

MONTEREY PARK

California



ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2021



City of Monterey Park, California

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

Year ended June 30, 2021

Prepared by the Management Services Department

**Martha Garcia
Director of Management Services**

**CITY OF MONTEREY PARK
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2021**

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MONTEREY PARK CITY OFFICIALS



CITY COUNCIL

Yvonne Yiu, Mayor
Henry Lo, Mayor Pro Tem

Fred Sornoso
Council Member

Hans Liang
Council Member

Peter Chan
Council Member

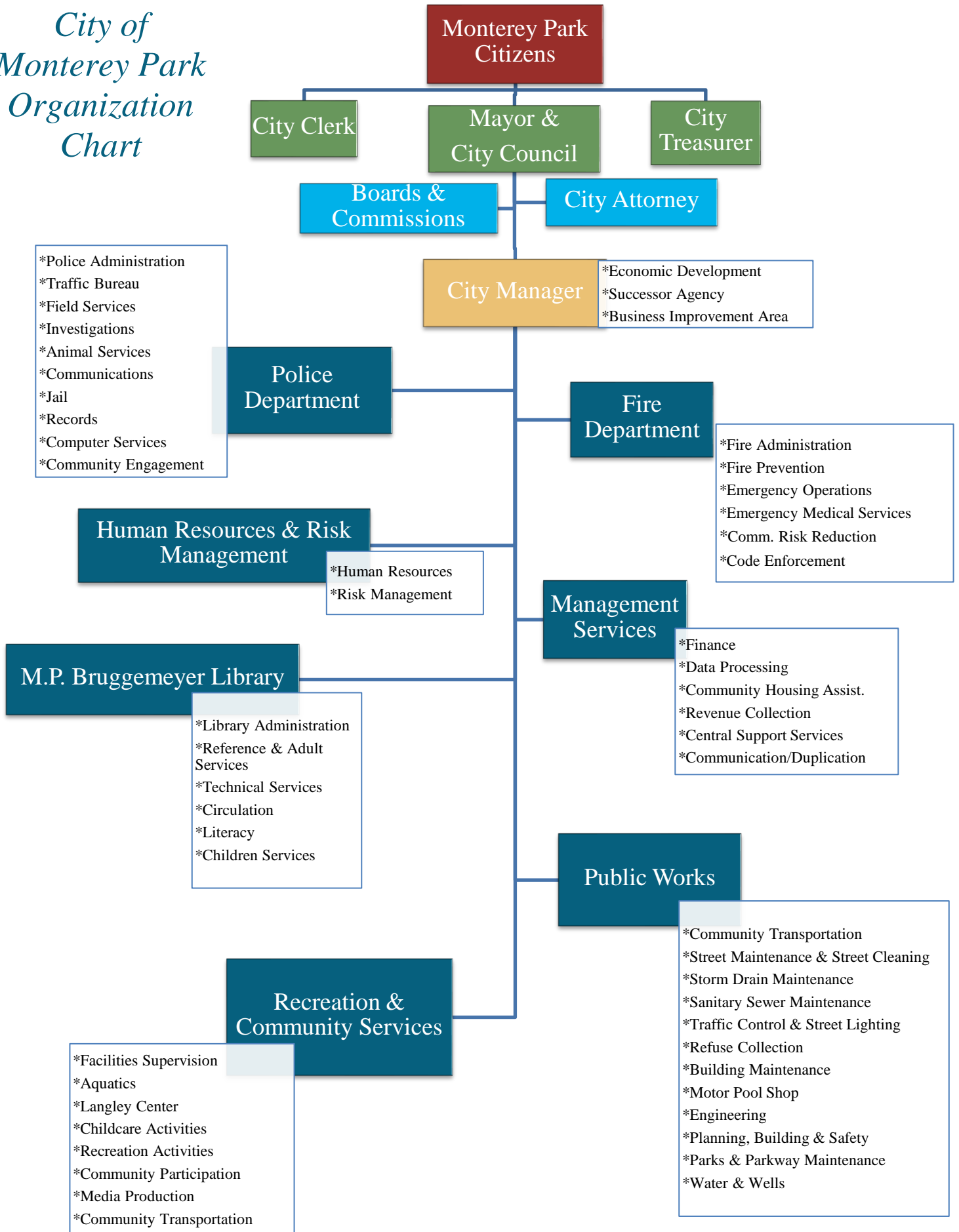
ELECTED OFFICIALS

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

EXECUTIVE TEAM

Ron Bow.....City Manager
Inez Alvarez.....Assistant City Manager
Karl H. Berger.....City Attorney
Kelly Gordon.....Police Chief
Matt Hallock.....Fire Chief
Martha Garcia.....Director of Management Services
Christine Tomikawa.....Director of Human Resources/Risk Management
Frank Lopez.....Director of Public Works/City Engineer
Steve Sizemore.....Interim Director of Community Development
Robert Aguirre.....Director of Recreation/Community Services
Diana Garcia.....City Librarian

City of Monterey Park Organization Chart



CITY OF MONTEREY PARK

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



City Council

Peter Chan
Hans Liang
Henry Lo
Fred Sornoso
Yvonne Yiu

City Clerk

Vincent D. Chang

City Treasurer

Joseph Leon

March 23 2022

To the Honorable Mayor, Members of the City Council and the Citizens of the City of Monterey Park, California State law requires that all general-purpose local governments publish annually a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP), as promulgated by the Government Accounting Standards Board (GASB) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The City obtained approval from the Government Finance Officers Association (GFOA) to publish at eight months of close of fiscal year due to COVID-19 related circumstances. Therefore, we hereby submit, for your information and review, the Annual Comprehensive Financial Report for the City of Monterey Park, California, for the fiscal year ended June 30, 2021.

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

The City's financial statements have been audited by CliftonLarsonAllen LLP, a public accounting firm fully licensed and qualified to perform audits of the State and local governments within the State of California. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Monterey Park for the fiscal year ending June 30, 2021, fairly state the City's financial position. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Monterey Park's 2020-21 financial statements are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

Single Audit

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

Management Discussion & Analysis

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

Profile of the City of Monterey Park

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

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

Local Economic Condition

Monterey Park is located six miles east of Los Angeles at the western gateway to the San Gabriel Valley. It encompasses an area of 7.73 square miles with a population of approximately 61,000. Monterey Park is primarily a residential community, with 78% of its land zoned for single and multiple family housing. In 2020-21, The median sales price of detached single-family homes in Monterey Park is \$720,000. This median sales price is 6% above the FY2019-20 median sales price of \$678,000. Because of its desirable location, house values in Monterey Park are expected to remain strong.

The COVID-19 pandemic continued to bring unprecedented economic and social challenges in fiscal year 2020-21. Overall, the City experienced revenue losses over \$8.3 million during calendar year 2020. Recent increases observed in sales tax and transient occupancy tax revenues indicate that the economy is recovering from the financial impacts of COVID-19. However, with continued supply chain issues and the public's hesitancy towards travel, the economy still has a way to go to return to pre-pandemic levels.

Through the Federal American Rescue Plan (ARPA), the City was allocated \$15.0 million for COVID-19 pandemic recovery efforts. Half of the City's allocation was received in fiscal year 2020-21 with the remaining amount to be received in summer 2022. As the economy continues to recover from the uncertainty of COVID-19, the City deployed its first ARPA distribution towards governmental services aiding the community's recovery, including rehiring part-time and full-time staff to its pre-pandemic levels, investing in public safety and cyber security.

Financial Overview and Policies

For 2020-21, the City continued the reporting requirement per Governmental Accounting Standards Board (GASB) Statement No. 68 and 71, for pension liabilities. The City also continued the reporting for GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, for other postemployment benefits liabilities on the face of the *Statement of Net Position*. Excluding all postemployment benefits (pensions and OPEB) liabilities, the City's end of year financial condition for 2020-21 displayed a positive operating position due to the City's conservative financial planning and management. As the City's development projects continue to expand and move forward that will generate a large number of new jobs and tax revenues for the City.

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

- ❖ Create a cleaner and more attractive City
- ❖ Enhance community and neighborhood development
- ❖ Ensure quality customer service
- ❖ Focus on Redevelopment
- ❖ Improve and develop the City's infrastructure
- ❖ Improve services through the effective use of technology
- ❖ Practice sound fiscal management
- ❖ Live within our means while investing in the future
- ❖ Invest in the City's employees through development and recognition

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

Legal budgetary control for operating budgets is exercised at the department and fund level. The City is required to adopt a balanced budget for its General Fund at the beginning of the fiscal year.

Formal budgetary integration and encumbrance accounting are employed as management control devices during the year for all funds.

The 2020-21 Adopted Budget includes a conservative fiscal spending plan and reflects \$5.7 million for infrastructure and capital improvements, specifically water, sewer, street projects and public safety equipment. The City continues improving efficiencies by aligning closely related programs to achieve long-term financial stability.

Major Accomplishments

The City of Monterey Park's major accomplishments during the fiscal year 2020-21, which displayed significant financial impacts, included:

- Provided pandemic relief efforts to local businesses such as access to small business grants, free business technical assistance, subsidies for restaurant delivery cost using third party delivery companies and expedited outdoor dining permits with all fees waived to support local restaurants;
- Successfully implemented the launch of the Tyler Munis ERP system for the financial components as well as Tyler Cashiering;
- Fire Department staff partnered with various healthcare providers to administer vaccination and testing services during multiple community events targeting seniors, school districts, and community members;;
- Adjusted the senior lunch program by collaborating with YWCA of San Gabriel Valley and the Los Angeles County Food Bank to establish a weekly delivery of 1,100 meals to over 200 seniors;
- Continued prudent, conservative management of the City's investment portfolio to maximize investment earning;
- Continued implementing the required Governmental Accounting Standards Board (GASB) Statements, including the pension and other postemployment benefits (OPEB) liabilities on the face of the financial statements;
- Continued implementing solutions to reduce unfunded pension and other post-employment benefit (OPEB) liabilities, including (1) annual OPEB liability pre-funding practice; (2) Issued 2021 Bonds for pension obligations to reduce/control costs to minimize interruptions to essential City services and preserve City's reserves – a 20-year savings of \$50 million;
- Through the internal use of the Arbor Access Program, the City of Monterey Park was classified as the only city in California with a Hazardous Risk inventory quantity of zero. This is a unique accomplishment never before achieved by any city that West Coast Arborists (WCA) serves in California;
- Developed and implemented the MPK Virtual Recreation webpage and virtual contract classes, free educational webinars and "Safer at Home" interactive activities;

- Police Department implemented new body worn cameras and in car video systems; officers attended de-escalation training, updated taser training, and updated use of force training; and
- Developed and adopted a Homelessness Plan for the City of Monterey Park (March 2021-December 2023).

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 2020-21 appropriations limit was \$99.2 million and the City's actual appropriation subject to the limit was 47% below the legal limit. Based on the past trend and projected future growth, the City believes its appropriations will continue remaining within the legal limit.

Debt Administration

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

Cash Management

While the City monitors its cash balance daily and invests temporarily idle funds in accordance with the Government Code and the City's Investment Policy, there is potential to further enhance our returns and cash management. The City's investment and cash management is through pooling of various City funds to maximize safe and efficient investment operations. Investment earnings are distributed based on average cash balance. The Finance staff carries out the daily investment operations. At June 30, 2021, the City's investment balances, including amounts held by fiscal agent, were \$99.1 million.

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

Risk Management

Monterey Park is self-insured for general liability and workers' compensation. The City has acquired excess coverage for both from the Independent Cities Risk Management Authority (ICRMA). The members pool their resources under a Joint Power Authority (JPA) agreement to support their individual self insurance programs. To finance risk management, the City maintains internal service funds for general liability and workers' compensation insurances. The claims payable includes incurred-but-not-reported claims. However, the claim values consider the indemnity and expense exposures and are based on known facts at the time of evaluation. The City does not warranty the ultimate values of incurred-but-not-reported claims, which could be significantly different from the final settlement. The City actively administers various risk management programs including employee accident prevention training, claims review, and monthly safety meetings to reduce the City's exposure to loss.

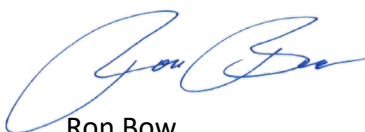
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting. The City of Monterey Park has been awarded the Certificate of Achievement by GFOA for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2020. This was the 32nd consecutive year the City received this award. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for the preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year. We believe the City's Fiscal Year 2020-21 ACFR will continue to conform to the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA for award consideration. In addition, the City's Budget has received awards for excellence in budgeting from both the Government Finance Officers Association of the United States and Canada (*GFOA*) and California Society of Municipal Finance Officers Association (*CSMFO*).

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

Respectfully submitted,



Ron Bow
City Manager



Martha Garcia
Director of Management Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Monterey Park
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Monterey Park
California**

For the Fiscal Year Beginning

July 1, 2020

Christopher P. Morill

Executive Director

California Society of Municipal Finance Officers

Certificate of Award

Operating Budget Excellence Award Fiscal Year 2020-2021

Presented to the

City of Monterey Park

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

January 31, 2021



Marcus Pimentel

Marcus Pimentel
CSMFO President

Michael Manno

Michael Manno, Chair
Recognition Committee

Dedicated Excellence in Municipal Financial Reporting

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Monterey Park, California (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

The Honorable Mayor and
Member of the City Council
of the City of Monterey Park

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Monterey Park as of June 30, 2021, and the respective changes in its financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 16 to the financial statements, the City implemented the Statement of Governmental Accounting Standards (GASB Statement) No. 84, *Fiduciary Activities*, in fiscal year 2020-2021, which resulted in restatements of beginning net position/fund balance. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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


The Honorable Mayor and
Member of the City Council
of the City of Monterey Park

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 23, 2022, on our consideration of the City of Monterey Park's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Monterey Park's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Irvine, California
March 23, 2022

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MANAGEMENT DISCUSSION AND ANALYSIS

Introduction

The Management Discussion and Analysis provides a narrative introduction, analysis, and overview that will assist in understanding of the City's financial statements. This analysis should be read in conjunction with the City's financial statements as of June 30, 2021, the transmittal letter, and notes to the basic financial statements.

Government-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

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

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

Proprietary Funds

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

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

Fiduciary Funds

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

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

Other Supplementary Information

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

Financial Highlights

- Total 2020-21 net position decreased by \$7.1 million from 2019-20, which is the total of the \$6.1 million decrease in governmental activities and the \$1.0 million decrease in business-type activities. The \$6.1 million decrease in governmental services was primarily attributed to growing pension and other post-employment benefits (OPEB) costs, as well as a reduction in charges for services. The \$1.0 million decrease in business-type activities was primarily due to a slight increase in water expenses.
- As of June 30, 2021, the City's assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources by \$32.5 million, of which \$85.6 million was related to the net investment in capital assets, \$22.4 million was restricted for special revenues, and a negative \$75.5 million was unrestricted.
- At the 2020-21 year-end, the General Fund total fund balance was \$35.1 million, a decrease of \$0.4 million from last year as restated (See note 16 for details). This decrease was primary due to the increase in current expenditures over the prior year being greater than the increase in current revenues over the prior year excluding the impact of the use of the bond proceeds and capital lease transaction.
- The City kept the residential trash rates at the same level as 2019-20. However, the service contract cost for the trash provider was adjusted by CPI, per the contractual agreement.

- The City approved 2-year salary rates and benefits for the Executive Management Team, which is not represented by a bargaining unit, to ensure that public services continued to be delivered at the highest level possible.
- The City continued to serve as the Successor Agency for its former Redevelopment Agency, and reported the former RDA assets and liabilities in the Fiduciary Fund as a Private Purpose Trust Fund.

Government-wide Financial Analysis

The net position of the City is derived from the total assets and deferred outflows of resources less its liabilities and deferred inflows of resources at the end of a reporting period. It serves as an indicator of a government's financial position at a certain point in time. As of June 30, 2021, the City's combined assets (governmental and business-type activities) totaled \$226.2 million, up \$12.5 million from last year. The increase was primarily attributed to the \$5.0 million increase in cash and investments, \$1.6 million increase in accounts receivable and \$6.2 million increase in capital asset. City's total deferred outflow of resources increased \$105.5 million, from \$17.7 million to \$123.2 million due to the proceeds of the 2021 Pension Obligation Bond (POB) being contributed to CalPERS pension plans to pay down the City's unfunded pension liabilities. Similar as the asset increase, the City's liabilities totaled \$310.8 million, up \$122.1 million from last year. The increase was primarily attributed to the increase in current and non-current liabilities due to the 2021 POB. The City's total deferred inflow of resources decreased \$1.0 million, from \$7.1 million to \$6.1 million. The decrease was related to the City's other post employment benefits. As a result, the City's combined net position totaled \$32.5 million, down \$7.1 million from last year as restated (See note 16 for details)..

Net position consists of three categories: net investment in capital assets, restricted fund balances, and an unrestricted fund balance. The largest portion of the City's net position, approximately \$85.6 million, is the City's investment in capital assets, including land, buildings, equipment, and infrastructure net of accumulated depreciation and related debt for acquiring these capital assets. Since the capital assets are used to provide services to citizens, they are not available to fund the City's day-to-day activities.

The City's restricted net position totaled \$22.4 million at June 30, 2021. These are assets subject to external restrictions, constitutional provisions, or enabling legislation that limit how these assets may be used. The restricted net position includes primarily grants, retirement/pension funds, and various nonmajor special revenue funds. The unrestricted net position is available for use by the City for any legal purpose. As of June 30, 2021, the City's total unrestricted net position was a negative \$75.5 million.

Statement of Net Position
Fiscal Years Ended June 30, 2021 and June 30, 2020
(In thousands)

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
<i>Assets:</i>						
<i>Current</i>	\$ 84,852	\$ 77,970	\$ 35,709	\$ 36,310	\$ 120,561	\$ 114,280
<i>Non Current</i>						
<i>Capital Assets</i>	61,796	55,798	40,589	40,403	102,385	\$ 96,201
<i>Other</i>	3,207	3,219			3,207	\$ 3,219
<i>Total Assets:</i>	<u>\$ 149,855</u>	<u>\$ 136,987</u>	<u>\$ 76,298</u>	<u>\$ 76,713</u>	<u>\$ 226,153</u>	<u>\$ 213,700</u>
<i>Deferred Outflow of Resources</i>	<u>\$ 116,613</u>	<u>\$ 16,424</u>	<u>\$ 6,623</u>	<u>\$ 1,229</u>	<u>\$ 123,236</u>	<u>\$ 17,653</u>
<i>Liabilities:</i>						
<i>Current</i>	\$ 24,038	\$ 11,190	\$ 4,802	\$ 3,539	\$ 28,840	\$ 14,729
<i>Long-Term</i>	259,382	156,324	22,624	17,663	282,006	173,987
<i>Total liabilities:</i>	<u>\$ 283,420</u>	<u>\$ 167,514</u>	<u>\$ 27,426</u>	<u>\$ 21,202</u>	<u>\$ 310,846</u>	<u>\$ 188,716</u>
<i>Deferred inflow of Resources</i>	<u>\$ 5,462</u>	<u>\$ 6,140</u>	<u>\$ 626</u>	<u>\$ 922</u>	<u>\$ 6,088</u>	<u>\$ 7,062</u>
<i>Net Position:</i>						
<i>Net Investment in</i>						
<i>Capital Assets</i>	\$ 53,107	\$ 50,393	\$ 32,466	\$ 31,923	\$ 85,573	\$ 82,316
<i>Restricted</i>	22,378	28,525	-	-	22,378	28,525
<i>Unrestricted</i>	<u>(97,899)</u>	<u>(99,161)</u>	<u>22,403</u>	<u>23,895</u>	<u>(75,496)</u>	<u>(75,266)</u>
<i>Total Net Position</i>	<u>\$ (22,414)</u>	<u>\$ (20,243)</u>	<u>\$ 54,869</u>	<u>\$ 55,818</u>	<u>\$ 32,455</u>	<u>\$ 35,575</u>

Statement of Activities
For the Years Ended June 30, 2021 and June 30, 2020
(In thousands)

	<i>Governmental</i>		<i>Business-type</i>		<i>Total</i>	
	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
<i>Revenues:</i>						
<i>Program Revenues:</i>						
<i>Charges for Services</i>	\$ 8,733	\$ 8,406	\$ 26,266	\$ 23,673	\$ 34,999	\$ 32,079
<i>Operating Grants & Contributions</i>	12,200	9,349			12,200	9,349
<i>Capital Grants & Contributions</i>	-	280	94	149	94	429
<i>General Revenues:</i>						
<i>Taxes</i>	44,888	39,940			44,888	39,940
<i>Revenues from Use of Money and Property</i>	396	2,096	53	563	449	2,659
<i>Other</i>	1,339	1,566	2	2,260	1,341	3,826
<i>Total Revenues:</i>	<u>\$ 67,556</u>	<u>\$ 61,637</u>	<u>\$ 26,415</u>	<u>\$ 26,645</u>	<u>\$ 93,971</u>	<u>\$ 88,282</u>
<i>Expenses:</i>						
<i>General Government</i>	16,863	7,025			16,863	7,025
<i>Public Safety</i>	41,432	46,449			41,432	46,449
<i>Comm. Development</i>	501	386			501	386
<i>Culture & Recreation</i>	7,368	8,194			7,368	8,194
<i>Highway & Streets</i>	6,349	7,592			6,349	7,592
<i>Health</i>	187	138			187	138
<i>Interest & Fiscal Charges</i>	1,534	923			1,534	923
<i>Water/Refuse/Sewer</i>			26,829	24,840	26,829	24,840
<i>Total Expenses:</i>	<u>74,234</u>	<u>70,707</u>	<u>26,829</u>	<u>24,840</u>	<u>\$ 101,063</u>	<u>95,547</u>
<i>Transfers</i>	534	541	(534)	(541)	-	-
<i>Changes in Net Position</i>	(6,144)	(8,529)	(948)	1,264	(7,092)	(7,265)
<i>Net Position – July 1 *</i>	<u>(16,270)</u>	<u>(11,714)</u>	<u>55,817</u>	<u>54,554</u>	<u>39,547</u>	<u>42,840</u>
<i>Net Position – June 30</i>	<u>\$ (22,414)</u>	<u>\$ (20,243)</u>	<u>\$ 54,869</u>	<u>\$ 55,818</u>	<u>\$ 32,455</u>	<u>\$ 35,575</u>

* The Governmental Activities Beginning Net Position was restated as of July 1, 2020, from \$(20,243) to \$(16,270). See Note 16.

Governmental Activities Financial Analysis

Overall governmental activities decreased the City's net position by \$6.1 million. The decrease in net position was primarily due to a \$7.9 million payment to Los Angeles County related to the dissolution of the City's former redevelopment agency included in general government expenses.

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, 2021, the City's governmental funds reported a combined ending fund balance of \$55.9 million, a decrease of \$7.8 million from the prior year as restated (See note 16 for details on restatement). The fund balance categories of the governmental funds show \$73,000 as nonspendable, \$9.6 million as committed, \$21.4 million as assigned, and \$4.4 million as unassigned. This unassigned amount is solely comprised of General Fund reserves. *(Please refer to Note 14 of the Notes to Basic Financial Statements for detailed breakdown.)*

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

The General Fund is the main operating fund of the City, which accounts for the majority of the police, fire, recreation, parks maintenance, public works, library, community development, and general administrative services. General Fund revenues and other financing sources for 2020-21 totaled \$150.3 million, an increase of \$106.7 million from 2019-20. The increase was primarily due to the \$100.9 million 2021 POB proceed. Similarly, total 2020-21 general fund expenditures and transfers out were \$150.6 million, reflecting an increase of \$107.0 million from 2019-20. The increase was primarily attributed to the pension UAL payoff utilizing the 2021 POB proceeds. As of June 30, 2021, the total fund balance of the General Fund was \$35.1 million, a decrease of \$0.4 million from last year as restated (See note 16 for details on restatement).

The Special Revenue Grants Fund reports the activities of various grants that the City received from Federal, State, and County agencies. Unspent grant funds are accumulated for expenditures in future years. Total grants received for governmental activities in 2020-21 were \$3.4 million, up \$1.1 million from last year. Total 2020-21 grant funded expenditures and transfers out were \$4.9 million, reflecting an increase of \$1.9 million from 2019-20. Total fund balance of the Special Revenue Grants Fund as of June 30, 2021 was \$1.2 million, a decrease of \$1.5 million from last year as restated (See note 16 for details on restatement).

Special Revenue Retirement/Pension Liability Fund accounts for revenue received from the voter-approved property tax levied to provide for employee retirement costs. Total revenues and transfers for 2020-21 were approximately \$12.5 million, a decrease of \$0.9 million from prior year. Total expenditures for 2020-21 were \$20.4 million, up \$8.9 million from 2019-20. The increase in expenditures was primarily due to \$7.9 million higher community development expenditures. The total fund balance in the Retirement/Pension Liability Fund as of June 30, 2021 was \$82,000.

The Special Revenue Housing Fund accounts for housing activities. The City assumed the responsibility of the housing assets and functions after the dissolution of the City's Redevelopment Agency. There were very little interest and other revenues and no housing expenditures for 2020-21. As of June 30, 2021, the fund balance of the Special Revenue Housing Fund stays fairly the same as last year at \$2.5 million.

Nonmajor Governmental Funds account for various activities including street improvement, transportation, air quality improvement, lighting and landscaping district, public safety activity, and development impact improvements. Total revenues and transfer-in for 2020-21 were \$9.4 million, up \$0.6 million from 2019-20. Total expenditures and transfer-out for 2020-21 were \$7.5 million, a decrease of \$0.9 million over 2019-20. As of June 30, 2021, the fund balance of the Nonmajor Governmental Funds totaled \$17.0 million, up \$2.0 million from 2019-20.

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 2020-21 water revenues and transfers in were \$16.2 million, down \$0.4 million from 2019-20. The decrease in water revenues was primarily due to lower interest revenue. Water expenses and transfers out were \$16.6 million, up \$1.2 million from 2019-20. The increase was primarily due to higher personnel costs, including retirement and OPEB, costs for the water production and water treatment operations in 2020-21. The net position for the Water Fund was \$50.8 million at June 30, 2021, an decrease of \$0.4 million over the prior year.

Refuse revenues were \$6.9 million, up \$0.2 million from last year. Operating expenditures and transfers out were \$7.1 million, up \$0.5 million from last year. The net position for the Refuse Fund was \$685,000 at June 30, 2021, a decrease of \$145,000 from the prior year.

Sewer revenues and transfers in were \$3.3 million, which stays the same as last year. Operating expenditures were \$2.9 million, up \$0.4 million from last year. The increase was primarily due to higher personnel costs, including retirement. The net position for the Sewer Fund increased to \$9.9 million, an increase of \$0.4 million from the prior year.

General Fund Budgetary Highlights

The originally adopted General Fund budget for this fiscal year was \$45.8 million, including a \$1.8 million Retirement Fund supplement for pension costs. The final amended budget of \$59.0 million reflected City Council approved amendments throughout the year as well as capital improvement carryovers from 2019-20.

The budget amendments included additional funds for the minimum wage mandates, for costs to cover the March and November elections, social archive, codification, legal notices and redistricting, for the purchase of radio equipment for the fire department and the hiring of a new police department lieutenant.

Overall, actual revenues in the General Fund were \$1.0 million higher than the budgeted revenues, which was due to the recovery from the COVID-19 pandemic, and the strong performance of property tax and sales tax. The \$1.0 million increase was the net total of \$2.2 million increase in taxes, offset by \$0.2 million decrease in licenses and permits, \$0.9 million decrease in charges for services and \$0.2 million decrease fines and forfeitures revenue. Actual expenditures in the General Fund were under budget in most major categories, except for general government and highway and streets. General government was over budget \$95.5 million, which was due to the pension UAL payoff expenditures related to the issuance 2021 POB. Highways and streets was over budget \$0.3 million, which reflects the City’s commitment and reallocation of resources from non-urgent services to crucial and necessary services. Public safety was under budget \$0.6 million, community development was underbudget \$0.1 million, and culture and recreation was under budget \$0.8 million. These were due to the City’s cost control measures in response to the unclear economic outlook due to COVID-19. Overall, actual expenditures were \$90 million more than budgeted, which was primarily attributed to the pension UAL payoff expenditures. Most of the capital outlay budget that was not spent will be rolled over into the 2021-22 budget.

Capital Asset Administration

The City’s capital assets, net of accumulated depreciation, for its governmental and business-type activities as of June 30, 2021, totaled \$102.4 million, an increase of \$6.2 million from prior year. The capital assets include land, buildings, improvements, machinery and equipment, parks, roads, traffic lights, and traffic signals. *(Readers desiring more detailed information on capital asset activity should refer to Note 6 of the Notes to the Basic Financial Statements.)*

Capital Assets Net of Depreciation
Fiscal Years Ended June 30, 2021 and June 30, 2020
(In thousands)

	<i>Governmental</i>		<i>Business-type</i>		<i>Total</i>	
	<i>Activities</i>		<i>Activities</i>			
	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
<i>Land</i>	\$ 8,465	\$ 8,465	\$ 500	\$ 500	\$ 8,965	\$ 8,965
<i>Buildings</i>	14,824	15,417	137	142	14,961	15,559
<i>Improvements</i>	15,119	13,687	27,635	28,675	42,754	42,362
<i>Construction in Progress</i>	6,622	2,149	9,597	8,830	16,219	10,979
<i>Equipment</i>	6,442	4,582	385	496	6,827	5,078
<i>Infrastructure</i>	10,324	11,498	2,335	1,760	12,659	13,258
	<u>\$ 61,796</u>	<u>\$ 55,798</u>	<u>\$ 40,589</u>	<u>\$ 40,403</u>	<u>\$ 102,385</u>	<u>\$ 96,201</u>

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

- Completed construction of Fire Station 62
- Completed Police locker room remodel
- Completed Garvey/Alhambra Avenue traffic signal service relocation
- Completed Garvey Reservoir drainage improvements
- Completed 2020 Catch Basin Insert project

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

Debt Administration

As of June 30, 2021, the City's long-term debt increased \$108.4 million to \$159.4 million from \$51.0 million from the prior year primarily due to the issuance of \$106.3 million of pension obligation bonds and a \$2.7 million capital lease for police radio equipment. *(Please refer to note number's 7, 8 and 12 of the Notes to the Basic Financial Statements for detailed information.)*

State statutes limit the amount of general obligation debt a governmental entity may issue to 15% of its total assessed valuation. The current debt limitation for the City is \$1.27 billion.

*Long-term Debt
Fiscal Years ended June 30, 2021 and June 30, 2020
(In thousands)*

	<i>Government Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>6/30/2021</i>	<i>6/30/2020</i>	<i>6/30/2021</i>	<i>6/30/2020</i>	<i>6/30/2021</i>	<i>6/30/2020</i>
<i>Capital Leases</i>	\$ 5,669	\$ 3,587	\$ 7,915	\$ 8,466	\$ 13,584	\$ 12,053
<i>Section 108 Loan</i>	1,047	1,526	-	-	1,047	1,526
<i>Pension Obligation Bonds</i>	112,662	12,200	5,443	-	118,105	12,200
<i>Compensated Absences</i>	5,027	5,057	737	706	5,764	5,763
<i>Insurance Assessments Payable</i>	981	1,145	-	-	981	1,145
<i>Claims and Judgments</i>	19,949	18,373	-	-	19,949	18,373
	<u>\$ 145,335</u>	<u>\$ 41,888</u>	<u>\$ 14,095</u>	<u>\$ 9,172</u>	<u>\$ 159,430</u>	<u>\$ 51,060</u>

Economic Factors and Next Year's Budget

- The City's total assessed valuation is \$8.5 billion, up 5%, or \$394 million, from 2019-20.
- The fiscal year 2021-22 City Budget is balanced. The City is conservative in projecting future revenues. The City's spending plan follows the City Council's direction in maintaining excellent community service, enhancing organizational efficiency, and funding much needed infrastructure and capital improvements. The City will conclude a new 4-year labor agreement negotiations with Fire, Fire Management, Police, Police Mid-Management, and Police Captain bargaining units. Any potential salary and benefit contract adjustments will be considered during the mid-year budget process.
- The City continues with the Fire Station 62 replacement project. The new facility will meet current laws, regulations and NFPA standards.
- The City continues to construct its Centralized Groundwater Treatment System for the Delta Plant.
- The City is anticipating the opening of a new 134 hotel room with 84 condominium units Holiday Inn and Suites hotel in mid FY 2021-2022. The project, located on a two-acre site at 420 N. Atlantic Boulevard, will consist of a five-story edifice containing a 134-room hotel, 84 condominiums, and 7,125 square feet of ground floor restaurant space. The new construction replaces a smaller 55-room motel and a 13-unit apartment building.
- Celadon at Garvey & Garfield is a mixed-use development in Downtown Monterey Park that offers 108 units of family housing with 70,000 square feet of retail and food establishments. Residents of the building have access to three major common areas, all of which are integrated with the outdoors to take advantage of the mild Monterey Park climate. Celadon developers and architects embraced the new urbanist concepts of compact, dense, and walkable communities to improve both quality of life for the residents, as well as lighten the community's footprint on the environment. Estimated completion is mid-2023.
- The Monterey Park Market Place Shopping Center is located directly off and visible from the SR-60 freeway. The Center now has stores, including Costco, Home Depot, Chick-fil-A, In-N-Out, Guitar Center, Starbucks, Buffalo Wild Wings, Mod Pizza, America Best Eyeglasses, and Chase Bank. This regional power center will continue store-opening, thus increasing property and sales tax revenues for the City.
- The water, sewer, and trash rates study will be continued and new rates will be presented to the Council for approval.

