	<u>15,208,734</u>	<u>15,630,424</u>	<u>15,481,291</u>	<u>17,030,410</u>	<u>17,818,462</u>
Total primary government expenses	<u>68,405,777</u>	<u>76,098,660</u>	<u>77,944,044</u>	<u>73,931,708</u>	<u>69,173,909</u>
<b>Program revenues:</b>					
Governmental activities:					
Charges for services:					
General government	765,334	766,402	640,487	626,842	627,769
Public safety	4,961,930	5,058,340	3,292,950	3,186,391	2,926,775
Community development	3,960,929	2,410,056	2,250,642	1,567,774	1,608,072
Culture and recreation	801,478	818,438	816,852	770,602	692,083
Highway and Streets	1,569,903	1,421,473	1,400,245	1,360,611	369,180
Health	-	-	-	-	-
Operating grants and contributions	4,472,472	5,402,260	5,394,275	4,952,726	4,667,552
Capital grants and contributions	1,620,031	546,077	2,929,631	1,646,048	3,725,194
Total government activities program revenues	<u>18,152,077</u>	<u>16,423,046</u>	<u>16,725,082</u>	<u>14,110,994</u>	<u>14,616,625</u>
Business-type activities:					
Charges for services:					
Water	10,523,615	10,498,868	9,740,486	10,533,780	12,853,684
Refuse	5,773,306	5,949,179	5,796,888	5,980,597	6,001,641
Sewer	293,650	294,574	269,338	271,984	273,496
Operating grants and contributions	-	-	336,862	225,000	-
Capital grants and contributions	444,903	-	80,322	74,414	91,894
Total business-type activities revenues	<u>17,035,474</u>	<u>16,742,621</u>	<u>16,223,896</u>	<u>17,085,775</u>	<u>19,220,715</u>
Total primary government revenues	<u>\$ 35,187,551</u>	<u>\$ 33,165,667</u>	<u>\$ 32,948,978</u>	<u>\$ 31,196,769</u>	<u>\$ 33,837,340</u>

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

	Fiscal Year				
	2002/03	2003/04	2004/05	2005/06	2006/07
<b>General revenues and other</b>					
<b>Changes in net assets:</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 20,323,727	\$ 18,883,567	\$ 18,859,161	\$ 21,338,420	\$ 23,059,597
Sales tax	4,763,934	4,504,133	5,261,458	5,255,486	5,620,979
Vehicle in-lieu tax	2,861,427	3,681,334	691,143	386,524	429,693
Vehicle in-lieu tax gap loan repayment	-	-	1,075,194	-	-
Utility users tax	3,143,376	3,154,439	3,103,159	3,186,345	3,330,631
Utility franchise tax	-	-	978,880	1,023,947	1,073,341
Business license tax	880,448	909,816	917,106	957,513	996,629
Transient occupancy tax	-	-	500,011	608,376	783,505
Other taxes	1,020,713	1,414,928	3,465,501	3,794,098	1,607,587
Revenues from use of money and property	583,883	617,980	1,461,509	2,709,920	3,797,283
Other	6,023	2,798	152,538	407,783	450,990
Gain/(Loss) on sale of property	-	-	-	(3,587)	-
Transfers	250,000	234,987	250,000	250,000	250,000
Total general revenues and transfers	<u>33,833,531</u>	<u>33,403,982</u>	<u>36,715,660</u>	<u>39,914,825</u>	<u>41,400,235</u>
Extraordinary item					
Dissolution of Redevelopment Agency	-	-	-	-	-
Business-type activities:					
Other	702,346	11,779	363,839	391,902	593,713
Gain/(Loss) on sale of property					
Transfers	(250,000)	(234,987)	(250,000)	(250,000)	(250,000)
Total business-type activities	<u>452,346</u>	<u>(223,208)</u>	<u>113,839</u>	<u>141,902</u>	<u>343,713</u>
Total primary government	<u>34,285,877</u>	<u>33,180,774</u>	<u>36,829,499</u>	<u>40,056,727</u>	<u>41,743,948</u>
Changes in net assets					
Governmental activities	4,814,536	1,975,448	8,067,348	6,177,903	4,307,607
Business-type activities	4,192,139	1,303,966	2,764,421	1,029,769	1,465,785
Total primary government	<u>\$ 9,006,675</u>	<u>\$ 3,279,414</u>	<u>\$ 10,831,769</u>	<u>\$ 7,207,672</u>	<u>\$ 5,773,392</u>

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

	Fiscal Year				
	2007/08	2008/09	2009/10	2010/11	2011/12
<b>General revenues and other</b>					
<b>Changes in net assets:</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 25,506,057	\$ 26,741,260	\$ 27,059,553	\$ 27,331,232	\$ 24,537,300
Sales tax	5,407,689	4,546,028	4,100,798	4,803,406	5,057,132
Vehicle in-lieu tax	275,591	185,693	191,604	345,406	32,170
Vehicle in-lieu tax gap loan repayment	-	-	-	-	-
Utility users tax	3,417,647	3,516,748	3,349,907	3,219,600	3,092,796
Utility franchise tax	1,043,237	1,087,602	934,505	967,322	942,985
Business license tax	1,028,436	963,068	925,037	944,837	945,367
Transient occupancy tax	908,694	785,331	660,897	756,873	876,482
Other taxes	1,763,576	1,557,516	1,263,874	1,837,784	1,868,862
Revenues from use of money and property	3,540,097	2,145,238	1,021,730	891,671	776,649
Other	332,056	219,979	917,403	249,075	685,026
Gain/(Loss) on sale of property	-	(3,346)	(29,528)	6,627	1,842,182
Transfers	262,000	265,000	278,000	281,400	350,000
Total general revenues and transfers	<u>43,485,080</u>	<u>42,010,117</u>	<u>40,673,780</u>	<u>41,635,233</u>	<u>41,006,951</u>
Extraordinary item					
Dissolution of Redevelopment Agency	-	-	-	-	26,752,439
Business-type activities:					
Other	963,303	537,971	1,345,322	4,168,640	2,205,569
Gain/(Loss) on sale of property				9,865	-
Transfers	(262,000)	(265,000)	(278,000)	(281,400)	(350,000)
Total business-type activities	<u>701,303</u>	<u>272,971</u>	<u>1,067,322</u>	<u>3,897,105</u>	<u>1,855,569</u>
Total primary government	<u>44,186,383</u>	<u>42,283,088</u>	<u>41,741,102</u>	<u>45,532,338</u>	<u>42,862,520</u>
Changes in net assets					
Governmental activities	8,440,114	(2,035,073)	(5,063,891)	(1,155,071)	31,020,568
Business-type activities	2,528,043	1,385,168	1,809,927	3,952,470	3,257,822
Total primary government	<u>\$ 10,968,157</u>	<u>\$ (649,905)</u>	<u>\$ (3,253,964)</u>	<u>\$ 2,797,399</u>	<u>\$ 34,278,390</u>

