



City of Monterey Park *California*

Annual Comprehensive Financial Report
Year Ended June 30, 2022



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City of Monterey Park, California

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

Year ended June 30, 2022

Prepared by the Management Services Department

Martha Garcia
Director of Management Services

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**CITY OF MONTEREY PARK
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2022**

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MONTEREY PARK CITY OFFICIALS



CITY COUNCIL

Henry Lo, Mayor
Vacant, Mayor Pro Tem

Yvonne Yiu
Council Member

Hans Liang
Council Member

Peter Chan
Council Member

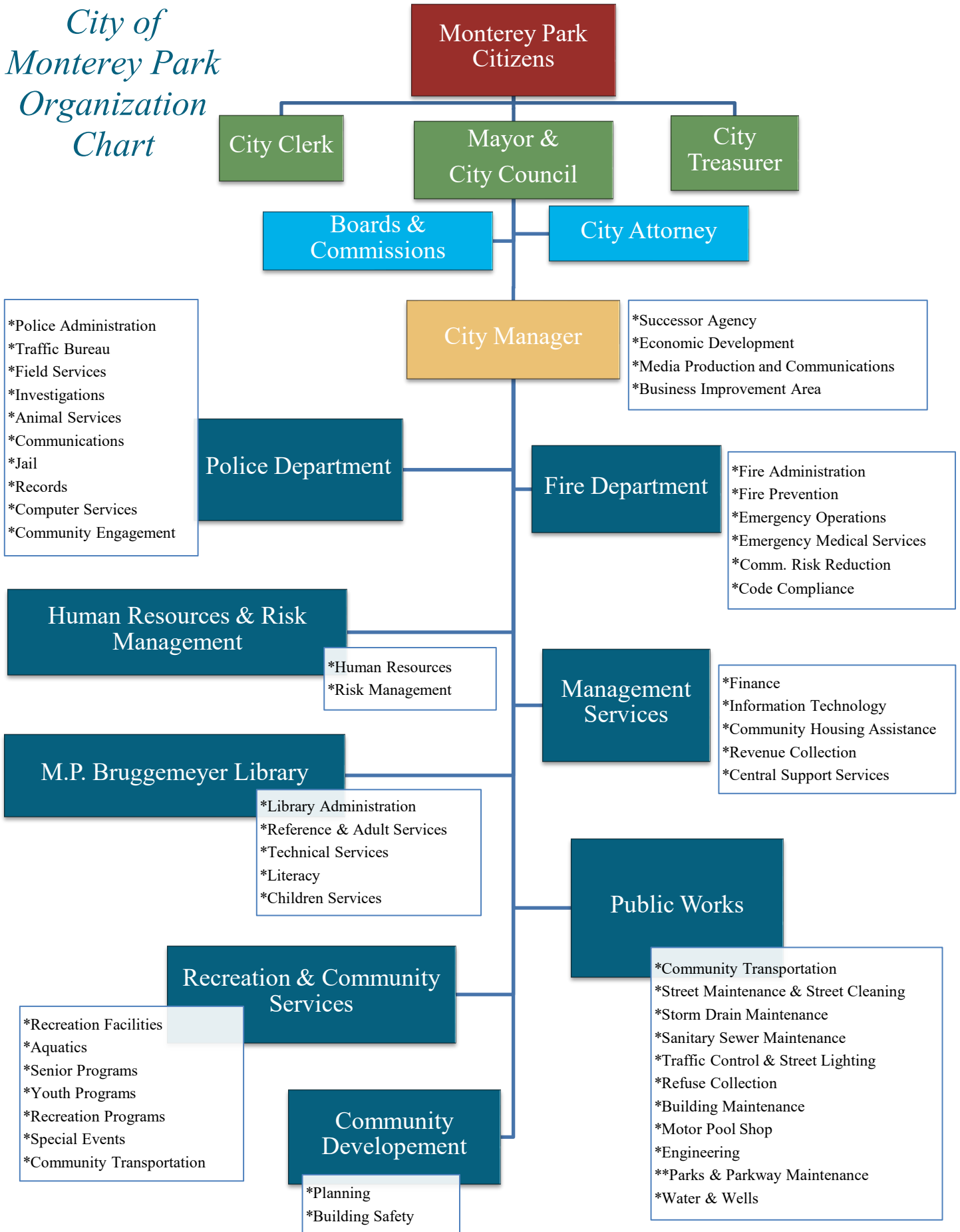
ELECTED OFFICIALS

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
Anthony Antich.....Interim Director of Public Works
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
Henry Lo
Vinh Ngo
Jose Sanchez
Thomas Wong
Yvonne Yiu

City Clerk
Maychelle Yee

City Treasurer
Amy Lee

April 18, 2023

To the Honorable Mayor, Members of the City Council and the Citizens of the City of Monterey Park, California State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP), as promulgated by the Government Accounting Standards Board (GASB) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The City obtained approval from the Government Finance Officers Association (GFOA) to publish at eight months of close of fiscal year due to staff turnover and shortages. 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, 2022.

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, 2022, 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 2021-22 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 2022, the median sales price of detached single-family homes in Monterey Park is \$908,000. This median sales price is 8.4% above the 2021 median sales price of \$838,000. Because of its desirable location, house values in Monterey Park are expected to remain strong.

Over the last few months, slight inflation improvements materialized in various industries, however real change has yet to take hold. Many remain nervous about the economy sliding into a recession. Nevertheless, customer spending remains strong. Experts vary on whether a recession will occur and to what extent. Unemployment rates remain a key indicator of whether this adverse economic situation will occur. From a sales tax perspective, the forecast does reflect a slowdown in taxable merchandise spending as the higher cost of utilities, food and other necessities limit dollars available for discretionary and non-essential items.

Through the Federal American Rescue Plan (ARPA), the City was allocated \$15 million for COVID- 19 pandemic recovery efforts. The first lump sum was received in June 2021 and the second (final) lump sum was received in June 2022. The City uses ARPA funds towards governmental services including rehiring part-time and full-time staff to its pre- pandemic levels, investing in public safety and cyber security.