Requests for Information

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

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

**CITY OF MONTEREY PARK
STATEMENT OF NET POSITION
JUNE 30, 2021**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 73,981,573	\$ 36,010,644	\$ 109,992,217
Cash and Investments Held by Fiscal Agent	40,194	324	40,518
Accounts Receivable	4,135,196	6,250,338	10,385,534
Interest Receivable	39,462	31,327	70,789
Prepaid Assets	72,590	-	72,590
Internal Balances	6,583,146	(6,583,146)	-
Total Current Assets	<u>84,852,161</u>	<u>35,709,487</u>	<u>120,561,648</u>
Noncurrent Assets:			
Loans Receivable, Net	1,922,689	-	1,922,689
Receivable from Successor Agency	1,170,993	-	1,170,993
Net Pension Asset	114,000	-	114,000
Capital Assets:			
Not Being Depreciated	15,087,377	10,096,577	25,183,954
Being Depreciated, Net	46,708,233	30,492,502	77,200,735
Total Capital Assets	<u>61,795,610</u>	<u>40,589,079</u>	<u>102,384,689</u>
Total Noncurrent Assets	<u>65,003,292</u>	<u>40,589,079</u>	<u>105,592,371</u>
Total Assets	<u>149,855,453</u>	<u>76,298,566</u>	<u>226,154,019</u>
DEFERRED OUTFLOWS OF RESOURCES			
Amounts Related to Pension Plans	114,133,347	6,160,958	120,294,305
Amounts Related to Other Post Employment Benefits	<u>2,479,499</u>	<u>461,674</u>	<u>2,941,173</u>
Total Deferred Outflows of Resources	<u>116,612,846</u>	<u>6,622,632</u>	<u>123,235,478</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MONTEREY PARK
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2021**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 4,412,819	\$ 3,381,418	\$ 7,794,237
Accrued Payroll	1,641,138	45,388	1,686,526
Interest Payable	735,532	16,045	751,577
Deposits and Advances	457,620	520,050	977,670
Unearned Revenue	7,521,592	-	7,521,592
Due to Other Governmental Agencies	736,467	-	736,467
Long-Term Liabilities - Due Within One Year	8,533,031	839,063	9,372,094
Total Current Liabilities	<u>24,038,199</u>	<u>4,801,964</u>	<u>28,840,163</u>
Noncurrent Liabilities:			
Long-Term Liabilities -			
Due in More than One Year	136,801,807	13,255,687	150,057,494
Net Pension Liabilities	101,973,270	5,531,177	107,504,447
Net OPEB Liabilities	20,606,920	3,836,931	24,443,851
Total Noncurrent Liabilities	<u>259,381,997</u>	<u>22,623,795</u>	<u>282,005,792</u>
Total Liabilities	283,420,196	27,425,759	310,845,955
DEFERRED INFLOWS OF RESOURCES			
Amounts Related to Pension Plans	2,101,913	-	2,101,913
Amounts Related to Other Post Employment Benefits	3,360,497	625,712	3,986,209
Total Deferred Inflows of Resources	<u>5,462,410</u>	<u>625,712</u>	<u>6,088,122</u>
NET POSITION			
Net Investment in Capital Assets	53,107,029	32,466,443	85,573,472
Restricted for:			
Grants	1,516,641	-	1,516,641
Retirement/Pension	195,838	-	195,838
Housing	3,638,646	-	3,638,646
Public Safety	513,037	-	513,037
Community Development	137,847	-	137,847
Culture and Recreation	864,740	-	864,740
Highways and Streets	15,510,933	-	15,510,933
Unrestricted (Deficit)	<u>(97,899,017)</u>	<u>22,403,284</u>	<u>(75,495,733)</u>
Total Net Position	<u>\$ (22,414,307)</u>	<u>\$ 54,869,727</u>	<u>\$ 32,455,420</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MONTEREY PARK
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 16,862,932	\$ 1,430,819	\$ 73,468	\$ -
Public Safety	41,432,208	2,765,703	2,108,033	-
Community Development	500,831	1,894,660	2,190,176	-
Culture and Recreation	7,367,933	230,570	295,888	-
Highway and Streets	6,349,422	2,410,818	7,389,280	-
Health	187,500	-	143,009	-
Interest and Fiscal Charges	1,533,531	-	-	-
Total Governmental Activities	74,234,357	8,732,570	12,199,854	-
Business-type Activities:				
Water Utility	16,900,021	16,087,723	-	93,503
Refuse	7,102,416	6,905,547	-	-
Sewer	2,826,252	3,273,154	-	-
Total Business-type Activities	26,828,689	26,266,424	-	93,503
Total	\$ 101,063,046	\$ 34,998,994	\$ 12,199,854	\$ 93,503

See accompanying Notes to Basic Financial Statements.

**CITY OF MONTEREY PARK
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2021**

FUNCTIONS/PROGRAMS	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
Governmental Activities:			
General Government	\$ (15,358,645)	\$ -	\$ (15,358,645)
Public Safety	(36,558,472)	-	(36,558,472)
Community Development	3,584,005	-	3,584,005
Culture and Recreation	(6,841,475)	-	(6,841,475)
Highway and Streets	3,450,676	-	3,450,676
Health	(44,491)	-	(44,491)
Interest and Fiscal Charges	(1,533,531)	-	(1,533,531)
Total Governmental Activities	(53,301,933)	-	(53,301,933)
Business-type Activities:			
Water Utility	-	(718,795)	(718,795)
Refuse	-	(196,869)	(196,869)
Sewer	-	446,902	446,902
Total Business-type Activities	-	(468,762)	(468,762)
Total	(53,301,933)	(468,762)	(53,770,695)
GENERAL REVENUES			
Taxes:			
Property Taxes	29,942,243	-	29,942,243
Sales Taxes	9,063,297	-	9,063,297
Utility User Taxes	2,931,943	-	2,931,943
Franchise Taxes	1,011,131	-	1,011,131
Business License Taxes	721,601	-	721,601
Transient Occupancy Taxes	953,200	-	953,200
Other Taxes	220,485	-	220,485
Vehicle In-Lieu Taxes (Unrestricted, Intergovernmental)	44,545	-	44,545
Revenues from Use of Money and Property	395,918	53,395	449,313
Other	1,339,319	1,410	1,340,729
Total General Revenues	46,623,682	54,805	46,678,487
TRANSFERS	533,787	(533,787)	-
CHANGE IN NET POSITION	(6,144,464)	(947,744)	(7,092,208)
Net Position (Deficit) - Beginning of Year, as Restated	(16,269,843)	55,817,471	39,547,628
NET POSITION (DEFICIT) - END OF YEAR	\$ (22,414,307)	\$ 54,869,727	\$ 32,455,420

See accompanying Notes to Basic Financial Statements.

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FUND FINANCIAL STATEMENTS

**CITY OF MONTEREY PARK
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Major Funds			
	General	Special Revenue		
		Grants	Retirement/ Pension Liability	Housing
ASSETS				
Cash and Investments	\$ 36,805,023	\$ 9,187,720	\$ -	\$ 1,281,431
Cash and Investments Held by Fiscal Agents	6,076	-	33,496	-
Accounts Receivable	3,146,916	344,642	167,503	-
Interest Receivable	25,750	698	-	-
Prepaid Items	72,590	-	-	-
Due from Other Funds	863,666	-	-	-
Loans Receivable, Net	-	736,467	-	1,186,222
Receivable from Successor Agency	-	-	-	1,170,993
Total Assets	\$ 40,920,021	\$ 10,269,527	\$ 200,999	\$ 3,638,646
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 3,705,230	\$ 185,585	\$ 5,583	\$ -
Accrued Payroll	1,610,170	2,574	-	-
Deposits and Advances	457,620	-	-	-
Unearned Revenue	-	7,521,592	-	-
Due to Other Funds	-	413,383	113,578	-
Due to Other Governmental Agencies	-	736,467	-	-
Total Liabilities	5,773,020	8,859,601	119,161	-
DEFERRED INFLOW OF RESOURCES				
Unavailable Revenue	9,909	193,649	-	1,186,222
Total Deferred Inflow of Resources	9,909	193,649	-	1,186,222
FUND BALANCES				
Nonspendable	72,590	-	-	-
Restricted	-	1,216,277	81,838	2,452,424
Committed	9,226,927	-	-	-
Assigned	21,418,237	-	-	-
Unassigned	4,419,338	-	-	-
Total Fund Balances	35,137,092	1,216,277	81,838	2,452,424
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ 40,920,021	\$ 10,269,527	\$ 200,999	\$ 3,638,646

See accompanying Notes to Basic Financial Statements.

**CITY OF MONTEREY PARK
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2021**

	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS		
Cash and Investments	\$ 17,269,700	\$ 64,543,874
Cash and Investments Held by Fiscal Agents	-	39,572
Accounts Receivable	476,135	4,135,196
Interest Receivable	13,014	39,462
Prepaid Items	-	72,590
Due from Other Funds	-	863,666
Loans Receivable, Net	-	1,922,689
Receivable from Successor Agency	-	1,170,993
	<u>\$ 17,758,849</u>	<u>\$ 72,788,042</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 275,372	\$ 4,171,770
Accrued Payroll	13,501	1,626,245
Deposits and Advances	-	457,620
Unearned Revenue	-	7,521,592
Due to Other Funds	336,705	863,666
Due to Other Governmental Agencies	-	736,467
Total Liabilities	<u>625,578</u>	<u>15,377,360</u>
DEFERRED INFLOW OF RESOURCES		
Unavailable Revenue	<u>106,715</u>	<u>1,496,495</u>
Total Deferred Inflow of Resources	<u>106,715</u>	<u>1,496,495</u>
FUND BALANCES		
Nonspendable:	-	72,590
Restricted:	16,717,532	20,468,071
Committed:	367,752	9,594,679
Assigned:	-	21,418,237
Unassigned:	(58,728)	4,360,610
Total Fund Balances	<u>17,026,556</u>	<u>55,914,187</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	<u>\$ 17,758,849</u>	<u>\$ 72,788,042</u>

See accompanying Notes to Basic Financial Statements.

CITY OF MONTEREY PARK
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2021

Total Fund Balance of Governmental Funds in Fund Sstatements	\$ 55,914,187
Internal service funds are used by management to charge the costs of separation benefits, workers' compensation, vehicle, technology and general liability to individual funds. The assets and liabilities of internal service funds are reported with governmental activities in the statement of net position. Total net deficit is \$(10,228,609) plus the portion of net deficit allocated to business-type activities of \$6,588,185.	(3,645,463)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. (Total governmental assets of \$61,795,610 less internal service funds of \$3,385,655, which has already been accounted for in the reconciliation of internal service funds elimination).	58,409,955
Net pension asset is not available to pay for current period expenditures of the governmental funds and, therefore, is not reported as an asset in the governmental funds.	114,000
Long-term liabilities in the amount of \$145,331,485, excluding net pension liabilities and net other post employment benefit (OPEB) liabilities, are not due and payable in the current period and therefore are not reported in the governmental funds, net of \$22,796,643 included in reconciliation of internal service funds.	(122,538,195)
Interest on long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	(735,532)
Net pension liability is not due and payable in the current period and therefore is not reported in the governmental funds.	(101,973,270)
Pension contributions made during the year after the measurement date are reported as expenditures in governmental funds and as deferred outflow of resources in the government-wide financial statements.	110,796,408
Other deferred outflows and inflows of resources related to the net pension liability are reported only in the government-wide financial statements:	
Net difference between projected and actual earnings on pension plan investments	1,690,065
Difference between expected and actual experience	(455,039)
Net OPEB liability is not due and payable in the current period and therefore is not reported in the governmental funds.	(20,606,920)
OPEB contributions made during the year after the measurement date are reported as expenditures in governmental funds and as deferred outflow of resources in the government-wide financial statements.	2,326,765
Other deferred outflows and inflows of resources related to the net OPEB liability are reported only in the government-wide financial statements:	
Net difference between projected and actual earnings on OPEB plan investments	152,734
Difference between expected and actual experience	(2,745,063)
Changes in assumptions	(615,434)
Revenues earned but not available to pay for current expenditures for governmental funds are unavailable.	1,496,495
Net Position of Governmental Activities	<u>\$ (22,414,307)</u>

See accompanying Notes to Basic Financial Statements.

CITY OF MONTEREY PARK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Major Funds			
	General	Special Revenue		
		Grants	Retirement/ Pension Liability	Housing
REVENUES				
Taxes	\$ 34,881,186	\$ -	\$ 9,285,658	\$ -
Licenses and Permits	1,849,831	-	-	-
Intergovernmental Revenues	-	3,322,441	-	-
Charges for Services	6,344,336	-	-	-
Revenues from				
Use of Money and Property	388,504	64,623	127	4,239
Fines and Forfeitures	354,802	-	-	-
Other Revenue	1,619,239	-	-	2,791
Total Revenues	<u>45,437,898</u>	<u>3,387,064</u>	<u>9,285,785</u>	<u>7,030</u>
EXPENDITURES				
Current:				
General Government	104,127,643	1,539,105	9,936,559	-
Public Safety	26,933,033	1,179,114	8,231,539	-
Community Development	280,648	-	72,437	-
Culture and Recreation	4,708,508	228,203	781,179	-
Highways and Streets	2,084,489	29,298	243,086	-
Health	-	-	-	-
Capital Outlay	8,020,508	17,802	-	-
Debt Service:				
Debt Issuance Costs	743,285	-	-	-
Principal Retirement	84,547	600,879	430,000	-
Interest and Fiscal Charges	55,156	10,867	738,230	-
Total Expenditures	<u>147,037,817</u>	<u>3,605,268</u>	<u>20,433,030</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(101,599,919)</u>	<u>(218,204)</u>	<u>(11,147,245)</u>	<u>7,030</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,255,421	13,842	3,218,932	-
Transfers Out	(3,586,794)	(1,301,314)	-	-
Capital Lease	2,682,300	-	-	-
Issuance of Debt	100,892,026	-	-	-
Total Other Financing Sources (Uses)	<u>101,242,953</u>	<u>(1,287,472)</u>	<u>3,218,932</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(356,966)</u>	<u>(1,505,676)</u>	<u>(7,928,313)</u>	<u>7,030</u>
Fund Balances, Beginning of Year, As Restated	<u>35,494,058</u>	<u>2,721,953</u>	<u>8,010,151</u>	<u>2,445,394</u>
FUND BALANCES, END OF YEAR	<u>\$ 35,137,092</u>	<u>\$ 1,216,277</u>	<u>\$ 81,838</u>	<u>\$ 2,452,424</u>

See accompanying Notes to Basic Financial Statements.

CITY OF MONTEREY PARK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES		
Taxes	\$ 1,065,993	\$ 45,232,837
Licenses and Permits	-	1,849,831
Intergovernmental Revenues	8,108,391	11,430,832
Charges for Services	113,741	6,458,077
Revenues from		
Use of Money and Property	61,300	518,793
Fines and Forfeitures	91,939	446,741
Other Revenue	-	1,622,030
Total Revenues	9,441,364	67,559,141
EXPENDITURES		
Current:		
General Government	28,106	115,631,413
Public Safety	1,298,326	37,642,012
Community Development	77,542	430,627
Culture and Recreation	900,436	6,618,326
Highways and Streets	3,264,776	5,621,649
Health	187,500	187,500
Capital Outlay	1,617,092	9,655,402
Debt Service:		
Debt Issuance Costs	-	743,285
Principal Retirement	38,602	1,154,028
Interest and Fiscal Charges	5,388	809,641
Total Expenditures	7,417,768	178,493,883
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,023,596	(110,934,742)
OTHER FINANCING SOURCES (USES)		
Transfers In	-	4,488,195
Transfers Out	(41,100)	(4,929,208)
Capital Lease	-	2,682,300
Issuance of Debt	-	100,892,026
Total Other	(41,100)	103,133,313
Financing Sources (Uses)	(41,100)	103,133,313
NET CHANGE IN FUND BALANCES	1,982,496	(7,801,429)
Fund Balances, Beginning of Year, As Restated	15,044,060	63,715,616
FUND BALANCES, END OF YEAR	\$ 17,026,556	\$ 55,914,187

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
YEAR ENDED JUNE 30, 2021

Net Change in Fund Balance - Total Governmental Funds	\$ (7,801,429)
Amount reported for governmental activities in the statement of activities are different because:	
Internal service funds are used by management to charge the costs of separation benefits, workers' compensation, vehicle, technology and general liability to individual funds. The net income/(expense) of certain activities of internal service fund is reported with governmental activities. This amount excludes \$(798,765) charged to the Water and Refuse Enterprise Funds.	(476,829)
Governmental funds report capital outlays as expenditures. However, in the statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capitalizable capital outlay, net of internal service fund capital additions of \$501,553	9,883,534
Depreciation expense, net of internal service fund depreciation expense of \$883,815	(3,517,864)
Gain on disposal of capital assets	
Revenues that do not provide current financial resources are not recognized as revenues in the governmental funds.	185,581
Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position.	
Principal paid on debt	1,189,895
Issuance of bonds - governmental activities portion	(100,892,026)
Lease issued	(2,682,300)
Changes in net pension liability and related deferred outflows and inflows of resources reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.	97,413,087
Changes in compensated absences which are not due and payable in the governmental funds are charged to expenses in the statement of activities.	(9,210)
Changes in net OPEB liability and related deferred outflows and inflows of resources reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.	1,222,682
Interest on long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	<u>(659,585)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (6,144,464)</u></u>

See accompanying Notes to Basic Financial Statements.

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PROPRIETARY FUND FINANCIAL STATEMENTS

CITY OF MONTEREY PARK
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
JUNE 30, 2021

	Enterprise			
	Water Utility	Refuse	Sewer	Total
ASSETS				
Current Assets:				
Cash and Investments	\$ 26,341,963	\$ 1,204,923	8,463,758	\$ 36,010,644
Cash and Investments Held by Fiscal Agent	229	50	45	324
Accounts Receivable	5,002,321	823,711	424,306	6,250,338
Interest Receivable	23,826	971	6,530	31,327
Total Current Assets	<u>31,368,339</u>	<u>2,029,655</u>	<u>8,894,639</u>	<u>42,292,633</u>
Noncurrent Assets:				
Nondepreciable Capital Assets	10,096,577	-	-	10,096,577
Depreciable Capital Assets, Net of Accumulated Depreciation	<u>27,390,396</u>	<u>16,984</u>	<u>3,085,122</u>	<u>30,492,502</u>
Total Capital Assets	<u>37,486,973</u>	<u>16,984</u>	<u>3,085,122</u>	<u>40,589,079</u>
Total Noncurrent Assets	<u>37,486,973</u>	<u>16,984</u>	<u>3,085,122</u>	<u>40,589,079</u>
Total Assets	<u>68,855,312</u>	<u>2,046,639</u>	<u>11,979,761</u>	<u>82,881,712</u>
DEFERRED OUTFLOWS OF RESOURCES				
Amounts Related to Pension Plans	4,307,072	942,237	911,649	6,160,958
Amounts Related to Other Post Employment Benefit Plans	<u>336,694</u>	<u>55,631</u>	<u>69,349</u>	<u>461,674</u>
Total Deferred Outflows of Resources	<u>4,643,766</u>	<u>997,868</u>	<u>980,998</u>	<u>6,622,632</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	2,778,919	26,855	575,644	3,381,418
Accrued Payroll	33,186	2,751	9,451	45,388
Interest Payable	11,218	2,456	2,371	16,045
Deposits and Advances	495,191	-	24,859	520,050
Insurance Assessments Payable - Due within One Year	-	-	-	-
Claims and Judgments Payable - Due within One Year	-	-	-	-
Capital Lease Obligations - Due within One Year	605,214	-	-	605,214
Compensated Absences Payable - Due within One Year	51,889	11,089	10,675	73,653
Bonds Payable - Due within One Year	<u>112,003</u>	<u>24,524</u>	<u>23,669</u>	<u>160,196</u>
Total Current Liabilities	<u>4,087,620</u>	<u>67,675</u>	<u>646,669</u>	<u>4,801,964</u>
Noncurrent Liabilities:				
Insurance Assessments Payable - Due in More than One Year	-	-	-	-
Claims and Judgments Payable - Due in More than One Year	-	-	-	-
Capital Lease Obligations - Due in More than One Year	7,310,033	-	-	7,310,033
Compensated Absences Payable - Due in More than One Year	467,004	99,799	96,073	662,876
Bonds Payable - Due in More than One Year	3,693,519	808,712	780,547	5,282,778
Net Pension Liabilities	3,866,797	845,921	818,459	5,531,177
Net OPEB Liabilities	<u>2,798,235</u>	<u>462,340</u>	<u>576,356</u>	<u>3,836,931</u>
Total Noncurrent Liabilities	<u>18,135,588</u>	<u>2,216,772</u>	<u>2,271,435</u>	<u>22,623,795</u>
Total Liabilities	<u>22,223,208</u>	<u>2,284,447</u>	<u>2,918,104</u>	<u>27,425,759</u>
DEFERRED INFLOWS OF RESOURCES				
Amounts Related to Other Post Employment Benefit Plans	<u>456,325</u>	<u>75,397</u>	<u>93,990</u>	<u>625,712</u>
Total Deferred Inflows of Resources	<u>456,325</u>	<u>75,397</u>	<u>93,990</u>	<u>625,712</u>
NET POSITION				
Net Investment in Capital Assets	29,518,960	16,984	2,930,499	32,466,443
Unrestricted	21,300,585	667,679	7,018,166	28,986,430
Total Net Position	<u>\$ 50,819,545</u>	<u>\$ 684,663</u>	<u>\$ 9,948,665</u>	<u>\$ 61,452,873</u>
Adjustment to Reflect the Consolidation of Internal Service Funds Activities to Related Enterprise Fund	<u>(5,778,933)</u>	<u>(804,213)</u>	<u>-</u>	<u>(6,583,146)</u>
Net Position of Business-type Activities	<u>\$ 45,040,612</u>	<u>\$ (119,550)</u>	<u>\$ 9,948,665</u>	<u>\$ 54,869,727</u>

See accompanying Notes to Basic Financial Statements.

CITY OF MONTEREY PARK
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)
JUNE 30, 2021

	Internal Service
ASSETS	
Current Assets:	
Cash and Investments	\$ 9,437,699
Cash and Investments Held by Fiscal Agent	622
Accounts Receivable	-
Interest Receivable	-
Total Current Assets	9,438,321
Noncurrent Assets:	
Nondepreciable Capital Assets	858,555
Depreciable Capital Assets, Net of Accumulated Depreciation	2,527,100
Total Capital Assets	3,385,655
Total Noncurrent Assets	3,385,655
Total Assets	12,823,976
DEFERRED OUTFLOWS OF RESOURCES	
Amounts Related to Pension Plans	-
Amounts Related to Other Post Employment Benefit Plans	-
Total Deferred Outflows of Resources	-
LIABILITIES	
Current Liabilities:	
Accounts Payable	241,049
Accrued Payroll	14,893
Interest Payable	-
Deposits and Advances	-
Insurance Assessments Payable - Due within One Year	163,514
Claims and Judgments Payable - Due within One Year	3,264,457
Capital Lease Obligations - Due within One Year	367,394
Compensated Absences Payable - Due within One Year	11,811
Bonds Payable - Due within One Year	-
Total Current Liabilities	4,063,118
Noncurrent Liabilities:	
Insurance Assessments Payable - Due in More than One Year	817,572
Claims and Judgments Payable - Due in More than One Year	16,684,196
Capital Lease Obligations - Due in More than One Year	1,381,402
Compensated Absences Payable - Due in More than One Year	106,297
Bonds Payable - Due in More than One Year	-
Net Pension Liabilities	-
Net OPEB Liabilities	-
Total Noncurrent Liabilities	18,989,467
Total Liabilities	23,052,585
DEFERRED INFLOWS OF RESOURCES	
Amounts Related to Other Post Employment Benefit Plans	-
Total Deferred Inflows of Resources	-
NET POSITION	
Net Investment in Capital Assets	1,611,659
Unrestricted	(11,840,268)
Total Net Position	\$ (10,228,609)

See accompanying Notes to Basic Financial Statements.

CITY OF MONTEREY PARK
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Enterprise			
	Water Utility	Refuse	Sewer	Total
OPERATING REVENUES				
Charges for Services	\$ 15,948,387	\$ 6,905,547	\$ 3,273,154	\$ 26,127,088
Meter Installations	139,336	-	-	139,336
Other Revenue	1,410	-	-	1,410
Total Operating Revenues	<u>16,089,133</u>	<u>6,905,547</u>	<u>3,273,154</u>	<u>26,267,834</u>
OPERATING EXPENSES				
Administration	3,349,317	1,010,781	-	4,360,098
Commercial - Water	1,209,198	-	-	1,209,198
Production - Water	4,177,692	-	-	4,177,692
Distribution - Water	1,559,533	-	-	1,559,533
Treatment Plant	4,119,961	-	-	4,119,961
Street Maintenance - Refuse	-	16,859	-	16,859
Storm Drain Maintenance - Refuse	-	8,449	-	8,449
Refuse Collection	-	5,935,783	-	5,935,783
Sanitary Sewer Maintenance	-	-	2,542,347	2,542,347
Depreciation	1,525,984	1,427	275,610	1,803,021
Salaries and Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Insurance and Claims	-	-	-	-
Miscellaneous	-	-	-	-
Total Operating Expenses	<u>15,941,685</u>	<u>6,973,299</u>	<u>2,817,957</u>	<u>25,732,941</u>
Operating Income (Loss)	147,448	(67,752)	455,197	534,893
NONOPERATING REVENUES (EXPENSES)				
Interest Revenue	18,680	5,773	28,942	53,395
Interest Expense	(257,100)	(2,456)	(2,371)	(261,927)
Costs of Debt Issuance	(28,032)	(6,138)	(5,924)	(40,094)
Total Nonoperating Revenues (Expenses)	<u>(266,452)</u>	<u>(2,821)</u>	<u>20,647</u>	<u>(248,626)</u>
Net Income (Loss) Before Capital Contributions and Transfers	(119,004)	(70,573)	475,844	286,267
Capital Contributions	93,503	-	-	93,503
Transfers In	45,893	-	-	45,893
Transfers Out	(397,920)	(74,180)	(107,580)	(579,680)
CHANGE IN NET POSITION	<u>(377,528)</u>	<u>(144,753)</u>	<u>368,264</u>	<u>(154,017)</u>
Net Position, Beginning of Year	<u>51,197,073</u>	<u>829,416</u>	<u>9,580,401</u>	<u>61,606,890</u>
NET POSITION, END OF YEAR	<u>\$ 50,819,545</u>	<u>\$ 684,663</u>	<u>\$ 9,948,665</u>	<u>\$ 61,452,873</u>
Changes in Net Position	\$ (377,528)	\$ (144,753)	\$ 368,264	\$ (154,017)
Adjustment to Reflect the Consolidation of Internal Service Fund Activities to Related Enterprise Fund	<u>(673,204)</u>	<u>(120,523)</u>	<u>-</u>	<u>(793,727)</u>
Changes in Net Position of Business-type Activities	<u>\$ (1,050,732)</u>	<u>\$ (265,276)</u>	<u>\$ 368,264</u>	<u>\$ (947,744)</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MONTEREY PARK
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

	Internal Service
OPERATING REVENUES	
Charges for Services	\$ 9,816,156
Meter Installations	-
Other Revenue	35,580
Total Operating Revenues	9,851,736
OPERATING EXPENSES	
Administration	-
Commercial - Water	-
Production - Water	-
Distribution - Water	-
Treatment Plant	-
Street Maintenance - Refuse	-
Storm Drain Maintenance - Refuse	-
Refuse Collection	-
Sanitary Sewer Maintenance	-
Depreciation	897,698
Salaries and Benefits	2,332,394
Materials and Supplies	1,335,255
Insurance and Claims	7,026,086
Miscellaneous	441,354
Total Operating Expenses	12,032,787
Operating Income (Loss)	(2,181,051)
NONOPERATING REVENUES (EXPENSES)	
Interest Revenue	-
Interest Expense	(64,305)
Costs of Debt Issuance	-
Total Nonoperating Revenues (Expenses)	(64,305)
Net Income (Loss) Before Capital Contributions and Transfers	(2,245,356)
Capital Contributions	-
Transfers In	1,000,000
Transfers Out	(25,200)
Total Transfers	974,800
CHANGE IN NET POSITION	(1,270,556)
Net Position, Beginning of Year	(8,958,053)
NET POSTION, END OF YEAR	\$ (10,228,609)

See accompanying Notes to Basic Financial Statements.

CITY OF MONTEREY PARK
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Enterprise Funds			
	Water Utility	Refuse	Sewer	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Receipts from Customers	\$ 15,638,740	\$ 6,830,260	\$ 3,236,763	\$ 25,705,763
Cash Receipts from Interfund Services Provided	-	-	-	-
Cash Receipts from Reimbursements and Other Operating Revenue	-	-	-	-
Cash Payments to Suppliers for Goods and Services	(9,047,097)	(6,486,581)	(971,236)	(16,504,914)
Cash Payments to Employees for Services	(8,334,036)	(1,699,154)	(1,766,673)	(11,799,863)
Cash Payments for Insurance Premiums and Self-Insurance Claims	-	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>(1,742,393)</u>	<u>(1,355,475)</u>	<u>498,854</u>	<u>(2,599,014)</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from Bonds Payable	3,805,522	833,236	804,216	5,442,974
Cash Received from Other Funds	45,893	-	-	45,893
Cash Paid to Other Funds	(397,920)	(74,180)	(107,580)	(579,680)
Net Cash Provided (Used) by Noncapital and Related Financing Activities	<u>3,453,495</u>	<u>759,056</u>	<u>696,636</u>	<u>4,909,187</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	(1,144,336)	-	(844,580)	(1,988,916)
Capital Contributions	93,503	-	-	93,503
Payment of Bond Issuance Costs	(28,032)	(6,138)	(5,924)	(40,094)
Principal Paid on Lease Financing	(551,053)	-	-	(551,053)
Interest Paid on Debt	(245,882)	-	-	(245,882)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,875,800)</u>	<u>(6,138)</u>	<u>(850,504)</u>	<u>(2,732,442)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	66,060	8,478	43,960	118,498
Net Cash Provided by Investing Activities	<u>66,060</u>	<u>8,478</u>	<u>43,960</u>	<u>118,498</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(98,638)	(594,079)	388,946	(303,771)
Cash and Cash Equivalents, Beginning of Year	<u>26,440,830</u>	<u>1,799,052</u>	<u>8,074,857</u>	<u>36,314,739</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 26,342,192</u>	<u>\$ 1,204,973</u>	<u>\$ 8,463,803</u>	<u>\$ 36,010,968</u>
Cash and Investments	\$ 26,341,963	\$ 1,204,923	\$ 8,463,758	\$ 36,010,644
Cash and Investments with Fiscal Agent	229	50	45	324
Total Cash and Cash Equivalents	<u>\$ 26,342,192</u>	<u>\$ 1,204,973</u>	<u>\$ 8,463,803</u>	<u>\$ 36,010,968</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MONTEREY PARK
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Receipts from Customers	\$ -
Cash Receipts from Interfund Services Provided	9,816,156
Cash Receipts from Reimbursements and Other Operating Revenue	35,580
Cash Payments to Suppliers for Goods and Services	(1,684,836)
Cash Payments to Employees for Services	(2,330,867)
Cash Payments for Insurance Premiums and Self-Insurance Claims	(5,653,260)
Net Cash Provided (Used) by Operating Activities	182,773
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Bonds Payable	-
Cash Received from Other Funds	1,000,000
Cash Paid to Other Funds	(25,200)
Net Cash Provided (Used) by Noncapital and Related Financing Activities	974,800
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and Construction of Capital Assets	(536,117)
Capital Contributions	-
Payment of Bond Issuance Costs	-
Principal Paid on Lease Financing	(355,952)
Interest Paid on Debt	(64,305)
Net Cash Provided (Used) by Capital and Related Financing Activities	(956,374)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	-
Net Cash Provided by Investing Activities	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	
	201,199
Cash and Cash Equivalents, Beginning of Year	9,237,122
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 9,438,321
Cash and Investments	\$ 9,437,699
Cash and Investments with Fiscal Agent	622
Total Cash and Cash Equivalents	\$ 9,438,321

See accompanying Notes to Basic Financial Statements.