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

	Fiscal Year				
	2002/03	2003/04	2004/05	2005/06	2006/07
<b>General Fund:</b>					
Nonspendable	\$ 375,000	\$ 385,000	\$ 385,000	\$ 785,000	\$ 3,159,557
Restricted	-	-	-	-	-
Committed	640,000	890,000	890,000	2,690,000	1,435,443
Assigned	5,376,000	5,533,513	6,759,646	6,174,501	5,306,462
Unassigned	<u>4,021,471</u>	<u>4,471,390</u>	<u>4,567,733</u>	<u>5,460,149</u>	<u>6,171,922</u>
Total general fund	<u>\$ 10,412,471</u>	<u>\$ 11,279,903</u>	<u>\$ 12,602,379</u>	<u>\$ 15,109,650</u>	<u>\$ 16,073,384</u>
<b>All other governmental funds:</b>					
Nonspendable	\$ 10,183,415	\$ 10,183,415	\$ 10,183,415	\$ 10,183,415	\$ 8,523,237
Restricted	18,188,425	19,213,411	20,177,559	16,020,307	21,663,489
Committed					4,375,578
Assigned	17,668,482	19,280,485	22,608,164	24,816,003	20,373,844
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 46,040,322</u>	<u>\$ 48,677,311</u>	<u>\$ 52,969,138</u>	<u>\$ 51,019,725</u>	<u>\$ 54,936,148</u>
<b>Total for Governmental Funds:</b>	<u>\$ 56,452,793</u>	<u>\$ 59,957,214</u>	<u>\$ 65,571,517</u>	<u>\$ 66,129,375</u>	<u>\$ 71,009,532</u>

Note: (1) The City implemented GASB 54 and converted all formats accordingly.

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

	Fiscal Year				
	2007/08	2008/09	2009/10	2010/11	2011/12
<b>General Fund:</b>					
Nonspendable	\$ 2,076,039	\$ 1,429,902	\$ 695,930	\$ 710,330	\$ 703,230
Restricted	-	-	-	-	-
Committed	4,318,961	5,115,098	5,340,000	5,340,000	7,173,519
Assigned	5,356,963	5,307,662	5,207,133	4,589,465	5,145,940
Unassigned	<u>6,697,819</u>	<u>5,246,912</u>	<u>2,519,641</u>	<u>2,505,441</u>	<u>2,505,441</u>
Total general fund	<u>\$ 18,449,782</u>	<u>\$ 17,099,574</u>	<u>\$ 13,762,704</u>	<u>\$ 13,145,236</u>	<u>\$ 15,528,130</u>
<b>All other governmental funds:</b>					
Nonspendable	\$ 14,599,871	\$ 17,415,373	\$ 22,447,581	\$ 22,336,060	\$ -
Restricted	25,986,245	28,018,812	21,025,370	29,449,081	26,824,487
Committed	5,577,800	3,354,156	2,524,270	3,524,270	-
Assigned	16,195,751	19,418,934	17,344,673	10,523,233	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(105,492)</u>	<u>(153,120)</u>
Total all other governmental funds	<u>\$ 62,359,667</u>	<u>\$ 68,207,275</u>	<u>\$ 63,341,894</u>	<u>\$ 65,727,152</u>	<u>\$ 26,671,367</u>
<b>Total for Governmental Funds:</b>	<u>\$ 80,809,449</u>	<u>\$ 85,306,849</u>	<u>\$ 77,104,598</u>	<u>\$ 78,872,388</u>	<u>\$ 42,199,497</u>