Financial Overview and Policies

In FY 2021-22, the City implemented Governmental Accounting Standards Board (GASB) 87, the objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The City continues the reporting requirement per GASB Statement No. 68 and 71, for pension liabilities. The City also continues 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 2021-22 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 January. 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 2021-22 Adopted Budget includes a conservative fiscal spending plan and reflects \$28 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 2021-22, which displayed significant financial impacts, included:

- Successfully launched Monterey Park Rewards, an innovative smartphone-based shop local app created to address the struggles that local businesses face during the pandemic by rewarding residents and visitors for shopping and dining locally;
- Successfully implemented the launch of the Tyler Munis Human Capital Management system allowing integration of all core functions including payroll, human resources, revenues, procurement, and financials;
- Organized and conducted COVID-19 Economic Recovery Task Force meetings comprised of various community stakeholders and economic development partners to provide the City with recommendations for economic recovery during and post-pandemic;
- Expanded the Library's digital collection by adding access to online learning platforms for test preparation, career change, small business startup and digital skill building to provide workforce development assistance; and offered free digital access to more than 7,000 newspapers and magazines from over 120 countries in 60 different languages;
- 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;
- The Community Risk Reduction division completed a technology upgrade of the EOC which included new displays, new chrome book computers for EOC disaster operations and improvement of the internet network access points; and
- Installation and implementation of a trunked, encrypted radio system and transition to the ICI Regional Public Safety communications system as well as Hosted Radio Management System. The system's 11 trunked cells and 37 repeater sites blanket virtually the entire 4,500 square miles of Los Angeles County with digital radio coverage that can be accessed by all member agencies and their resources.

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 2021-22 appropriations limit was \$99.2 million and the City's actual appropriation subject to the limit was 52% 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, 2022, the City's investment balances, including amounts held by fiscal agent, were \$112.7 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 under a Joint Power Authority Agreement (JPA) with Public Risk Innovation Solutions, and Management (PRISM). PRISM is a member-directed risk sharing pool of public agencies committed to providing risk coverage programs and risk management services, which drive member stability, efficiency, and best practices. 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, 2021. This was the 33rd 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 2021-22 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 Finance Department 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 Finance



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, 2021

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 01, 2021

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



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As described in Note 1D to the financial statements, effective July 1, 2021, the City adopted new accounting guidance, Statement of Governmental Accounting Standards Board (GASB Statement) No. 87, *Leases*. Our opinions are not modified with respect to this matter.

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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

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.

Supplementary 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 combining statements and individual fund schedules (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

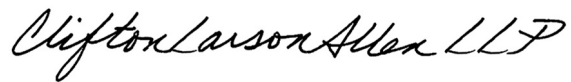
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2023, 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
April 18, 2023

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, 2022, 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 23 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, Special Revenue Housing Fund and Street Capital Projects Fund, which are reported as major funds. Information for the other 17 governmental funds is combined into a single column under Nonmajor Special Revenue Governmental Funds. Data for the nonmajor governmental funds is provided in the combining statements in this report.

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

Proprietary Funds

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

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

Fiduciary Funds

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

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

Other Supplementary Information

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

Financial Highlights

- Total 2021-22 net position increased by \$11.9 million from 2020-21, which is the net of the \$11.2 million increase in governmental activities and the \$688 thousand increase in business-type activities. The \$6 million decrease in governmental services was attributed to growing pension and other post-employment benefits (OPEB) costs, as well as a reduction in revenues. The \$1.2 million increase in business-type activities was primarily due to steady water and refuse revenues and flat operational costs across all enterprise funds.
- As of June 30, 2022, the City's assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources by \$44.4 million, of which \$96 million was related to the net investment in capital assets, \$55.0 million was restricted for special revenues, and a negative \$106.7 million was unrestricted.
- At the 2021-22 year-end, the General Fund total fund balance was \$29 million, a \$6.2 million decrease from the prior year. The decrease was related to the Goodviews Abatement Project.
- The City kept the residential trash rates at the same level as 2020-21. However, the service contract cost for the trash provider was adjusted by CPI, per the contractual agreement.
- 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, 2022, the City's combined assets (governmental and business-type activities) totaled \$305.9 million, up \$79.8 million from last year. The increase was primarily attributed to \$20.4 million increase in cash and investments held by fiscal agent, a \$50.4 million increase in net pension assets and \$9 million increase in capital assets. The City's total deferred outflow of resources decreased \$117.2 million, from \$123.2 million to \$6 million. The decrease was due to the City's pension plans. The City's liabilities totaled \$222.8 million, down \$88.1 million from last year. The City's total deferred inflow of resources increased \$38.7 million, from \$6.1 million to \$44.8 million. The increase was related to the City's pension plans and the implementation of GASB 87 amounts related to leases. As a result, the City's combined net position totaled \$44.4 million, up \$8.8 million from last year.

Net position consists of three categories: net investment in capital assets, restricted fund balances, and an unrestricted fund balance. The largest portion of the City's net position, approximately \$96 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 \$55.0 million at June 30, 2022. 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, 2022, the City's total unrestricted net position was a negative \$106.7 million.

	<i>Governmental</i>		<i>Business-type</i>		<i>Total</i>	
	<i>Activities</i>		<i>Activities</i>			
	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2021</u>
<i>Assets:</i>						
<i>Current</i>	\$ 106,123	\$ 84,852	\$ 31,161	\$ 35,709	\$ 137,284	\$ 120,561
<i>Non Current</i>						
<i>Capital Assets</i>	66,474	61,796	47,601	40,589	114,075	102,385
<i>Other</i>	51,912	3,207	2,637		54,549	3,207
<i>Total Assets:</i>	<u>224,509</u>	<u>149,855</u>	<u>81,399</u>	<u>76,298</u>	<u>305,908</u>	<u>226,153</u>
<i>Deferred Outflow of Resources</i>	<u>5,397</u>	<u>116,613</u>	<u>592</u>	<u>6,623</u>	<u>5,989</u>	<u>123,236</u>
<i>Liabilities:</i>						
<i>Current</i>	28,156	24,038	4,957	4,802	33,113	28,840
<i>Long-Term</i>	171,054	259,382	18,626	22,624	189,680	282,006
<i>Total Liabilities</i>	<u>199,210</u>	<u>283,420</u>	<u>23,583</u>	<u>27,426</u>	<u>222,793</u>	<u>310,846</u>
<i>Deferred Inflow of Resources</i>	<u>41,931</u>	<u>5,462</u>	<u>2,851</u>	<u>626</u>	<u>44,782</u>	<u>6,088</u>
<i>Net Position:</i>						
<i>Net Investment in Capital</i>						
<i>Assets</i>	60,290	53,107	35,741	32,466	96,031	85,573
<i>Restricted</i>	52,357	22,378	2,637	-	54,994	22,378
<i>Unrestricted</i>	(123,882)	(97,899)	17,179	22,403	(106,703)	(75,496)
<i>Total Net Position</i>	<u>\$ (11,235)</u>	<u>\$ (22,414)</u>	<u>\$ 55,557</u>	<u>\$ 54,869</u>	<u>\$ 44,322</u>	<u>\$ 32,455</u>