**CITY OF MONTEREY PARK
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

	Enterprise Funds			Total
	Water Utility	Refuse	Sewer	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 147,448	\$ (67,752)	\$ 455,197	\$ 534,893
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	1,525,984	1,427	275,610	1,803,021
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(450,393)	(75,287)	(36,391)	(562,071)
(Increase) Decrease in Deferred Outflows of Resources - Pension Plans	(3,744,253)	(819,112)	(792,521)	(5,355,886)
(Increase) Decrease in Deferred Outflows of Resources - OPEB Plan	(27,609)	(4,562)	(5,686)	(37,857)
Increase (Decrease) in Accounts Payable	817,695	(408,857)	560,415	969,253
Increase (Decrease) in Accrued Payroll	2,929	(2,842)	1,173	1,260
Increase (Decrease) in Deposits and Advances	47,752	-	10,634	58,386
Increase (Decrease) in Insurance Assessment Payable	-	-	-	-
Increase (Decrease) in Claims and Judgments Payable	-	-	-	-
Increase (Decrease) in Compensated Absences Payable	(27,530)	21,626	36,919	31,015
Increase (Decrease) in Net Pension Liabilities	171,606	38,781	37,521	247,908
Increase (Decrease) in Net OPEB Liability	7,127	242	302	7,671
Increase (Decrease) in Deferred Inflows of Resources - Pension Plans	(73,264)	(16,027)	(15,507)	(104,798)
Increase (Decrease) in Deferred Inflows of Resources - OPEB Plan	(139,885)	(23,112)	(28,812)	(191,809)
Total Adjustments	<u>(1,889,841)</u>	<u>(1,287,723)</u>	<u>43,657</u>	<u>(3,133,907)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,742,393)</u>	<u>\$ (1,355,475)</u>	<u>\$ 498,854</u>	<u>\$ (2,599,014)</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MONTEREY PARK
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

	Internal Service
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income (Loss)	\$ (2,181,051)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided	
Depreciation	897,698
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	-
(Increase) Decrease in Deferred Outflows of Resources - Pension Plans	-
(Increase) Decrease in Deferred Outflows of Resources - OPEB Plan	-
Increase (Decrease) in Accounts Payable	52,276
Increase (Decrease) in Accrued Payroll	(8,490)
Increase (Decrease) in Deposits and Advances	-
Increase (Decrease) in Insurance Assessment Payable	(163,514)
Increase (Decrease) in Claims and Judgments Payable	1,575,837
Increase (Decrease) in Compensated Absences Payable	10,017
Increase (Decrease) in Net Pension Liabilities	-
Increase (Decrease) in Net OPEB Liability	-
Increase (Decrease) in Deferred Inflows of Resources - Pension Plans	-
Increase (Decrease) in Deferred Inflows of Resources - OPEB Plan	-
Total Adjustments	2,363,824
Net Cash Provided (Used) by Operating Activities	\$ 182,773

See accompanying Notes to Basic Financial Statements.

**CITY OF MONTEREY PARK
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2021**

	<u>Private-Purpose Trust Fund</u>
CURRENT ASSETS	
Cash and Investments	\$ 547,905
Cash and Investments with Fiscal Agent	<u>1,885,431</u>
Total Assets	<u>2,433,336</u>
CURRENT LIABILITIES	
Accounts Payable	1,279
Interest Payable	176,654
Current Portion of Noncurrent Liabilities	<u>2,043,189</u>
Total Current Liabilities	<u>2,221,122</u>
NONCURRENT LIABILITIES	
Advances from City of Monterey Park	1,170,993
Bonds Payable, Net of Current Portion	10,399,191
Tax Increment Deferred Loans	76,361,380
Low/Mod Housing Deferred Loans	<u>1,186,222</u>
Total Noncurrent Liabilities	<u>89,117,786</u>
Total Liabilities	<u>91,338,908</u>
NET POSITION (DEFICIT)	
Net Position (Deficit) Held in Trust for Debt Service and Certain Administrative Expenses	<u><u>\$ (88,905,572)</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MONTEREY PARK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2021**

	Private-Purpose Trust Fund
ADDITIONS	
Redevelopment Property Tax Trust Fund	\$ 2,855,119
Investment Income	270
Total Additions	2,855,389
DEDUCTIONS	
Administration	190,001
Interest Expense and Fiscal Charges	5,378,475
Total Deductions	5,568,476
CHANGE IN NET POSITION	(2,713,087)
Net Position, Beginning of Year	(86,192,485)
NET POSITION, END OF YEAR	\$ (88,905,572)

See accompanying Notes to Basic Financial Statements.

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CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Reporting Entity

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

Blended Component Units

The Monterey Park Public Financing Authority

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

The Monterey Park Housing Authority

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

B. Government-Wide and Fund Financial Statements

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

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

CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

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

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

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

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

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

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

The City reports the following major governmental funds:

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

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 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 and revenue received from housing loan repayments and rental income.

The City reports the following major proprietary funds:

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

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

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

Additionally, the City reports the following fund types:

Nonmajor Governmental Funds

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

Proprietary Fund (Internal Service Funds)

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

Fiduciary Fund

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

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fiduciary Fund (Continued)

The private-purpose trust fund is reported using the accrual basis of accounting and the economic resources measurement focus.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges paid by the government's enterprise funds 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 nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Utility Enterprise Fund, Refuse Enterprise Fund, Sewer Enterprise Fund, and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Property Taxes

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

Lien Date:	January 1
Levy Date:	June 30
Due Dates:	November 1, February 1
Delinquent Dates:	December 11, April 11

CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Cash Equivalents

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

F. Investments

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

G. Inventories and Prepaid Assets

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

H. Capital Assets

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

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

CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (Continued)

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

Equipment	5 to 20 years
Buildings	40 to 50 years
Improvements	10 to 50 years
Water Meters	20 years
Water Mains	40 to 75 years
Water Hydrants	40 years
Wells 40 years	
Other Water Equipment	5 to 40 years
Infrastructure:	
Roadway	25 years
Bridge	40 years
Sewer System	50 years
Streetlight	20 years
Traffic Signal	20 years

I. Compensated Absences

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

J. Pensions

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

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

CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Other Post-Employment Benefits (OPEB)

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

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

L. Claims and Judgments

The accrual for workers' compensation and general liability claims is based upon past experience which has been modified for current trends and information. While the ultimate amount of losses incurred through June 30, 2021 is dependent on future developments, based on information from the plan administrators, City management believes that the aggregate accrual is adequate to cover such losses, including amounts for incurred but not reported claims (Note 12).

M. Fund Equity and Net Position

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

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

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
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity and Net Position (Continued)

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

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

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

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

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

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

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

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

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

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

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Use of Estimates

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

O. Implementation of New Accounting Pronouncements

GASB Statement No. 84, *Fiduciary Activities* became effective for fiscal years beginning after December 15, 2019. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The City has implemented this Statement.

The implementation of this Statement required the City to eliminate the previously reported fiduciary agency fund and include any relevant activity as part of City's general fund. As a result, beginning net position of the governmental activities and beginning fund balance of the general fund and grants special revenue fund were restated. See Note 16 for further details.

NOTE 2 CASH AND INVESTMENTS

Cash and Investments

Cash and investments at June 30, 2021, are classified in the accompanying financial statements as follows:

	Government-Wide			Fiduciary Funds	Total
	Governmental Activities	Business-Type Activities	Total		
Cash and Investments	\$ 73,981,573	\$ 36,010,644	\$ 109,992,217	\$ 547,905	\$ 110,540,122
Held by Fiscal Agent	40,194	324	40,518	1,885,431	1,925,949
Total Cash and Investments	<u>\$ 74,021,767</u>	<u>\$ 36,010,968</u>	<u>\$ 110,032,735</u>	<u>\$ 2,433,336</u>	<u>\$ 112,466,071</u>

Cash and investments at June 30, 2021, consisted of the following:

Deposits:	
Cash on Hand	\$ 28,550
Demand Deposits with Financial Institutions	8,125,726
Time Certificates of Deposit	250,000
Total Cash	<u>8,404,276</u>
Investments:	
Negotiable Certificates of Deposit	742,955
Local Agency Investment Fund (LAIF)	92,703,913
Los Angeles County Treasury Pool	8,689,597
Money Market Mutual Fund	1,925,330
Total Investments	<u>104,061,795</u>
Total Cash and Investments	<u>\$ 112,466,071</u>

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Cash and Investments (Continued)

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

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

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

Deposits

At June 30, 2021, the carrying amount of the City's demand deposits was \$8,125,726 and the bank balance was \$8,857,471. The \$731,745 difference represents outstanding checks, deposits in transit, and other reconciling items.

Investments Authorized by the City's Investment Policy

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

Investment Type	Maximum Maturity	Maximum Specified % of Portfolio	Minimum Quality Requirements
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations - CA and Others	5 years	None	None
U.S. Agency Obligations	5 years	None	None
Collateralized Bank Deposits	5 years	None	None
Medium Term Notes issued by Corporations	5 years	30%	"A" or better ranking by nationally recognized rating service; U.S. domiciled corporations or licensed depository
Local Agency Investment Funds (LAIF)	N/A	None	None

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

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

Investment Type	Maximum Maturity	Maximum Specified % of Portfolio	Minimum Quality Requirements
Los Angeles County Pooled Investment Fund	None	10% of LACPIF pool balance	None
Mutual Funds & Money Market Mutual Funds	N/A	20%	Highest ranking by not less than 2 largest rating services, have an SEC registered investment advisor with 5+ years experience, assets under management >\$500 million
Banker's Acceptance	180 days	40% of portfolio (no more than 30% in any once commercial bank)	None
Commercial Paper	270 days	40% of portfolio for counties, cities, and other local agencies (no more than 10% of agency's money in the commercial paper)	"A" or higher rating for issuer's debt within U.S. corporations and have assets in excess of \$500 million.
Repurchase Agreements	Not allowable	Not allowable	Not allowable
Negotiable Certificates of Deposit	5 years	30%	None
Financial Futures & Financial option contracts	5 years	None	None
Reverse Repurchase Agreements & Securities Lending Agreements	Not allowable	Not allowable	Not allowable
Mortgage Pass-Through Securities	5 years	20%	"A" or better ranking by nationally recognized rating service

CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by Debt Agreements

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

Credit Risk

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

Concentration of Credit Risk

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

Custodial Risk

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

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of the face value of the deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total deposits. The City may waive collateral requirements for deposits which are fully insured by federal depository insurance. However, the City has not waived the collateralization requirements. At June 30, 2021, City deposits were either insured by federal depository insurance or collateralized.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Interest Rate Risk (Continued)

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

	Minimum and Actual Rating	Fair Value June 30, 2021	Maturity		
			12 Months or Less	1 to 2 Years	2 to 3 Years
Investments:					
Negotiable Certificates of Deposit	N/A	\$ 742,955	\$ 742,955		
LAIF	N/A	92,703,913	92,703,913		
Los Angeles County Treasury Pool	N/A	8,689,597	8,689,597		
Total Treasury Investments		<u>102,136,465</u>	<u>102,136,465</u>	<u>-</u>	<u>-</u>
Investments Held by Fiscal Agents:					
Money Market Mutual Fund	AAA	1,925,330	1,925,330		
Total Investments Held by Fiscal Agents		<u>1,925,330</u>	<u>1,925,330</u>	<u>-</u>	<u>-</u>
Total Investments		<u>\$ 104,061,795</u>	<u>\$ 104,061,795</u>	<u>\$ -</u>	<u>\$ -</u>

Investment in State Investment Pool

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

The City's investments with LAIF at June 30, 2021, 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, 2021, the City had \$92,703,913 invested in LAIF, which had invested 2.31% of the pool investment funds in Structured notes and Medium-term Asset-backed Securities.

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investment in Los Angeles County Investment Pool

The City is a voluntary participant in the Los Angeles County Investment Pool pursuant to Government Code Section 53684. The cash flow needs of participants are monitored daily to ensure that sufficient liquidity is maintained to meet the needs of those participants. At the time deposits are made, the Los Angeles County Investment Pool's Treasurer may require the depositing entity to provide annual cash flow projections or an anticipated withdrawal schedule for deposits in excess of \$1 million. Projections are to be performed no less than semi-annually. In accordance with Government Code Section 27136, all requests for withdrawal of funds for the purpose of investing or depositing the funds elsewhere shall be evaluated to ensure the proposed withdrawal will not adversely affect the principal deposits of the other participants. At June 30, 2021, the City had \$8,689,597 invested in the Los Angeles County Investment Pool.

Fair Value Measurements

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

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

CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 RECEIVABLES

Receivables of the City as of June 30, 2021, were:

	Governmental Activities	Business-Type Activities	Total
Accounts Receivable:			
Property Taxes	\$ 907,809	\$ -	\$ 907,809
Sales Taxes	1,978,812	-	1,978,812
Utility Taxes	250,047	-	250,047
Water, Sewer, and Refuse Sales	-	6,250,338	6,250,338
Subvention and Grants	664,856	-	664,856
Other	333,672	-	333,672
Total Accounts Receivable	<u>\$ 4,135,196</u>	<u>\$ 6,250,338</u>	<u>\$ 10,385,534</u>
Interest Receivable	<u>\$ 39,462</u>	<u>\$ 31,327</u>	<u>\$ 70,789</u>
Loans Receivable, Net:			
Residential Rehabilitation (CDBG) (Note 9)	\$ 48,015	\$ -	\$ 48,015
SERA Program (Note 9)	4,322	-	4,322
Pacific Housing Loan (Note 9)	256,705	-	256,705
Pacific Bridge Loan (Note 9)	427,425	-	427,425
First-Time Homebuyers (Housing)	60,323	-	60,323
Critical Maintenance (Housing)	45,561	-	45,561
Critical Maintenance (Grants)	1,116,614	-	1,116,614
Abajo del Sol Loan (Grants)	2,345,877	-	2,345,877
LINC Community Development (Housing)	2,419,131	-	2,419,131
LINC Community Development (Grants)	969,321	-	969,321
Low/Mod Housing Deferred Loans	<u>1,186,222</u>	<u>-</u>	<u>1,186,222</u>
Subtotal	8,879,516	-	8,879,516
Less: Allowance for Uncollectible Loans	<u>(6,956,827)</u>	<u>-</u>	<u>(6,956,827)</u>
Total Loans Receivable, Net	<u>\$ 1,922,689</u>	<u>\$ -</u>	<u>\$ 1,922,689</u>
Total Receivables	<u>\$ 6,097,347</u>	<u>\$ 6,281,665</u>	<u>\$ 12,379,012</u>

Following is the detail of Loans Receivable:

- A. *Residential Rehabilitation* – The City provided low interest financing for the rehabilitation of residential sites within the City through the Community Development Block Grant program. The amount of outstanding loan balance at June 30, 2021, is \$48,015 and has been recorded as notes receivable in the Special Revenue Grants Fund.
- B. *SERA Program* – The City participated in the State Earthquake Rehabilitation Assistance (SERA) program to assist residents with the application and loan processes for residential repairs and rehabilitation following the October 1987 Whittier-Narrows earthquake. The outstanding balance of loans placed through the program is \$4,322 at June 30, 2021, and has been recorded as notes receivable in the Special Revenue Grants Fund.

CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 RECEIVABLES (CONTINUED)

- C. *Pacific Housing Loan* – On July 21, 2004, the City entered into an agreement to provide a loan to Pacific Housing Development Corporation for the purpose of construction and renovation of an affordable housing facility for persons with developmental disabilities. The loan, funded in April 2005, consists of a permanent residual receipts loan in the amount of \$175,000 and a subordinated construction loan in the amount of \$225,000. The subordinated construction loan has been paid off by Pacific Housing in 2008-09. Other remaining amounts bear interest at the rate of 3% per annum until paid. The loan was funded by use of Federal HOME Program funds and is reported in the Special Revenue Grants Fund. At June 30, 2021, outstanding principal and interest are \$175,000 and \$81,705, respectively.
- D. *Pacific Bridge Loan* – In 1995, the former Redevelopment Agency entered into a thirty-year loan agreement with Pacific Bridge Housing Corporation for the purpose of construction and renovation of a disabled adult affordable housing facility. In the agreement the former Redevelopment Agency agreed to loan to Pacific Bridge Housing Corporation up to the maximum sum of \$240,478 bearing interest at the rate of 3% per annum until paid. Principal and interest payments are due in annual installments commencing upon February 15 of the first full calendar year following the date of the initial occupancy of the facility and continuing annually thereafter on each successive February 15 through and including the date which is thirty (30) years after the Repayment Commencement Date. The amount of such annual installments payable by Borrower is based on the Annual Residential Receipt Installments as described in the agreement. During 1996-97, the loan was funded by the use of federal HOME Program funds, and is reported in the Special Revenue Grants Fund. At June 30, 2021, outstanding principal and interest are \$240,478 and \$186,947, respectively.
- E. *First Time Homebuyers* – Beginning 1996-97, the City provided second mortgage loans through the First-Time Homebuyer Program to assist qualified first-time homebuyers to purchase residences. All second loans will be fixed at an interest rate of five percent (5%) and for a term of thirty (30) years. If the buyer retains the property for thirty (30) years, both principal and interest will be forgiven. The loans were transferred from the former Redevelopment Agency's Housing Capital Projects Fund to the City's Special Revenue Housing Fund on February 1, 2012 due to the dissolution of the former Redevelopment Agency. At June 30, 2021, \$60,323 is the amount of outstanding loan balances, and has been reported as notes receivable with an offset of allowance for uncollectible notes in the Special Revenue Housing Fund in the fund level financial statements and in the government-wide statements.

CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 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, 2021, the loans outstanding totaled \$1,162,175. Of this amount, \$45,561 is funded by the former Redevelopment Agency’s Housing Capital Projects Fund and \$1,116,614 is funded by the Federal HOME Program Grants Fund. The outstanding loan balance of \$45,561 was transferred from the former Redevelopment Agency’s Housing Set Aside Fund to the City’s Special Revenue Housing Fund and has been reported as notes receivable with an offset of allowance for uncollectible notes in the fund level financial statements and in the government-wide statements. The outstanding loan balance of \$1,116,614 has been reported as notes receivable with an offset of allowance for uncollectible notes in the Special Revenue Grants Fund in the fund level financial statements and in the government-wide statements.
- G. *Abajo del Sol* – In 1998, the Housing Authority and the Abajo del Sol, Limited Partnership had entered into a housing development agreement. Under the agreement, the Authority provided to the Developer a \$1.2 million loan bearing interest at the rate of 5.1% per annum for the construction of 60 units of affordable housing for senior citizens. On or before March 15th of each year, the Borrower shall pay lender an amount equal to the applicable percentage of the Net Cash Flow attributable to the prior calendar year. The loan is funded by the Federal HOME Program Grants Fund. At June 30, 2021, outstanding principal and interest being recorded as notes receivable are \$1,187,344 and \$1,158,533, respectively, in the Special Revenue Grants Fund with an offset of allowance for uncollectible notes in the fund level financial statement and in the government-wide statements.
- H. *LINC Community Development* – In 2015, the Monterey Park Successor Housing Agency and City entered into a housing development agreement with LINC Community Development Corporation (LINC). Under the agreement, the Monterey Park Successor Housing Agency sold 5 properties to the developer in exchange for a \$2,080,000 loan bearing compound interest at the rate of 2.41% per annum for 5 units of affordable rental housings. At June 30, 2021, outstanding principal and interest being recorded as notes receivable are \$2,080,000 and \$339,131, respectively, in the Housing Fund with an offset of allowance for uncollectible notes in the fund level financial statement and in the government-wide statements. The properties were purchased with former Redevelopment Agency’s Housing Set Aside fund. As a result, the loan was reported in the City’s Special Revenue Housing Fund and with an offset of allowance for uncollectible notes in the fund level financial statements and in the government-wide statements. As part of the development agreement, the City also sold one of the City’s parking lots to the LINC for development of a 6-unit affordable rental housing. The City also used the Federal HOME Program Grants Fund to provide construction loan bearing simple interest at the rate of 3% per annum. As of June 30, 2021, \$969,321 has been funded and is reported as loans receivables in the Special Revenue Grants Fund with an offset of allowance for uncollectible notes in the fund level financial statement and in the government-wide statements.

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 RECEIVABLES (CONTINUED)

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

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

NOTE 4 INTERFUND TRANSACTIONS

Individual interfund receivables and payables were as follows at June 30, 2021:

Due to/from Other Funds

<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Amount</u>
General Fund	Special Revenue Grants Fund	\$ 413,383
General Fund	Special Revenues Retirement/Pension Fund	113,578
General Fund	Nonmajor Governmental Funds	336,705
		<u>\$ 863,666</u>

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

Transfers

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Grants Special Revenue Fund	\$ 1,255,421
Grants Special Revenue Fund	General Fund	13,842
Retirement/Pension Liability Special Revenue Fund	General Fund	2,572,952
Retirement/Pension Liability Special Revenue Fund	Water Utilities Enterprise Fund	397,920
Retirement/Pension Liability Special Revenue Fund	Refuse Enterprise Fund	74,180
Retirement/Pension Liability Special Revenue Fund	Sewer Enterprise Fund	107,580
Retirement/Pension Liability Special Revenue Fund	Nonmajor Governmental Funds	41,100
Retirement/Pension Liability Special Revenue Fund	Internal Service Funds	25,200
Water Utilities Enterprise Fund	Grants Special Revenue Fund	45,893
General Liability Internal Service Fund	General Fund	1,000,000
		<u>\$ 5,534,088</u>

CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 INTERFUND TRANSACTIONS (CONTINUED)

Transfers (Continued)

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend. In 2020-21, transfers to the Retirement/Pension Liability Special Revenue Fund were council-approved pension and OPEB contributions. The transfer of \$1,255,421 from the Grants Special Revenue Fund to the General Fund was to close out inactive grants. The transfer of \$13,842 from the General Fund to the Special Revenues Grant Fund was to classify qualifying grant expenditures. The transfer of \$45,893 from the Grants Special Revenue Fund to the Water Utilities Enterprise Fund was to reclassify the activity related to the Watersmart Grant. The transfer of \$1,000,000 from the General Fund to the General Liability Internal Service Fund was to reduce the fund's deficit net position.

NOTE 5 RECEIVABLES FROM SUCCESSOR AGENCY

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

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

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

The Receivable from Successor Agency balance at June 30, 2021, amounted to \$1,170,992. This loan will be paid back to the Special Revenue Housing Fund according to a specific formula through the Recognized Obligation Payment Schedule distribution per the State of California Department of Finance (DOF).

CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 CAPITAL ASSETS

At June 30, 2021, the capital assets balances for the City are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Capital Assets, Not Being Depreciated:			
Land	\$ 8,465,051	\$ 499,975	\$ 8,965,026
Construction in Progress	6,622,326	9,596,602	16,218,928
Total Capital Assets, Not Being Depreciated	<u>15,087,377</u>	<u>10,096,577</u>	<u>25,183,954</u>
Capital Assets, Being Depreciated:			
Buildings	30,391,663	285,050	30,676,713
Improvements	22,259,677	55,649,214	77,908,891
Equipment	30,896,545	3,690,041	34,586,586
Infrastructure	34,103,154	11,627,514	45,730,668
Total Capital Assets, Being Depreciated	<u>117,651,039</u>	<u>71,251,819</u>	<u>188,902,858</u>
Less Accumulated Depreciation:			
Buildings	(15,567,995)	(147,969)	(15,715,964)
Improvements	(7,140,643)	(28,013,864)	(35,154,507)
Equipment	(24,454,416)	(3,305,419)	(27,759,835)
Infrastructure	(23,779,752)	(9,292,065)	(33,071,817)
Total Accumulated Depreciation	<u>(70,942,806)</u>	<u>(40,759,317)</u>	<u>(111,702,123)</u>
Total Capital Assets, Being Depreciated, Net	<u>46,708,233</u>	<u>30,492,502</u>	<u>77,200,735</u>
Total Capital Assets, Net	<u>\$ 61,795,610</u>	<u>\$ 40,589,079</u>	<u>\$ 102,384,689</u>

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 CAPITAL ASSETS (CONTINUED)

Governmental Activities

A summary of changes in capital asset activity for the year ended June 30, 2021, is as follows:

	Balance at July 1, 2020	Additions	Deletions	Transfers	Balance at June 30, 2021
Capital Assets, Not Being Depreciated:					
Land	\$ 8,465,051	\$ -	\$ -	\$ -	\$ 8,465,051
Construction in Progress	2,149,584	7,436,385	-	(2,963,643)	6,622,326
Total Capital Assets, Not Being Depreciated	10,614,635	7,436,385	-	(2,963,643)	15,087,377
Capital Assets, Being Depreciated:					
Buildings	30,391,663	-	-	-	30,391,663
Improvements	20,169,576	74,323	-	2,015,778	22,259,677
Equipment	28,208,915	2,888,260	(959,113)	758,483	30,896,545
Infrastructures	33,913,772	-	-	189,382	34,103,154
Total Capital Assets, Being Depreciated	112,683,926	2,962,583	(959,113)	2,963,643	117,651,039
Less Accumulated Depreciation:					
Buildings	(14,975,062)	(592,933)	-	-	(15,567,995)
Improvements	(6,482,874)	(657,769)	-	-	(7,140,643)
Equipment	(23,626,489)	(1,787,040)	959,113	-	(24,454,416)
Infrastructures	(22,415,815)	(1,363,937)	-	-	(23,779,752)
Total Accumulated Depreciation	(67,500,240)	(4,401,679)	959,113	-	(70,942,806)
Total Capital Assets, Being Depreciated, Net	45,183,686	(1,439,096)	-	2,963,643	46,708,233
 Total Capital Assets, Net	 \$ 55,798,321	 \$ 5,997,289	 \$ -	 \$ -	 \$ 61,795,610

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 CAPITAL ASSETS (CONTINUED)

Business-Type Activities

A summary of changes in capital asset activity for the year ended June 30, 2021, is as follows:

	Balance at July 1, 2020	Additions	Deletions	Transfers	Balance at June 30, 2021
Capital Assets, Not Being Depreciated:					
Land	\$ 499,975	\$ -	\$ -	\$ -	\$ 499,975
Construction in Progress	8,830,343	1,988,917	-	(1,222,658)	9,596,602
Total Capital Assets, Not Being Depreciated	9,330,318	1,988,917	-	(1,222,658)	10,096,577
Capital Assets, Being Depreciated:					
Buildings	285,050	-	-	-	285,050
Improvements	55,212,933	-	-	436,281	55,649,214
Equipment	3,591,657	-	-	98,384	3,690,041
Infrastructures	10,939,521	-	-	687,993	11,627,514
Total Capital Assets, Being Depreciated	70,029,161	-	-	1,222,658	71,251,819
Less Accumulated Depreciation:					
Buildings	(143,127)	(4,842)			(147,969)
Improvements	(26,537,655)	(1,476,209)			(28,013,864)
Equipment	(3,095,945)	(209,474)			(3,305,419)
Infrastructures	(9,179,569)	(112,496)			(9,292,065)
Total Accumulated Depreciation	(38,956,296)	(1,803,021)	-	-	(40,759,317)
Total Capital Assets, Being Depreciated, Net	31,072,865	(1,803,021)	-	1,222,658	30,492,502
 Total Capital Assets, Net	 \$ 40,403,183	 \$ 185,896	 \$ -	 \$ -	 \$ 40,589,079

Depreciation expense was charged to the following functions:

	Governmental Activities	Business-Type Activities	Total
General Government	\$ 246,155	\$ -	\$ 246,155
Public Safety	1,406,896	-	1,406,896
Public Safety/Shop	380,516	48,472	428,988
Community Development	41,735	-	41,735
Culture and Recreation	785,091	3,852	788,943
Street and Highways	1,541,286	22,265	1,563,551
Water Utility	-	1,489,655	1,489,655
Sewer	-	238,777	238,777
 Total	 \$ 4,401,679	 \$ 1,803,021	 \$ 6,204,700

CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 LONG-TERM LIABILITIES

Changes in long-term liabilities for the City for the year June 30, 2021, are as follows:

Governmental Activities	Balance at July 1, 2020	Additions	Deletions	Balance at June 30, 2021	Due Within One Year	Due in More Than One Year
Direct Borrowings:						
Capitalized Lease Obligations (Note 8)	\$ 3,587,412	\$ 2,682,300	\$ (600,980)	\$ 5,668,732	\$ 699,522	\$ 4,969,210
HUD Section 108 Loans Payable	1,526,000	-	(479,000)	1,047,000	508,000	539,000
Total Direct Borrowings	<u>5,113,412</u>	<u>2,682,300</u>	<u>(1,079,980)</u>	<u>6,715,732</u>	<u>1,207,522</u>	<u>5,508,210</u>
Other Debt:						
2004 Taxable Pension Obligation Bonds	12,200,000	-	(430,000)	11,770,000	425,000	11,345,000
2021 Taxable Pension Obligation Bonds	-	100,892,026	-	100,892,026	2,969,804	97,922,222
Total Other Debt	<u>12,200,000</u>	<u>100,892,026</u>	<u>(430,000)</u>	<u>112,662,026</u>	<u>3,394,804</u>	<u>109,267,222</u>
Other Long-term Liabilities:						
Compensated Absences Insurance Assessments Payable (Note 12)	5,057,351	475,724	(505,735)	5,027,340	502,734	4,524,606
Claims and Judgments (Note 12)	18,372,816	2,229,585	(653,747)	19,948,654	3,264,457	16,684,197
Total Other Long-term Liabilities	<u>24,574,767</u>	<u>2,705,309</u>	<u>(1,322,996)</u>	<u>25,957,080</u>	<u>3,930,705</u>	<u>22,026,375</u>
Total Governmental Activities	<u>\$ 41,888,179</u>	<u>\$ 106,279,635</u>	<u>\$ (2,832,976)</u>	<u>\$ 145,334,838</u>	<u>\$ 8,533,031</u>	<u>\$ 136,801,807</u>

Business-Type Activities	Balance at July 1, 2020	Additions	Deletions	Balance at June 30, 2021	Due Within One Year	Due in More Than One Year
Direct Borrowings:						
Capitalized Lease Obligations (Note 8)	\$ 8,466,300	\$ -	\$ (551,053)	\$ 7,915,247	\$ 605,214	\$ 7,310,033
Total Direct Borrowings	<u>8,466,300</u>	<u>-</u>	<u>(551,053)</u>	<u>7,915,247</u>	<u>605,214</u>	<u>7,310,033</u>
Other Debt:						
2021 Taxable Pension Obligation Bonds	-	5,442,974	-	5,442,974	160,196	5,282,778
Total Other Debt	<u>-</u>	<u>5,442,974</u>	<u>-</u>	<u>5,442,974</u>	<u>160,196</u>	<u>5,282,778</u>
Other Long-term Liabilities:						
Compensated Absences	705,514	101,566	(70,551)	736,529	73,653	662,876
Total Other Long-term Liabilities	<u>705,514</u>	<u>101,566</u>	<u>(70,551)</u>	<u>736,529</u>	<u>73,653</u>	<u>662,876</u>
Total Business-Type Activities	<u>\$ 9,171,814</u>	<u>\$ 5,544,540</u>	<u>\$ (621,604)</u>	<u>\$ 14,094,750</u>	<u>\$ 839,063</u>	<u>\$ 13,255,687</u>

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities are included as part of the above totals for governmental activities. At June 30, 2021, \$118,108 in compensated absences, \$19,948,654 in claims and judgments, and \$981,086 in insurance assessments payable, all related to internal service funds, are included as part of the totals of long-term debt for governmental activities.

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

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

HUD Section 108 Loan Program

In August 2002, the City participated in the U.S. Department of Housing and Urban Development (HUD) Section 108 Loan Guarantee Program and received note proceeds of \$6,500,000. The City uses the proceeds for the development of the Market Place project. The annual debt service payments are funded through the City's Community Development Block Grant funds. On May 28, 2015, the City participated in the HUD refinancing program and refinanced the Section 108 Loan for a fixed rate note (Series 2015 A Certificates). Interest payments are made semiannually on August 1 and February 1. Principal payments are made on August 1 of each year and continue until August 2022. The outstanding balance of the HUD Section 108 Loan was \$1,047,000 at June 30, 2021.