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

	Fiscal Year				
	2002/03	2003/04	2004/05	2005/06	2006/07
<b>Revenues:</b>					
Taxes	\$ 30,223,473	\$ 31,092,464	\$ 33,934,508	\$ 35,533,276	\$ 37,981,560
Licenses and permits	1,379,372	1,734,977	2,116,292	2,355,310	2,151,806
Intergovernmental revenues	4,182,276	4,294,490	8,070,587	5,147,213	6,311,434
Charges for services	10,429,472	10,978,471	11,424,156	12,087,372	12,243,396
Revenues from use of money & property	1,414,928	1,020,713	1,461,509	2,695,272	3,786,117
Fines and forfeitures	1,011,753	1,317,827	1,186,206	1,218,183	1,484,320
Other	617,980	583,883	152,538	446,828	441,725
Total revenues	<u>49,259,254</u>	<u>51,022,825</u>	<u>58,345,796</u>	<u>59,483,454</u>	<u>64,400,358</u>
<b>Expenditures</b>					
Current:					
General government	3,737,025	3,733,425	3,682,512	3,617,431	4,175,114
Public safety	18,195,887	19,032,152	20,245,495	21,702,423	22,882,590
Community development	3,840,611	3,345,680	4,745,306	4,887,781	6,954,496
Culture and recreation	4,912,447	5,083,891	4,864,355	5,153,714	5,449,379
Highways and streets	3,959,725	4,150,407	4,242,132	4,251,299	4,372,836
Health	4,848,948	4,754,430	4,850,680	5,289,411	5,523,633
Capital outlay	5,491,346	4,367,246	11,110,466	10,488,775	9,164,797
Debt service:					
Principal retirement	592,733	1,511,613	1,539,534	1,801,611	1,776,129
Interest and fiscal charges	2,951,236	1,965,964	3,912,459	4,229,442	3,148,785
Cost of issuance	775,614	391,855	-	-	-
Total expenditures	<u>49,305,572</u>	<u>48,336,663</u>	<u>59,192,939</u>	<u>61,421,887</u>	<u>63,447,759</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(46,318)</u>	<u>2,686,162</u>	<u>(847,143)</u>	<u>(1,938,433)</u>	<u>952,599</u>
<b>Other financing sources (uses):</b>					
Transfers in	11,325,647	2,655,885	5,204,198	3,131,496	6,059,430
Transfers out	(11,090,660)	(2,405,885)	(4,954,198)	(2,881,496)	(6,009,430)
(Loss) on sale of property	-	-	-	-	(510,178)
Proceeds from sale of property	2,798	35,000	-	6,306	-
Proceeds from tax increment deferred	1,615,499	6,826	-	-	-
Proceeds from section 108 loan	6,500,000	134,274	1,940,741	2,239,985	2,587,736
Issue of long term debt	-	-	-	-	1,800,000
Issuance of bonds	24,270,000	17,405,000	3,900,000	-	-
Payment to bond escrow agent	(20,242,200)	(17,012,841)	-	-	-
Total other financing Sources (uses)	<u>12,381,084</u>	<u>818,259</u>	<u>6,090,741</u>	<u>2,496,291</u>	<u>3,927,558</u>
Net change in fund balances before Extraordinary Item	<u>\$ 12,334,766</u>	<u>\$ 3,504,421</u>	<u>\$ 5,243,598</u>	<u>\$ 557,858</u>	<u>\$ 4,880,157</u>
<b>Extraordinary Items:</b>					
Dissolution of Redevelopment Agency of Monterey Park	-	-	-	-	-
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Debt services as a percentage of noncapital expenditures	9.86%	8.80%	11.34%	11.84%	9.07%

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

Source: City of Monterey Park Management Services Department

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

	Fiscal Year				
	2007/08	2008/09	2009/10	2010/11	2011/12
<b>Revenues:</b>					
Taxes	\$ 40,432,674	\$ 40,316,886	\$ 38,619,421	\$ 42,568,610	\$ 37,442,373
Licenses and permits	2,929,898	2,797,953	2,419,414	1,661,496	1,856,887
Intergovernmental revenues	4,185,040	5,036,290	6,318,925	4,262,737	6,006,714
Charges for services	13,878,802	13,125,471	11,584,210	4,554,131	4,360,368
Revenues from use of money & property	3,540,095	2,137,057	939,476	767,652	744,346
Fines and forfeitures	2,347,916	1,687,318	1,393,098	1,272,417	952,992
Other	332,155	304,985	996,867	376,314	720,230
Total revenues	<u>67,646,580</u>	<u>65,405,960</u>	<u>62,271,411</u>	<u>55,463,357</u>	<u>52,083,910</u>
<b>Expenditures</b>					
Current:					
General government	3,543,528	3,585,033	3,633,847	3,771,085	3,621,179
Public safety	24,843,834	25,873,335	26,459,263	25,692,272	25,681,372
Community development	5,990,947	8,085,618	11,424,004	10,826,979	5,633,982
Culture and recreation	5,953,354	6,151,628	5,870,577	5,561,337	5,577,207
Highways and streets	4,602,434	4,688,134	4,721,343	4,434,810	4,207,740
Health	5,749,284	6,026,191	6,094,492	120,000	120,000
Capital outlay	5,189,775	5,385,481	9,045,208	8,114,199	8,114,199
Debt service:					
Principal retirement	1,753,079	1,677,419	2,229,221	2,284,269	2,020,927
Interest and fiscal charges	2,979,373	2,916,198	2,853,313	2,731,427	1,990,861
Cost of issuance	-	-	-	-	-
Total expenditures	<u>60,605,608</u>	<u>64,389,037</u>	<u>72,331,268</u>	<u>63,536,378</u>	<u>56,967,467</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,040,972</u>	<u>1,016,923</u>	<u>(10,059,857)</u>	<u>(8,073,021)</u>	<u>(4,883,557)</u>
<b>Other financing sources (uses):</b>					
Transfers in	5,801,280	6,501,942	5,344,657	13,451,752	776,146
Transfers out	(6,039,280)	(6,236,942)	(5,066,657)	(13,170,352)	(426,146)
(Loss) on sale of property	-	-	-	-	-
Proceeds from sale of property	1,337	1,345	599,751	6,627	1,842,182
Proceeds from tax increment deferred	2,995,608	3,214,132	3,705,856	3,775,724	-
Proceeds from section 108 loan	-	-	-	-	-
Issue of long term debt	-	-	-	-	-
Issuance of bonds	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-
Total other financing Sources (uses)	<u>2,758,945</u>	<u>3,480,477</u>	<u>4,583,607</u>	<u>4,063,751</u>	<u>2,192,182</u>
Net change in fund balances before Extraordinary Item	<u>\$ 9,799,917</u>	<u>\$ 4,497,400</u>	<u>\$ (5,476,250)</u>	<u>\$ (4,009,270)</u>	<u>\$ (2,691,375)</u>
<b>Extraordinary Items:</b>					
Dissolution of Redevelopment Agency of Monterey Park	-	-	-	-	(33,981,516)
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (36,672,891)</u>
Debt services as a percentage of noncapital expenditures	8.54%	7.79%	8.03%	9.05%	8.21%