Statement of Activities
For Fiscal Years Ended June 30, 2022 and June 30, 2021
(In thousands)

	<i>Governmental</i>		<i>Business-type</i>		<i>Total</i>	
	<i>6/30/2022</i>	<i>6/30/2021</i>	<i>6/30/2022</i>	<i>6/30/2021</i>	<i>6/30/2022</i>	<i>6/30/2021</i>
<i>Revenues</i>						
<i>Program Revenues:</i>						
<i>Charges for Services</i>	\$ 12,031	\$ 8,733	\$ 24,327	\$ 26,266	\$ 36,358	\$ 34,999
<i>Operating Grants & Contributions</i>	14,676	12,200	-	-	14,676	12,200
<i>Capital Grants & Contributions</i>	-	-	881	94	881	94
<i>General Revenues:</i>						
<i>Taxes</i>	46,432	44,888	-	-	46,432	44,888
<i>Revenues from Use of Money and Property</i>	(1,859)	396	41	53	(1,818)	449
<i>Other</i>	1,445	1,339	-	2	1,445	1,341
<i>Total Revenues:</i>	<u>72,725</u>	<u>67,556</u>	<u>25,249</u>	<u>26,415</u>	<u>97,974</u>	<u>93,971</u>
<i>Expenses:</i>						
<i>General Government</i>	4,998	16,863	-	-	4,998	16,863
<i>Public Safety</i>	32,975	41,432	-	-	32,975	41,432
<i>Comm. Development</i>	7,545	501	-	-	7,545	501
<i>Culture & Recreation</i>	7,250	7,368	-	-	7,250	7,368
<i>Highway & Streets</i>	5,301	6,349	-	-	5,301	6,349
<i>Health</i>	234	187	-	-	234	187
<i>Interest & Fiscal Charges</i>	3,717	1,534	-	-	3,717	1,534
<i>Water/Refuse/Sewer</i>	-	-	24,087	26,829	24,087	26,829
<i>Total Expenses:</i>	<u>62,020</u>	<u>74,234</u>	<u>24,087</u>	<u>26,829</u>	<u>86,107</u>	<u>101,063</u>
<i>Transfers</i>	474	534	(474)	(534)	-	-
<i>Changes in Net Position</i>	11,179	(6,144)	688	(948)	11,867	(7,092)
<i>Net Position July 1</i>	(22,414)	(16,270)	54,869	55,817	32,455	39,547
<i>Net Position June 30</i>	<u>\$ (11,235)</u>	<u>\$ (22,414)</u>	<u>\$ 55,557</u>	<u>\$ 54,869</u>	<u>\$ 44,322</u>	<u>\$ 32,455</u>

Governmental Activities Financial Analysis

Overall governmental activities increased the City's net position by \$11.2 million. The increase in net position was due primarily to an increase in capital asset investments.

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, 2022, the City's governmental funds reported a combined ending fund balance of \$73.1 million, an increase of \$17.2 million from the prior year. The fund balance categories of the governmental funds show \$126,522 as nonspendable, \$44.3 million as restricted, \$10 million as committed, \$19.2 million as assigned, and \$(424,574) as unassigned. *(Please refer to Note 13 of the Notes to Basic Financial Statements for detailed breakdown.)*

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

The General Fund is the main operating fund of the City, which accounts for the majority of the police, fire, recreation, parks maintenance, public works, library, community development, and general administrative services. General Fund revenues and transfers in for 2021-22 totaled \$49 million, an increase of \$2.4 million from 2020-21. The increase was primarily due to the steady economic recovery and businesses resuming normal activities as the COVID-19 regulations relaxed. Total 2021-22 general fund expenditures and transfers out were \$55.2 million, reflecting an increase of \$95.4 million from 2020-21. As of June 30, 2022, the total fund balance of the General Fund was \$29 million, a decrease of \$6.2 million from last year.

The Special Revenue Grants Fund reports the activities of various grants that the City received from Federal, State, and County agencies. Unspent grant funds are accumulated for expenditures in future years. Total grants received for governmental activities and transfers in for 2021-22 were \$4.2 million, up \$1 million from last year. Total 2021-22 grant funded expenditures and transfers out were \$4.2 million, reflecting an increase of \$1.9 million from 2020-21. Total fund balance of the Special Revenue Grants Fund as of June 30, 2022 was \$1.2 million, an increase of \$6,000 from last year.

Special Revenue Retirement/Pension Liability Fund accounts for revenue received from the voter-approved property tax levied to provide for employee retirement costs. Total revenues and transfers for 2021-22 were approximately \$11.8 million, an increase of \$0.2 million over 2020-21. Total expenditures for 2021-22 were \$9.4 million, down \$11.0 million from 2020-21. The decrease in expenditures was due to payoff of the Unfunded Accrued Liability (UAL). The total fund balance in the Retirement/Pension Liability Fund as of June 30, 2022 was \$2.6 million, all of which is restricted for employee retirement costs.

The Streets Capital Projects Fund reports the bond proceeds received for street related capital projects. Total bond proceeds received during the year were \$21,026,121. Total 2021-22 capital related expenditures were \$572,275. Total fund balance of the Streets Capital Projects Fund as of June 30, 2022 was \$20.5 million.

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. Total revenues for 2021-22 were \$6,000. There were no housing expenditures for 2021-22. As of June 30, 2022, the fund balance of the Special Revenue Housing Fund was \$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 transfers-in for 2021-22 were \$12 million, up \$3.5 million from 2020-21. Total expenditures and transfers-out for 2021-22 were \$10 million, an increase of \$1.6 million over 2020-21. As of June 30, 2022, the fund balance of the Nonmajor Governmental Funds totaled \$17.5 million, up \$0.5 million from 2020-21.