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 508,000	\$ 19,174	\$ 527,174
2023	539,000	6,603	545,603
Total	<u>\$ 1,047,000</u>	<u>\$ 25,777</u>	<u>\$ 1,072,777</u>

2004 Taxable Pension Obligation Bonds

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

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

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

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

2004 Taxable Pension Obligation Bonds (Continued)

The outstanding balance of the 2004 Taxable Pension Obligation Bonds was \$11,770,000 at June 30, 2021.

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 425,000	\$ 712,877	\$ 1,137,877
2023	425,000	687,819	1,112,819
2024	410,000	662,761	1,072,761
2025	795,000	638,588	1,433,588
2026	845,000	590,283	1,435,283
2027 - 2031	5,045,000	2,117,182	7,162,182
2032 - 2034	<u>3,825,000</u>	<u>473,928</u>	<u>4,298,928</u>
Total	<u>\$ 11,770,000</u>	<u>\$ 5,883,438</u>	<u>\$ 17,653,438</u>

2021 Taxable Pension Obligation Bonds

On February 16, 2021, the City issued \$106,335,000 in Taxable Pension Obligation Bonds, 2021 Series A. These Bonds were issued to fund the unfunded liabilities of the City's Miscellaneous and Safety Plans 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 February 16, 2021, the City contributed \$105,545,217 (\$41,146,631 to the Miscellaneous Plan and \$64,398,586 to the Safety Plan) of the bond proceeds to CALPERS to fund a portion of the unfunded liability for the Miscellaneous and Safety Plans that provides retirement benefits to the City's eligible employees. This transaction and future debt service requirements on the bonds are being shared between the City's general fund and enterprise funds.

Bond interest is payable semi-annually on June 1 and December 1 commencing December 1, 2021. The rate of interest varies from 0.213% to 3.021% per annum. Principal is payable in annual installments ranging from \$3,130,000 to \$7,135,000 commencing on June 1, 2022 and ending on June 1, 2043. On or before August 1st of each year, the City is required to deposit with the trustee the amount sufficient to pay debt service on the bonds, the 2004 Bonds and any additional bonds and refunding obligations as may be issued on a parity basis in accordance with the Trust Agreement.

Optional Redemption: The bonds maturing on or before June 1, 2032 may be redeemed at the option of the City from any source of funds on any date on or after June 1, 2031 in whole or in part at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date of redemption, without premium. The bonds are also subject to redemption prior to June 1, 2031 at the option of the City, in whole or in part, at any time, at a redemption price equal to the greater of: (1) 100% of principal amount to be redeemed or (2) the sum, calculated by the City, of the present value of the remaining scheduled payments of principal and interest on the bonds to be redeemed discounted to the date of redemption on a semiannual basis at a Treasury Rate plus 15 basis points, plus accrued and unpaid interest on the bonds being redeemed to the date fixed for redemption.

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

2021 Taxable Pension Obligation Bonds (Continued)

The outstanding balance of the 2021 Taxable Pension Obligation Bonds was \$106,335,000 at June 30, 2021.

The annual debt service requirements on the 2021 Taxable Pension Obligation Bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 3,130,000	\$ 3,069,348	\$ 6,199,348
2023	3,855,000	2,369,602	6,224,602
2024	3,910,000	2,355,608	6,265,608
2025	3,575,000	2,331,132	5,906,132
2026	3,605,000	2,299,422	5,904,422
2027 - 2031	18,835,000	10,704,417	29,539,417
2032 - 2036	23,690,000	8,723,996	32,413,996
2037 - 2041	31,675,000	5,051,716	36,726,716
2042 - 2043	14,060,000	640,301	14,700,301
Total	<u>\$ 106,335,000</u>	<u>\$ 37,545,542</u>	<u>\$ 143,880,542</u>

Changes in long-term debt for the Successor Agency for the year ended June 30, 2021, are as follows:

<u>Successor Agency</u>	<u>Balance at July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2021</u>	<u>Due Within One Year</u>	<u>Due in More Than One Year</u>
Other Debt:						
Bonds Payable:						
2013A Tax Refunding Bonds - Atlantic-Garvey Project Redevelopment Project	\$ 8,205,000	\$ -	\$ (1,065,000)	\$ 7,140,000	\$ 1,115,000	\$ 6,025,000
2013B Tax Refunding Bonds - Merged Redevelopment Project	4,735,000	-	(435,000)	4,300,000	460,000	3,840,000
	<u>12,940,000</u>	<u>-</u>	<u>(1,500,000)</u>	<u>11,440,000</u>	<u>1,575,000</u>	<u>9,865,000</u>
Add Deferred Amounts:						
Bond Premium	627,608	-	(93,417)	534,191	-	534,191
Total Bonds Payable	<u>13,567,608</u>	<u>-</u>	<u>(1,593,417)</u>	<u>11,974,191</u>	<u>1,575,000</u>	<u>10,399,191</u>
Advances from the						
City of Monterey Park (Note 5)	1,308,334	-	(137,341)	1,170,993	-	1,170,993
Total Other Debt	<u>14,875,942</u>	<u>-</u>	<u>(1,730,758)</u>	<u>13,145,184</u>	<u>1,575,000</u>	<u>11,570,184</u>
Direct Borrowings:						
Tax Increment Deferred Loan - Atlantic/Garvey Project	12,913,842	903,969	-	13,817,811	-	13,817,811
Tax Increment Deferred Loan - Merged Project	59,407,110	4,025,461	(420,813)	63,011,758	468,189	62,543,569
Low/Mod Housing Deferred Loans	1,186,222	-	-	1,186,222	-	1,186,222
Total Direct Borrowings	<u>73,507,174</u>	<u>4,929,430</u>	<u>(420,813)</u>	<u>78,015,791</u>	<u>468,189</u>	<u>77,547,602</u>
Total Successor Agency	<u>\$ 88,383,116</u>	<u>\$ 4,929,430</u>	<u>\$ (2,151,571)</u>	<u>\$ 91,160,975</u>	<u>\$ 2,043,189</u>	<u>\$ 89,117,786</u>

CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Tax Allocation Bonds

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

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

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

The Bonds are secured by a first and prior lien on tax increment revenues, excluding any portion of revenues that are required to be deposited to the Rebate Fund. Annual principal and interest payments on the Bonds are expected to require less than 90% of net revenues. The amount of principal and interest outstanding at June 30, 2021, totaled \$8,105,821. Interest paid for the current year is \$354,506, and the net tax increment revenue is collected and withheld by the County of Los Angeles due to the dissolution of the former Redevelopment Agency.

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,115,000	\$ 300,006	\$ 1,415,006
2023	1,175,000	242,756	1,417,756
2024	1,165,000	184,256	1,349,256
2025	1,220,000	130,731	1,350,731
2026	1,210,000	80,619	1,290,619
2027	1,255,000	27,453	1,282,453
Total	<u>\$ 7,140,000</u>	<u>\$ 965,821</u>	<u>\$ 8,105,821</u>

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

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

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Tax Allocation Bonds (Continued)

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

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

The Bonds are secured by a first and prior lien on tax increment revenues, excluding any portion of revenues that are required to be deposited to the Rebate Fund. Annual principal and interest payments on the bonds are expected to require less than 90% of net revenues. The amount of principal and interest outstanding at June 30, 2021, totaled \$5,150,884. Interest paid for the current year is \$212,956 and the net tax increment revenue is collected and withheld by the County of Los Angeles due to the dissolution of the former Redevelopment Agency.

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

Year Ending June 30,	Principal	Interest	Total
2022	\$ 460,000	\$ 190,581	\$ 650,581
2023	480,000	167,081	647,081
2024	505,000	142,456	647,456
2025	530,000	119,231	649,231
2026	545,000	97,050	642,050
2027 - 2029	1,780,000	134,485	1,914,485
Total	<u>\$ 4,300,000</u>	<u>\$ 850,884</u>	<u>\$ 5,150,884</u>

Tax Increment Deferred Loan (Atlantic/Garvey Project)

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

The outstanding balance of the Tax Increment Deferred Loan (Atlantic/Garvey Project) was \$13,817,811 at June 30, 2021.

**CITY OF MONTEREY PARK
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Tax Allocation Bonds (Continued)

Tax Increment Deferred Loan (Merged Project)

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

The outstanding balance of the Tax Increment Deferred Loan (Merged Project) was \$63,011,758 at June 30, 2021.

Low/Mod Housing Deferred Loans

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

A summary of the repayment plan is presented below:

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

NOTE 8 CAPITALIZED LEASE OBLIGATIONS

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

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 CAPITALIZED LEASE OBLIGATIONS (CONTINUED)

On September 23, 2014, the City (Lessee) and the Siemens Public, Inc. (Lessor) entered into a lease-purchase agreement for an amount of \$10,511,901. The City will use the monies for energy efficiency improvements throughout city parks, facilities and infrastructure. The term of the agreement is 15 years, commencing on September 23, 2014 through June 23, 2030, at an interest rate of 2.80%. Lease payments are due quarterly in amounts ranging from \$140,217 to \$325,545 over the term of the agreement. The transactions are shared by the General Fund and the Water Utility Fund.

On March 16, 2021, the City (Lessee) and Motorola Solutions, Inc. (Lessor) entered into a lease-purchase agreement for police radios, dispatch consoles and station equipment in the amount of \$2,682,300. The term of the agreement is ten years through April 2, 2031, at an interest rate of 2.58%. Annual lease payments of \$307,745 are due April 1st of each year commencing in 2022.

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

	Governmental Activities	Business-Type Activities	Total
Assets:			
Machinery and Equipment	\$ 8,567,865	\$ -	\$ 8,567,865
Improvements	-	22,969,813	22,969,813
Subtotal	8,567,865	22,969,813	31,537,678
Less Accumulated Depreciation	(3,473,041)	(9,217,994)	(12,691,035)
Total	<u>\$ 5,094,824</u>	<u>\$ 13,751,819</u>	<u>\$ 18,846,643</u>

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

	Governmental Activities	Business-Type Activities	Total
Fiscal Year:			
2022	\$ 855,266	\$ 831,237	\$ 1,686,503
2023	862,331	871,209	1,733,540
2024	870,021	914,719	1,784,740
2025	878,170	960,827	1,838,997
2026	674,639	998,150	1,672,789
2027 - 2031	2,245,596	4,553,516	6,799,112
Subtotal	6,386,023	9,129,658	15,515,681
Less: Amount Representing Interest	(717,291)	(1,214,411)	(1,931,702)
Total	<u>\$ 5,668,732</u>	<u>\$ 7,915,247</u>	<u>\$ 13,583,979</u>

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 DUE TO OTHER GOVERNMENTAL AGENCIES

In the Special Revenue Grants Fund, an amount equal to the total outstanding balance of the identified loans receivable for the CDBG Residential Rehabilitation Program in the amount of \$48,015, State Earthquake Rehabilitation Assistance (SERA) Program in the amount of \$4,322, the Pacific Housing Corporation loan in the amount of \$256,705, and the Pacific Bridge Loan in the amount of \$427,425, described in Note 3 at June 30, 2021, have been recorded as Due to Other Governmental Agencies. As these notes are repaid, the repayment proceeds must be returned to the applicable government agency.

Description	Amount
Due to Other Governmental Agencies:	
CDBG Residential Rehabilitation Program	\$ 48,015
SERA Program	4,322
Pacific Housing Corporation Loan	256,705
Pacific Bridge Loan	427,425
Total	<u>\$ 736,467</u>

NOTE 10 PENSION PLANS

A. Defined Benefit Pension Plans

a. California Public Employees' Retirement System Plan

General Information about the Pension Plan

Plan Description

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

Benefit Provided

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

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 PENSION PLANS (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

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

General Information about the Pension Plan (Continued)

Benefit Provided (Continued)

Retirement benefits for classic miscellaneous employees are calculated as 2% to 2.7% of the average final 12 months compensation. Retirement benefits for PEPRA miscellaneous employees are calculated as 2% of the average final 36 months compensation. Retirement benefits for classic safety employees are calculated as 3% of the average final 12 months compensation. Retirement benefits for PEPRA safety employees are calculated as 2.7% of the average final 36 months compensation.

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

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

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

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

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 PENSION PLANS (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

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

General Information about the Pension Plan (Continued)

Employees Covered by Benefit Terms

At June 30, 2020, the measurement date, the following employees were covered by the benefit terms:

	Plans	
	Miscellaneous	Safety
Active Employees	192	120
Transferred and Terminated Employees	333	104
Retired Employees and Beneficiaries	341	251
Total	866	475

Contributions

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

The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions. For the current year, employer required contributions made were \$4,502,361 and \$6,744,705 to the miscellaneous and safety plans, respectively. The City also made additional unfunded liability payments of \$41,146,631 and \$64,398,586 to the miscellaneous and safety plans, respectively. The net pension liability for governmental activities is primarily liquidated from the general fund and the net pension liability for business-type activities is liquidated from the applicable enterprise funds.

Net Pension Liability

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**CITY OF MONTEREY PARK
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021**

NOTE 10 PENSION PLANS (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

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

Net Pension Liability (Continued)

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

The total pension liability in the June 30, 2019 actuarial valuations was determined using the following actuarial methods and assumptions:

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

Discount Rate

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

Long-term Expected Rate of Return

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

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 PENSION PLANS (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

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

Net Pension Liability (Continued)

Long-term Expected Rate of Return (Continued)

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

<u>Asset Class (1)</u>	<u>Allocation</u>	<u>1 - 10 (2)</u>	<u>11+ (3)</u>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	77.00%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Infrastructure and Forestland	0.00%	0.00%	0.00%
Liquidity	1.00%	0.00%	-0.92%
Total	<u>100.00%</u>		

(1) In the System's ACFR, fixed income is included in global debt securities; liquidity is included in short-term investments; inflation assets are included in both global equity securities and global debt securities.

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

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

Subsequent Events

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

CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 PENSION PLANS (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

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

Changes in the Net Pension Liability

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

	Miscellaneous Plan		
	Increase (Decrease)		
	Total	Plan	Net Pension
	Pension	Fiduciary	Liability
	Liability	Net Position	(Asset)
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2019 (Measurement Date)	\$ 143,823,713	\$ 103,643,187	\$ 40,180,526
Changes Recognized for the Measurement Period:			
Service Cost	2,180,399	-	2,180,399
Interest on the Total Pension Liability	10,151,939	-	10,151,939
Changes in Benefit Terms	-	-	-
Changes in Assumptions	-	-	-
Differences Between Expected and Actual Experience	602,063	-	602,063
Plan to Plan Resource Movement	-	-	-
Contributions from the Employer	-	4,961,827	(4,961,827)
Contributions from Employees	-	919,290	(919,290)
Net Investment Income	-	5,268,857	(5,268,857)
Benefit Payments, Including Refunds of Employee Contributions	(7,061,615)	(7,061,615)	-
Administrative Expenses	-	(146,111)	146,111
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes During July 1, 2019 to June 30, 2020	<u>5,872,786</u>	<u>3,942,248</u>	<u>1,930,538</u>
Balance at June 30, 2020 (Measurement Date)	<u>\$ 149,696,499</u>	<u>\$ 107,585,435</u>	<u>\$ 42,111,064</u>

CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 PENSION PLANS (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

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

Changes in the Net Pension Liability (Continued)

	Safety Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2019 (Measurement Date)	\$ 226,036,281	\$ 161,864,727	\$ 64,171,554
Changes Recognized for the Measurement Period:			
Service Cost	3,826,239	-	3,826,239
Interest on the Total Pension Liability	15,722,454	-	15,722,454
Changes in Benefit Terms	-	-	-
Changes in Assumptions	-	-	-
Differences Between Expected and Actual Experience	(2,916,658)	-	(2,916,658)
Plan to Plan Resource Movement	-	-	-
Contributions from the Employer	-	6,084,397	(6,084,397)
Contributions from Employees	-	1,483,430	(1,483,430)
Net Investment Income	-	8,070,569	(8,070,569)
Benefit Payments, Including Refunds of Employee Contributions	(10,276,568)	(10,276,568)	-
Administrative Expenses	-	(228,190)	228,190
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes During July 1, 2019 to June 30, 2020	<u>6,355,467</u>	<u>5,133,638</u>	<u>1,221,829</u>
Balance at June 30, 2020 (Measurement Date)	<u>\$ 232,391,748</u>	<u>\$ 166,998,365</u>	<u>\$ 65,393,383</u>

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

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

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.15%	6.15%
Net Pension Liability	\$ 61,391,652	\$ 96,576,460
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 42,111,064	\$ 65,393,383
1% Increase	8.15%	8.15%
Net Pension Liability	\$ 26,135,442	\$ 39,724,048

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 PENSION PLANS (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

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

Changes in the Net Pension Liability (Continued)

Pension Plan Fiduciary Net Position

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

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

For the measurement period ended June 30, 2020, the City incurred a pension expense/(income) of \$6,009,630 and \$8,759,459 for the miscellaneous plan and safety plan, respectively.

As of measurement date of June 30, 2020, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

Miscellaneous Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Made After the Measurement Date	\$ 45,648,992	\$ -
Difference Between Expected and Actual Experience	598,855	-
Changes of Assumptions	-	-
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	657,988	-
Total	\$ 46,905,835	\$ -

Safety Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Made After the Measurement Date	\$ 71,143,291	\$ -
Difference Between Expected and Actual Experience	935,678	(1,910,914)
Changes of Assumptions	-	-
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	1,309,501	-
Total	\$ 73,388,470	\$ (1,910,914)

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 PENSION PLANS (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

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

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

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). The EARSL for the miscellaneous plan and safety plan for the 2019-20 measurement period is 2.2 and 2.9 years, respectively, which was obtained by dividing the total service years of 1,939 and 1,349 (the sum of remaining service lifetimes of the active employees), respectively, by 866 and 472 (the total number of participants: active, inactive, and retired), respectively.

For the miscellaneous plan and safety plan, \$45,648,992 and \$69,955,494, respectively, reported as deferred outflows of resources related to pensions resulting from City's contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period	Amounts	
<u>Year Ending June 30,</u>	<u>Miscellaneous Plan</u>	<u>Safety Plan</u>
2021	\$ 49,081	\$ (745,736)
2022	289,984	(443,525)
2023	503,598	845,061
2024	414,180	678,465
2025	-	-
Thereafter	-	-

Payable to the Pension Plans

At June 30, 2021, the City had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2021.

b. Massachusetts Mutual Retirement Plan - Defined Benefit Plan

General Information about the Pension Plan

Plan Description

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

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

CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 PENSION PLANS (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

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

General Information about the Pension Plan (Continued)

Benefits Provided

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

Employee Covered by Benefit Terms

MMRP is a closed plan. As of the measurement date, June 30, 2021, there are 39 individuals in the plan, all of whom are no longer employed by the City or are currently participating in PERS. The City's payroll for employees covered by the MMRP was zero for the measurement period July 1, 2020 to June 30, 2021.

Contributions

MMRP is a contributory plan deriving funds from employer contributions and earnings from investments. Employer contributions were based upon the actuarial methods and assumptions. For the current year, the City made required contributions of \$605,000 to the MMRP.

Net Pension Liability

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2021, the total pension liability was determined by rolling forward the June 30, 2020 total pension liability to June 30, 2021, based on actual benefit payments.

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

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

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 PENSION PLANS (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

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

Net Pension Liability (Continued)

Discount Rate

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

Changes in the Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (c) = (a) - (b)
Balance at June 30, 2020	\$ 5,454,000	\$ 4,889,000	\$ 565,000
Changes Recognized for the Measurement Period:			
Service Cost	-	-	-
Interest on the Total Pension Liability	232,000	-	232,000
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	-	-
Changes in Assumptions	-	-	-
Contributions from the Employer	-	605,000	(605,000)
Contributions from Employees	-	-	-
Net Investment Income	-	323,000	(323,000)
Benefit Payments, Including Refunds	(501,000)	(501,000)	-
Administrative Expense	-	(17,000)	17,000
Net Changes	<u>(269,000)</u>	<u>410,000</u>	<u>(679,000)</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$ 5,185,000</u>	<u>\$ 5,299,000</u>	<u>\$ (114,000)</u>

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 PENSION PLANS (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

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

Changes in the Net Pension Liability (Continued)

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

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

1% Decrease		3.50%
Net Pension Liability	\$	262,000
Current Discount Rate		4.50%
Net Pension Liability	\$	(114,000)
1% Increase		5.50%
Net Pension Liability	\$	(439,000)

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

For the measurement period ending June 30, 2021, the City incurred a pension expense/(income) of \$7,000 for MMRP. As of measurement date of June 30, 2021, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ -	\$ -
Changes of Assumptions	-	-
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	(191,000)
Total	<u>\$ -</u>	<u>\$ (191,000)</u>

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

<u>Measurement Period Year Ending June 30,</u>	<u>Amount</u>
2022	\$ (28,000)
2023	(82,000)
2024	(63,000)
2025	(18,000)
2026	-
Thereafter	-

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 PENSION PLANS (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

c. Aggregate Amount of Pension Expenses

The aggregate amount of pension expenses for all defined benefit pension plans for the fiscal year ended June 30, 2021 totaled \$14,776,089.

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 Empower Inc. The plan was established by the authority of the City Council who retains the authority to amend the plan.

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

Part-time, nonbenefited, nonpersable employees of the City must participate in the plan. During the year ended June 30, 2021, 334 part-time employees participated in the plan. All contributions to the plan vest immediately. An employee who leaves the City is entitled to all contributions, including contributions made by the City, and earnings applied to the individual's account through the date of separation, less legally required income tax withholding. Participants that become full-time employees and enter the CalPERS retirement plan will have the amount in their individual accounts transferred from this plan into a Section 457, Deferred Compensation Plan, subject to all the rules governing Section 457 plans, including substantial penalties for withdrawal prior to the age of normal retirement. Contribution levels into the deferred compensation plan were established by City Council resolution at 4% and 3.5% for the City and nonbenefited, nonpersable part-time employees, respectively. During the year, the City contributed \$64,671 to the plan.

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS

A. Plan Description

In addition to the pension benefits, the City provides postretirement medical insurance benefits, through an agent multiple-employer OPEB plan in accordance with contractual provisions of the various Memoranda of Understanding with the City's recognized employee organizations, to all vested employees who retire with CalPERS pension benefits immediately upon termination of employment from the City. The City has established a California Retiree Benefit Trust (CERBT), an agent-multiple employer trust which CalPERS serves as trustee. Eligible retirees and dependents may elect lifetime coverage through the City's healthcare plans. The City makes contributions towards the retiree's premium up to specified caps that vary depending on bargaining unit and whether the participant has more or less than 20 years of service. Retirees pay the portion of premium not paid by the City. In addition to the direct City paid contribution, retirees also receive pre-65 benefits that are subsidized as they are eligible to receive coverage based on blended (active and retiree) premium rates instead of normally higher retiree rates (implied subsidy). For those retirees who are eligible for Medicare, the City contributes toward Medicare supplemental insurance coverage. Upon retirement, vested full-time employees may, at their own cost, convert group life insurance coverage to individual life insurance coverage. Post-employment benefits for employees that separate for reasons other than retirement are limited to those required under the provisions of COBRA and require no contribution by the City.

Members are eligible for the following benefits:

	<u>General</u>	<u>Management</u>	<u>Safety</u>
Benefit Types Provided	Medical Only	Medical Only	Medical Only
Duration of Benefits	Lifetime	Lifetime	Lifetime
Minimum Age	50	50	50
Dependent Coverage	Yes	Yes	Yes
Required Years of Service	5 Years	5 Years	5 Years
City Contribution %	100%	100%	100%
City Cap:			
Calendar Year 2019	\$340-\$435 per month	\$355-\$1,375	\$346-\$650
Calendar Year 2020	\$340-\$435 per month	\$355-\$1,375	\$346-\$650

Employees Covered

As of measurement date June 30, 2020, the following current and former employees were covered by the benefit terms under the plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	243
Inactive Employees or Beneficiaries Entitled to but not yet Receiving Benefits	59
Active Employees	254
	<u>556</u>

CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

A. Plan Description (Continued)

Contributions

The contribution requirements are established and amended by the City. Employer contributions are determined through an annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

For the current year, the City's contributions to the plan included \$1,000,000 to the irrevocable CERBT, an implied subsidy of \$301,000, \$16,000 in administrative expenses, and \$1,443,000 in cash benefit payments, resulting in total contributions of \$2,760,000. The contributions to the OPEB plan are generally made from the general fund.

B. Total OPEB Liability

For the measurement period ended June 30, 2020, the City's total OPEB liability was determined in a June 30, 2020 actuarial accounting valuation. A summary of the principal assumptions and methods used to determine the net OPEB liability is shown below.

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

B. Total OPEB Liability (Continued)

Actuarial Assumptions

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

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Contribution Policy	Pre-funded through CERBT with Strategy 1 asset allocation.
Actuarial Assumptions:	
Discount Rate	6.75% at June 30, 2019
General Inflation	2.75%
Cap Increase	All except Executive Management, CM and Elected Officials - 0% until end of current MOU, 5% every 3 years thereafter. Executive Management, CM and Elected Officials - 5% per year.
Long-Term Expected Rate of Return on Assets	6.75%
Medical Trend	Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4% in 2076 and later years Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4% in 2076 and later years
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 experience study
Mortality Improvement	Mortality projected fully generational with Scale MP-2019

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

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

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

B. Total OPEB Liability (Continued)

Discount Rate

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

C. Changes in the Net OPEB Liability

The changes in the net OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2019 (Measurement Date)	\$ 32,606,666	\$ 8,175,606	\$ 24,431,060
Changes in the Year:			
Service Cost	822,907	-	822,907
Interest on the Total OPEB Liability	2,199,290	-	2,199,290
Differences between Actual and Expected Experience	-	-	-
Changes in Assumptions	-	-	-
Changes in Benefit Terms	-	-	-
Contributions - Employer	-	2,710,000	(2,710,000)
Net Investment Income	-	318,876	(318,876)
Benefit Payments	(1,695,000)	(1,695,000)	-
Administrative Expenses	-	(19,470)	19,470
Administrative Expenses	-	-	-
Net Changes	<u>1,327,197</u>	<u>1,314,406</u>	<u>12,791</u>
Balance at June 30, 2020 (Measurement Date)	<u>\$ 33,933,863</u>	<u>\$ 9,490,012</u>	<u>\$ 24,443,851</u>

Change of Assumptions

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

Change of Benefit Terms

There were no changes of benefit terms.

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

C. Changes in the Net OPEB Liability (Continued)

Subsequent Events

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

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

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

	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
Net OPEB Liability	\$ 28,738,913	\$ 24,443,851	\$ 20,880,782

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

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

	1% Decrease	Current Trend	1% Increase
Net OPEB Liability	\$ 22,882,683	\$ 24,443,851	\$ 26,129,416

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

For the year ended June 30, 2021, the City recognized OPEB expense of \$1,319,660. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to Measurement Date	\$ 2,760,000	\$ -
Differences Between Actual and Expected Experience	-	3,256,183
Changes in Assumptions	-	730,025
Differences Between Projected and Actual Earnings	181,172	-
Total	\$ 2,941,172	\$ 3,986,208

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

**CITY OF MONTEREY PARK
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021**

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

C. Changes in the Net OPEB Liability (Continued)

**OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB
 (Continued)**

\$2,700,000 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ (1,102,155)
2023	(1,056,155)
2024	(1,042,157)
2025	(604,569)
2026	-
Thereafter	-

Payable to the OPEB Plan

At June 30, 2021, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2021.

NOTE 12 RISK MANAGEMENT

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

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

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

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 12 RISK MANAGEMENT (CONTINUED)

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

On November 17, 2016, the ICRMA Board approved an assessment on the member cities to fund deficits in its Liability Program for the fiscal years ended 2004, and 2012 through 2015. The City's share of this assessment was determined to be \$1,635,143 and is due and payable in equal installments of \$163,514 over the next ten years. This insurance assessment liability is recorded in the General Liability Internal Service Fund. At June 30, 2021, the assessment liability balance was \$981,086.

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

At June 30, 2021, total estimated claims payable were as follows:

Description	Amount
General Liability	\$ 7,242,057
Workers' Compensation	12,706,596
Total	<u>\$ 19,948,653</u>

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Claims Liabilities - Beginning Balance	\$ 18,372,816	\$ 15,651,443	\$ 13,281,946
Incurred claims, representing the total of a provision for events of the current fiscal year and any change in the provision for events of prior fiscal years	4,541,631	5,483,449	4,655,497
Payments on claims attributable to events of both the current fiscal year and prior fiscal years	<u>(2,965,794)</u>	<u>(2,762,076)</u>	<u>(2,286,000)</u>
Claims Liabilities - Ending Balance	<u>\$ 19,948,653</u>	<u>\$ 18,372,816</u>	<u>\$ 15,651,443</u>

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 12 RISK MANAGEMENT (CONTINUED)

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

NOTE 13 OTHER REQUIRED DISCLOSURES

Deficit Fund Balance/Net Position

At June 30, 2021, deficit fund balance was reported for the Public Safety Augmentation Special Revenue Fund (Nonmajor Fund) in the amount of \$(58,728). City management intends to eliminate the deficit with future receipts and/or transfers from the General Fund.

At June 30, 2021, deficit net position was reported for the Workers' Compensation Internal Service Fund in the amount of \$(8,420,621). City management intends to eliminate the deficit net position of the Workers' Compensation Funds over time by increased charges to City departments, and making transfers from excess in other internal service funds. City management believes the present cash position of this fund is adequate to meet current needs.

At June 30, 2021, deficit net position was reported for the General Liability Internal Service Fund in the amount of \$(6,244,871). City management intends to eliminate the deficit net position of the General Liability Internal Service Fund over time by increased charges to City departments, and making transfers from excess in other internal service funds. City management believes the present cash position of this fund is adequate to meet current needs.

At June 30, 2021, deficit net position was reported for the Successor Agency Private-Purpose Trust Fund in the amount of \$(88,905,572). The deficit is expected to be eliminated with future payments from the Redevelopment Property Tax Trust Fund to the Successor Agency for its long-term debt.

Excess of Expenditures over Appropriations

Total expenditures exceeded budgeted appropriations in the following funds:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund	\$ 56,187,494	\$ 147,805,217	\$ (91,617,723)
Special Revenue			
Retirement/Pension Liability Fund	13,169,265	20,433,030	(7,263,765)
Nonmajor Special Revenue Funds:			
Governmental Funds:			
Maintenance District 93-1	930,074	978,321	(48,247)

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14 FUND BALANCE CLASSIFICATIONS

Fund balance classifications as of June 30, 2021, are as follows:

	Major Funds					Totals
	Special Revenue Funds				Nonmajor Governmental	
	General	Grants	Retirement/ Pension	Housing		
Nonspendable:						
Prepaid Items	\$ 72,590	\$ -	\$ -	\$ -	\$ -	\$ 72,590
Total Nonspendable	72,590	-	-	-	-	72,590
Restricted:						
Housing	-	-	-	2,452,424	-	2,452,424
Grants:	-	1,216,277	-	-	-	1,216,277
Highways and Streets	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Retirement	-	-	81,838	-	-	81,838
OPA Proposition A	-	-	-	-	3,446,589	3,446,589
State Gas Tax	-	-	-	-	854,406	854,406
Measure W	-	-	-	-	128,187	128,187
Proposition C	-	-	-	-	2,246,174	2,246,174
Air Quality Improvement	-	-	-	-	307,771	307,771
Asset Forfeiture	-	-	-	-	702,260	702,260
Business Improvement Area #1	-	-	-	-	137,847	137,847
Maintenance District 93-1	-	-	-	-	64,837	64,837
Measure R	-	-	-	-	2,309,447	2,309,447
Measure M	-	-	-	-	3,156,517	3,156,517
SB1-RMRA	-	-	-	-	2,661,671	2,661,671
Park Facilities	-	-	-	-	497,976	497,976
Public Safety Impact	-	-	-	-	(130,495)	(130,495)
Circulation Development Impact	-	-	-	-	334,345	334,345
Total Restricted	-	1,216,277	81,838	2,452,424	16,717,532	20,468,071
Committed:						
Catastrophic Event	4,340,000	-	-	-	-	4,340,000
Working Capital	3,000,000	-	-	-	-	3,000,000
Economic Development	1,886,927	-	-	-	-	1,886,927
CERCLA Liability	-	-	-	-	367,752	367,752
Total Committed	9,226,927	-	-	-	367,752	9,594,679
Assigned:						
City Capital Improvements	21,418,237	-	-	-	-	21,418,237
Total Assigned	21,418,237	-	-	-	-	21,418,237
Unassigned:						
General Fund	4,419,338	-	-	-	-	4,419,338
Public Safety	-	-	-	-	(58,728)	(58,728)
Total Unassigned	4,419,338	-	-	-	(58,728)	4,360,610
Total Fund Balances	<u>\$ 35,137,092</u>	<u>\$ 1,216,277</u>	<u>\$ 81,838</u>	<u>\$ 2,452,424</u>	<u>\$ 17,026,556</u>	<u>\$ 55,914,187</u>

CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 SUBSEQUENT EVENTS

On October 25, 2021, the City through the Monterey Park Financing Authority, issued \$17,750,000 in Sale Tax Revenue Bonds, Series 2021. The proceeds from the sale of the Bonds will be used: (i) to finance certain public capital improvements in the City, including, but not limited to, rehabilitating, and (ii) to pay costs of issuance of the Bonds.