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**CITY OF MONTEREY PARK**  
**Assessed Value and Estimated Actual 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<sup>(2)</sup> Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total<sup>(3) (4)</sup> Direct Tax Rate</b>
<b>2002/03</b>	\$2,534,985,467	\$ 579,623,685	\$ 132,001,406	\$ 273,810,028	\$ 26,299,981	\$3,520,420,586	0.365220
<b>2003/04</b>	2,753,752,477	605,509,229	130,723,291	242,008,703	33,394,763	3,731,993,700	0.364940
<b>2004/05</b>	2,966,348,369	636,884,747	125,584,498	233,230,384	30,270,824	3,962,047,998	0.363390
<b>2005/06</b>	3,227,568,429	695,340,401	126,744,528	224,406,538	30,209,747	4,274,059,896	0.366220
<b>2006/07</b>	3,534,309,866	742,415,041	137,520,717	226,638,453	30,469,846	4,640,884,077	0.370650
<b>2007/08</b>	3,778,205,339	843,606,146	146,557,103	230,266,047	31,575,891	4,998,634,635	0.374040
<b>2008/09</b>	3,992,520,537	935,272,734	125,418,879	269,631,912	29,710,040	5,322,844,062	0.384730
<b>2009/10</b>	3,987,237,477	954,666,779	138,347,522	316,094,962	29,710,040	5,396,346,740	0.393300
<b>2010/11</b>	4,063,980,933	919,141,515	136,429,404	329,231,172	43,696,766	5,448,783,024	0.393120
<b>2011/12</b>	4,176,308,316	914,084,645	141,375,663	330,098,283	34,278,620	5,561,866,907	0.390690

Notes:

- (1) In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.
- (2) Exempt values are not included in total.
- (3) Total Direct rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.
- (4) Retirement Tax at 0.091170 per \$100 of Assessed Valuation.

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

Agency	Fiscal Year				
	2002/03	2003/04	2004/05	2005/06	2006/07
<b>Basic Levy</b> <sup>(1)</sup>	1.00000	1.00000	1.00000	1.00000	1.00000
City Direct Rates:					
Monterey Park	0.09117	0.09117	0.09117	0.09117	0.09117
Overlapping Rates:					
Alhambra City School District	0.01988	0.02000	0.00000	0.00000	0.00000
Alhambra Unified School District	0.00000	0.00000	0.01949	0.06378	0.05942
County Detention Facilities 1987 Debt	0.00103	0.00099	0.00092	0.00080	0.00066
Garvey School District	0.05287	0.02471	0.02319	0.05221	0.05074
Los Angeles Community College District	0.01460	0.01986	0.01810	0.01429	0.02146
Los Angeles County Flood Control District	0.00088	0.00046	0.00025	0.00005	0.00005
Los Angeles Unified School District	0.03697	0.07715	0.08884	0.08435	0.10681
Metropolitan Water District	0.00670	0.00610	0.00580	0.00520	0.00470
Montebello Unified School District	0.03983	0.04076	0.04172	0.07054	0.06731
San Gabriel Valley Water District	<u>0.03910</u>	<u>0.03630</u>	<u>0.03230</u>	<u>0.03230</u>	<u>0.03230</u>
<b>Total Direct &amp; Overlapping</b> <sup>(2)</sup> <b>Tax Rates</b>	<b><u>1.30303</u></b>	<b><u>1.31750</u></b>	<b><u>1.32178</u></b>	<b><u>1.41469</u></b>	<b><u>1.43462</u></b>
<b>City's Share of 1% Levy Per Prop 13</b> <sup>(3)</sup>	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</b> <sup>(4)</sup>	1.11709	1.11525	1.11234	1.11202	1.11189
<b>Total Direct Rate</b> <sup>(5)</sup>	0.36522	0.36494	0.36339	0.36622	0.37065

Note:

- (1) In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
- (2) Overlapping rates are those of local and county governments that apply to property owners within the city. Not all overlapping rates apply to all City property owners.
- (3) City's share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figure.
- (4) RDA rate is based on the largest RDA tax rate area (TRA) and includes only rates(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values.
- (5) Total Direct rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.

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

Agency	Fiscal Year				
	2007/08	2008/09	2009/10	2010/11	2011/12
<b>Basic Levy</b> <sup>(1)</sup>	1.00000	1.00000	1.00000	1.00000	1.00000
City Direct Rates:					
Monterey Park	0.09117	0.09117	0.09117	0.09117	0.09117
Overlapping Rates:					
Alhambra City School District	0.00000	0.00000	0.00000	0.00000	0.00000
Alhambra Unified School District	0.05460	0.03625	0.05151	0.05996	0.07411
County Detention Facilities 1987 Debt	0.00000	0.00000	0.00000	0.00000	0.00000
Garvey School District	0.05060	0.06835	0.07836	0.08503	0.08404
Los Angeles Community College District	0.00879	0.02212	0.02311	0.04031	0.03530
Los Angeles County Flood Control District	0.00000	0.00000	0.00000	0.00000	0.00000
Los Angeles Unified School District	0.12334	0.12478	0.15181	0.18695	0.16819
Metropolitan Water District	0.00450	0.00430	0.00430	0.00370	0.00370
Montebello Unified School District	0.06681	0.08063	0.09673	0.09792	0.10001
San Gabriel Valley Water District	<u>0.03230</u>	<u>0.02830</u>	<u>0.02830</u>	<u>0.02830</u>	<u>0.02830</u>
<b>Total Direct &amp; Overlapping</b> <sup>(2)</sup> <b>Tax Rates</b>	<b><u>1.43211</u></b>	<b><u>1.45590</u></b>	<b><u>1.52529</u></b>	<b><u>1.59334</u></b>	<b><u>1.58482</u></b>
<b>City's Share of 1% Levy Per Prop 13</b> <sup>(3)</sup>	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</b> <sup>(4)</sup>	1.11118	1.10918	1.10918	1.10918	1.10918
<b>Total Direct Rate</b> <sup>(5)</sup>	0.37404	0.38473	0.39330	0.39312	0.39069