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 2021-22 water revenues were \$14.2 million, down \$1.9 million from 2020-21. The decrease in water revenues was primarily due to increased conservation measures throughout the community. Water expenses were \$14 million, down \$1.9 million from 2020-21. The decrease was primarily due to a reduction in administration costs, including retirement, and costs for the water production and water treatment operations in 2021-22. The net position for the Water Fund increased by 414 thousand from the previous year to \$51.2 million at June 30, 2022.

Refuse Fund revenues for 2021-22 were at \$6.8 million, down \$0.1 million from the previous year. Operating expenditures were \$6.6 million, up \$0.1 million from last year. The net position for the Refuse Fund was \$861,412 at June 30, 2022, an increase of \$176,749 from the prior year.

Sewer Fund revenues were \$3.2 million, which stayed the same as last year. Operating expenditures were \$2.3 million, down \$0.5 million from last year. The decrease was primarily due lower maintenance costs. The net position for the Sewer Fund increased to \$10.8 million, an increase of \$0.8 million from the prior year.

General Fund Budgetary Highlights

The originally adopted General Fund budget for this fiscal year was \$47.8 million. The final amended budget of \$51.7 million reflecting City Council approved amendments throughout the year.

The budget amendments included additional funds for minimum wage mandates, Police Department overtime, service costs, a classification and compensation study and addition of staff.

Overall, actual revenues in the General Fund were higher than the budgeted revenues. The increase was \$1.5 million. Primarily due to relaxed COVID-19 regulations causing increased tax revenue \$2.7

million higher than budgeted. Revenue from use of money and property was lower than budgeted by \$3 million, licenses and permits and fines and forfeitures were also lower by \$40,000 and \$95,000, respectively. Actual expenses in the General Fund were under budget in all the major categories, except for public safety, community development and debt service. General government was under budget \$0.5 million, and culture and recreation was under budget \$1.6 million. These were due to the City's cost control measures in response to the revenue drop and unclear economic outlook due to COVID-19. Public safety however was over budget by \$1.2 million, community development was over by \$5.7 million, and debt service was over by \$16,000. These reflected the City's commitment and reallocation of resources from non-urgent services to crucial and necessary services. Overall, actual expenditures were \$3.4 million more than budgeted. Most of the capital outlay budget that was not spent will be rolled over into the 2022-23 budget.

Capital Asset Administration

The City's capital assets, net of accumulated depreciation, for its governmental and business-type activities as of June 30, 2022, totaled \$114 million, an increase of \$11.6 million from prior year. The capital assets include land, buildings, improvements, machinery and equipment, parks, roads, traffic lights, and traffic signals. *(Readers desiring more detailed information on capital asset activity should refer to Note 6 of the Notes to the Basic Financial Statements.)*

Capital Assets Net of Depreciation
For Fiscal Years Ended June 30, 2022 and June 30, 2021
(In thousands)

	<i>Governmental</i>		<i>Business-type</i>		<i>Total</i>	
	<i>Activities</i>		<i>Activities</i>			
	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2021</u>
<i>Land</i>	\$ 8,465	\$ 8,465	\$ 500	\$ 500	\$ 8,965	\$ 8,965
<i>Buildings</i>	14,231	14,824	132	137	14,363	14,961
<i>Improvements</i>	20,500	15,119	29,792	27,635	50,292	42,754
<i>Construction in Progress</i>	4,669	6,622	14,313	9,597	18,982	16,219
<i>Equipment</i>	4,593	6,442	266	385	4,859	6,827
<i>Infrastructure</i>	13,919	10,324	2,596	2,335	16,515	12,659
<i>Leased Assets</i>	98	-	3	-	101	-
	<u>\$ 66,474</u>	<u>\$ 61,796</u>	<u>\$ 47,599</u>	<u>\$ 40,589</u>	<u>\$ 114,076</u>	<u>\$ 102,385</u>

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

- Continued IT software and hardware upgrades for the new Enterprise Resource Planning (ERP) System implementation
- Continued General Plan updates
- Continued improvements at Fire Station 62
- Continued street improvements
- Traffic signal upgrades at Garvey/Alhambra intersection
- Various City Hall improvements

Debt Administration

As of June 30, 2022, the City's noncurrent portion of long-term debt increased by \$21.3 million from the prior year at \$159.6 million to \$180.9 million was due primarily to the City's 2021. (Please refer to note number's 7 and 10 of the Notes to the Basic Financial Statements for detailed information.)

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

Long-term Debt
For Fiscal Years Ended June 30, 2022 and June 30, 2021
(In thousands)

	<i>Governmental</i>		<i>Business-type</i>		<i>Total</i>	
	<i>Activities</i>		<i>Activities</i>			
	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2021</u>
<i>Capital Leases</i>	\$ 4,969	\$ 5,669	\$ 11,310	\$ 7,915	\$ 16,279	\$ 13,584
<i>Lease Liability</i>	96	145	3	4	99	149
<i>Section 108 Loan</i>	539	1,047	-	-	539	1,047
<i>Pension Obligation Bonds</i>	109,268	112,662	5,282	5,443	114,550	118,105
<i>Sales Tax Revenue Bonds</i>	17,585	-	-	-	17,585	-
<i>Premium</i>	3,167	-	-	-	3,167	-
<i>Compensated Absences</i>	5,212	5,027	224	737	5,436	5,764
<i>Insurance Assessments</i>						
<i>Payable</i>	818	981	-	-	818	981
<i>Claims and Judgements</i>	22,443	19,949	-	-	22,443	19,949
	<u>\$ 164,097</u>	<u>\$ 145,480</u>	<u>\$ 16,819</u>	<u>\$ 14,099</u>	<u>\$ 180,916</u>	<u>\$ 159,579</u>

Economic Factors and Next Year's Budget

- The City's total assessed valuation is \$8.8 billion, up 8.6%, or \$560 million, from 2020-21.
- The fiscal year 2022-23 City Budget is balanced. The City is conservative in projecting future revenues. The City's spending plan follows the City Council's direction in maintaining excellent community service, enhancing organizational efficiency, and funding much needed infrastructure and capital improvements. The City will conclude labor negotiations with the remaining miscellaneous bargaining units. Any potential salary and benefit contract adjustments will be considered during the mid-year budget process.
- Over the last few months, slight inflation improvements materialized in various industries, however real change has yet to take hold. Many remain nervous about the economy sliding into a recession. Nevertheless, customer spending remains strong. Experts vary on whether a recession will occur and to what extent. Unemployment rates remain a key indicator of whether this adverse economic situation will occur. From a sales tax perspective, the forecast does reflect a slowdown in taxable merchandise spending as the higher cost of utilities, food and other necessities limit dollars available for discretionary and non-essential items.