Bond interest is payable semi-annually on June 1 and December 1 commencing June 1, 2022. The rate of interest is on average 2.89% per annum. Principal is payable in annual installments ranging from \$165,000 to \$1,010,000 commencing on June 1, 2022 and ending on June 1, 2051.

In December 2021, the City entered into a loan agreement with the San Gabriel Valley Municipal Water District (SGVMWD), for \$4,000,000. The proceeds from the loan will be used to cover costs related to planning, design, construction and construction administration incurred by the City in connection with a water treatment and removal project. The loans bears no interest. Principal payments of \$400,000 are due annually through 2032.

NOTE 16 RESTATEMENT

The City adopted the provisions of the Governmental Accounting Standard Board (GASB) Statement No. 84, *Fiduciary Activities*, which became effective during the year ended June 30, 2021. The intention of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

The implementation of the Statement required the City to restate net position/fund balance for activities previously reported in the fiduciary agency fund that did not meet the criteria of a fiduciary activity. As a result, beginning net position of the governmental activities increased by \$3,973,010, the beginning fund balance of the General Fund was increased by \$2,984,611, and the beginning fund balance of the Grants Special Revenue Fund was increased by \$988,399.

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REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

**CITY OF MONTEREY PARK
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS) –
MISCELLANEOUS PLAN
LAST TEN MEASUREMENT PERIODS¹
JUNE 30, 2021**

Fiscal Year Ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Period	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability:							
Service Cost	\$ 2,180,399	\$ 2,265,594	\$ 2,094,764	\$ 2,228,391	\$ 2,069,087	\$ 1,980,088	\$ 1,910,429
Interest	10,151,939	9,748,249	9,247,324	8,924,469	8,653,522	8,290,095	7,992,845
Changes of Benefit Terms	-	-	-	-	-	-	-
Changes of Assumptions	-	-	(692,460)	7,347,650	-	(2,040,465)	-
Differences Between Expected and Actual Experience	602,063	2,073,497	(117,357)	(1,360,108)	(944,621)	(1,849,112)	-
Benefit Payments, Including Refunds of Employee Contributions	(7,061,615)	(6,792,973)	(6,197,134)	(5,324,401)	(4,855,567)	(4,383,243)	(4,121,783)
Net Change in Total Pension Liability	5,872,786	7,294,367	4,335,137	11,816,001	4,922,421	1,997,363	5,781,491
Total Pension Liability - Beginning	143,823,713	136,529,346	132,194,209	120,378,208	115,455,787	113,458,424	107,676,933
Total Pension Liability - Ending (A)	<u>\$ 149,696,499</u>	<u>\$ 143,823,713</u>	<u>\$ 136,529,346</u>	<u>\$ 132,194,209</u>	<u>\$ 120,378,208</u>	<u>\$ 115,455,787</u>	<u>\$ 113,458,424</u>
Pension Fiduciary Net Position:							
Contributions - Employer	\$ 4,961,827	\$ 4,364,979	\$ 4,603,513	\$ 3,511,958	\$ 3,019,357	\$ 2,466,015	\$ 2,203,100
Contributions - Employee	919,290	1,139,478	866,540	907,755	917,401	940,132	838,784
Net Plan to Plan Resource Movement	-	-	(229)	-	-	-	-
Net Investment Income	5,122,746	6,457,617	7,707,169	9,429,350	385,286	1,789,792	12,387,447
Benefit Payments, Including Refunds of Employee Contributions	(7,061,615)	(6,792,973)	(6,197,134)	(5,324,401)	(4,855,567)	(4,383,243)	(4,121,783)
Other Miscellaneous Income/(Expense)	-	229	(271,552)	-	-	-	-
Other	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	3,942,248	5,169,330	6,708,307	8,524,662	(533,523)	812,696	11,307,548
Plan Fiduciary Net Position - Beginning	103,643,187	98,473,857	91,765,550	83,240,888	83,774,411	82,961,715	71,654,167
Plan Fiduciary Net Position - Ending (B)	<u>\$ 107,585,435</u>	<u>\$ 103,643,187</u>	<u>\$ 98,473,857</u>	<u>\$ 91,765,550</u>	<u>\$ 83,240,888</u>	<u>\$ 83,774,411</u>	<u>\$ 82,961,715</u>
Plan Net Pension Liability - Ending (A) - (B)	<u>\$ 42,111,064</u>	<u>\$ 40,180,526</u>	<u>\$ 38,055,489</u>	<u>\$ 40,428,659</u>	<u>\$ 37,137,320</u>	<u>\$ 31,681,376</u>	<u>\$ 30,496,709</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>71.87%</u>	<u>72.06%</u>	<u>72.13%</u>	<u>69.42%</u>	<u>69.15%</u>	<u>72.56%</u>	<u>73.12%</u>
Covered Payroll	<u>\$ 11,984,909</u>	<u>\$ 11,235,594</u>	<u>\$ 11,745,064</u>	<u>\$ 11,093,630</u>	<u>\$ 11,429,792</u>	<u>\$ 11,412,611</u>	<u>\$ 10,708,680</u>
Net Pension Liability as a Percentage of Covered Payroll	<u>351.37%</u>	<u>357.62%</u>	<u>324.01%</u>	<u>364.43%</u>	<u>324.92%</u>	<u>277.60%</u>	<u>284.78%</u>

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

Notes to Schedule:

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

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

**CITY OF MONTEREY PARK
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS) –
SAFETY PLAN
LAST TEN MEASUREMENT PERIODS ¹
JUNE 30, 2021**

Fiscal Year Ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Period	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability:							
Service Cost	\$ 3,826,239	\$ 3,799,004	\$ 3,527,711	\$ 3,386,209	\$ 2,947,888	\$ 2,923,036	\$ 3,003,645
Interest	15,722,454	15,282,800	14,480,120	13,751,245	13,417,480	12,911,065	12,482,279
Changes of Benefit Terms	-	-	-	-	-	-	-
Changes of Assumptions	-	-	(449,040)	11,578,272	-	(3,224,562)	-
Differences Between Expected and Actual Experience	(2,916,658)	2,807,034	2,778,709	(2,485,932)	(950,812)	(1,936,767)	-
Benefit Payments, Including Refunds of Employee Contributions	(10,276,568)	(9,782,967)	(9,665,441)	(9,022,216)	(8,465,095)	(8,086,742)	(7,798,383)
Net Change in Total Pension Liability	6,355,467	12,105,871	10,672,059	17,207,578	6,949,461	2,586,030	7,687,541
Total Pension Liability - Beginning	226,036,281	213,930,410	203,258,351	186,050,773	179,101,312	176,515,282	168,827,741
Total Pension Liability - Ending (A)	<u>\$ 232,391,748</u>	<u>\$ 226,036,281</u>	<u>\$ 213,930,410</u>	<u>\$ 203,258,351</u>	<u>\$ 186,050,773</u>	<u>\$ 179,101,312</u>	<u>\$ 176,515,282</u>
Pension Fiduciary Net Position:							
Contributions - Employer	\$ 6,084,397	\$ 5,484,667	\$ 4,724,661	\$ 4,231,618	\$ 3,647,109	\$ 3,220,567	\$ 2,924,318
Contributions - Employee	1,483,430	1,282,715	1,224,504	1,181,754	1,075,386	1,046,298	1,022,948
Net Plan to Plan Resource Movement	-	-	(361)	-	-	-	-
Net Investment Income	7,842,379	10,011,998	12,034,298	15,034,493	609,810	2,899,581	21,032,695
Benefit Payments, Including Refunds of Employee Contributions	(10,276,568)	(9,782,967)	(9,665,441)	(9,022,216)	(8,465,095)	(8,086,742)	(7,798,383)
Other Miscellaneous Income/(Expense)	-	361	(434,958)	-	-	-	-
Other	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	5,133,638	6,996,774	7,882,703	11,425,649	(3,132,790)	(920,296)	17,181,578
Plan Fiduciary Net Position - Beginning	161,864,727	154,867,953	146,985,250	135,559,601	138,692,391	139,612,687	122,431,109
Plan Fiduciary Net Position - Ending (B)	<u>\$ 166,998,365</u>	<u>\$ 161,864,727</u>	<u>\$ 154,867,953</u>	<u>\$ 146,985,250</u>	<u>\$ 135,559,601</u>	<u>\$ 138,692,391</u>	<u>\$ 139,612,687</u>
Plan Net Pension Liability - Ending (A) - (B)	<u>\$ 65,393,383</u>	<u>\$ 64,171,554</u>	<u>\$ 59,062,457</u>	<u>\$ 56,273,101</u>	<u>\$ 50,491,172</u>	<u>\$ 40,408,921</u>	<u>\$ 36,902,595</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>71.86%</u>	<u>71.61%</u>	<u>72.39%</u>	<u>72.31%</u>	<u>72.86%</u>	<u>77.44%</u>	<u>79.09%</u>
Covered Payroll	<u>\$ 13,251,294</u>	<u>\$ 12,387,062</u>	<u>\$ 11,847,348</u>	<u>\$ 12,149,124</u>	<u>\$ 11,565,157</u>	<u>\$ 11,541,643</u>	<u>\$ 11,410,291</u>
Net Pension Liability as a Percentage of Covered Payroll	<u>493.49%</u>	<u>518.05%</u>	<u>498.53%</u>	<u>463.19%</u>	<u>436.58%</u>	<u>350.11%</u>	<u>323.42%</u>

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

Notes to Schedule:

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

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

CITY OF MONTEREY PARK
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
MASSACHUSETTS MUTUAL RETIREMENT PLAN (MMRP)
LAST TEN MEASUREMENT PERIODS ¹
JUNE 30, 2021

Fiscal Year Ended/Measurement Period Ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Total Pension Liability:							
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	232,000	247,000	263,000	269,000	287,000	305,004	321,000
Changes of Benefit Terms	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	48,000	-	170,000	-	-	(53,000)
Changes of Assumptions	-	(19,000)	-	377,000	-	-	76,000
Benefit Payments, Including Refunds of Employee Contributions	(501,000)	(597,000)	(641,000)	(659,004)	(666,000)	(691,000)	(702,000)
Net Change in Total Pension Liability	(269,000)	(321,000)	(378,000)	156,996	(379,000)	(385,996)	(358,000)
Total Pension Liability - Beginning	5,454,000	5,775,000	6,153,000	5,996,004	6,375,004	6,761,000	7,119,000
Total Pension Liability - Ending (A)	<u>\$ 5,185,000</u>	<u>\$ 5,454,000</u>	<u>\$ 5,775,000</u>	<u>\$ 6,153,000</u>	<u>\$ 5,996,004</u>	<u>\$ 6,375,004</u>	<u>\$ 6,761,000</u>
Pension Fiduciary Net Position:							
Contributions - Employer	\$ 605,000	\$ 1,200,000	\$ 1,000,000	\$ 950,000	\$ 950,000	\$ 950,000	\$ 950,000
Contributions - Employee	-	-	-	-	-	-	-
Net Investment Income	323,000	447,000	269,000	(98,000)	53,000	(12,000)	57,000
Benefit Payments, Including Refunds of Employee Contributions	(501,000)	(597,000)	(641,000)	(659,000)	(666,000)	(691,000)	(702,000)
Administrative Expense	(17,000)	(17,000)	(16,000)	(18,000)	(15,000)	(14,000)	(16,000)
Other	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	410,000	1,033,000	612,000	175,000	322,000	233,000	289,000
Plan Fiduciary Net Position - Beginning	4,889,000	3,856,000	3,244,000	3,069,000	2,747,000	2,514,000	2,225,000
Plan Fiduciary Net Position - Ending (B)	<u>\$ 5,299,000</u>	<u>\$ 4,889,000</u>	<u>\$ 3,856,000</u>	<u>\$ 3,244,000</u>	<u>\$ 3,069,000</u>	<u>\$ 2,747,000</u>	<u>\$ 2,514,000</u>
Plan Net Pension Liability (Asset) - Ending (A) - (B)	<u>\$ (114,000)</u>	<u>\$ 565,000</u>	<u>\$ 1,919,000</u>	<u>\$ 2,909,000</u>	<u>\$ 2,927,004</u>	<u>\$ 3,628,004</u>	<u>\$ 4,247,000</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>102.20%</u>	<u>89.64%</u>	<u>66.77%</u>	<u>52.72%</u>	<u>51.18%</u>	<u>43.09%</u>	<u>37.18%</u>
Covered Payroll	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Pension Liability as a Percentage of Covered Payroll	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>

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

Notes to Schedule:

Benefit Changes: None.

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

**CITY OF MONTEREY PARK
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CONTRIBUTIONS
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS) –
MISCELLANEOUS PLAN
LAST TEN FISCAL YEARS¹
JUNE 30, 2021**

Fiscal Year Ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contribution (Actuarially Determined)	\$ 4,502,361	\$ 4,199,483	\$ 3,761,279	\$ 3,320,513	\$ 3,241,958	\$ 2,779,357	\$ 2,466,015
Contributions in Relation to the Actuarially Determined Contributions	(45,648,992)	(4,961,827)	(4,364,979)	(4,603,513)	(3,511,958)	(3,019,357)	(2,466,015)
Contribution Deficiency (Excess)	<u>\$ (41,146,631)</u>	<u>\$ (762,344)</u>	<u>\$ (603,700)</u>	<u>\$ (1,283,000)</u>	<u>\$ (270,000)</u>	<u>\$ (240,000)</u>	<u>\$ -</u>
Covered Payroll	\$ 12,120,063	\$ 11,984,909	\$ 11,235,594	\$ 11,745,064	\$ 11,093,630	\$ 11,429,792	\$ 11,412,611
Contributions as a Percentage of Covered Payroll	376.64%	41.40%	38.85%	39.20%	31.66%	26.42%	21.61%

Notes to Schedule:

Valuation Date	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:							
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	15 Year Smoothed Market
Inflation	2.50%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.15% (3)	7.375% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed

(2) Depending on age, service, and type of employment

(3) Net of pension plan investment expense, including inflation

(4) 50 for all plans with the exception of 52 for Miscellaneous PEPRA 2% @ 62

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

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

**CITY OF MONTEREY PARK
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CONTRIBUTIONS (CONTINUED)
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS) –
SAFETY PLAN
LAST TEN FISCAL YEARS¹
JUNE 30, 2021**

Fiscal Year Ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contribution (Actuarially Determined)	\$ 6,744,705	\$ 6,084,397	\$ 5,484,667	\$ 4,724,661	\$ 4,231,618	\$ 3,647,109	\$ 3,220,567
Contributions in Relation to the Actuarially Determined Contributions	<u>(71,143,291)</u>	<u>(6,084,397)</u>	<u>(5,484,667)</u>	<u>(4,724,661)</u>	<u>(4,231,618)</u>	<u>(3,647,109)</u>	<u>(3,220,567)</u>
Contribution Deficiency (Excess)	<u>\$ (64,398,586)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 13,434,829	\$ 13,251,294	\$ 12,387,062	\$ 11,847,348	\$ 12,149,124	\$ 11,565,157	\$ 11,541,643
Contributions as a Percentage of Covered Payroll	529.54%	45.92%	44.28%	39.88%	34.83%	31.54%	27.90%

Notes to Schedule:

Valuation Date	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:							
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	15 Year Smoothed Market
Inflation	2.50%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.15% (3)	7.375% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed

(2) Depending on age, service, and type of employment

(3) Net of pension plan investment expense, including inflation

(4) 50 for all plans with the exception of 52 for Miscellaneous PEPRA 2% @ 62

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

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

**CITY OF MONTEREY PARK
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CONTRIBUTIONS (CONTINUED)
MASSACHUSETTS MUTUAL RETIREMENT PLAN (MMRP) –
LAST TEN FISCAL YEARS¹
JUNE 30, 2021**

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially Determined Contribution	\$ 605,000	\$ 994,000	\$ 994,000	\$ 961,000	\$ 961,000	\$ 950,000	\$ 950,000
Contributions in Relation to the Actuarially Determined Contribution	(605,000)	(1,200,000)	(1,000,000)	(950,000)	(950,000)	(950,000)	(950,000)
Contribution Deficiency (Excess)	\$ -	\$ (206,000)	\$ (6,000)	\$ 11,000	\$ 11,000	\$ -	\$ -
Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered Payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Notes to Schedule:

Valuation Date	6/30/2019	6/30/2017	6/30/2017	6/30/2017	6/30/2015	6/30/2015	6/30/2015
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Methods and Assumptions Used to

Determine Contribution Rates:

	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Actuarial Cost Method	Level Dollar	Level Dollar	Level Dollar	Level Dollar	Level Dollar	Level Dollar	Level Dollar
Amortization Method	(1)	(1)	(1)	(1)	(1)	(2)	(2)
Remaining Amortization Period	(2)	(2)	(2)	(2)	(2)	(3)	(3)
Asset Valuation Method	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Noninvestment Expenses	4.50%	4.50%	4.50%	4.50%	4.75%	4.75%	4.75%
Discount Rate	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%	3.00%
General Inflation	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Cost of Living Adjustment	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Mortality							

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

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

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

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

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

**CITY OF MONTEREY PARK
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST TEN MEASUREMENT PERIODS ¹
JUNE 30, 2021**

Fiscal Year Ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Period	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability:				
Service Cost	\$ 822,907	\$ 1,014,890	\$ 985,000	\$ 956,000
Interest	2,199,290	2,418,231	2,307,000	2,204,000
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	-	(5,065,175)	-	-
Changes of Assumptions	-	(1,135,595)	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,695,000)	(1,628,685)	(1,580,000)	(1,653,000)
Net Change in Total OPEB Liability	1,327,197	(4,396,334)	1,712,000	1,507,000
Total OPEB Liability - Beginning	32,606,666	37,003,000	35,291,000	33,784,000
Total OPEB Liability - Ending (A)	\$ 33,933,863	\$ 32,606,666	\$ 37,003,000	\$ 35,291,000
OPEB Fiduciary Net Position:				
Contributions - Employer	\$ 2,710,000	\$ 2,694,599	\$ 2,565,000	\$ 2,703,000
Contributions - Employee	-	-	-	-
Net Investment Income	318,876	468,237	491,000	475,000
Benefit Payments, Including Refunds of Employee Contributions	(1,695,000)	(1,628,685)	(1,580,000)	(1,653,000)
Administrative Expense	(19,470)	(17,545)	(10,000)	(2,000)
Net Change in Plan Fiduciary Net Position	1,314,406	1,516,606	1,466,000	1,523,000
Plan Fiduciary Net Position - Beginning	8,175,606	6,659,000	5,193,000	3,670,000
Plan Fiduciary Net Position - Ending (B)	\$ 9,490,012	\$ 8,175,606	\$ 6,659,000	\$ 5,193,000
Plan's Net OPEB Liability - Ending (A) - (B)	\$ 24,443,851	\$ 24,431,060	\$ 30,344,000	\$ 30,098,000
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	27.97%	25.07%	18.00%	14.71%
Covered-Employee Payroll	\$ 25,791,000	\$ 29,951,647	\$ 28,530,000	\$ 27,659,000
Plan's Net OPEB Liability as a Percentage of Covered-Employee Payroll	94.78%	81.57%	106.36%	108.82%

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

Notes to Schedule:

Benefit Changes: None

Changes of Assumptions:

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

**CITY OF MONTEREY PARK
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CONTRIBUTIONS - OPEB
LAST TEN FISCAL YEARS
JUNE 30, 2021**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Actuarially Determined Contribution	\$ 2,487,000	\$ 2,999,000	\$ 2,925,000	\$ 2,855,000
Contributions in Relation to the				
Actuarially Determined Contribution	(2,760,000)	(2,710,000)	(2,694,599)	(2,565,000)
Contribution Deficiency (Excess)	<u>\$ (273,000)</u>	<u>\$ 289,000</u>	<u>\$ 230,401</u>	<u>\$ 290,000</u>
Covered-Employee Payroll	<u>\$ 25,378,000</u>	<u>\$ 25,791,000</u>	<u>\$ 29,951,647</u>	<u>\$ 28,530,000</u>
Contributions as a Percentage of				
Covered-Employee Payroll	<u>10.88%</u>	<u>10.51%</u>	<u>9.00%</u>	<u>8.99%</u>

Notes to Schedule:

Valuation Date:	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
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Methods and Assumptions Used to

Determine Contribution Rates:

	Entry Age	Entry Age	Entry Age	Entry Age
Actuarial Cost Method	(1)	(1)	(1)	(1)
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	(2)	(2)	(2)	(2)
Discount Rate	6.75%	6.75%	6.50%	6.50%
Inflation	2.75%	2.75%	2.75%	2.75%
Medical Trend (3):				
Non-Medicare	7.25% to 4.0%	7.25% to 4.0%	7.5% to 4.0%	7.5% to 4.0%
Medicare	6.3% to 4.0%	6.3% to 4.0%	6.5% to 4.0%	6.5% to 4.0%
Mortality	(4)	(4)	(4)	(4)

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

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

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

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

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

**CITY OF MONTEREY PARK
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2021**

	General Fund			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 31,583,689	\$ 32,696,976	\$ 34,881,186	\$ 2,184,210
Licenses and Permits	2,476,723	2,029,313	1,849,831	(179,482)
Charges for Services	5,376,986	7,190,666	6,344,336	(846,330)
Revenues from Use of Money and Property	2,045,500	1,295,500	388,504	(906,996)
Fines and Forfeitures	710,600	500,000	354,802	(145,198)
Other Revenue	2,155,855	757,705	1,619,239	861,534
Total Revenues	<u>44,349,353</u>	<u>44,470,160</u>	<u>45,437,898</u>	<u>967,738</u>
EXPENDITURES				
Current:				
General Government	8,865,594	8,619,914	104,127,643	(95,507,729)
Public Safety	27,488,743	27,538,042	26,933,033	605,009
Community Development	428,397	428,397	280,648	147,749
Culture and Recreation	5,420,193	5,504,713	4,708,508	796,205
Highways and Streets	1,680,431	1,805,985	2,084,489	(278,504)
Capital Outlay	-	11,402,357	8,020,508	3,381,849
Debt Service:				
Debt Issuance Costs	-	-	743,285	(743,285)
Principal Retirement	84,547	84,547	84,547	-
Interest and Fiscal Charges	36,139	36,139	55,156	(19,017)
Total Expenditures	<u>44,004,044</u>	<u>55,420,094</u>	<u>147,037,817</u>	<u>(91,617,723)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	345,309	(10,949,934)	(101,599,919)	(90,649,985)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	1,255,421	1,255,421
Transfers Out	(1,805,552)	(2,819,394)	(3,586,794)	(767,400)
Capital Lease	-	-	2,682,300	2,682,300
Issuance of Debt	-	-	100,892,026	100,892,026
Total Other Financing Sources (Uses)	<u>(1,805,552)</u>	<u>(2,819,394)</u>	<u>101,242,953</u>	<u>104,062,347</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,460,243)</u>	<u>\$ (13,769,328)</u>	(356,966)	<u>\$ 13,412,362</u>
Fund Balance, Beginning of Year			<u>35,494,058</u>	
FUND BALANCE, END OF YEAR			<u>\$ 35,137,092</u>	

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

**CITY OF MONTEREY PARK
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SPECIAL REVENUE GRANTS FUNDS
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2021**

	Special Revenue Grants Fund			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 1,489,578	\$ 2,974,494	\$ 3,322,441	\$ 347,947
Revenues from Use of Money and Property	15,456	22,456	64,623	42,167
Total Revenues	<u>1,505,034</u>	<u>2,996,950</u>	<u>3,387,064</u>	<u>390,114</u>
EXPENDITURES				
Current:				
General Government	439,361	2,822,629	1,539,105	1,283,524
Public Safety	421,905	926,907	1,179,114	(252,207)
Culture and Recreation	226,495	293,086	228,203	64,883
Highways and Streets	32,120	32,120	29,298	2,822
Capital Outlay	-	2,462,083	17,802	2,444,281
Debt Service:				
Principal Retirement	479,000	593,953	600,879	(6,926)
Interest and Fiscal Charges	29,886	29,886	10,867	19,019
Total Expenditures	<u>1,628,767</u>	<u>7,160,665</u>	<u>3,605,268</u>	<u>3,555,397</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(123,733)</u>	<u>(4,163,715)</u>	<u>(218,204)</u>	<u>3,945,511</u>
OTHER FINANCING USES				
Transfers In	-	-	13,842	13,842
Transfers Out	-	-	(1,301,314)	(1,301,314)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>(1,287,472)</u>	<u>(1,287,472)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (123,733)</u>	<u>\$ (4,163,715)</u>	<u>(1,505,676)</u>	<u>\$ 2,658,039</u>
Fund Balance, Beginning of Year, as Restated			<u>2,721,953</u>	
FUND BALANCE, END OF YEAR			<u>\$ 1,216,277</u>	

**CITY OF MONTEREY PARK
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SPECIAL REVENUE RETIREMENT/PENSION LIABILITY FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2021**

	Special Revenue Retirement/Pension Liability			
	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual	
REVENUES				
Taxes	\$ 7,493,186	7,493,186	\$ 9,285,658	\$ 1,792,472
Revenues from Use of Money and Property	15,514	15,514	127	(15,387)
Other Revenue	1,000,000	1,000,000	-	(1,000,000)
Total Revenues	<u>8,508,700</u>	<u>8,508,700</u>	<u>9,285,785</u>	<u>777,085</u>
EXPENDITURES				
Current:				
General Government	1,781,990	2,790,554	9,936,559	(7,146,005)
Public Safety	7,908,975	7,901,975	8,231,539	(329,564)
Community Development	90,328	90,328	72,437	17,891
Culture and Recreation	907,592	907,592	781,179	126,413
Highways and Streets	310,586	310,586	243,086	67,500
Debt Service:				
Principal Retirement	430,000	430,000	430,000	-
Interest and Fiscal Charges	738,230	738,230	738,230	-
Total Expenditures	<u>12,167,701</u>	<u>13,169,265</u>	<u>20,433,030</u>	<u>(7,263,765)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(3,659,001)</u>	<u>(4,660,565)</u>	<u>(11,147,245)</u>	<u>(6,486,680)</u>
OTHER FINANCING SOURCES				
Transfers In	4,000,000	4,000,000	3,218,932	(781,068)
Total Other Financing Sources	<u>4,000,000</u>	<u>4,000,000</u>	<u>3,218,932</u>	<u>(781,068)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 340,999</u>	<u>\$ (660,565)</u>	<u>(7,928,313)</u>	<u>\$ (7,267,748)</u>
Fund Balance, Beginning Of Year			<u>8,010,151</u>	
FUND BALANCE, END OF YEAR			<u>\$ 81,838</u>	

**CITY OF MONTEREY PARK
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SPECIAL REVENUE HOUSING FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2021**

	Special Revenue Housing			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenues from Use of Money and Property	\$ -	\$ -	\$ 4,239	\$ 4,239
Other Revenue	60,000	60,000	2,791	(57,209)
Total Revenues	<u>60,000</u>	<u>60,000</u>	<u>7,030</u>	<u>(52,970)</u>
EXPENDITURES				
Current:				
Community Development	60,000	60,000	-	60,000
Total Expenditures	<u>60,000</u>	<u>60,000</u>	<u>-</u>	<u>60,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>7,030</u>	<u>7,030</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>7,030</u>	<u>\$ 7,030</u>
Fund Balance, Beginning Of Year			<u>2,445,394</u>	
FUND BALANCE, END OF YEAR			<u>\$ 2,452,424</u>	

CITY OF MONTEREY PARK
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
JUNE 30, 2021

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 2020-2021, General Fund budgetary appropriation went up by \$12.2 million primarily due to the carryover capital outlay budget; the Special Revenue Grants Fund budget went up by \$5.4 million, which was related to various grants received; and the Retirement/Pension Liability Fund budget went up by \$1.0 million which was related to MOU adjustments.

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

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

Under Article XIII-B of the California Constitution (The Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations, and if certain proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or refunded to the taxpayers through revised tax rate or revised fee schedules. For the fiscal year ended June 30, 2021, based on calculations by City Management, proceeds of taxes did not exceed the appropriations limit.

SUPPLEMENTARY INFORMATION

**CITY OF MONTEREY PARK
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS**

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

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

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

Measure W Fund - used to account for the City's share of a special parcel tax based on impermeable areas within the jurisdiction of the Los Angeles County Flood Control District, approved by the electorate in November 2018 as the Safe Clean Water (SCW) Program, to fund projects and programs that improve water quality, increase stormwater and urban runoff capture and reduce stormwater and urban runoff pollution in the District.

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

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

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

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

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

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

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

**CITY OF MONTEREY PARK
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS (CONTINUED)**

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.

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

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

SB1 - RMRA Fund - used to account for the City's 12-cent per gallon gas tax began on November 2017 and new vehicle registration taxes began January 2018. The funds are to address basic road maintenance, rehabilitation and critical safety needs on the local street and road system.