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

Taxpayers	2011/12	
	Taxable Assessed Valuation	Percent of Total City Taxable Assessed Valuation
Los Angeles Corporate Center LLC	\$ 83,527,303	1.50%
Atlantic Times Square II LLC	63,079,424	1.13%
Union Bank	61,510,543	1.11%
1977 Saturn LLC	50,370,000	0.91%
Garfield Calmed Investment LP	45,912,079	0.83%
GMS Five LLC	43,032,298	0.77%
MPM Partners LLC	25,426,165	0.46%
Emerald Hills LLC	24,027,602	0.43%
Real Estate Investors 1984 1	22,000,000	0.40%
MAR Center LLC	19,408,565	0.35%
	\$ 438,293,979	7.88%

Sources: 1. County of Los Angeles Department of Auditor-Controller  
2. HdL Companies

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

Taxpayers	2002/03	
	Taxable Assessed Valuation	Percent of Total City Taxable Assessed Valuation
Monterey Park Hospital	\$ 66,052,603	1.98%
Arden Realty Finance Partnership	45,814,320	1.37%
Union Bank	36,916,710	1.11%
GMS Five LLC	36,587,508	1.10%
Lloyds Bank California	30,300,000	0.91%
Real Estate Investors 1984 1	14,660,000	0.44%
Monterey SK Associates	13,900,677	0.42%
TSL Development Inc	11,557,410	0.35%
Monterey Atlantic Place Partnership	11,475,129	0.34%
Mars Center LLC	11,258,719	0.34%
	\$ 278,523,076	8.36%

Sources: 1. County of Los Angeles Department of Auditor-Controller  
2. HdL Companies

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

<b>Fiscal Year</b>	<b>Taxes Levied for the Fiscal Year Amount</b>	<b>1% - CY Collected within the Fiscal Year of Levy</b>		<b>1% - PY Collections in Subsequent Years Amount</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
<b>2002/03</b>	\$ 7,371,567	\$ 7,063,387	95.82%	\$ 168,745	\$ 7,232,602	98%
<b>2003/04</b>	8,293,124	7,628,792	91.99%	331,093	7,959,885	96%
<b>2004/05</b>	8,260,505	7,738,364	93.68%	405,714	8,144,078	99%
<b>2005/06</b>	8,965,563	8,203,604	91.50%	706,035	8,909,639	99%
<b>2006/07</b>	10,050,110	9,194,070	91.48%	664,704	9,858,774	98%
<b>2007/08</b>	10,481,717	9,732,228	92.85%	542,745	10,274,973	98%
<b>2008/09</b>	10,913,669	10,150,993	93.01%	599,137	10,750,130	99%
<b>2009/10</b>	10,924,504	10,226,251	93.61%	468,370	10,694,621	98%
<b>2010/11</b>	11,048,807	10,429,170	94.39%	386,544	10,815,713	98%
<b>2011/12</b>	11,341,986	11,117,586	98.02%	183,332	11,300,918	100%

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

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**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>		
2002/03	\$ -	\$ 34,910	\$ 14,017	\$ -	\$ -	\$ 2,322	\$ 51,249	
2003/04	17,405	34,105	14,151	6,330	-	2,264	74,255	
2004/05	17,405	33,180	16,092	6,145	3,900	1,578	78,300	
2005/06	17,405	32,225	18,332	5,948	3,663	961	78,534	
2006/07	17,405	31,240	20,919	5,739	3,417	2,337	81,057	
2007/08	17,405	30,225	23,915	5,518	3,161	1,856	82,080	
2008/09	17,380	29,175	27,129	5,283	2,897	1,528	83,392	
2009/10	16,855	28,095	30,835	5,033	2,621	1,430	84,869	
2010/11	16,345	26,975	34,611	4,768	2,335	1,326	86,360	
2011/12 <sup>(3)</sup>	15,850	-	-	4,487	2,038	1,219	23,594	

Note:

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

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

<b>Fiscal Year</b>	<b>Business-Type Activities</b>		<b>Percentage of Personal Income</b>	<b>Population</b>	<b><sup>(2)</sup>Debt Per Capita</b>
	<b>Capital Lease Obligation</b>	<b>Total Primary Government</b>			
<b>2002/03</b>	\$ 3,190	\$ 54,439	0.02%	63,406	859
<b>2003/04</b>	5,170	79,425	0.02%	63,928	1,242
<b>2004/05</b>	3,954	82,254	0.02%	64,614	1,273
<b>2005/06</b>	3,628	82,162	0.02%	64,387	1,276
<b>2006/07</b>	4,557	85,614	0.02%	64,508	1,327
<b>2007/08</b>	5,267	87,347	0.02%	64,434	1,356
<b>2008/09</b>	7,073	90,465	0.02%	64,874	1,394
<b>2009/10</b>	6,651	91,520	0.02%	65,027	1,407
<b>2010/11</b>	6,095	92,455	N/A	60,435	1,530
<b>2011/12 <sup>(3)</sup></b>	5,533	29,127	N/A	61,153	476

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

<b>Fiscal Year</b>	<b>Total Gross General Obligation Bonds</b>	<b>Amounts Restricted for Principal Repayments</b>	<b>Total Net General Obligation Bonds</b>	<b>Actual Taxable Value of Property</b>	<b>Percent of Actual Taxable Value of Property (1)</b>	<b>Population</b>	<b>Net Bonded Debt Per Capita</b>
2002/03	\$ -	\$ -	\$ -	\$ 3,520,420	0.00%	63,406	\$ -
2003/04	-	-	-	3,731,994	0.00%	63,928	-
2004/05	-	-	-	3,962,048	0.00%	64,614	-
2005/06	-	-	-	4,274,060	0.00%	64,387	-
2006/07	-	-	-	4,640,884	0.00%	64,508	-
2007/08	-	-	-	4,998,635	0.00%	64,434	-
2008/09	-	-	-	5,322,844	0.00%	64,874	-
2009/10	-	-	-	5,396,347	0.00%	65,027	-
2010/11	-	-	-	5,448,783	0.00%	60,435	-
2011/12 <sup>(2)</sup>	-	-	-	5,561,867	0.00%	61,153	-

Note:

- (1) Assessed value has been used because the actual value of taxable property is not readily available in the State of California.
- (2) Starting February 1, 2012, Redevelopment Agency was dissolved and the City became the Successor Agency for the former Redevelopment Agency.