- On the November 8, 2022, voters adopted Measure MP which authorizes a $\frac{3}{4}$ cent transactions and use (sales) tax. The measure was adopted based upon a 58.14% voter approval. This tax will begin to be collected by businesses on April 1, 2023, and is projected to generate \$1.2 million in FY2022-2023.
- The Federal American Rescue Plan (ARPA) funds allocated to the City for COVID-19 pandemic recovery efforts continue to subsidize the General Fund.
- The Courtyard by Marriott transient occupancy tax (TOT) revenue is anticipated to realize at 50% higher than previously projected.
- The water, sewer, and trash rates study will be continued and new rates will be presented to the Council for approval.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all interested persons and organizations. The report is published on the City's official website. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to *City of Monterey Park, Finance Department, 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, 2022**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 71,883,813	\$ 32,595,441	\$ 104,479,254
Cash and Investments Held by Fiscal Agent	20,515,699	286	20,515,985
Accounts Receivable	4,737,547	5,844,893	10,582,440
Interest Receivable	(25,125)	37,318	12,193
Lease Receivable	1,567,573	-	1,567,573
Prepaid Assets	126,522	-	126,522
Internal Balances	7,316,967	(7,316,967)	-
Total Current Assets	<u>106,122,996</u>	<u>31,160,971</u>	<u>137,283,967</u>
Noncurrent Assets:			
Loans Receivable, Net	1,935,342	-	1,935,342
Receivable from Successor Agency	1,033,650	-	1,033,650
Net Pension Asset	48,943,058	2,637,265	51,580,323
Capital Assets:			
Not Being Depreciated	13,133,814	14,812,722	27,946,536
Being Depreciated, Net	53,340,603	32,788,382	86,128,985
Total Capital Assets	<u>66,474,417</u>	<u>47,601,104</u>	<u>114,075,521</u>
Total Noncurrent Assets	<u>118,386,467</u>	<u>50,238,369</u>	<u>168,624,836</u>
Total Assets	<u>224,509,463</u>	<u>81,399,340</u>	<u>305,908,803</u>
DEFERRED OUTFLOWS OF RESOURCES			
Amounts Related to Pension Plans	3,147,603	173,325	3,320,928
Amounts Related to Other Post Employment Benefits	<u>2,249,138</u>	<u>418,782</u>	<u>2,667,920</u>
Total Deferred Outflows of Resources	<u>5,396,741</u>	<u>592,107</u>	<u>5,988,848</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MONTEREY PARK
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2022**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 2,708,939	\$ 2,844,155	\$ 5,553,094
Accrued Payroll	1,230,423	45,902	1,276,325
Interest Payable	312,538	9,954	322,492
Deposits and Advances	404,872	772,357	1,177,229
Unearned Revenue	12,732,786	-	12,732,786
Due to Other Governmental Agencies	749,120	-	749,120
Long-Term Liabilities - Due Within One Year	10,017,920	1,284,212	11,302,132
Total Current Liabilities	<u>28,156,598</u>	<u>4,956,580</u>	<u>33,113,178</u>
Noncurrent Liabilities:			
Long-Term Liabilities -			
Due in More than One Year	154,078,415	15,534,878	169,613,293
Net Pension Liabilities	372,265	-	372,265
Net OPEB Liabilities	16,603,088	3,091,433	19,694,521
Total Noncurrent Liabilities	<u>171,053,768</u>	<u>18,626,311</u>	<u>189,680,079</u>
Total Liabilities	199,210,366	23,582,891	222,793,257
DEFERRED INFLOWS OF RESOURCES			
Amounts Related to Pension Plans	34,969,193	1,852,930	36,822,123
Amounts Related to			
Other Post Employment Benefits	5,362,845	998,543	6,361,388
Amounts Related to Leases	1,598,892	-	1,598,892
Total Deferred Inflows of Resources	<u>41,930,930</u>	<u>2,851,473</u>	<u>44,782,403</u>
NET POSITION			
Net Investment in Capital Assets	60,290,327	35,740,792	96,031,119
Restricted for:			
Grants	1,522,906	-	1,522,906
Retirement/Pension	8,899,163	2,637,265	11,536,428
Housing	3,644,884	-	3,644,884
Public Safety	1,640,507	-	1,640,507
Community Development	187,731	-	187,731
Culture and Recreation	908,610	-	908,610
Highways and Streets	35,549,208	-	35,549,208
Debt Service	3,556	-	3,556
Unrestricted (Deficit)	<u>(123,881,984)</u>	<u>17,179,026</u>	<u>(106,702,958)</u>
Total Net Position	<u>\$ (11,235,092)</u>	<u>\$ 55,557,083</u>	<u>\$ 44,321,991</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MONTEREY PARK
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 4,997,877	\$ 2,369,083	\$ 75,188	\$ -
Public Safety	32,974,686	2,792,022	4,080,057	-
Community Development	7,545,425	2,722,923	1,396,048	-
Culture and Recreation	7,250,027	485,573	325,520	-
Highway and Streets	5,300,500	3,661,000	8,617,228	-
Health	234,375	-	181,459	-
Interest and Fiscal Charges	3,716,653	-	-	-
Total Governmental Activities	62,019,543	12,030,601	14,675,500	-
Business-type Activities:				
Water Utility	15,001,155	14,231,262	-	880,892
Refuse	6,735,166	6,843,084	-	-
Sewer	2,350,934	3,252,413	-	-
Total Business-type Activities	24,087,255	24,326,759	-	880,892
Total	\$ 86,106,798	\$ 36,357,360	\$ 14,675,500	\$ 880,892

See accompanying Notes to Basic Financial Statements.