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

**CITY OF MONTEREY PARK
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Funds				
	Proposition A	Gas Tax	Measure W	Proposition C	Air Quality Improvement
ASSETS					
Cash and Investments	\$ 3,463,686	\$ 929,384	\$ 128,089	\$ 2,250,782	\$ 307,717
Accounts Receivable	106,715	-	-	-	-
Interest Receivable	2,645	706	98	1,625	235
Total Assets	<u>\$ 3,573,046</u>	<u>\$ 930,090</u>	<u>\$ 128,187</u>	<u>\$ 2,252,407</u>	<u>\$ 307,952</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 15,066	\$ 70,354	\$ -	\$ 5,286	\$ -
Accrued Payroll	4,676	5,330	-	947	181
Due to Other Funds	-	-	-	-	-
Total Liabilities	<u>19,742</u>	<u>75,684</u>	<u>-</u>	<u>6,233</u>	<u>181</u>
DEFERRED INFLOW OF RESOURCES					
Unavailable Revenue	106,715	-	-	-	-
FUND BALANCES (DEFICITS)					
Restricted	3,446,589	854,406	128,187	2,246,174	307,771
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	<u>3,446,589</u>	<u>854,406</u>	<u>128,187</u>	<u>2,246,174</u>	<u>307,771</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	<u>\$ 3,573,046</u>	<u>\$ 930,090</u>	<u>\$ 128,187</u>	<u>\$ 2,252,407</u>	<u>\$ 307,952</u>

CITY OF MONTEREY PARK
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2021

	Special Revenue Funds				
	Asset Forfeiture	Parks/Library/ Facilities DIF	Business Improvement Area #1	Maintenance District 93-1	Law Enforcement/ Fire/Medic DIF
ASSETS					
Cash and Investments	\$ 705,959	\$ 497,635	\$ 144,937	\$ 55,095	\$ -
Accounts Receivable	-	-	-	15,713	-
Interest Receivable	542	352	110	-	-
Total Assets	<u>\$ 706,501</u>	<u>\$ 497,987</u>	<u>\$ 145,047</u>	<u>\$ 70,808</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 4,241	\$ 11	\$ 7,200	\$ 4,359	\$ -
Accrued Payroll	-	-	-	1,612	-
Due to Other Funds	-	-	-	-	130,495
Total Liabilities	<u>4,241</u>	<u>11</u>	<u>7,200</u>	<u>5,971</u>	<u>130,495</u>
DEFERRED INFLOW OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
FUND BALANCES (DEFICITS)					
Restricted	702,260	497,976	137,847	64,837	(130,495)
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	<u>702,260</u>	<u>497,976</u>	<u>137,847</u>	<u>64,837</u>	<u>(130,495)</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	<u>\$ 706,501</u>	<u>\$ 497,987</u>	<u>\$ 145,047</u>	<u>\$ 70,808</u>	<u>\$ -</u>

CITY OF MONTEREY PARK
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2021

	Special Revenue Funds				
	Public Safety Augmentation	Measure R	Circulation DIF	CERCLA Liability	SB1 - RMRA
ASSETS					
Cash and Investments	\$ -	\$ 2,477,165	\$ 334,098	\$ 366,422	\$ 2,454,622
Accounts Receivable	147,482	-	-	1,050	205,175
Interest Receivable	-	1,892	247	280	1,874
Total Assets	\$ 147,482	\$ 2,479,057	\$ 334,345	\$ 367,752	\$ 2,661,671
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ 168,855	\$ -	\$ -	\$ -
Accrued Payroll	-	755	-	-	-
Due to Other Funds	206,210	-	-	-	-
Total Liabilities	206,210	169,610	-	-	-
DEFERRED INFLOW OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
FUND BALANCES (DEFICITS)					
Restricted	-	2,309,447	334,345	-	2,661,671
Committed	-	-	-	367,752	-
Unassigned	(58,728)	-	-	-	-
Total Fund Balances (Deficits)	(58,728)	2,309,447	334,345	367,752	2,661,671
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ 147,482	\$ 2,479,057	\$ 334,345	\$ 367,752	\$ 2,661,671

**CITY OF MONTEREY PARK
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2021**

	Special Revenue Funds	
ASSETS	<u>Measure M</u>	<u>Total Nonmajor Governmental Funds</u>
Cash and Investments	\$ 3,154,109	\$ 17,269,700
Accounts Receivable	-	476,135
Interest Receivable	<u>2,408</u>	<u>13,014</u>
 Total Assets	 <u>\$ 3,156,517</u>	 <u>\$ 17,758,849</u>
 LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	\$ -	\$ 275,372
Accrued Payroll	-	13,501
Due to Other Funds	-	<u>336,705</u>
Total Liabilities	<u>-</u>	<u>625,578</u>
 DEFERRED INFLOW OF RESOURCES		
Unavailable Revenue	<u>-</u>	<u>106,715</u>
 FUND BALANCES (DEFICITS)		
Restricted	3,156,517	16,717,532
Committed	-	367,752
Unassigned	-	<u>(58,728)</u>
Total Fund Balances (Deficits)	<u>3,156,517</u>	<u>17,026,556</u>
 Total Liabilities, Deferred Inflow of Resources, and Fund Balances	 <u>\$ 3,156,517</u>	 <u>\$ 17,758,849</u>

**CITY OF MONTEREY PARK
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds				
	Proposition A	Gas Tax	Measure W	Proposition C	Air Quality Improvement
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	1,246,542	1,319,065	727,939	1,031,842	78,491
Charges for Services	3,803	-	-	-	-
Revenues from Use of Money and Property	11,617	7,668	248	7,437	1,075
Fines and Forfeitures	-	-	-	-	-
Total Revenues	1,261,962	1,326,733	728,187	1,039,279	79,566
EXPENDITURES					
Current:					
General Government	-	-	-	7,052	-
Public Safety	44,586	189,146	-	-	-
Community Development	-	-	-	23,880	-
Culture and Recreation	527,707	-	-	-	-
Highways and Streets	435,269	1,012,934	600,000	206,109	7,702
Health	-	-	-	-	-
Capital Outlay	-	-	-	19,311	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	1,007,562	1,202,080	600,000	256,352	7,702
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	254,400	124,653	128,187	782,927	71,864
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	(14,600)	(22,200)	-	(1,900)	-
Total Other Financing Sources (Uses)	(14,600)	(22,200)	-	(1,900)	-
NET CHANGES IN FUND BALANCES	239,800	102,453	128,187	781,027	71,864
Fund Balances (Deficits), Beginning of Year	3,206,789	751,953	-	1,465,147	235,907
FUND BALANCES (DEFICITS), END OF YEAR	\$ 3,446,589	\$ 854,406	\$ 128,187	\$ 2,246,174	\$ 307,771

**CITY OF MONTEREY PARK
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds				
	Asset Forfeiture	Parks/Library/ Facilities DIF	Business Improvement Area #1	Maintenance District 93-1	Law Enforcement/ Fire/Medic DIF
REVENUES					
Taxes	\$ -	\$ -	\$ 65,503	\$ 1,000,490	\$ -
Intergovernmental Revenues	-	-	-	-	-
Charges for Services	-	46,541	-	-	37,189
Revenues from Use of Money and Property	2,042	1,655	302	-	(142)
Fines and Forfeitures	90,739	-	-	-	-
Total Revenues	92,781	48,196	65,805	1,000,490	37,047
EXPENDITURES					
Current:					
General Government	-	-	-	13,382	-
Public Safety	199,874	-	-	-	88,720
Community Development	-	-	53,662	-	-
Culture and Recreation	-	-	-	304,976	-
Highways and Streets	-	-	-	659,963	-
Health	-	-	-	-	-
Capital Outlay	23,462	553,385	-	-	636,618
Debt Service:					
Principal Retirement	8,602	-	-	-	30,000
Interest and Fiscal Charges	5,388	-	-	-	-
Total Expenditures	237,326	553,385	53,662	978,321	755,338
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(144,545)	(505,189)	12,143	22,169	(718,291)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
NET CHANGES IN FUND BALANCES	(144,545)	(505,189)	12,143	22,169	(718,291)
Fund Balances (Deficits), Beginning of Year	846,805	1,003,165	125,704	42,668	587,796
FUND BALANCES (DEFICITS), END OF YEAR	\$ 702,260	\$ 497,976	\$ 137,847	\$ 64,837	\$ (130,495)

**CITY OF MONTEREY PARK
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds				
	Public Safety		Circulation	CERCLA	
	Augmentation	Measure R	DIF	Liability	SB1 - RMRA
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	789,917	774,954	-	135,669	1,125,921
Charges for Services	-	-	26,208	-	-
Revenues from Use of Money and Property	-	8,547	1,073	-	8,900
Fines and Forfeitures	-	-	-	1,200	-
Total Revenues	<u>789,917</u>	<u>783,501</u>	<u>27,281</u>	<u>136,869</u>	<u>1,134,821</u>
EXPENDITURES					
Current:					
General Government	-	7,672	-	-	-
Public Safety	776,000	-	-	-	-
Community Development	-	-	-	-	-
Culture and Recreation	-	67,753	-	-	-
Highways and Streets	-	242,799	-	-	-
Health	-	-	-	187,500	-
Capital Outlay	-	384,316	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	<u>776,000</u>	<u>702,540</u>	<u>-</u>	<u>187,500</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	13,917	80,961	27,281	(50,631)	1,134,821
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	(2,400)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(2,400)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	13,917	78,561	27,281	(50,631)	1,134,821
Fund Balances (Deficits), Beginning of Year	<u>(72,645)</u>	<u>2,230,886</u>	<u>307,064</u>	<u>418,383</u>	<u>1,526,850</u>
FUND BALANCES (DEFICITS), END OF YEAR	<u>\$ (58,728)</u>	<u>\$ 2,309,447</u>	<u>\$ 334,345</u>	<u>\$ 367,752</u>	<u>\$ 2,661,671</u>

**CITY OF MONTEREY PARK
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds	Total Nonmajor Governmental Funds
	Measure M	
REVENUES		
Taxes	\$ -	\$ 1,065,993
Intergovernmental Revenues	878,051	8,108,391
Charges for Services	-	113,741
Revenues from Use of Money and Property	10,878	61,300
Fines and Forfeitures	-	91,939
Total Revenues	<u>888,929</u>	<u>9,441,364</u>
EXPENDITURES		
Current:		
General Government	-	28,106
Public Safety	-	1,298,326
Community Development	-	77,542
Culture and Recreation	-	900,436
Highways and Streets	100,000	3,264,776
Health	-	187,500
Capital Outlay	-	1,617,092
Debt Service:		
Principal Retirement	-	38,602
Interest and Fiscal Charges	-	5,388
Total Expenditures	<u>100,000</u>	<u>7,417,768</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	788,929	2,023,596
OTHER FINANCING SOURCES (USES)		
Transfers In	-	-
Transfers Out	-	(41,100)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(41,100)</u>
NET CHANGES IN FUND BALANCES	788,929	1,982,496
Fund Balances (Deficits), Beginning of Year	<u>2,367,588</u>	<u>15,044,060</u>
FUND BALANCES (DEFICITS), END OF YEAR	<u>\$ 3,156,517</u>	<u>\$ 17,026,556</u>

**CITY OF MONTEREY PARK
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE PROPOSITION A FUND
YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 1,403,194	\$ 1,246,542	\$ (156,652)
Charges for Services	68,500	3,803	(64,697)
Revenues from Use of Money and Property	25,000	11,617	(13,383)
Total Revenues	1,496,694	1,261,962	(234,732)
EXPENDITURES			
Current:			
Public Safety	87,900	44,586	43,314
Culture and Recreation	727,418	527,707	199,711
Highways and Streets	1,222,850	435,269	787,581
Capital Outlay	781,198	-	781,198
Total Expenditures	2,819,366	1,007,562	1,811,804
NET CHANGE IN FUND BALANCE	\$ (1,322,672)	239,800	\$ 1,562,472
Fund Balance, Beginning of Year		3,206,789	
FUND BALANCE, END OF YEAR		\$ 3,446,589	

**CITY OF MONTEREY PARK
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE GAS TAX FUND
YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 1,540,878	\$ 1,319,065	\$ (221,813)
Revenues from Use of Money and Property	20,000	7,668	(12,332)
Total Revenues	1,560,878	1,326,733	(234,145)
EXPENDITURES			
Current:			
Community Development	280,732	189,146	91,586
Health	1,696,904	1,012,934	683,970
Total Expenditures	1,977,636	1,202,080	775,556
NET CHANGE IN FUND BALANCE	\$ (416,758)	124,653	\$ 541,411
Fund Balance, Beginning of Year		751,953	
FUND BALANCE, END OF YEAR		\$ 876,606	

**CITY OF MONTEREY PARK
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE MEASURE W FUND
YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 740,000	\$ 727,939	\$ (12,061)
Revenues from Use of Money and Property	-	248	248
Total Revenues	740,000	728,187	(11,813)
EXPENDITURES			
Current:			
Highways and Streets	629,444	600,000	29,444
Total Expenditures	629,444	600,000	29,444
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 110,556	128,187	\$ 17,631
Fund Balance, Beginning of Year		-	
FUND BALANCE, END OF YEAR		\$ 128,187	

**CITY OF MONTEREY PARK
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE PROPOSITION C FUND
YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 1,080,965	\$ 1,031,842	\$ (49,123)
Revenues from Use of Money and Property	10,000	7,437	(2,563)
Total Revenues	1,090,965	1,039,279	(51,686)
EXPENDITURES			
Current:			
General Government	14,300	7,052	7,248
Community Development	27,000	23,880	3,120
Highways and Streets	799,510	206,109	593,401
Capital Outlay	467,103	19,311	447,792
Total Expenditures	1,307,913	256,352	1,051,561
NET CHANGE IN FUND BALANCE	\$ (216,948)	781,027	\$ 997,975
Fund Balance, Beginning of Year		1,465,147	
FUND BALANCE, END OF YEAR		\$ 2,246,174	

**CITY OF MONTEREY PARK
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE AIR QUALITY IMPROVEMENT FUND
 YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 82,000	\$ 78,491	\$ (3,509)
Revenues from Use of Money and Property	2,500	1,075	(1,425)
Total Revenues	84,500	79,566	(4,934)
EXPENDITURES			
Current:			
Highways and Streets	22,000	7,702	14,298
Total Expenditures	22,000	7,702	14,298
NET CHANGE IN FUND BALANCE	\$ 62,500	71,864	\$ 9,364
Fund Balance, Beginning of Year		235,907	
FUND BALANCE, END OF YEAR		\$ 307,771	

**CITY OF MONTEREY PARK
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE ASSET FORFEITURE FUND
 YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Revenues from Use of Money and Property	\$ 5,000	\$ 2,042	\$ (2,958)
Fines and Forfeitures	294,787	90,739	(204,048)
Total Revenues	299,787	92,781	(207,006)
EXPENDITURES			
Current:			
Public Safety	332,299	199,874	132,425
Capital Outlay	31,000	23,462	7,538
Total Expenditures	384,214	237,326	146,888
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (84,427)	(144,545)	\$ (60,118)
Fund Balance, Beginning of Year		846,805	
FUND BALANCE, END OF YEAR		\$ 702,260	

**CITY OF MONTEREY PARK
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE PARKS/LIBRARY/FACILITIES DIF FUND
 YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for Services	\$ 200,500	\$ 46,541	\$ (153,959)
Revenues from Use of Money and Property	-	1,655	1,655
Fines and Forfeitures	1,000	-	(1,000)
Total Revenues	201,500	48,196	(153,304)
EXPENDITURES			
Capital Outlay	618,811	553,385	65,426
Total Expenditures	618,811	553,385	65,426
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(417,311)	(505,189)	\$ (87,878)
Fund Balance, Beginning of Year		1,003,165	
FUND BALANCE, END OF YEAR		\$ 497,976	

**CITY OF MONTEREY PARK
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE BUSINESS IMPROVEMENT AREA #1 FUND
 YEAR ENDED JUNE 30, 2021**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Taxes	\$ 72,000	\$ 65,503	\$ (6,497)
Revenues from Use of Money and Property	-	302	302
Total Revenues	<u>72,000</u>	<u>65,805</u>	<u>(6,195)</u>
 EXPENDITURES			
Current:			
Community Development	<u>89,539</u>	<u>53,662</u>	<u>35,877</u>
Total Expenditures	<u>89,539</u>	<u>53,662</u>	<u>35,877</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 <u><u>\$ (17,539)</u></u>	 12,143	 <u><u>\$ 29,682</u></u>
 Fund Balance, Beginning of Year		 <u>125,704</u>	
 FUND BALANCE, END OF YEAR		 <u><u>\$ 137,847</u></u>	

**CITY OF MONTEREY PARK
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE MAINTENANCE DISTRICT 93-1 FUND
 YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ 999,775	\$ 1,000,490	\$ 715
Total Revenues	999,775	1,000,490	715
 EXPENDITURES			
Current:			
General Government	45,300	13,382	31,918
Culture and Recreation	399,556	304,976	94,580
Highways and Streets	485,218	659,963	(174,745)
Total Expenditures	930,074	978,321	(48,247)
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 69,701	22,169	\$ (47,532)
 Fund Balance, Beginning of Year		42,668	
 FUND BALANCE, END OF YEAR		\$ 64,837	

**CITY OF MONTEREY PARK
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE LAW ENFORCEMENT/FIRE/MEDIC DIF FUND
 YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for Services	\$ 166,000	\$ 37,189	\$ (128,811)
Revenues from Use of Money and Property	1,500	(142)	(1,642)
Total Revenues	167,500	37,047	(130,453)
EXPENDITURES			
Current:			
Public Safety	85,799	88,720	(2,921)
Capital Outlay	709,389	636,618	72,771
Debt Service:			
Principal Retirement	30,000	30,000	-
Total Expenditures	825,188	755,338	69,850
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (657,688)	(718,291)	\$ (60,603)
Fund Balance, Beginning of Year		587,796	
FUND BALANCE, END OF YEAR		\$ (130,495)	

**CITY OF MONTEREY PARK
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE PUBLIC SAFETY AUGMENTATION FUND
 YEAR ENDED JUNE 30, 2021**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental Revenues	\$ 780,000	\$ 789,917	\$ 9,917
Total Revenues	<u>780,000</u>	<u>789,917</u>	<u>9,917</u>
 EXPENDITURES			
Current:			
General Government	892,400	776,000	116,400
Total Expenditures	<u>892,400</u>	<u>776,000</u>	<u>116,400</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 <u>\$ (112,400)</u>	 13,917	 <u>\$ 126,317</u>
 Fund Balance, Beginning of Year		<u>(72,645)</u>	
 FUND BALANCE, END OF YEAR		<u><u>\$ (58,728)</u></u>	

**CITY OF MONTEREY PARK
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE MEASURE R FUND
YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 810,807	\$ 774,954	\$ (35,853)
Revenues from Use of Money and Property	20,000	8,547	(11,453)
Total Revenues	830,807	783,501	(47,306)
EXPENDITURES			
Current:			
General Government	17,300	7,672	9,628
Culture and Recreation	81,406	67,753	13,653
Highways and Streets	378,614	242,799	135,815
Capital Outlay	2,170,490	384,316	1,786,174
Total Expenditures	2,647,810	702,540	1,945,270
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,817,003)	80,961	\$ 1,897,964
Fund Balance, Beginning of Year		2,230,886	
FUND BALANCE, END OF YEAR		\$ 2,309,447	

**CITY OF MONTEREY PARK
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE CIRCULATION DIF FUND
 YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Revenues from Use of Money and Property	1,000	1,073	73
Total Revenues	1,000	27,281	26,281
EXPENDITURES			
Current:			
Community Development	-	-	-
Total Expenditures	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 1,000	27,281	\$ 26,281
Fund Balance, Beginning of Year		307,064	
FUND BALANCE, END OF YEAR		\$ 334,345	

**CITY OF MONTEREY PARK
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE CERCLA LIABILITY FUND
 YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 182,500	\$ 135,669	\$ (46,831)
Fines and Forfeitures	5,000	1,200	(3,800)
Total Revenues	187,500	136,869	(50,631)
EXPENDITURES			
Current:			
Health	187,500	187,500	-
Total Expenditures	187,500	187,500	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	(50,631)	\$ (50,631)
Fund Balance, Beginning of Year		418,383	
FUND BALANCE, END OF YEAR		\$ 367,752	

**CITY OF MONTEREY PARK
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE SB1-RMRA FUND
 YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 1,167,736	\$ 1,125,921	\$ (41,815)
Revenues from Use of Money and Property	5,800	8,900	3,100
Total Revenues	1,173,536	1,134,821	(38,715)
 EXPENDITURES			
Current:			
Highways and Streets	1,886,342	-	1,886,342
Total Expenditures	1,886,342	-	1,886,342
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (712,806)	1,134,821	\$ 1,847,627
 Fund Balance, Beginning of Year		1,526,850	
 FUND BALANCE, END OF YEAR		\$ 2,661,671	

**CITY OF MONTEREY PARK
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE MEASURE M FUND
YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 918,820	\$ 878,051	\$ (40,769)
Revenues from Use of Money and Property	(6,000)	10,878	16,878
Total Revenues	912,820	888,929	(23,891)
EXPENDITURES			
Current:			
Highways and Streets	1,600,000	100,000	1,500,000
Total Expenditures	1,600,000	100,000	1,500,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (687,180)	788,929	\$ 1,476,109
Fund Balance, Beginning of Year		2,367,588	
FUND BALANCE, END OF YEAR		\$ 3,156,517	

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**CITY OF MONTEREY PARK
WATER UTILITY ENTERPRISE FUND
JUNE 30, 2021**

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

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

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

**CITY OF MONTEREY PARK
WATER UTILITY ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
JUNE 30, 2021**

	Water Operations Activity	Water Treatment Activity	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 8,037,046	\$ 18,304,917	\$ 26,341,963
Cash and Investments with Fiscal Agent	185	44	229
Accounts Receivable	3,085,169	1,917,152	5,002,321
Interest Receivable	6,320	17,506	23,826
Total Current Assets	<u>11,128,720</u>	<u>20,239,619</u>	<u>31,368,339</u>
Noncurrent Assets:			
Nondepreciable Capital Assets	499,975	9,596,602	10,096,577
Depreciable Capital Assets, Net of Accumulated Depreciation	<u>22,628,240</u>	<u>4,762,156</u>	<u>27,390,396</u>
Total Noncurrent Assets	<u>23,128,215</u>	<u>14,358,758</u>	<u>37,486,973</u>
Total Assets	<u>34,256,935</u>	<u>34,598,377</u>	<u>68,855,312</u>
DEFERRED OUFLOWS OF RESOURCES			
Amounts Related to Pension Plans	3,477,119	829,953	4,307,072
Amounts Related to Other Post Employment Benefit Plans	250,423	86,271	336,694
Total Deferred Outflows of Resources	<u>3,727,542</u>	<u>916,224</u>	<u>4,643,766</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	2,236,495	542,424	2,778,919
Accrued Payroll	16,940	16,246	33,186
Deposits and Advances	453,681	41,510	495,191
Interest Payable	9,055	2,163	11,218
Capital Lease Obligations - Due Within One Year	605,214	-	605,214
Compensated Absences Payable - Due Within One Year	25,196	26,693	51,889
Bonds Payable - Due Within One Year	90,408	21,595	112,003
Total Current Liabilities	<u>3,436,989</u>	<u>650,631</u>	<u>4,087,620</u>
Noncurrent Liabilities:			
Capital Lease Obligation	7,310,033	-	7,310,033
Compensated Absences Payable	226,764	240,240	467,004
Bonds Payable	2,981,370	712,149	3,693,519
Net OPEB Liability	2,081,242	716,993	2,798,235
Net Pension Liabilities	3,121,683	745,114	3,866,797
Total Noncurrent Liabilities	<u>15,721,092</u>	<u>2,414,496</u>	<u>18,135,588</u>
Total Liabilities	<u>19,158,081</u>	<u>3,065,127</u>	<u>22,223,208</u>
DEFERRED INFLOWS OF RESOURCES			
Amounts Related to Other Post Employment Benefit Plans	339,401	116,924	456,325
NET POSITION			
Net Investment in Capital Assets	15,201,712	14,317,248	29,518,960
Unrestricted	3,285,283	18,015,302	21,300,585
Total Net Position	<u>\$ 18,486,995</u>	<u>\$ 32,332,550</u>	<u>\$ 50,819,545</u>
Adjustment to Reflect the Consolidation of Internal Service Funds Activities to Related Enterprise Activity	<u>(5,778,933)</u>	<u>-</u>	<u>(5,778,933)</u>
Net Position Related to Water Utility Enterprise Activities	<u>\$ 12,708,062</u>	<u>\$ 32,332,550</u>	<u>\$ 45,040,612</u>

**CITY OF MONTEREY PARK
WATER UTILITY ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2021**

	Water Operations Activity	Water Treatment Activity	Total
OPERATING REVENUES			
Charges for Services	\$ 10,316,823	\$ 5,631,564	\$ 15,948,387
Meter Installations	139,336	-	139,336
Other Revenue	1,410	-	1,410
Total Operating Revenues	<u>10,457,569</u>	<u>5,631,564</u>	<u>16,089,133</u>
OPERATING EXPENSES			
Administration	3,349,317	-	3,349,317
Commercial - Water	1,209,198	-	1,209,198
Production - Water	4,177,692	-	4,177,692
Distribution - Water	1,559,533	-	1,559,533
Treatment Plant Operations	-	4,119,961	4,119,961
Depreciation	1,143,119	382,865	1,525,984
Total Operating Expenses	<u>11,438,859</u>	<u>4,502,826</u>	<u>15,941,685</u>
Operating Income (Loss)	(981,290)	1,128,738	147,448
NONOPERATING REVENUES (EXPENSES)			
Interest Income	18,680	-	18,680
Interest Expense	(254,937)	(2,163)	(257,100)
Costs of Debt Issuance	(22,627)	(5,405)	(28,032)
Total Nonoperating Revenues (Expenses)	<u>(258,884)</u>	<u>(7,568)</u>	<u>(266,452)</u>
Net Income (Loss) Before Capital Contributions and Transfers	(1,240,174)	1,121,170	(119,004)
Capital Contributions	93,503	-	93,503
Transfers In	-	45,893	45,893
Transfers Out	(313,580)	(84,340)	(397,920)
CHANGES IN NET POSITION	(1,460,251)	1,082,723	(377,528)
Net Position, Beginning of Year	<u>19,947,246</u>	<u>31,249,827</u>	<u>51,197,073</u>
NET POSITION, END OF YEAR	<u>\$ 18,486,995</u>	<u>\$ 32,332,550</u>	<u>\$ 50,819,545</u>
Changes in Net Position	\$ (1,460,251)	\$ 1,082,723	\$ (377,528)
Adjustment to Reflect Consolidation of Internal Service Fund Activities to Related Enterprise Activity	<u>(673,204)</u>	<u>-</u>	<u>(673,204)</u>
Changes in Net Position Related to Water Utility Enterprise Activities	<u>\$ (2,133,455)</u>	<u>\$ 1,082,723</u>	<u>\$ (1,050,732)</u>

**CITY OF MONTEREY PARK
WATER UTILITY ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
YEAR ENDED JUNE 30, 2021**

	Water Operations Activity	Water Treatment Activity	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts from Customers	\$ 10,245,618	\$ 5,393,122	\$ 15,638,740
Cash Payments to Suppliers for Goods and Services	(6,864,807)	(2,182,290)	(9,047,097)
Cash Payments to Employees for Services	(6,161,289)	(2,172,747)	(8,334,036)
Net Cash Provided by Operating Activities	(2,780,478)	1,038,085	(1,742,393)
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Cash Received from Other Funds	-	45,893	45,893
Cash Paid to Other Funds	(313,580)	(84,340)	(397,920)
Net Cash Provided (Used) by Noncapital And Related Financing Activities	(313,580)	(38,447)	(352,027)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	(142,264)	(1,002,072)	(1,144,336)
Capital Contributions	93,503	-	93,503
Proceeds from Bonds Payable	3,071,778	733,744	3,805,522
Payment of Bond Issuance Costs	(22,627)	(5,405)	(28,032)
Principal Paid on Lease Financing	(551,053)	-	(551,053)
Interest Paid on Debt	(245,882)	-	(245,882)
Net Cash Used by Capital and Related Financing Activities	2,203,455	(273,733)	1,929,722
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Income	35,922	30,138	66,060
Net Cash Provided by Investing Activities	35,922	30,138	66,060
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
	(854,681)	756,043	(98,638)
Cash And Cash Equivalents, Beginning Of Year	8,891,912	17,548,918	26,440,830
CASH AND CASH EQUIVALENTS, END OF YEAR			
	\$ 8,037,231	\$ 18,304,961	\$ 26,342,192
Cash and Investments	\$ 8,037,046	\$ 18,304,917	\$ 26,341,963
Cash and Investments with Fiscal Agent	185	44	229
Total Cash and Cash Equivalents	\$ 8,037,231	\$ 18,304,961	\$ 26,342,192
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (981,290)	\$ 1,128,738	\$ 147,448
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	1,143,119	382,865	1,525,984
Changes in Assets, Deferred Outflows, Liabilities, and Deferred Inflows:			
(Increase) Decrease in Accounts Receivable	(211,951)	(238,442)	(450,393)
(Increase) Decrease in Deferred Outflows of Resources - Pension Plans	(3,022,753)	(721,500)	(3,744,253)
(Increase) Decrease in Deferred Outflows of Resources - OPEB Plan	(20,535)	(7,074)	(27,609)
Increase (Decrease) in Accounts Payable	363,095	454,600	817,695
Increase (Decrease) in Accrued Payroll	(3,969)	6,898	2,929
Increase (Decrease) in Deposits and Advances	6,242	41,510	47,752
Increase (Decrease) in Compensated Absences Payable	(33,447)	5,917	(27,530)
Increase (Decrease) in Net Pension Liabilities	143,110	28,496	171,606
Increase (Decrease) in Net OPEB Liabilities	1,089	6,038	7,127
Increase (Decrease) in Deferred Inflows of Resources - Pension Plans	(59,146)	(14,118)	(73,264)
Increase (Decrease) in Deferred Inflows of Resources - OPEB Plan	(104,042)	(35,843)	(139,885)
Total Adjustments	(1,799,188)	(90,653)	(1,889,841)
Net Cash Provided by Operating Activities	\$ (2,780,478)	\$ 1,038,085	\$ (1,742,393)

**CITY OF MONTEREY PARK
INTERNAL SERVICE FUNDS
JUNE 30, 2021**

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

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

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

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

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

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

**CITY OF MONTEREY PARK
COMBINING SCHEDULE OF NET POSITION - INTERNAL SERVICE FUNDS
JUNE 30, 2021**

	<u>Separation Benefits</u>	<u>General Liability</u>	<u>Workers' Compensation</u>
ASSETS			
Current Assets:			
Cash and Investments	\$ 1,303,179	\$ 2,000,491	\$ 4,317,924
Cash and Investments Held by Fiscal Agents	-	-	-
Total Current Assets	<u>1,303,179</u>	<u>2,000,491</u>	<u>4,317,924</u>
Noncurrent Assets:			
Nondepreciable Capital Assets	-	-	-
Depreciable Capital Assets, Net of Accumulated Depreciation	-	-	-
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>1,303,179</u>	<u>2,000,491</u>	<u>4,317,924</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	-	2,965	13,193
Accrued Payroll	7,430	1,203	705
Insurance Assessment Payable - Due within One Year	-	163,514	-
Claims and Judgments Payable - Due within One Year	-	1,074,390	2,190,067
Capital Leases Payable - Due within One Year	-	-	-
Compensated Absences Payable - Due within One Year	-	1,805	1,805
Total Current Liabilities	<u>7,430</u>	<u>1,243,877</u>	<u>2,205,770</u>
Noncurrent Liabilities:			
Insurance Assessment Payable - Due in More than One Year	-	817,572	-
Claims and Judgments Payable - Due in More than One Year	-	6,167,667	10,516,529
Capital Leases Obligations - Due in More than One Year	-	-	-
Compensated Absences Payable - Due in More than One Year	-	16,246	16,246
Total Noncurrent Liabilities	<u>-</u>	<u>7,001,485</u>	<u>10,532,775</u>
Total Liabilities	<u>7,430</u>	<u>8,245,362</u>	<u>12,738,545</u>
NET POSITION			
Net Investment in Capital Assets	-	-	-
Unrestricted	1,295,749	(6,244,871)	(8,420,621)
Total Net Position (Deficit)	<u>\$ 1,295,749</u>	<u>\$ (6,244,871)</u>	<u>\$ (8,420,621)</u>

CITY OF MONTEREY PARK
COMBINING SCHEDULE OF NET POSITION - INTERNAL SERVICE FUNDS (CONTINUED)
JUNE 30, 2021

	<u>Shop</u>	<u>Technology</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and Investments	\$ 1,083,107	\$ 732,998	\$ 9,437,699
Cash and Investments Held by Fiscal Agents	622	-	622
Total Current Assets	<u>1,083,729</u>	<u>732,998</u>	<u>9,438,321</u>
Noncurrent Assets:			
Nondepreciable Capital Assets	-	858,555	858,555
Depreciable Capital Assets, Net of Accumulated Depreciation	<u>2,346,073</u>	<u>181,027</u>	<u>2,527,100</u>
Total Noncurrent Assets	<u>2,346,073</u>	<u>1,039,582</u>	<u>3,385,655</u>
Total Assets	<u>3,429,802</u>	<u>1,772,580</u>	<u>12,823,976</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	57,934	166,957	241,049
Accrued Payroll	4,264	1,291	14,893
Insurance Assessment Payable - Due within One Year	-	-	163,514
Claims and Judgments Payable - Due within One Year	-	-	3,264,457
Capital Leases Payable - Due within One Year	367,394	-	367,394
Compensated Absences Payable - Due within One Year	<u>7,475</u>	<u>726</u>	<u>11,811</u>
Total Current Liabilities	<u>437,067</u>	<u>168,974</u>	<u>4,063,118</u>
Noncurrent Liabilities:			
Insurance Assessment Payable - Due in More than One Year	-	-	817,572
Claims and Judgments Payable - Due in More than One Year	-	-	16,684,196
Capital Leases Obligations - Due in More than One Year	1,381,402	-	1,381,402
Compensated Absences Payable - Due in More than One Year	<u>67,270</u>	<u>6,535</u>	<u>106,297</u>
Total Noncurrent Liabilities	<u>1,448,672</u>	<u>6,535</u>	<u>18,989,467</u>
Total Liabilities	<u>1,885,739</u>	<u>175,509</u>	<u>23,052,585</u>
NET POSITION			
Net Investment in Capital Assets	597,277	1,014,382	1,611,659
Unrestricted	946,786	582,689	(11,840,268)
Total Net Position (Deficit)	<u>\$ 1,544,063</u>	<u>\$ 1,597,071</u>	<u>\$ (10,228,609)</u>

**CITY OF MONTEREY PARK
 COMBINING SCHEDULE OF REVENUES, EXPENSES, AND
 CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS
 YEAR ENDED JUNE 30, 2021**