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# CITY OF MONTEREY PARK

## Direct and Overlapping Debt

As of June 30, 2012

	<u>Gross Bonded Debt Balance</u>	<u>Percent Applicable To City</u>	<u>Net Bonded Debt</u>
<b>Overlapping Debt</b>			
Metropolitan Water District <sup>(1)</sup>	94,031,705	0.032	30,172
Garvey School District DS 2000 SER A	529,903	28.702	152,095
Garvey School District DS 2000 SER B	6,244,519	28.702	1,792,328
Garvey School District 2004 Series 2005	8,023,736	28.702	2,303,006
Garvey School DS 2004 Series 2006	10,365,155	28.702	2,975,050
Garvey School DS 2004 SER C & 2011	14,167,964	28.702	4,066,549
L.A. CCD DS 2003 Series B	68,950,000	0.956	658,891
L.A. CCD DS 2003 Taxable Series 2004B	15,010,000	0.956	143,437
L.A. CCD DS 2001 Taxable Series 2004A	74,615,000	0.956	713,026
LACC DS Refunding 2001 Series 2005A	430,410,000	0.956	4,113,027
LA CCD DS 2001, 2006 Series B	382,575,000	0.956	3,655,913
LA CCD DS 2003, 2006 Series C	284,050,000	0.956	2,714,401
LACC DS 2001, 2008 SER E-1	275,580,000	0.956	2,633,461
LACC DS 2003, 2008 Series F-1	344,915,000	0.956	3,296,031
LACC DS 2003, 2008 Taxable SER F-2	3,805,000	0.956	36,361
LACC DS 2008, 2009 Taxable Series A	350,000,000	0.956	3,344,624
LACC DS 2008, 2009 Taxable SER B	75,000,000	0.956	716,705
LACC Debt 2008, 2010 Tax Series D	175,000,000	0.956	1,672,312
LACC Debt 2008, 2010 Tax SER E (BABS)	900,000,000	0.956	8,600,461
LACC DS 2008, 2010 Series C	125,000,000	0.956	1,194,509
Los Angeles Unified DS 1997 Series A	64,120,000	0.040	25,336
Los Angeles USD DS 1997 Series E	15,665,000	0.040	6,190
Los Angeles USD DS 2002 Refunding Bond	210,440,000	0.040	83,151
Los Angeles USD DS 1997 Series F	82,930,000	0.040	32,768
Los Angeles USD DS 2002 Series A	35,000,000	0.040	13,830
Los Angeles Unified DS 2004 Series C 2004	36,905,000	0.040	14,582
Los Angeles Unified DS 2004 Refunding Bonds A-1	90,165,000	0.040	35,627
Los Angeles Unified DS 2004 Refunding Bonds A-2	127,080,000	0.040	50,213
Los Angeles Unified DS 2004 Series E	229,210,000	0.040	90,568
Los Angeles Unified DS 2005 Refunding Bonds A-1	346,750,000	0.040	137,012
Los Angeles DS 2005 Refunding Bonds A-2	120,925,000	0.040	47,781
LA USD DS 2004 Series F	436,035,000	0.040	172,291
LA USD DS 2006 Refunding Series A	132,325,000	0.040	52,286
LA USD DS 2005 Series A (2006)	255,210,000	0.040	100,841
LA USD DS 2005 Series B (2006)	334,290,000	0.040	132,088
LA USD DS 2005 Series C (2006)	449,130,000	0.040	177,465
LA USD DS 2005 Series D (2006)	882,535,000	0.040	348,717
Los Angeles UNIF DS 2006 REF BDS SER B	558,340,000	0.040	220,617
<b>Sub-Total Overlapping Debt</b>			<b><u>\$ 46,553,722</u></b>

2011/12 Assessed Valuation: \$4,615,876,803 after deducting \$945,990,104 incremental value.

Debt to Assessed Valuation Ratios:

Direct Debt	0.00%
Overlapping debt	2.38%
Total debt	2.38%

Notes:

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

**CITY OF MONTEREY PARK**  
**Direct and Overlapping Debt, Continued**  
**As of June 30, 2012**

	<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 2007 REF BDS SER A-1	1,133,525,000	0.040	447,891
Los Angeles UNIF DS 2007 REF BDS SER A-2	136,055,000	0.040	53,760
Los Angeles UNIF DS 2002 SER B (2007)	234,740,000	0.040	92,753
Los Angeles UNIF DS 2007 REF BDS SER B	24,650,000	0.040	9,740
Los Angeles UNIF DS 2002 SER C	518,525,000	0.040	204,885
Los Angeles UNIF DS 2004 SER H	141,145,000	0.040	55,771
Los Angeles UNIF DS 2005 SER E	29,680,000	0.040	11,727
Los Angeles UNIF DS 2002 SER D	141,250,000	0.040	55,812
Los Angeles UNIF DS 2004 SER I	5,615,000	0.040	2,219
Los Angeles UNIF DS 2005 SER F	145,250,000	0.040	57,393
Los Angeles UNIF DS 2002 Series E	157,165,000	0.040	62,101
Los Angeles UNIF DS 2004 Series J	130,450,000	0.040	51,545
Los Angeles UNIF DS 2005 SER G	3,795,000	0.040	1,501
Los Angeles UNIF DS 2005 SER H & 2010	768,490,000	0.040	303,654
LAUSD 2009 Refunding Measure R Bonds	55,570,000	0.040	21,957
LAUSD Measure R Series KRY BABS	200,000,000	0.040	79,026
LAUSD Measure Y 2009 Series KRY BABS	363,005,000	0.040	143,434
LAUSD 2009 Refunding Prop BB Bonds	73,335,000	0.040	28,977
LAUSD Measure R 2010 Series RY BABS	806,795,000	0.040	318,789
LAUSD Measure Y 2010 Series RY BABS	1,250,858,000	0.040	494,145
LAUSD 2010 Refunding Series A Prop BB	407,805,000	0.040	161,136
LAUSD 2010 Refunding Series A (Measure K)	156,000,000	0.040	61,640
Montebello Unified DS 1998 Series 98	9,679,140	8.299	803,283
Montebello Unified SD DS 98 Series 99	7,712,854	8.299	640,099
Montebello USD DS 1998 Series 2001	2,632,827	8.299	218,501
Montebello USD DS 1998 Series 2004	8,350,273	8.299	692,999
Montebello Unified DS 1998 Series 2002	10,829,117	8.299	898,721
Montebello Unified DS 2004 Series 2005	25,070,000	8.299	2,080,588
Montebello UNIF DS 2004 SER 2008	32,605,000	8.299	2,705,927
Montebello Unified DS 2004 Series 2009	20,000,000	8.299	1,659,823
Montebello Unified 04 Series 2009A-2 BABS	12,640,000	8.299	1,049,008
Montebello USD 2010 Refunding Bonds	14,165,000	8.299	1,175,570
Alhambra USD DS 99 Series B	5,580,561	32.639	1,821,431
Alhambra USD DS 2005 Refunding Bonds	6,190,000	32.639	2,020,345
Alhambra USD DS 2004 Series A	43,880,000	32.639	14,321,932
Alhambra USD-Garvey DS 2004 Series B	43,903,335	32.639	14,329,548
Alhambra USD DS 2008 Series B	24,799,987	32.639	8,094,433
Alhambra USD DS 2008 Series B-1 QSCB	24,999,721	32.639	8,159,624
<b>Sub-Total Overlapping Debt</b>			<b><u>\$ 63,391,689</u></b>
<b>Total Overlapping Debt</b>			<b><u>\$ 109,945,411</u></b>

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

	<b>Fiscal Year</b>				
	<u>2002/03</u>	<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>
Assessed valuation	3,520,420	3,731,994	3,962,048	4,274,060	4,640,884
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	528,063	559,799	594,307	641,109	696,133
Total net debt applicable to limit:					
Pension obligation bonds	<u>-</u>	<u>17,405</u>	<u>17,405</u>	<u>17,405</u>	<u>17,405</u>
Legal debt margin	<u>\$ 528,063</u>	<u>\$ 542,394</u>	<u>\$ 576,902</u>	<u>\$ 623,704</u>	<u>\$ 678,728</u>
Total debt applicable to the limit as a percentage of debt limit	0.0000%	3.1092%	2.9286%	2.7148%	2.5002%

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

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

	<b>Fiscal Year</b>				
	<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
Assessed valuation	4,998,635	5,322,844	5,396,347	5,448,783	5,561,867
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	749,795	798,427	809,452	817,317	834,280
Total net debt applicable to limit:					
Pension obligation bonds	<u>17,405</u>	<u>17,380</u>	<u>16,855</u>	<u>16,345</u>	<u>15,850</u>
Legal debt margin	<u>\$ 732,390</u>	<u>\$ 781,047</u>	<u>\$ 792,597</u>	<u>\$ 800,972</u>	<u>\$ 818,430</u>
Total debt applicable to the limit as a percentage of debt limit	2.3213%	2.1768%	2.0823%	1.9998%	1.8998%

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

Fiscal Year	Tax Allocation Bonds				Coverage
	Tax Increment	Debt Service			
		Principal	Interest		
2002/03	5,791	210	1,894	2.75	
2003/04	6,214	805	1,552	2.64	
2004/05	6,555	925	1,526	2.67	
2005/06	7,533	955	1,497	3.07	
2006/07	8,134	985	1,469	3.31	
2007/08	9,746	1,015	1,436	3.98	
2008/09	10,216	1,050	1,404	4.16	
2009/10	10,531	1,080	1,367	4.30	
2010/11	10,581	1,120	1,327	4.32	
2011/12 <sup>(1)</sup>	2,448	1,165	1,283	1.00	

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

**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>
2002/03	63,406	310,043,501	31,452	4.9%
2003/04	63,928	329,048,068	33,179	4.6%
2004/05	64,614	342,231,121	34,426	3.7%
2005/06	64,387	369,174,348	37,362	3.5%
2006/07	64,508	390,295,865	39,794	3.6%
2007/08	64,434	413,316,582	42,265	4.7%
2008/09	64,874	402,459,119	40,867	8.5%
2009/10	65,027	410,674,615	41,791	9.4%
2010/11	60,435	N/A	N/A	9.3%
2011/12	61,153	N/A	N/A	9.0%

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

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

<b>Employers</b>	<b>2011/12</b>	
	<b>Number of Employees</b>	<b>Percent of Total Employment</b>
Garfield Medical Center	972	0.023%
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	0.002%
Camino Real Chevrolet	119	0.003%
24 Hours Fitness	95	0.002%
Teac Aerospace Technologies Inc	94	0.002%
Monterey Park Convalescent	93	0.002%
Heritage Manor Healthcare	90	0.002%
Pacific Bell	80	0.002%
99 Ranch Market	77	0.002%

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

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

<b>Employers</b>	<b>2002/03</b>	
	<b>Number of Employees</b>	<b>Percent of Total Employment</b>
Union Processing Center	1,600	0.036%
United California Bank Processing Center	1,000	0.022%
Garfield Medical Center	896	0.020%
Community Development Commission	500	0.011%
City of Monterey Park	500	0.011%
Monterey Park Hospital	388	0.009%
Southern California Gas Company	290	0.007%
Pacific Bell	281	0.006%
AT & T Communications	211	0.005%
Chinese Daily News	166	0.004%
Lyte Optronics, Inc.	151	0.003%
Sav-on Drugs (2 Locations)	159	0.004%
Ralph's Grocery Store (2 Locations)	144	0.003%
California Highway Patrol	131	0.003%
La Colonial Tortilla Products, Inc.	131	0.003%
Heritage Manor Healthcare	96	0.002%
Southern California Edison Co.	87	0.002%