**CITY OF MONTEREY PARK
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2022**

FUNCTIONS/PROGRAMS	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
Governmental Activities:			
General Government	\$ (2,553,606)	\$ -	\$ (2,553,606)
Public Safety	(26,102,607)	-	(26,102,607)
Community Development	(3,426,454)	-	(3,426,454)
Culture and Recreation	(6,438,934)	-	(6,438,934)
Highway and Streets	6,977,728	-	6,977,728
Health	(52,916)	-	(52,916)
Interest and Fiscal Charges	(3,716,653)	-	(3,716,653)
Total Governmental Activities	(35,313,442)	-	(35,313,442)
Business-type Activities:			
Water Utility	-	110,999	110,999
Refuse	-	107,918	107,918
Sewer	-	901,479	901,479
Total Business-type Activities	-	1,120,396	1,120,396
Total	(35,313,442)	1,120,396	(34,193,046)
GENERAL REVENUES			
Taxes:			
Property Taxes	29,676,242	-	29,676,242
Sales Taxes	9,294,060	-	9,294,060
Utility User Taxes	3,278,449	-	3,278,449
Franchise Taxes	1,067,908	-	1,067,908
Business License Taxes	661,415	-	661,415
Transient Occupancy Taxes	2,098,921	-	2,098,921
Other Taxes	284,927	-	284,927
Vehicle In-Lieu Taxes (Unrestricted, Intergovernmental)	69,754	-	69,754
Revenues from Use of Money and Property	(1,858,601)	41,256	(1,817,345)
Other	1,445,282	4	1,445,286
Total General Revenues	46,018,357	41,260	46,059,617
TRANSFERS	474,300	(474,300)	-
CHANGE IN NET POSITION	11,179,215	687,356	11,866,571
Net Position (Deficit) - Beginning of Year	(22,414,307)	54,869,727	32,455,420
NET POSITION (DEFICIT) - END OF YEAR	\$ (11,235,092)	\$ 55,557,083	\$ 44,321,991

See accompanying Notes to Basic Financial Statements.

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FUND FINANCIAL STATEMENTS

**CITY OF MONTEREY PARK
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Major Funds			
	General	Special Revenue		
		Grants	Retirement/ Pension Liability	Housing
ASSETS				
Cash and Investments	\$ 28,812,346	\$ 13,937,500	\$ 2,254,049	\$ 1,423,613
Cash and Investments Held by Fiscal Agents	6,076	-	34,439	-
Accounts Receivable	3,196,118	317,277	277,296	-
Interest Receivable	(45,299)	1,711	-	1,399
Lease Receivable	1,567,573	-	-	-
Prepaid Items	82,310	-	-	-
Due from Other Funds	639,069	-	-	-
Loans Receivable, Net	-	749,120	-	1,186,222
Receivable from Successor Agency	-	-	-	1,033,650
Total Assets	\$ 34,258,193	\$ 15,005,608	\$ 2,565,784	\$ 3,644,884
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 2,121,193	\$ 214,570	\$ 9	\$ -
Accrued Payroll	1,154,998	22,534	-	-
Deposits and Advances	404,872	-	-	-
Unearned Revenue	-	12,732,786	-	-
Due to Other Funds	-	-	-	-
Due to Other Governmental Agencies	-	749,120	-	-
Total Liabilities	3,681,063	13,719,010	9	-
DEFERRED INFLOW OF RESOURCES				
Unavailable Revenue Related to Leases	12,973	64,056	-	1,186,222
Total Deferred Inflow of Resources	1,598,892	-	-	-
Total Deferred Inflow of Resources	1,611,865	64,056	-	1,186,222
FUND BALANCES				
Nonspendable	82,310	-	-	-
Restricted	-	1,222,542	2,565,775	2,458,662
Committed	9,726,927	-	-	-
Assigned	19,156,028	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	28,965,265	1,222,542	2,565,775	2,458,662
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ 34,258,193	\$ 15,005,608	\$ 2,565,784	\$ 3,644,884

See accompanying Notes to Basic Financial Statements.

**CITY OF MONTEREY PARK
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022**

	Street Capital Projects Funds	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and Investments	\$ -	\$ 17,361,811	\$ 63,789,319
Cash and Investments Held by Fiscal Agents	20,471,006	3,556	20,515,077
Accounts Receivable	-	931,354	4,722,045
Interest Receivable	-	17,064	(25,125)
Lease Receivable	-	-	1,567,573
Prepaid Items	-	44,212	126,522
Due from Other Funds	-	-	639,069
Loans Receivable, Net	-	-	1,935,342
Receivable from Successor Agency	-	-	1,033,650
	<u>\$ 20,471,006</u>	<u>\$ 18,357,997</u>	<u>\$ 94,303,472</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable and Accrued Liabilities	\$ 12,900	\$ 205,537	\$ 2,554,209
Accrued Payroll	-	20,399	1,197,931
Deposits and Advances	-	-	404,872
Unearned Revenue	-	-	12,732,786
Due to Other Funds	4,260	424,574	428,834
Due to Other Governmental Agencies	-	-	749,120
Total Liabilities	<u>17,160</u>	<u>650,510</u>	<u>18,067,752</u>
DEFERRED INFLOW OF RESOURCES			
Unavailable Revenue	-	252,083	1,515,334
Related to Leases	-	-	1,598,892
Total Deferred Inflow of Resources	<u>-</u>	<u>252,083</u>	<u>3,114,226</u>
FUND BALANCES			
Nonspendable	-	44,212	126,522
Restricted	20,453,846	17,558,957	44,259,782
Committed	-	276,809	10,003,736
Assigned	-	-	19,156,028
Unassigned	-	(424,574)	(424,574)
Total Fund Balances	<u>20,453,846</u>	<u>17,455,404</u>	<u>73,121,494</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	<u>\$ 20,471,006</u>	<u>\$ 18,357,997</u>	<u>\$ 94,303,472</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, 2022