	<u>Separation Benefits</u>	<u>General Liability</u>	<u>Workers' Compensation</u>
OPERATING REVENUES			
Charges for Services	\$ 1,098,645	\$ 3,229,642	\$ 2,865,365
Other Revenue	-	-	35,580
Total Operating Revenues	<u>1,098,645</u>	<u>3,229,642</u>	<u>2,900,945</u>
OPERATING EXPENSES			
Salaries and Benefits	1,380,908	123,721	126,118
Materials and Supplies	-	-	-
Insurance and Claims	-	4,497,793	2,528,293
Miscellaneous	-	-	-
Depreciation	-	-	-
Total Operating Expenses	<u>1,380,908</u>	<u>4,621,514</u>	<u>2,654,411</u>
Operating Income (Loss)	<u>(282,263)</u>	<u>(1,391,872)</u>	<u>246,534</u>
NONOPERATING INCOME			
Interest expense	-	-	-
Total Nonoperating Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss) Before Capital Contributions and Transfers	(282,263)	(1,391,872)	246,534
Transfers In	-	1,000,000	-
Transfers Out	<u>-</u>	<u>(4,200)</u>	<u>(3,800)</u>
CHANGES IN NET POSITION	(282,263)	(396,072)	242,734
Net Position (Deficit), Beginning of Year	<u>1,578,012</u>	<u>(5,848,799)</u>	<u>(8,663,355)</u>
NET POSITION (DEFICIT), END OF YEAR	<u>\$ 1,295,749</u>	<u>\$ (6,244,871)</u>	<u>\$ (8,420,621)</u>

**CITY OF MONTEREY PARK
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

	<u>Shop</u>	<u>Technology</u>	<u>Total</u>
OPERATING REVENUES			
Charges for Services	\$ 2,183,900	\$ 438,604	\$ 9,816,156
Other Revenue	-	-	35,580
Total Operating Revenues	<u>2,183,900</u>	<u>438,604</u>	<u>9,851,736</u>
OPERATING EXPENSES			
Salaries and Benefits	564,107	137,540	2,332,394
Materials and Supplies	1,335,255	-	1,335,255
Insurance and Claims	-	-	7,026,086
Miscellaneous	37,152	404,202	441,354
Depreciation	821,857	75,841	897,698
Total Operating Expenses	<u>2,758,371</u>	<u>617,583</u>	<u>12,032,787</u>
Operating Income (Loss)	<u>(574,471)</u>	<u>(178,979)</u>	<u>(2,181,051)</u>
NONOPERATING INCOME			
Interest expense	(64,305)	-	(64,305)
Total Nonoperating Revenue	<u>(64,305)</u>	<u>-</u>	<u>(64,305)</u>
Net Income (Loss) Before Capital Contributions and Transfers	(638,776)	(178,979)	(2,245,356)
Transfers In	-	-	1,000,000
Transfers Out	<u>(14,100)</u>	<u>(3,100)</u>	<u>(25,200)</u>
CHANGES IN NET POSITION	(652,876)	(182,079)	(1,270,556)
Net Position (Deficit), Beginning of Year	<u>2,196,939</u>	<u>1,779,150</u>	<u>(8,958,053)</u>
NET POSITION (DEFICIT), END OF YEAR	<u>\$ 1,544,063</u>	<u>\$ 1,597,071</u>	<u>\$ (10,228,609)</u>

**CITY OF MONTEREY PARK
COMBINING SCHEDULE OF CASH FLOWS - INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021**

	Separation Benefits	General Liability	Workers' Compensation
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts from Interfund Services Provided	\$ 1,098,645	\$ 3,229,642	\$ 2,865,365
Cash Receipts from Reimbursements and Other Operating Revenues	-	-	35,580
Cash Payments to Suppliers for Goods and Services	-	-	-
Cash Payments to Employees for Services	(1,389,298)	(133,600)	(129,589)
Cash Payments for Insurance Premiums and Self-Insurance Claims	-	(3,447,401)	(2,205,859)
Net Cash Provided (Used) by Operating Activities	<u>(290,653)</u>	<u>(351,359)</u>	<u>565,497</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Cash Received from Other Funds	-	1,000,000	-
Cash Paid to Other Funds	-	(4,200)	(3,800)
Net Cash Provided (Used) by Noncapital and Related Financing Activities	<u>-</u>	<u>995,800</u>	<u>(3,800)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	-	-	-
Principal Paid on Lease Financing	-	-	-
Interest Paid on Lease Financing	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(290,653)	644,441	561,697
Cash And Cash Equivalents, Beginning Of Year	1,593,832	1,356,050	3,756,227
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,303,179</u>	<u>\$ 2,000,491</u>	<u>\$ 4,317,924</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (282,263)	\$ (1,391,872)	\$ 246,534
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	-	-	-
Changes in Assets and Liabilities:			
Increase (Decrease) in Accounts Payable	-	(26,860)	(12,637)
Increase (Decrease) in Accrued Payroll	(8,390)	(248)	(538)
Increase (Decrease) in Insurance Assessment Payable	-	(163,514)	-
Increase (Decrease) in Claims and Judgments Payable	-	1,240,766	335,071
Increase (Decrease) in Compensated Absences Payable	-	(9,631)	(2,933)
Total Adjustments	<u>(8,390)</u>	<u>1,040,513</u>	<u>318,963</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (290,653)</u>	<u>\$ (351,359)</u>	<u>\$ 565,497</u>

CITY OF MONTEREY PARK
COMBINING SCHEDULE OF CASH FLOWS - INTERNAL SERVICE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

	Shop	Technology	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts from Interfund Services Provided	\$ 2,183,900	\$ 438,604	\$ 9,816,156
Cash Receipts from Reimbursements and Other Operating Revenues	-	-	35,580
Cash Payments to Suppliers for Goods and Services	(1,425,781)	(259,055)	(1,684,836)
Cash Payments to Employees for Services	(542,170)	(136,210)	(2,330,867)
Cash Payments for Insurance Premiums and Self-Insurance Claims	-	-	(5,653,260)
Net Cash Provided (Used) by Operating Activities	<u>215,949</u>	<u>43,339</u>	<u>182,773</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Cash Received from Other Funds	-	-	1,000,000
Cash Paid to Other Funds	(14,100)	(3,100)	(25,200)
Net Cash Provided (Used) by Noncapital and Related Financing Activities	<u>(14,100)</u>	<u>(3,100)</u>	<u>974,800</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	(127,888)	(408,229)	(536,117)
Principal Paid on Lease Financing	(355,952)	-	(355,952)
Interest Paid on Lease Financing	(64,305)	-	(64,305)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(548,145)</u>	<u>(408,229)</u>	<u>(956,374)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(346,296)	(367,990)	201,199
Cash And Cash Equivalents, Beginning Of Year	1,430,025	1,100,988	9,237,122
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,083,729</u>	<u>\$ 732,998</u>	<u>\$ 9,438,321</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (574,471)	\$ (178,979)	\$ (2,181,051)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	821,857	75,841	897,698
Changes in Assets and Liabilities:			
Increase (Decrease) in Accounts Payable	(53,374)	145,147	52,276
Increase (Decrease) in Accrued Payroll	669	17	(8,490)
Increase (Decrease) in Insurance Assessment Payable	-	-	(163,514)
Increase (Decrease) in Claims and Judgments Payable	-	-	1,575,837
Increase (Decrease) in Compensated Absences Payable	21,268	1,313	10,017
Total Adjustments	<u>790,420</u>	<u>222,318</u>	<u>2,363,824</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 215,949</u>	<u>\$ 43,339</u>	<u>\$ 182,773</u>

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**STATISTICAL SECTION
(UNAUDITED)**

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

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

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**CITY OF MONTEREY PARK
NET POSITION BY COMPONENTS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year				
	2011/12	2012/13	2013/14	2014/15	2015/16
Governmental Activities:					
Net investment in capital assets	\$ 47,380,971	\$ 50,018,559	\$ 50,805,697	\$ 46,057,423	\$ 47,995,442
Restricted	26,824,487	20,629,264	18,330,529	20,198,282	22,221,698
Unrestricted	6,298,370	9,341,223	11,318,896	(79,297,776)	(68,990,541)
Total governmental activities net position	<u>\$ 80,503,828</u>	<u>\$ 79,989,046</u>	<u>\$ 80,455,122</u>	<u>\$ (13,042,071)</u>	<u>\$ 1,226,599</u>
Business-Type Activities:					
Net investment in capital assets	\$ 20,439,644	\$ 20,381,489	\$ 20,020,776	\$ 15,083,212	\$ 23,132,584
Restricted	-	-	-	-	514,518
Unrestricted	19,943,174	25,700,563	26,197,066	24,186,095	18,629,778
Total business-type activities net position	<u>\$ 40,382,818</u>	<u>\$ 46,082,052</u>	<u>\$ 46,217,842</u>	<u>\$ 39,269,307</u>	<u>\$ 42,276,880</u>
Primary Government:					
Net investment in capital assets	\$ 67,820,615	\$ 70,400,048	\$ 70,826,473	\$ 61,140,635	\$ 71,128,006
Restricted	26,824,487	20,629,264	18,330,529	20,198,282	22,736,216
Unrestricted	26,241,544	35,041,786	37,515,962	(55,111,681)	(50,360,763)
Total primary government net position	<u>\$ 120,886,646</u>	<u>\$ 126,071,098</u>	<u>\$ 126,672,964</u>	<u>\$ 26,227,236</u>	<u>\$ 43,503,459</u>

**CITY OF MONTEREY PARK
NET POSITION BY COMPONENTS (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year				
	2016/17	2017/18	2018/19	2019/20	2020/21
Governmental Activities:					
Net investment in capital assets	\$ 49,245,097	\$ 51,940,625	\$ 54,422,220	\$ 50,393,059	\$ 53,107,029
Restricted	20,689,401	22,583,024	28,308,812	28,524,906	22,377,681
Unrestricted	<u>(63,742,375)</u>	<u>(85,102,541)</u>	<u>(94,444,814)</u>	<u>(99,160,818)</u>	<u>(97,899,017)</u>
Total governmental activities net position	<u>\$ 6,192,123</u>	<u>\$ (10,578,892)</u>	<u>\$ (11,713,782)</u>	<u>\$ (20,242,853)</u>	<u>\$ (22,414,307)</u>
Business-Type Activities:					
Net investment in capital assets	\$ 27,583,180	\$ 32,224,486	\$ 32,343,708	\$ 31,922,658	\$ 32,466,443
Restricted	-	-	-	-	-
Unrestricted	<u>19,078,479</u>	<u>18,182,441</u>	<u>22,623,485</u>	<u>23,894,813</u>	<u>22,403,284</u>
Total business-type activities net position	<u>\$ 46,661,659</u>	<u>\$ 50,406,927</u>	<u>\$ 54,967,193</u>	<u>\$ 55,817,471</u>	<u>\$ 54,869,727</u>
Primary Government:					
Net investment in capital assets	\$ 76,828,277	\$ 84,165,111	\$ 86,765,928	\$ 82,315,717	\$ 85,573,472
Restricted	20,689,401	22,583,024	28,308,812	28,524,906	22,377,681
Unrestricted	<u>(44,663,896)</u>	<u>(66,920,100)</u>	<u>(71,821,329)</u>	<u>(75,266,005)</u>	<u>(75,495,733)</u>
Total primary government net position	<u>\$ 52,853,782</u>	<u>\$ 39,828,035</u>	<u>\$ 43,253,411</u>	<u>\$ 35,574,618</u>	<u>\$ 32,455,420</u>

**CITY OF MONTEREY PARK
CHANGES IN NET POSITION BY COMPONENTS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year				
	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
Expenses:					
Governmental activities:					
General government	\$ 4,405,489	\$ 6,522,107	\$ 4,050,482	\$ 4,610,081	\$ 3,771,179
Public safety	27,764,258	26,233,074	27,352,152	26,907,556	27,479,974
Community development	5,673,116	8,521,044	2,343,881	7,049,958	2,456,567
Culture and recreation	6,378,055	5,909,468	6,277,461	8,665,230	7,151,089
Highway and streets	4,886,331	5,380,336	6,434,924	5,512,170	6,223,450
Health	120,000	119,999	120,000	488,697	116,629
Interest and fiscal charges	2,128,198	1,275,063	1,207,716	1,269,034	990,315
	<u>51,355,447</u>	<u>53,961,091</u>	<u>47,786,616</u>	<u>54,502,726</u>	<u>48,189,203</u>
Business-type activities:					
Water	11,542,663	10,706,980	11,775,078	12,906,852	11,962,698
Refuse	5,944,116	6,040,457	6,985,344	6,657,089	7,562,168
Sewer	331,683	238,551	221,078	522,245	1,117,677
	<u>17,818,462</u>	<u>16,985,988</u>	<u>18,981,500</u>	<u>20,086,186</u>	<u>20,642,543</u>
Total primary government expenses	<u>69,173,909</u>	<u>70,947,079</u>	<u>66,768,116</u>	<u>74,588,912</u>	<u>68,831,746</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	627,769	909,328	907,537	1,005,102	1,157,100
Public safety	2,926,775	3,037,155	3,076,644	2,956,084	3,766,713
Community development	1,608,072	1,541,110	1,442,835	2,023,271	2,607,075
Culture and recreation	692,083	738,884	690,289	1,320,369	1,289,483
Highway and Streets	369,180	451,744	400,382	1,462,323	1,403,282
Health					
Operating grants and contributions	4,667,552	5,258,202	1,516,481	7,963,721	7,953,884
Capital grants and contributions	3,725,194	1,988,468	627,628	557,625	502,276
Total government activities program revenues	<u>14,616,625</u>	<u>13,924,891</u>	<u>8,661,796</u>	<u>17,288,495</u>	<u>18,779,813</u>
Business-type activities:					
Charges for services:					
Water	12,853,684	13,302,811	10,747,045	11,452,592	12,323,342
Refuse	6,001,641	5,832,841	6,028,436	6,371,405	6,954,603
Sewer	273,496	273,556	287,548	1,714,098	2,673,585
Operating grants and contributions					
Capital grants and contributions	91,894	41,834	169,783	98,776	97,507
	<u>19,220,715</u>	<u>19,451,042</u>	<u>17,232,812</u>	<u>19,636,871</u>	<u>22,049,037</u>
Total business-type activities revenues	<u>19,220,715</u>	<u>19,451,042</u>	<u>17,232,812</u>	<u>19,636,871</u>	<u>22,049,037</u>
Total primary government revenues	<u>\$ 33,837,340</u>	<u>\$ 33,375,933</u>	<u>\$ 25,894,608</u>	<u>\$ 36,925,366</u>	<u>\$ 40,828,850</u>

**CITY OF MONTEREY PARK
CHANGES IN NET POSITION BY COMPONENTS (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year				
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Expenses:					
Governmental activities:					
General government	\$ 4,935,827	\$ 13,276,893	\$ 8,675,180	\$ 7,024,897	\$ 16,862,932
Public safety	30,527,993	35,442,619	41,058,210	46,448,518	41,432,208
Community development	2,368,605	2,536,781	2,555,488	385,629	500,831
Culture and recreation	7,383,391	8,037,936	8,394,326	8,194,387	7,367,933
Highway and streets	5,555,218	5,856,197	6,778,639	7,592,489	6,349,422
Health	250,000	160,000	150,000	137,500	187,500
Interest and fiscal charges	993,823	940,605	931,970	923,137	1,533,531
	<u>52,014,857</u>	<u>66,251,032</u>	<u>68,543,813</u>	<u>70,706,557</u>	<u>74,234,357</u>
Business-type activities:					
Water	13,197,497	11,978,551	15,975,908	16,130,638	16,900,021
Refuse	7,648,908	6,364,504	6,782,261	6,643,796	7,102,416
Sewer	1,332,184	2,120,013	1,925,498	2,066,260	2,826,252
	<u>22,178,589</u>	<u>20,463,068</u>	<u>24,683,667</u>	<u>24,840,693</u>	<u>26,828,689</u>
Total primary government expenses	<u>74,193,446</u>	<u>86,714,100</u>	<u>93,227,480</u>	<u>95,547,250</u>	<u>101,063,046</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	1,216,968	1,290,795	1,951,847	1,418,515	1,430,819
Public safety	2,665,634	4,239,502	3,263,720	3,123,842	2,765,703
Community development	3,660,518	3,364,687	2,828,385	1,591,515	1,894,660
Culture and recreation	1,327,230	1,956,845	1,012,436	747,940	230,570
Highway and Streets	1,688,010	1,382,500	1,341,088	1,523,872	2,410,818
Health					
Operating grants and contributions	6,928,332	8,281,863	12,119,613	9,349,191	12,199,854
Capital grants and contributions	1,134,757	159,994	1,209,222	279,624	-
Total government activities program revenues	<u>18,621,449</u>	<u>20,676,186</u>	<u>23,726,311</u>	<u>18,034,499</u>	<u>20,932,424</u>
Business-type activities:					
Charges for services:					
Water	13,439,676	14,213,398	15,251,324	13,791,440	16,087,723
Refuse	7,124,768	6,760,312	6,674,188	6,722,940	6,905,547
Sewer	2,843,412	3,164,108	3,546,475	3,158,607	3,273,154
Operating grants and contributions					
Capital grants and contributions	1,916,453	2,341,781	1,362,136	149,262	93,503
	<u>25,324,309</u>	<u>26,479,599</u>	<u>26,834,123</u>	<u>23,822,249</u>	<u>26,359,927</u>
Total business-type activities revenues	<u>25,324,309</u>	<u>26,479,599</u>	<u>26,834,123</u>	<u>23,822,249</u>	<u>26,359,927</u>
Total primary government revenues	<u>\$ 43,945,758</u>	<u>\$ 47,155,785</u>	<u>\$ 50,560,434</u>	<u>\$ 41,856,748</u>	<u>\$ 47,292,351</u>

**CITY OF MONTEREY PARK
CHANGES IN NET POSITION BY COMPONENTS (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year				
	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
Net (expense)/revenue:					
Governmental activities:	\$ (36,738,822)	\$ (40,036,200)	\$ (39,124,820)	\$ (37,214,231)	\$ (29,409,390)
Business-type activities:	1,402,253	2,465,054	(1,748,688)	(449,315)	1,406,494
Total primary government revenues	<u>\$ (35,336,569)</u>	<u>\$ (37,571,146)</u>	<u>\$ (40,873,508)</u>	<u>\$ (37,663,546)</u>	<u>\$ (28,002,896)</u>
General revenues and other					
Changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	\$ 24,537,300	\$ 24,066,354	\$ 19,794,165	\$ 22,600,233	\$ 22,235,616
Sales tax	5,057,132	5,437,244	4,942,821	5,245,208	6,427,211
Vehicle in-lieu tax	32,170	33,334	27,588	26,649	25,041
Utility users tax	3,092,796	3,041,163	3,202,264	3,257,450	3,212,890
Utility franchise tax	942,985	942,736	970,212	1,028,025	992,615
Business license tax	945,367	941,005	974,816	1,340,197	1,052,086
Transient occupancy tax	876,482	957,024	1,049,070	1,158,767	1,248,578
Other taxes	1,868,862	2,760,446	7,282,605	346,203	285,845
Revenues from use of money and property	776,649	827,781	872,174	929,648	1,155,649
Other	685,026	499,923	731,679	1,153,382	1,403,883
Gain/(Loss) on sale of property	1,842,182	14,408			
Transfers	<u>350,000</u>		<u>18,000</u>		
Total general revenues and transfers	<u>41,006,951</u>	<u>39,521,418</u>	<u>39,865,394</u>	<u>37,085,762</u>	<u>38,039,414</u>
Extraordinary item	26,752,439				5,638,626
Business-type activities:					
Revenues from use of money and property					
Other	2,205,569	3,230,138	1,897,638	2,192	1,601,079
Gain/(Loss) on sale of property		4,042	4,840	1,258,626	
Transfers	<u>(350,000)</u>		<u>(18,000)</u>	<u>18,485</u>	
Total business-type activities	<u>1,855,569</u>	<u>3,234,180</u>	<u>1,884,478</u>	<u>1,279,303</u>	<u>1,601,079</u>
Total primary government	<u>42,862,520</u>	<u>42,755,598</u>	<u>41,749,872</u>	<u>38,365,065</u>	<u>39,640,493</u>
Changes in net position					
Governmental activities	31,020,568	(514,782)	740,574	(128,469)	14,268,650
Business-type activities	3,257,822	5,699,234	135,790	829,988	3,007,573
Total primary government	<u>\$ 34,278,390</u>	<u>\$ 5,184,452</u>	<u>\$ 876,364</u>	<u>\$ 701,519</u>	<u>\$ 17,276,223</u>

**CITY OF MONTEREY PARK
CHANGES IN NET POSITION BY COMPONENTS (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year				
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Net (expense)/revenue:					
Governmental activities:	\$ (33,393,408)	\$ (45,574,846)	\$ (44,817,502)	\$ (52,672,058)	\$ (53,301,933)
Business-type activities:	3,145,720	6,016,531	2,150,457	(1,018,444)	(468,762)
Total primary government revenues	<u>\$ (30,247,688)</u>	<u>\$ (39,558,315)</u>	<u>\$ (42,667,046)</u>	<u>\$ (53,690,502)</u>	<u>\$ (53,770,695)</u>
General revenues and other					
Changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	\$ 23,154,960	\$ 24,306,944	\$ 25,904,561	\$ 27,133,836	\$ 29,942,243
Sales tax	6,517,491	5,341,854	7,156,102	6,923,739	9,063,297
Vehicle in-lieu tax	27,482	32,428	29,876	48,934	44,545
Utility users tax	3,212,912	2,964,825	3,107,983	2,846,105	2,931,943
Utility franchise tax	938,802	966,346	973,084	982,837	1,011,131
Business license tax	1,244,295	1,146,838	1,140,840	985,158	721,601
Transient occupancy tax	1,261,777	1,163,775	1,064,049	847,272	953,200
Other taxes	269,734	585,106	158,828	171,413	220,485
Revenues from use of money and property	701,151	1,689,011	2,413,637	2,096,340	395,918
Other	1,030,348	1,736,642	1,733,652	1,565,830	1,339,319
Gain/(Loss) on sale of property Transfers				541,523	533,787
Total general revenues and transfers	<u>38,358,952</u>	<u>39,933,769</u>	<u>43,682,612</u>	<u>44,142,987</u>	<u>47,157,469</u>
Extraordinary item					
Business-type activities:					
Revenues from use of money and property	105			562,859	53,395
Other	1,238,954	1,053,244	2,409,810	2,260,426	1,410
Gain/(Loss) on sale of property Transfers				(541,523)	(533,787)
Total business-type activities	<u>1,239,059</u>	<u>1,053,244</u>	<u>2,409,810</u>	<u>2,281,762</u>	<u>(478,982)</u>
Total primary government	<u>39,598,011</u>	<u>40,987,013</u>	<u>46,092,422</u>	<u>46,424,749</u>	<u>46,678,487</u>
Changes in net position					
Governmental activities	4,965,544	(5,641,077)	(1,134,890)	(8,529,071)	(6,144,464)
Business-type activities	4,384,779	7,069,775	4,560,267	1,263,318	(947,744)
Total primary government	<u>\$ 9,350,323</u>	<u>\$ 1,428,698</u>	<u>\$ 3,425,377</u>	<u>\$ (7,265,753)</u>	<u>\$ (7,092,208)</u>

**CITY OF MONTEREY PARK
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year				
	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>
General Fund:					
Nonspendable	\$ 703,230	\$ -	\$ -	\$ 741,556	\$ 741,556
Restricted	-	-	-	-	78,799
Committed	7,173,519	7,173,519	7,173,519	7,173,519	10,979,027
Assigned	5,145,940	9,653,901	9,321,463	10,095,120	12,052,503
Unassigned	<u>2,505,441</u>	<u>3,554,425</u>	<u>3,554,425</u>	<u>3,556,499</u>	<u>4,554,426</u>
Total general fund	<u>\$ 15,528,130</u>	<u>\$ 20,381,845</u>	<u>\$ 20,049,407</u>	<u>\$ 21,566,694</u>	<u>\$ 28,406,311</u>
All other governmental funds:					
Nonspendable	-	\$ 1,989,686	\$ 1,989,686	\$ 1,921,015	\$ -
Restricted	\$ 26,824,487	18,684,533	17,449,555	19,872,630	21,597,574
Committed			1,496,211	699,188	584,570
Assigned	-	-	-	-	-
Unassigned	<u>(153,120)</u>	<u>-</u>	<u>-</u>	<u>(931,973)</u>	<u>(168,139)</u>
Total all other governmental funds	<u>\$ 26,671,367</u>	<u>\$ 20,674,219</u>	<u>\$ 20,935,452</u>	<u>\$ 21,560,860</u>	<u>\$ 22,014,005</u>
Total for Governmental Funds:	<u>\$ 42,199,497</u>	<u>\$ 41,056,064</u>	<u>\$ 40,984,859</u>	<u>\$ 43,127,554</u>	<u>\$ 50,420,316</u>

**CITY OF MONTEREY PARK
FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year				
	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
General Fund:					
Nonspendable	\$ 816,495	\$ 74,939	\$ 75,778	\$ 78,802	\$ 72,590
Restricted	-	-	-	-	-
Committed	10,826,927	10,826,927	7,226,927	7,226,927	9,226,927
Assigned	14,414,724	15,064,826	20,147,039	19,365,589	21,418,237
Unassigned	<u>4,144,661</u>	<u>3,994,828</u>	<u>5,105,667</u>	<u>5,838,129</u>	<u>4,419,338</u>
Total general fund	<u>\$ 30,202,807</u>	<u>\$ 29,961,520</u>	<u>\$ 32,555,411</u>	<u>\$ 32,509,447</u>	<u>\$35,137,092</u>
All other governmental funds:					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	21,426,308	22,145,598	26,088,353	26,887,421	20,468,071
Committed	472,919	437,426	417,741	418,383	367,752
Assigned	-	-	-	-	-
Unassigned	<u>(1,369,489)</u>	<u>-</u>	<u>-</u>	<u>(72,645)</u>	<u>(58,728)</u>
Total all other governmental funds	<u>\$ 20,529,738</u>	<u>\$ 22,583,024</u>	<u>\$ 26,506,094</u>	<u>\$ 27,233,159</u>	<u>\$20,777,095</u>
Total for Governmental Funds:	<u>\$ 50,732,545</u>	<u>\$ 52,544,544</u>	<u>\$ 59,061,505</u>	<u>\$ 59,742,606</u>	<u>\$55,914,187</u>

**CITY OF MONTEREY PARK
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year				
	2011/12	2012/13	2013/14	2014/15	2015/16
Revenues:					
Taxes	\$ 37,442,373	\$ 41,087,434	\$ 38,059,146	\$ 41,748,001	\$ 41,158,303
Licenses and permits	1,856,887	967,662	848,949	775,135	2,428,895
Intergovernmental revenues	6,006,714	4,693,489	2,035,035	3,072,957	3,203,752
Charges for services	4,360,368	4,981,641	4,922,983	5,521,035	6,110,829
Revenues from use of money & property	744,346	822,143	943,369	919,998	1,207,629
Fines and forfeitures	952,992	822,779	931,718	1,043,704	1,295,647
Other	720,230	1,374,275	767,790	1,180,868	1,414,172
Total revenues	<u>52,083,910</u>	<u>54,749,423</u>	<u>48,508,990</u>	<u>54,261,698</u>	<u>56,819,227</u>
Expenditures					
Current:					
General government	3,621,179	4,454,906	3,859,127	4,609,650	5,744,019
Public safety	25,681,372	25,080,613	25,647,992	27,076,488	28,396,653
Community development	5,633,982	7,808,273	2,345,099	3,015,194	2,261,895
Culture and recreation	5,577,207	5,677,937	5,587,721	6,738,804	6,464,589
Highways and streets	4,207,740	4,362,120	5,672,512	4,938,939	5,103,275
Health	120,000	119,999	120,000	488,697	-
Capital outlay	8,114,199	5,928,361	2,957,442	4,855,050	4,594,721
Debt service:					
Principal	2,020,927	1,204,215	1,229,166	1,255,802	1,291,263
Interest and fiscal charges	1,990,861	1,270,840	1,217,331	1,279,276	1,058,676
Total expenditures	<u>56,967,467</u>	<u>55,907,264</u>	<u>48,636,390</u>	<u>54,257,900</u>	<u>54,915,091</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,883,557)</u>	<u>(1,157,841)</u>	<u>(127,400)</u>	<u>3,798</u>	<u>1,904,136</u>
Other financing sources (uses):					
Transfers in	776,146	9,466	943,350	1,380,000	2,327,332
Transfers out	(426,146)	(9,466)	(903,905)	(1,380,000)	(2,577,332)
Capital Lease	-	-	-	-	-
(Loss) on sale of property	-	-	-	-	-
Proceeds from sale of property	1,842,182	14,408	16,750	562,114	-
Proceeds from tax increment deferred	-	-	-	-	-
Proceeds from section 108 loan	-	-	-	-	-
Issue of long term debt	-	-	-	1,576,783	-
Total other financing Sources (uses)	<u>2,192,182</u>	<u>14,408</u>	<u>56,195</u>	<u>2,138,897</u>	<u>(250,000)</u>
Net change in fund balances before Extraordinary Item	<u>\$ (2,691,375)</u>	<u>\$ (1,143,433)</u>	<u>\$ (71,205)</u>	<u>\$ 2,142,695</u>	<u>\$ 1,654,136</u>
Extraordinary Items	<u>(33,981,516)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,638,626</u>
Net change in fund balances	<u>\$ (36,672,891)</u>	<u>\$ (1,143,433)</u>	<u>\$ (71,205)</u>	<u>\$ 2,142,695</u>	<u>\$ 7,292,762</u>
Debt services as a percentage of noncapital expenditures ⁽²⁾	8.21%	4.95%	5.36%	5.13%	4.67%

Notes:

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

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

**CITY OF MONTEREY PARK
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year				
	2016/17	2017/18	2018/19	2019/20	2020/21
Revenues:					
Taxes	\$ 37,078,002	\$ 36,662,530	\$ 39,864,511	\$ 40,160,022	\$ 45,232,837
Licenses and permits	2,913,671	2,729,412	3,038,847	1,837,426	1,849,831
Intergovernmental revenues	6,664,547	8,945,319	11,577,229	9,385,537	11,430,832
Charges for services	6,721,667	8,417,372	7,161,652	6,057,607	6,458,077
Revenues from use of money & property	694,820	1,727,784	2,701,145	2,329,927	518,793
Fines and forfeitures	605,957	680,133	1,623,039	587,059	446,741
Other	1,074,799	1,756,785	1,741,046	1,566,488	1,622,030
Total revenues	<u>55,753,463</u>	<u>60,919,335</u>	<u>67,707,469</u>	<u>61,924,066</u>	<u>67,559,141</u>
Expenditures					
Current:					
General government	5,844,104	7,146,292	6,136,588	6,898,124	115,631,413
Public safety	29,258,673	30,235,225	34,708,110	35,762,037	37,642,012
Community development	2,392,374	2,497,952	2,563,517	316,097	430,627
Culture and recreation	6,634,294	6,981,663	7,383,682	7,034,788	6,618,326
Highways and streets	4,780,221	4,812,085	5,347,037	6,627,295	5,621,649
Health	250,000	160,000	150,000	137,500	187,500
Capital outlay	3,415,464	4,413,196	2,927,407	3,111,577	9,655,402
Debt service:					
Debt Issuance Costs					743,285
Principal	1,370,156	1,416,257	1,079,149	1,115,754	1,154,028
Interest and fiscal charges	995,948	944,666	895,018	853,417	809,641
Total expenditures	<u>54,941,234</u>	<u>58,607,336</u>	<u>61,190,508</u>	<u>61,856,589</u>	<u>178,493,883</u>
Excess (deficiency) of revenues over (under) expenditures	<u>812,229</u>	<u>2,311,999</u>	<u>6,516,961</u>	<u>67,477</u>	<u>(110,934,742)</u>
Other financing sources (uses):					
Transfers in	2,246,686	2,225,885	3,003,264	4,319,658	4,488,195
Transfers out	(2,746,686)	(2,725,885)	(3,003,264)	(3,706,035)	(4,929,208)
Capital Lease					2,682,300
(Loss) on sale of property	-	-	-	-	-
Proceeds from sale of property	-	-	-	-	-
Proceeds from tax increment deferred	-	-	-	-	-
Proceeds from section 108 loan	-	-	-	-	-
Issue of long term debt	-	-	-	-	100,892,026
Total other financing Sources (uses)	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>	<u>613,623</u>	<u>103,133,313</u>
Net change in fund balances before Extraordinary Item	<u>\$ 312,229</u>	<u>\$ 1,811,999</u>	<u>\$ 6,516,961</u>	<u>\$ 681,100</u>	<u>\$ (7,801,429)</u>
Extraordinary Items	-	-	-	-	-
Net change in fund balances	<u>\$ 312,229</u>	<u>\$ 1,811,999</u>	<u>\$ 6,516,961</u>	<u>\$ 681,100</u>	<u>\$ (7,801,429)</u>
Debt services as a percentage of noncapital expenditures ⁽²⁾	4.59%	4.36%	3.39%	3.35%	1.60%