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

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

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

	Fiscal Year				
	2002/03	2003/04	2004/05	2005/06	2006/07
<b>Police:</b>					
Number of service calls	46,237	50,587	55,883	56,197	50,908
Response time priority I (emergency) (minutes/seconds)	3:54	3:47	4:28	4:24	4:05
<b>Fire:</b>					
Number of emergency calls	3,528	3,484	3,587	3,640	3,895
Inspections	2,148	1,911	2,165	2,566	2,597
<b>Public works:</b>					
Street resurfacing (miles)	-	0.82	-	-	2.22
<b>Parks and recreation:</b>					
Hours of recreation classes	602	650	723	770	770
Number of facility rentals	247	250	235	269	235
<b>Water:</b>					
Meters changed and upgrades	504	520	459	641	653
Water turn-ons and turn-offs	3,514	3,277	3,744	3,574	3,744
Average daily consumption (thousand of gallons)	10,000	10,000	10,000	11,000	11,000

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

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

	Fiscal Year				
	2007/08	2008/09	2009/10	2010/11	2011/12
<b>Police:</b>					
Number of service calls	54,696	54,925	53,863	54,363	54,115
Response time priority I (emergency) (minutes/seconds)	4:17	4:25	4:00	4:03	4:03
<b>Fire:</b>					
Number of emergency calls	4,163	4,094	4,378	3,757	4,104
Inspections	2,747	3,372	3,438	3,438	3,280
<b>Public works:</b>					
Street resurfacing (miles)	2.38	-	7.66	0.47	2.05
<b>Parks and recreation:</b>					
Hours of recreation classes	770	770	700	770	770
Number of facility rentals	235	241	141	141	177
<b>Water:</b>					
Meters changed and upgrades	712	518	513	564	1,049
Water turn-ons and turn-offs	2,905	2,939	2,521	2,079	1,734
Average daily consumption (thousand of gallons)	11,000	11,000	11,000	8,000	8,000

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

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

	<b>Fiscal Year</b>				
	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>
<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)	115	115	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	13	13	14	14	14
Community centers					
<b>Water:</b>					
Water mains (miles)	134	134	134	134	134
Maximum daily capacity (thousands of gallons)	12,618	12,744	12,871	13,000	13,130
<b>Wastewater:</b>					
Sanitary sewers (miles)	126	126	126	126	126
Storm sewers (miles)	12.43	12.43	12.43	12.43	12.43

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

	Fiscal Year				
	2007/08	2008/09	2009/10	2010/11	2011/12
<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 daily capacity (thousands of gallons)	13,540	12,140	11,733	11,140	11,340
<b>Wastewater:</b>					
Sanitary sewers (miles)	126	126	126	126	126
Storm sewers (miles)	12.43	12.43	12.43	12.43	12.43

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

	<b>Fiscal Year</b>				
	<u>2002/03</u>	<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>
Type of Customer:					
Residential	2,394.0	2,354.0	2,390.3	2,390.2	2,442.3
Commercial	910.0	908.0	885.0	891.4	916.4
Institutional	43.0	54.0	66.0	76.7	81.2
Government	<u>40.0</u>	<u>44.1</u>	<u>50.0</u>	<u>52.4</u>	<u>61.8</u>
 Total	 <u><u>3,387.0</u></u>	 <u><u>3,360.1</u></u>	 <u><u>3,391.3</u></u>	 <u><u>3,410.7</u></u>	 <u><u>3,501.7</u></u>

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

	<b>Fiscal Year</b>				
	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
Type of Customer:					
Residential	2,482.5	2,814.1	2,693.5	2,718.3	2,570.3
Commercial	874.0	924.6	925.8	935.0	861.8
Institutional	76.7	132.3	127.8	130.0	175.0
Government	<u>62.0</u>	<u>87.6</u>	<u>90.1</u>	<u>89.1</u>	<u>90.0</u>
 Total	 <u><u>3,495.2</u></u>	 <u><u>3,958.6</u></u>	 <u><u>3,837.2</u></u>	 <u><u>3,872.4</u></u>	 <u><u>3,697.1</u></u>

# CITY OF MONTEREY PARK

## Water Rates Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Monthly Base Rate</b>	<b>Rate per 1,000 Gallons</b>
<b>2002/03</b>	\$ 9.86	1.72
<b>2003/04</b>	10.16	1.77
<b>2004/05</b>	10.60	1.84
<b>2005/06</b>	11.13	1.94
<b>2006/07</b>	11.69	2.04
<b>2007/08</b>	12.11	2.11
<b>2008/09</b>	12.72	2.22
<b>2009/10</b>	12.63	2.21
<b>2010/11</b>	12.63	2.21
<b>2011/12</b>	12.63	2.21

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

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

<u>Water Customer</u>	<u>2011/12</u>		<u>2006/07</u>	
	<u>Water Charges</u>	<u>Percent of Total Water Revenues</u>	<u>Water Charges</u>	<u>Percent of Total Water Revenues</u>
Aespace America Inc.	\$ 57,261	0.77%	\$ 58,513	0.78%
Atlantic Times Square	53,393	0.71%	-	0.00%
Garfield Medical Center	43,675	0.58%	50,468	0.67%
Monterey Park Golf Course	40,526	0.54%	43,644	0.58%
Garfield Estates	35,230	0.47%	34,549	0.46%
Lincoln Best Hotel	33,072	0.44%	31,202	0.42%
Union Bank of California #24	28,838	0.39%	32,244	0.43%
Ridgewood Apartments	26,744	0.36%	25,263	0.34%
L.A. County Internal Services	25,041	0.33%	31,259	0.42%
Ocean Star Seafood	25,019	0.33%	35,079	0.47%
Lion's Manor	22,894	0.31%	23,997	0.32%
Continental Homes	22,676	0.30%	32,230	0.43%
	<u>\$ 414,369</u>	<u>5.54%</u>	<u>\$ 398,447</u>	<u>5.33%</u>