Total Fund Balance of Governmental Funds in Fund Statements	\$ 73,121,494
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 \$(13,676,720) plus the portion of net deficit allocated to business-type activities of \$7,316,967.	(6,359,753)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. (Total governmental assets of \$66,474,417 less internal service funds of \$3,411,213, which has already been accounted for in the reconciliation of internal service funds elimination).	63,063,204
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.	48,943,058
Long-term liabilities in the amount of \$164,346,437, 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 \$24,650,792 included in reconciliation of internal service funds.	(139,295,241)
Interest on long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	(312,538)
Net pension liability is not due and payable in the current period and therefore is not reported in the governmental funds.	(372,265)
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.	2,363,579
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	(32,366,536)
Difference between expected and actual experience	(1,818,633)
Net OPEB liability is not due and payable in the current period and therefore is not reported in the governmental funds.	(16,603,088)
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.	2,249,138
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	(1,220,167)
Difference between expected and actual experience	(3,517,316)
Changes in assumptions	(625,362)
Revenues earned but not available to pay for current expenditures for governmental funds are unavailable.	1,515,334
Net Position of Governmental Activities	<u>\$ (11,235,092)</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, 2022**

	Major Funds			
	General	Special Revenue		
		Grants	Retirement/ Pension Liability	Housing
REVENUES				
Taxes	\$ 37,402,738	\$ -	\$ 8,367,523	\$ -
Licenses and Permits	2,153,956	-	-	-
Intergovernmental Revenues	-	4,100,308	-	-
Charges for Services	9,345,381	-	-	-
Revenues from				
Use of Money and Property	(1,879,661)	81,786	1,236	6,238
Fines and Forfeitures	346,514	-	-	-
Other Revenue	1,703,030	-	12,800	-
Total Revenues	<u>49,071,958</u>	<u>4,182,094</u>	<u>8,381,559</u>	<u>6,238</u>
EXPENDITURES				
Current:				
General Government	7,057,405	809,186	255,690	-
Public Safety	30,587,146	1,060,533	1,916,468	-
Community Development	7,354,396	-	35,684	-
Culture and Recreation	4,479,305	813,482	147,585	-
Highways and Streets	859,688	20,523	10,130	-
Health	-	-	-	-
Capital Outlay	1,644,809	990,193	-	-
Debt Service:				
Debt Issuance Costs	-	-	-	-
Principal Retirement	348,311	508,001	3,394,136	-
Interest and Fiscal Charges	103,061	19,175	3,625,129	-
Total Expenditures	<u>52,434,121</u>	<u>4,221,093</u>	<u>9,384,822</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(3,362,163)</u>	<u>(38,999)</u>	<u>(1,003,263)</u>	<u>6,238</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	45,264	3,487,200	-
Transfers Out	(2,809,664)	-	-	-
Issuance of Debt	-	-	-	-
Total Other Financing Sources (Uses)	<u>(2,809,664)</u>	<u>45,264</u>	<u>3,487,200</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(6,171,827)	6,265	2,483,937	6,238
Fund Balances, Beginning of Year	<u>35,137,092</u>	<u>1,216,277</u>	<u>81,838</u>	<u>2,452,424</u>
FUND BALANCES, END OF YEAR	<u>\$ 28,965,265</u>	<u>\$ 1,222,542</u>	<u>\$ 2,565,775</u>	<u>\$ 2,458,662</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, 2022

	Street Capital Projects Funds	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ -	\$ 1,086,630	\$ 46,856,891
Licenses and Permits	-	-	2,153,956
Intergovernmental Revenues	-	9,598,113	13,698,421
Charges for Services	-	378,499	9,723,880
Revenues from			
Use of Money and Property	-	55,428	(1,734,973)
Fines and Forfeitures	-	249,101	595,615
Other Revenue	-	-	1,715,830
Total Revenues	<u>-</u>	<u>11,367,771</u>	<u>73,009,620</u>
EXPENDITURES			
Current:			
General Government	-	5,232	8,127,513
Public Safety	-	240,881	33,805,028
Community Development	-	34,768	7,424,848
Culture and Recreation	-	819,763	6,260,135
Highways and Streets	-	3,503,417	4,393,758
Health	-	234,375	234,375
Capital Outlay	234,963	5,326,160	8,196,125
Debt Service:			
Debt Issuance Costs	337,312	-	337,312
Principal Retirement	-	165,000	4,415,448
Interest and Fiscal Charges	-	448,627	4,195,992
Total Expenditures	<u>572,275</u>	<u>10,778,223</u>	<u>77,390,534</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(572,275)</u>	<u>589,548</u>	<u>(4,380,914)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	613,627	4,146,091
Transfers Out	-	(774,327)	(3,583,991)
Issuance of Debt	21,026,121	-	21,026,121
Total Other Financing Sources (Uses)	<u>21,026,121</u>	<u>(160,700)</u>	<u>21,588,221</u>
NET CHANGE IN FUND BALANCES	20,453,846	428,848	17,207,307
Fund Balances, Beginning of Year	<u>-</u>	<u>17,026,556</u>	<u>55,914,187</u>
FUND BALANCES, END OF YEAR	<u>\$ 20,453,846</u>	<u>\$ 17,455,404</u>	<u>\$ 73,121,494</u>

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, 2022

Net Change in Fund Balance - Total Governmental Funds	\$ 17,207,307
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 \$(733,821) charged to the Water and Refuse Enterprise Funds.	(2,714,290)
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 \$746,100	8,831,630
Depreciation expense, net of internal service fund depreciation expense of \$781,216	(4,263,025)
Revenues that do not provide current financial resources are not recognized as revenues in the governmental funds.	18,839
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	4,415,448
Issuance of bonds - governmental activities portion	(21,026,121)
Amortization of premium	109,203
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.	6,577,039
Changes in compensated absences which are not due and payable in the governmental funds are charged to expenses in the statement of activities.	(170,932)
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.	1,771,123
Interest on long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	422,994
Change in Net Position of Governmental Activities	<u>\$ 11,179,215</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, 2022