Notes:

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

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

**CITY OF MONTEREY PARK
 ASSESSED VALUE OF TAXABLE PROPERTY ⁽¹⁾
 LAST TEN FISCAL YEARS
 (IN THOUSANDS)**

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property	Tax-Exempt Property ⁽²⁾	Total Taxable	Total
						Assessed Value	Direct Tax Rate ^{(3) (4)}
2011/12	4,176,308,316	914,084,645	141,375,663	330,098,283	34,278,620	5,561,866,907	0.39069
2012/13	4,392,899,226	1,016,937,428	146,514,412	265,303,532	33,633,996	5,821,654,598	0.40086
2013/14	4,589,336,142	1,037,976,948	156,760,121	268,842,451	33,633,996	6,052,915,662	0.24388
2014/15	4,819,968,671	1,058,583,010	160,416,355	276,605,994	29,479,877	6,315,574,030	0.24412
2015/16	5,057,044,107	1,093,431,570	164,909,195	276,512,462	29,538,778	6,591,897,334	0.24437
2016/17	5,307,806,812	1,140,647,311	173,217,543	312,397,210	28,011,283	6,934,068,876	0.24460
2017/18	5,602,078,820	1,173,225,228	186,112,221	308,114,143	27,269,372	7,269,530,412	0.24384
2018/19	5,900,997,427	1,246,669,672	202,037,631	301,345,786	27,122,190	7,651,050,516	0.24490
2019/20	6,154,110,366	1,385,210,969	214,058,031	335,807,643	27,122,190	8,089,187,009	0.24507
2020/21	6,452,593,484	1,442,805,214	225,355,790	362,258,108	27,122,190	8,483,012,596	0.24526

Notes:

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

**CITY OF MONTEREY PARK
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(RATE PER \$100 OF TAXABLE VALUE)**

Agency	Fiscal Year				
	2011/12	2012/13	2013/14	2014/15	2015/16
Basic Levy ⁽¹⁾	1.00000	1.00000	1.00000	1.00000	1.00000
City Direct Rates:					
Monterey Park - Pension Obligation Bonds	0.09117	0.09117	0.09117	0.09117	0.09117
Total Direct Rates	<u>1.09117</u>	<u>1.09117</u>	<u>1.09117</u>	<u>1.09117</u>	<u>1.09117</u>
Overlapping Rates:					
Alhambra Unified School District	0.06923	0.06228	0.04906	0.04985	0.04926
Garvey School District	0.05686	0.06037	0.05978	0.05947	0.05874
Garvey-Alhambra	0.03205	0.03327	0.04914	0.04522	0.04538
Los Angeles Community College District	0.03530	0.04875	0.04454	0.04017	0.03575
Los Angeles Unified School District	0.16819	0.17561	0.14644	0.14688	0.12971
Metropolitan Water District	0.01800	0.01800	0.01800	0.01800	0.01800
Montebello Unified School District	0.10001	0.09630	0.09457	0.08750	0.08715
Monterey Park GO Debt	0.09117	0.09117	0.09117	0.09117	0.09117
Total Overlapping Rates	<u>0.57081</u>	<u>0.58575</u>	<u>0.55270</u>	<u>0.53826</u>	<u>0.51516</u>
Total Direct & Overlapping ⁽²⁾ Tax Rates	<u>1.66198</u>	<u>1.67692</u>	<u>1.64387</u>	<u>1.62943</u>	<u>1.60633</u>
City's Share of 1% Levy Per Prop 13 ⁽³⁾	0.15778	0.15778	0.15778	0.15778	0.15778
General Obligation Debt Rate	0.09117	0.09117	0.09117	0.09117	0.09117
Redevelopment Rate ⁽⁴⁾	1.10918	0.00000	0.00000	0.00000	0.00000
Total Direct Rate ⁽⁵⁾	0.39069	0.40086	0.24388	0.24412	0.24437

Notes:

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

**CITY OF MONTEREY PARK
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(RATE PER \$100 OIF TAXABLE VALUE)**

Agency	Fiscal Year				
	2016/17	2017/18	2018/19	2019/20	2020/21
Basic Levy ⁽¹⁾	1.00000	1.00000	1.00000	1.00000	1.00000
City Direct Rates:					
Monterey Park - Pension Obligation Bonds	0.09117	0.09117	0.09117	0.09117	0.09117
Total Direct Rates	<u>1.09117</u>	<u>1.09117</u>	<u>1.09117</u>	<u>1.09117</u>	<u>1.09117</u>
Overlapping Rates:					
Alhambra Unified School District	0.03615	0.05786	0.05404	0.04501	0.04509
Garvey School District	0.06067	0.08332	0.08705	0.08623	0.08425
Garvey-Alhambra	0.05303	0.09319	0.08800	0.07055	0.07360
Los Angeles Community College District	0.03596	0.04599	0.04621	0.02717	0.04016
Los Angeles Unified School District	0.13110	0.12219	0.12323	0.12552	0.13993
Metropolitan Water District	0.02300	0.03000	0.03000	0.03000	0.03000
Montebello Unified School District	0.14705	0.13514	0.13921	0.09306	0.09706
Monterey Park GO Debt	0.09117	0.09117	0.09117	0.09117	0.09117
Total Overlapping Rates	<u>0.57813</u>	<u>0.65886</u>	<u>0.65891</u>	<u>0.56871</u>	<u>0.60126</u>
Total Direct & Overlapping ⁽²⁾ Tax Rates	<u>1.66930</u>	<u>1.75003</u>	<u>1.75008</u>	<u>1.65988</u>	<u>1.69243</u>
City's Share of 1% Levy Per Prop 13 ⁽³⁾	0.15778	0.15778	0.15778	0.15778	0.15778
General Obligation Debt Rate	0.09117	0.09117	0.09117	0.09117	0.09117
Redevelopment Rate ⁽⁴⁾	0.00000	0.00000	0.00000	0.00000	0.00000
Total Direct Rate ⁽⁵⁾	0.24460	0.24384	0.24490	0.24507	0.24526

Notes:

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

**CITY OF MONTEREY PARK
PRINCIPAL PROPERTY TAXPAYERS
(CURRENT YEAR AND NINE YEARS AGO)**

<u>Taxpayers</u>	<u>2020/21</u>	
	<u>Taxable Assessed Valuation</u>	<u>Percent of Total City Taxable Assessed Valuation</u>
Monterey Park Retail Partners LLC	\$ 121,591,213	1.43%
Atlantic Times Square II LLC	111,174,527	1.31%
Omninet LACC LLC ET AL	85,957,844	1.01%
Union Bank	59,553,460	0.70%
Garfield Calmed Investment LP	55,314,759	0.65%
Atlantic Square LLC	50,411,204	0.59%
Ethan Capital LLC	49,787,013	0.59%
BRE California Saturn LLC	40,575,600	0.48%
Atlantic Times Square X LLC	39,123,773	0.46%
Emerald Hills LLC	35,658,790	0.42%
	<u>\$ 649,148,183</u>	<u>7.65%</u>
 Total City Assessed Value	 <u>\$ 8,483,012,596</u>	

**CITY OF MONTEREY PARK
 PRINCIPAL PROPERTY TAXPAYERS (CONTINUED)
 (CURRENT YEAR AND NINE YEARS AGO)**

<u>Taxpayers</u>	<u>2011/12</u>	
	<u>Taxable Assessed Valuation</u>	<u>Percent of Total City Taxable Assessed Valuation</u>
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	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%
	<u>\$ 438,293,979</u>	<u>7.88%</u>
 Total City Assessed Value	 <u>\$ 5,561,866,907</u>	

**CITY OF MONTEREY PARK
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Original Levy			1% - CY PER BOOK			
	Taxes Levied for the Fiscal Year			Collected within the Fiscal Year of Levy			Percentage of Levy
	1%	D.S.	Amount	1%	D.S.	Amount	
2011/12	7,098,802	4,243,185	11,341,986	6,565,780	4,551,806	11,117,586	98.02%
2012/13	7,286,613	5,305,437	12,592,050 ⁽²⁾	6,986,871	4,290,564	11,277,435	89.56%
2013/14	7,634,155	4,523,042	12,157,197	7,425,568	4,437,271	11,862,839	97.58%
2014/15	8,065,770	4,540,488	12,606,259	7,796,253	4,443,105	12,239,358	97.09%
2015/16	8,455,052	4,956,680	13,411,732	8,163,466	4,837,739	13,001,205	96.94%
2016/17	8,824,332	5,182,017	14,006,349	8,497,606	5,046,043	13,543,649	96.70%
2017/18	9,279,439	5,447,199	14,726,639	8,918,736	5,290,647	14,209,382	96.49%
2018/19	9,729,981	5,745,652	15,475,634	9,348,499	5,629,544	14,978,043	96.78%
2019/20	10,218,301	5,990,008	16,208,309	9,742,395	5,844,063	15,586,458	96.16%
2020/21	10,722,859	6,244,037	16,966,896	10,230,502	6,088,919	16,319,421	96.18%

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

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

**CITY OF MONTEREY PARK
PROPERTY TAX LEVIES AND COLLECTIONS (CONTINUED)
LAST TEN FISCAL YEARS**

Fiscal Year	1% - PY PER BOOK			Total Collections to Date			
	Collections in Subsequent Years			1%	D.S.	Amount	Percentage of Levy ⁽¹⁾
	1%	D.S.	Amount				
2011/12	72,698	110,634	183,332	6,638,478	4,662,440	11,300,918	100%
2012/13	196,955	50,990	247,945	7,183,826	4,341,554	11,525,380	92%
2013/14	273,471	95,500	368,971	7,699,039	4,532,770	12,231,809	101%
2014/15	143,686	77,728	221,414	7,939,938	4,520,833	12,460,772	99%
2015/16	196,898	120,616	317,514	8,360,364	4,958,355	13,318,719	99%
2016/17	265,175	110,404	375,579	8,762,781	5,156,448	13,919,228	99%
2017/18	109,223	150,134	259,357	9,027,959	5,440,781	14,468,740	98%
2018/19	196,298	130,331	326,629	9,544,797	5,759,875	15,304,672	99%
2019/20	456,762	107,931	564,692	10,199,157	5,951,993	16,151,150	100%
2020/21	285,221	126,640	411,860	10,515,722	6,215,559	16,731,281	99%

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

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

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

**CITY OF MONTEREY PARK
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

<u>Fiscal Year</u>	<u>Governmental Activities</u>						<u>Total Governmental Activities</u>
	<u>Pension Obligation Bonds</u>	<u>Tax Allocation Bonds</u>	<u>Tax Increment Deferred Loan</u>	<u>HUD Section 108 Loans</u>	<u>Library Special Tax Revenue Note</u>	<u>Capital Lease Obligation</u>	
2011/12 ⁽³⁾	15,850	-	-	4,487	2,038	1,219	23,594
2012/13	15,365	-	-	4,189	1,729	1,106	22,389
2013/14	14,890	-	-	3,873	1,409	988	21,160
2014/15	14,425	-	-	3,538	1,077	2,442	21,482
2015/16	13,970	-	-	3,182	731	2,307	20,190
2016/17	13,520	-	-	2,804	373	2,123	18,820
2017/18	13,075	-	-	2,403	-	1,926	17,404
2018/19	12,635	-	-	1,977	-	4,162	18,774
2019/20	12,200	-	-	1,526	-	3,587	17,313
2020/21	11,770	-	-	1,047	-	5,669	18,486

Notes:

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

**CITY OF MONTEREY PARK
RATIOS OF OUTSTANDING DEBT BY TYPE (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

<u>Fiscal Year</u>	<u>Business-Type Activity</u> <u>Capital Lease Obligation</u>	<u>Total Primary Government</u>	⁽¹⁾ <u>Percentage of Personal Income</u>	<u>Population</u>	⁽²⁾ <u>Debt Per Capita</u>
2011/12 ⁽³⁾	5,533	29,127	0.01%	61,153	476
2012/13	4,966	27,355	0.01%	61,445	445
2013/14	4,392	25,552	0.01%	61,777	414
2014/15	12,747	34,229	0.01%	62,063	552
2015/16	12,127	32,317	0.01%	61,346	527
2016/17	10,567	29,387	0.00%	61,606	477
2017/18	9,809	27,213	1.08% ⁽⁴⁾	62,240	437
2018/19	9,167	27,941	1.10%	61,828	452
2019/20	8,466	25,779	0.93%	60,734	424
2020/21	7,915	26,401	N/A	60,380	437

Notes:

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

**CITY OF MONTEREY PARK
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(IN THOUSANDS, EXCEPT PER CAPITA)**

Fiscal Year	Pension Obligation Bonds ⁽¹⁾	Actual Taxable Value of Property	Percent of Actual Taxable Value of Property ⁽²⁾	Population	Net Bonded Debt Per Capita
2011/12 ⁽³⁾	15,850	5,561,867	0.28%	61,153	259
2012/13	15,365	5,821,655	0.26%	61,445	250
2013/14	14,890	6,052,916	0.25%	61,777	241
2014/15	14,425	6,315,574	0.23%	62,063	232
2015/16	13,970	6,591,897	0.21%	61,346	228
2016/17	13,520	6,934,069	0.19%	61,606	219
2017/18	13,075	7,269,530	0.18%	62,240	210
2018/19	12,635	7,651,050	0.17%	61,828	204
2019/20	12,200	8,089,187	0.15%	60,734	201
2020/21	11,770	8,483,013	0.14%	60,380	195

Note:

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

**CITY OF MONTEREY PARK
DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2021**

	Gross Bonded Debt Balance	Percent Applicable To City	Net Bonded Debt
Overlapping Debt			
METROPOLITAN WATER DISTRICT	13,101,783	0.030	3,917
GARVEY SCH DIST DS 2004 SER 2006	11,734,236	29.500	3,461,589
GARVEY SCH DIST DS 2004 SER 2008	8,126,200	29.500	2,397,222
GARVEY SD DS 2011 REF BONDS	2,325,000	29.500	685,873
GARVEY SD DS 2014 REF BONDS	2,050,000	29.500	604,748
GARVEY SD DS 2016 SER A	8,700,000	29.500	2,566,492
GARVEY SD DS 2016 SER B	9,120,000	29.500	2,690,392
GARVEY SD DS 2016 SER C	8,740,000	29.500	2,578,292
L A CCD DS 2003 SER 2004B	2,115,000	0.880	18,619
L A CCD DS 2001 SER 2004A	31,555,000	0.880	277,795
LA CCD DS 2008 09 TXBL SER B	75,000,000	0.880	660,263
LA CCD DS 2008 2010 TXBL SER D	125,000,000	0.880	1,100,438
LA CCD DS 08 2010 TX SR E BABS	900,000,000	0.880	7,923,153
LA CCD DS 2008 SER F	19,000,000	0.880	167,267
LA CCD DS 2013 REF BONDS	12,270,000	0.880	108,019
LA CCD DS 2008 SER G	33,670,000	0.880	296,414
LA CCD DS 2015 REF SER A	203,235,000	0.880	1,789,180
LA CCD DS 2015 REF SER B	205,540,000	0.880	1,809,472
LA CCD DS 2015 REF SER C	190,920,000	0.880	1,680,765
LA CCD DS 2008 SER I	173,700,000	0.880	1,529,169
LA CCD DS 2016 REF BDS	239,880,000	0.880	2,111,784
LA CCD DS 2016 SER B 1	2,193,365,000	0.880	19,309,297
LA USD DS MEAS K 09 SR KRY BABS	200,000,000	0.033	66,471
LA USD DS 2005 SER H QSCBS	249,040,000	0.033	82,770
LA USD DS MEAS R 09 SER KRY BABS	363,005,000	0.033	120,646
LA USD DS MEAS Y 09 SER KRY BABS	806,795,000	0.033	268,142
LA USD MEAS R 2010 SER RY BABS	477,630,000	0.033	158,742
LA USD MEAS Y 2010 SER RY BABS	772,955,000	0.033	256,895
LA USD 2005 2010 SER J 1 QSCBS	134,415,000	0.033	44,673
LA USD 2005 2010 SER J 2 QSCBS	70,670,000	0.033	23,487
LA USD DS 2011 REF BOND SER A 1	52,305,000	0.033	17,384
LA USD DS 2011 REF BOND SER A 2	131,825,000	0.033	43,813
LA USD DS 2012 REF BOND SER A	79,965,000	0.033	26,577
LA USD DS 2014 REF BOND SER A	39,990,000	0.033	13,291
LA USD DS 2014 REF BOND SER B	126,165,000	0.033	41,931
			\$ 54,934,982

2020/21 Assessed Valuation: \$6,734,816,484 After Deducting \$1,748,196,112 Incremental Value.

Debt to Assessed Valuation Ratios:	Direct Debt	0.00%
	Overlapping debt	1.82%
	Total debt	1.82%

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, 2021**

	<u>Gross Bonded Debt Balance</u>	<u>Percent Applicable To City</u>	<u>Net Bonded Debt</u>
Overlapping Debt (Continued)			
LA USD DS 2014 REF BOND SER C	767,245,000	0.033	254,997
LA USD DS 2014 REF BOND SER D	115,040,000	0.033	38,234
LA USD DS 2015 REF BONDS SER A	218,260,000	0.033	72,540
LA USD DS 2008 SER A 2016	377,985,000	0.033	125,625
LA USD DS 2016 REF BONDS SER A	267,465,000	0.033	88,893
LA USD DS 2016 REF BONDS SER B	498,240,000	0.033	165,592
LA USD DS 17 REF SER A PROP BB	113,455,000	0.033	37,707
LA USD DS 17 REF SER A MEAS K	921,240,000	0.033	306,178
LA USD DS 2005 SER M 1 2018	111,265,000	0.033	36,979
LA USD DS 2008 SER B 1 2018	1,034,935,000	0.033	343,965
LA USD DS 19 REF 02 S D MEAS K	142,765,000	0.033	47,449
LA USD DS 19 REF 04 S I MEAS R	316,820,000	0.033	105,297
LA USD DS 19 REF 05 S F MEAS Y	85,710,000	0.033	28,486
LA USD MEAS R 2020 SER RYQ	829,000,000	0.033	275,522
LA USD MEAS Y 2020 SER RYQ	302,000,000	0.033	100,371
LA USD MEAS Q 2020 SER RYQ	907,190,000	0.033	301,509
LA USD DS SER RYQ 2020 B	196,310,000	0.033	65,244
MONTEBELLO UNIF DS 1998 SER 98	2,059,841	9.091	187,255
MONTEBELLO UNIF SD DS 98 SER 99	2,244,866	9.091	204,075
MONTEBELLO USD DS 1998 SER 2001	2,632,827	9.091	239,344
MONTEBELLO USD DS 1998 SER 2004	5,023,902	9.091	456,710
MONTEBELLO USD DS 1998 SER 2002	4,257,964	9.091	387,081
MONTEBELLO USD DS 04 SR09A 2BABS	12,640,000	9.091	1,149,071
MONTEBELLO USD DS REF 04 SER 13A	15,010,000	9.091	1,364,521
MONTEBELLO USD DS REF BND SER 15	26,185,000	9.091	2,380,412
MONTEBELLO USD DS RF BND 16 SR A	13,425,000	9.091	1,220,433
MONTEBELLO USD DS 2016 SER A	79,345,000	9.091	7,213,054
ALHAMBRA USD DS 99 S A	5,359,556	32.704	1,752,788
ALHAMBRA USD DS 2005 REF BONDS	4,565,000	32.704	1,492,937
ALHAMBRA USD DS08 B1 ESID QSCB	6,400,000	32.704	2,093,055
ALHAMBRA GARVY USD DS 12 RF SR A	51,419,695	32.704	16,816,286
ALHAMBRA USD DS 12 REF BNDS SR B	3,405,000	32.704	1,113,570
ALHAMBRA GARVY SD DS 16 RF SR A	17,430,000	32.704	5,700,303
ALHAMBRA USD DS 2016 RF BND SR B	21,510,000	32.704	7,034,626
ALHAMBRA USD DS 16 SER A ESID	34,514,708	32.704	11,287,683
ALHAMBRA GARVY SD DS 16 S A	9,990,000	32.704	3,267,127
Sub-Total Overlapping Debt			\$ 67,754,919
Total Overlapping Debt			\$ 122,689,901
Direct Debt:			
Pension Obligation Bonds	118,105,000	100%	118,105,000
HUD Section 108 Loan	1,047,000	100%	1,047,000
Capital Lease Obligations	5,668,732	100%	5,668,732
Total Direct Debt			\$ 124,820,732
Total Direct and Overlapping Debt			\$ 247,510,633

Source: HDL Coren & Cone

**CITY OF MONTEREY PARK
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

	Fiscal Year				
	2011/12	2012/13	2013/14	2014/15	2015/16
Assessed valuation	5,561,867	5,821,655	6,052,916	6,315,574	6,591,897
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	834,280	873,248	907,937	947,336	988,785
Total net debt applicable to limit:					
Pension obligation bonds	<u>15,850</u>	<u>15,365</u>	<u>14,890</u>	<u>14,425</u>	<u>13,970</u>
Legal debt margin	<u>\$ 818,430</u>	<u>\$ 857,883</u>	<u>\$ 893,047</u>	<u>\$ 932,911</u>	<u>\$ 974,815</u>
Total debt applicable to the limit as a percentage of debt limit	1.90%	1.76%	1.64%	1.52%	1.41%

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

**CITY OF MONTEREY PARK
LEGAL DEBT MARGIN INFORMATION (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

	Fiscal Year				
	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
Assessed valuation	6,934,068	7,269,530	7,651,050	8,089,187	8,483,013
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	1,040,110	1,090,430	1,147,657	1,213,378	1,272,452
Total net debt applicable to limit:					
Pension obligation bonds	<u>13,520</u>	<u>13,075</u>	<u>12,635</u>	<u>12,200</u>	<u>118,105</u>
Legal debt margin	<u>\$ 1,026,590</u>	<u>\$ 1,077,355</u>	<u>\$ 1,135,022</u>	<u>\$ 1,201,178</u>	<u>\$ 1,154,347</u>
Total debt applicable to the limit as a percentage of debt limit	1.30%	1.20%	1.10%	1.01%	9.28%

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

**CITY OF MONTEREY PARK
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2011/12	61,153	443,088,010	44,474	9.0%
2012/13	61,445	466,098,988	46,530	7.0%
2013/14	61,777	499,767,889	49,400	6.5%
2014/15	62,063	544,324,900	53,521	5.2%
2015/16	61,346	563,907,868	55,624	5.2%
2016/17	61,606	593,741,110	58,419	4.5%
2017/18 ⁽¹⁾	62,240	2,514,503	63,720	3.9%
2018/19	61,828	2,544,235	64,513	4.1%
2019/20	60,734	2,763,312	70,192	9.6%
2020/21	60,380	N/A	N/A	13.3%

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

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

**CITY OF MONTEREY PARK
PRINCIPAL EMPLOYERS
(CURRENT YEAR AND NINE YEARS AGO)**

Employers	2020/21	
	Number of Employees	Percentage of Total Employment ⁽¹⁾
GARFIELD MEDICAL CENTER	985	0.023%
BLUE SHIELD OF CALIFORNIA PROMISE HEALTH PLAN (2 LOCATIONS)	578	0.013%
SOUTHERN CALIFORNIA GAS COMPANY	430	0.010%
COSTCO WHOLESALE	420	0.010%
MONTEREY PARK HOSPITAL	365	0.009%
NETWORK MEDICAL MANAGEMENT INC	232	0.005%
RALPHS GROCERY CO (2 LOCATIONS)	199	0.005%
HOME DEPOT	191	0.004%
BEHAVIOR RESPITE IN ACTION INC	190	0.004%
REMITCO L L C	179	0.004%
CARMICHAEL INTERNATIONAL SERVICE	127	0.003%
CAMINO REAL CHEVROLET	122	0.003%
CHINESE DAILY NEWS (DBA)	118	0.003%
HERITAGE MANOR HEALTHCARE	97	0.002%

**CITY OF MONTEREY PARK
PRINCIPAL EMPLOYERS (CONTINUED)
(CURRENT YEAR AND NINE YEARS AGO)**

Employers	2011/12	
	Number of Employees	Percentage of Total Employment ⁽¹⁾
GARFIELD MEDICAL CENTER	972	0.022%
CITY OF MONTEREY PARK	407	0.009%
MONTEREY PARK HOSPITAL	362	0.008%
SOUTHERN CALIFORNIA GAS COMPANY	298	0.007%
SYNERMED INC	227	0.005%
CARE 1ST HEALTH PLAN (2 LOCATIONS)	353	0.008%
RALPHS GROCERY CO (2 LOCATIONS)	165	0.004%
REMITCO L L C	136	0.003%
CHINESE DAILY NEWS (DBA)	128	0.003%
SOUTHERN CALIFORNIA EDISION CO.	126	0.003%
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%

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

**CITY OF MONTEREY PARK
CITY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

<u>Function</u>	Fiscal Year									
	<u>11-12</u>	<u>12-13</u>	<u>13-14</u>	<u>14-15</u>	<u>15-16</u>	<u>16-17</u>	<u>17-18</u>	<u>18-19</u>	<u>19-20</u>	<u>20-21</u>
General Government	32	32	32	31	32	33	33	35	38	39
Public Safety										
Police	113	114	114	114	116	119	119	122	122	122
Fire	58	58	58	58	58	59	61	61	66	66
Public Works	70	70	70	71	71	71	71	71	80	83
Culture and Recreation										
Library	24	25	25	26	26	26	26	26	25	25
Recreation/Community Services	36	36	36	37	37	37	37	37	36	38
Community/Economic Development ⁽¹⁾	12	13	13	14	14	15	17	17	0	0
Total	345	348	347	350	352	359	364	368	367	373

Note: Numbers represent Full-Time-Equivalent positions.

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

**CITY OF MONTEREY PARK
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2011/12	2012/13	2013/14	2014/15	2015/16
Police:					
Number of service calls	54,128	51,130	51,735	54,568	54,183
Response time priority I (emergency) (minutes/seconds)	4:10	3:55	4:28	3:56	4:49
Fire:					
Number of emergency calls	4,103	4,565	4,538	4,605	4,985
Inspections	2,570	2,385	2,955	2,424	5,139
Public works:					
Street resurfacing (miles)	2.05	14.68	0.48	0.16	2.12
Parks and recreation:					
Hours of recreation classes	770	540	640	640	650
Number of facility rentals / Number of hours of facility rentals ⁽¹⁾	177	145	167	165	175
Water:					
Meters changed and upgrades ⁽²⁾	1,149	739	329	10,994	98
Water turn-ons and turn-offs	2,436	2,856	2,412	2,412	2,682
Average daily consumption (thousand of gallons)	8,000	8,000	8,000	8,000	8,000

Note:

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

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

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

**CITY OF MONTEREY PARK
OPERATING INDICATORS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2016/17	2017/18	2018/19	2019/20	2020/21
Police:					
Number of service calls	53,646	54,696	53,534	50,153	49,113
Response time priority I (emergency) (minutes/seconds)	4:46	4:22	4:02	3:59	3.49
Fire:					
Number of emergency calls	5,047	5,121	4,355	4,251	4,290
Inspections	3,523	3,523	2,922	3,200	2557
Public works:					
Street resurfacing (miles)	2.71	2.80	-	2.79	0
Parks and recreation:					
Hours of recreation classes	600	922	960	640	0
Number of facility rentals / Number of hours of facility rentals ⁽¹⁾	1,197	1,230	2,816	640	0
Water:					
Meters changed and upgrades ⁽²⁾	112	8	5	7	7
Water turn-ons and turn-offs	2,440	2,440	2,080	3,471	2000
Average daily consumption (thousand of gallons)	8,000	8,000	8,000	8,000	8,000

Note:

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

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

**CITY OF MONTEREY PARK
CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2011/12	2012/13	2013/14	2014/15	2015/16
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	3	3	3	3	3
Public works:					
Streets (miles)	119	119	119	119	119
Streetlights	3,359	3,359	3,359	3,359	3,359
Traffic signals	75	75	75	75	75
Parks and recreation:					
Parks	14	14	14	14	14
Community centers					
Water:					
Water mains (miles)	134	134	134	134	134
Maximum Actual Daily Pumped (thousands of gallons)	11,340	12,810	11,510	9,680	7,200
Wastewater:					
Sanitary sewers (miles)	126	126	126	126	126
Storm sewers (miles)	12.43	12.43	12.43	12.43	12.43

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

**CITY OF MONTEREY PARK
CAPITAL ASSETS STATISTICS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS**

	Fiscal Year				
	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	3	3	3	3	3
Public works:					
Streets (miles)	119	119	119	119	119
Streetlights	3,359	3,359	3,359	3,359	3,359
Traffic signals	75	75	75	75	75
Parks and recreation:					
Parks	14	14	14	14	14
Community centers					
Water:					
Water mains (miles)	134	134	134	134	134
Maximum Actual Daily Pumped (thousands of gallons)	6,800	7,000	6,700	6,700	6,800
Wastewater:					
Sanitary sewers (miles)	126	126	126	126	126
Storm sewers (miles)	12.43	12.43	12.43	12.43	12.43

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

**CITY OF MONTEREY PARK
WATER SOLD BY TYPE OF CUSTOMER
LAST TEN FISCAL YEARS
(IN MILLIONS OF GALLONS)**

	Fiscal Year				
	2011/12	2012/13	2013/14	2014/15	2015/16
Type of Customers:					
Residential	2,570.3	2,825.1	2,824.1	2,431.1	2,504.0
Commercial	861.8	893.6	893.8	896.6	914.5
Institutional	175.0	163.0	160.0	159.1	163.9
Government	<u>90.0</u>	<u>88.0</u>	<u>82.0</u>	<u>80.0</u>	<u>81.6</u>
 Total	 <u><u>3,697.1</u></u>	 <u><u>3,969.7</u></u>	 <u><u>3,959.9</u></u>	 <u><u>3,566.8</u></u>	 <u><u>3,664.0</u></u>

**CITY OF MONTEREY PARK
WATER SOLD BY TYPE OF CUSTOMER (CONTINUED)
LAST TEN FISCAL YEARS
(IN MILLIONS OF GALLONS)**

	Fiscal Year				
	2016/17	2017/18	2018/19	2019/20	2020/21
Type of Customers:					
Residential	2,151.5	2,355.5	2,435.4	2,445.0	2,483.1
Commercial	835.8	876.9	901.5	896.4	863.2
Institutional	161.1	163.3	165.4	163.2	159.1
Government	<u>80.3</u>	<u>83.1</u>	<u>85.3</u>	<u>84.7</u>	<u>83.2</u>
 Total	 <u><u>3,228.7</u></u>	 <u><u>3,478.8</u></u>	 <u><u>3,587.6</u></u>	 <u><u>3,589.3</u></u>	 <u><u>3,588.6</u></u>

**CITY OF MONTEREY PARK
WATER RATES
LAST TEN FISCAL YEARS**

Fiscal Year	Monthly Base Rate	Rate per 1,000 Gallons
2011/12	12.63	2.21
2012/13	12.63	2.21
2013/14	12.63	2.21
2014/15	14.50	2.39
2015/16	15.95	2.49
2016/17	17.55	2.89
2017/18	19.30	3.02
2018/19	21.25	3.15
2019/20	19.20	3.01
2020/21	19.20	3.01

Note: Rates are based on 5/8" meter and 3/4 meters (the City is standardizing to 3/4 meters), which is the standard household meter size.

**CITY OF MONTEREY PARK
TOP TEN WATER CUSTOMERS
(CURRENT YEAR AND FOUR YEARS AGO)**

<u>Water Customer</u>	<u>2020/21</u>		<u>2016/2017</u>	
	<u>Water Charges</u>	<u>Percent of Total Water Revenues</u>	<u>Water Charges</u>	<u>Percent of Total Water Revenues</u>
Emerald Hills, LLC	\$ 133,015	1.30%	\$ 110,625	1.20%
Garfield Estates	117,032	1.14%	103,096	0.96%
MP 3600 LLC	107,095	1.05%	40,183	1.67%
Garfield Medical Ctr	88,143	0.86%	67,872	0.91%
Atlantic Times Square II, LLC	80,016	0.78%	89,801	1.20%
Continental Homes	63,631	0.62%	71,922	0.96%
Atlantic Times Square II, LLC	60,756	0.59%	125,274	1.67%
Mtry Pk Intrcom Hosp	49,603	0.48%	40,802	0.55%
Emerald Hills, LLC	38,471	0.38%	31,011	0.41%
Equity Office	33,916	0.33%	14,822	0.20%
	<u>\$ 771,679</u>	<u>7.54%</u>	<u>\$ 695,408</u>	<u>9.73%</u>

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