	Enterprise			
	Water Utility	Refuse	Sewer	Total
ASSETS				
Current Assets:				
Cash and Investments	\$ 22,798,566	\$ 1,220,618	\$ 8,576,257	\$ 32,595,441
Cash and Investments Held by Fiscal Agent	198	43	45	286
Accounts Receivable	4,664,644	781,890	398,359	5,844,893
Interest Receivable	27,836	1,124	8,358	37,318
Total Current Assets	<u>27,491,244</u>	<u>2,003,675</u>	<u>8,983,019</u>	<u>38,477,938</u>
Noncurrent Assets:				
Net Pension Assets	1,843,689	403,335	390,241	2,637,265
Nondepreciable Capital Assets	14,812,722	-	-	14,812,722
Depreciable Capital Assets, Net of Accumulated Depreciation	29,575,220	15,558	3,197,604	32,788,382
Total Noncurrent Assets	<u>46,231,631</u>	<u>418,893</u>	<u>3,587,845</u>	<u>50,238,369</u>
Total Assets	<u>73,722,875</u>	<u>2,422,568</u>	<u>12,570,864</u>	<u>88,716,307</u>
DEFERRED OUTFLOWS OF RESOURCES				
Amounts Related to Pension Plans	121,170	26,508	25,647	173,325
Amounts Related to Other Post Employment Benefit Plans	305,414	50,462	62,906	418,782
Total Deferred Outflows of Resources	<u>426,584</u>	<u>76,970</u>	<u>88,553</u>	<u>592,107</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	2,803,996	32,819	7,340	2,844,155
Accrued Payroll	30,980	3,120	11,802	45,902
Interest Payable	6,959	1,556	1,439	9,954
Deposits and Advances	731,411	-	40,946	772,357
Due to Other Funds	-	-	-	-
Insurance Assessments Payable - Due within One Year	-	-	-	-
Claims and Judgments Payable - Due within One Year	-	-	-	-
Loan Payable - Due within One Year	1,063,725	-	-	1,063,725
Lease Liability - Due within One Year	779	-	-	779
Compensated Absences Payable - Due within One Year	5,788	1,581	15,037	22,406
Bonds Payable - Due within One Year	137,946	30,204	29,152	197,302
Total Current Liabilities	<u>4,781,584</u>	<u>69,280</u>	<u>105,716</u>	<u>4,956,580</u>
Noncurrent Liabilities:				
Insurance Assessments Payable - Due in More than One Year	-	-	-	-
Claims and Judgments Payable - Due in More than One Year	-	-	-	-
Loan Payable - Due in More than One Year	10,246,310	-	-	10,246,310
Lease Liability - Due in More than One Year	2,109	-	-	2,109
Compensated Absences Payable - Due within One Year	52,090	14,228	135,333	201,651
Bonds Payable - Due within One Year	3,555,105	778,406	751,297	5,084,808
Net OPEB Liabilities	2,254,551	372,509	464,373	3,091,433
Total Noncurrent Liabilities	<u>16,110,165</u>	<u>1,165,143</u>	<u>1,351,003</u>	<u>18,626,311</u>
Total Liabilities	<u>20,891,749</u>	<u>1,234,423</u>	<u>1,456,719</u>	<u>23,582,891</u>
DEFERRED INFLOWS OF RESOURCES				
Amounts Related to Pension Plans	1,295,367	283,381	274,182	1,852,930
Amounts Related to Other Post Employment Benefit Plans	728,227	120,322	149,994	998,543
Total Deferred Inflows of Resources	<u>2,023,594</u>	<u>403,703</u>	<u>424,176</u>	<u>2,851,473</u>
NET POSITION				
Net Investment in Capital Assets	32,624,413	15,558	3,100,821	35,740,792
Restricted for Pension Benefits	1,843,689	403,335	390,241	2,637,265
Unrestricted	16,766,014	442,519	7,287,460	24,495,993
Total Net Position	<u>\$ 51,234,116</u>	<u>\$ 861,412</u>	<u>\$ 10,778,522</u>	<u>\$ 62,874,050</u>
Adjustment to Reflect the Consolidation of Internal Service Funds Activities to Related Enterprise Fund				
	(6,415,914)	(901,053)	-	(7,316,967)
Net Position of Business-type Activities	<u>\$ 44,818,202</u>	<u>\$ (39,641)</u>	<u>\$ 10,778,522</u>	<u>\$ 55,557,083</u>

See accompanying Notes to Basic Financial Statements.

CITY OF MONTEREY PARK
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)
JUNE 30, 2022

	Internal Service
ASSETS	
Current Assets:	
Cash and Investments	\$ 8,094,494
Cash and Investments Held by Fiscal Agent	622
Accounts Receivable	15,502
Interest Receivable	-
Total Current Assets	8,110,618
Noncurrent Assets:	
Net Pension Assets	-
Nondepreciable Capital Assets	1,604,656
Depreciable Capital Assets, Net of Accumulated Depreciation	1,806,557
Total Noncurrent Assets	3,411,213
Total Assets	11,521,831
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	154,730
Accrued Payroll	32,492
Interest Payable	-
Deposits and Advances	-
Due to Other Funds	210,235
Insurance Assessments Payable - Due within One Year	163,514
Claims and Judgments Payable - Due within One Year	3,635,479
Loan Payable - Due within One Year	379,204
Lease Liability - Due within One Year	25,069
Compensated Absences Payable - Due within One Year	13,212
Bonds Payable - Due within One Year	-
Total Current Liabilities	4,613,935
Noncurrent Liabilities:	
Insurance Assessments Payable - Due in More than One Year	654,057
Claims and Judgments Payable - Due in More than One Year	18,807,227
Loan Payable - Due in More than One Year	1,002,198
Lease Liability - Due in More than One Year	2,229
Compensated Absences Payable - Due within One Year	118,905
Bonds Payable - Due within One Year	-
Net OPEB Liabilities	-
Total Noncurrent Liabilities	20,584,616
Total Liabilities	25,198,551
DEFERRED INFLOWS OF RESOURCES	
Amounts Related to Pension Plans	-
Amounts Related to Other Post Employment Benefit Plans	-
Total Deferred Inflows of Resources	-
NET POSITION	
Net Investment in Capital Assets	3,029,780
Restricted for Pension Benefits	-
Unrestricted	(16,706,500)
Total Net Position	\$ (13,676,720)

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, 2022

	Enterprise			
	Water Utility	Refuse	Sewer	Total
OPERATING REVENUES				
Charges for Services	\$ 14,089,633	\$ 6,843,084	\$ 3,252,413	\$ 24,185,130
Meter Installations	141,629	-	-	141,629
Other Revenue	4	-	-	4
Total Operating Revenues	<u>14,231,266</u>	<u>6,843,084</u>	<u>3,252,413</u>	<u>24,326,763</u>
OPERATING EXPENSES				
Administration	842,223	290,294	-	1,132,517
Commercial - Water	1,326,338	-	-	1,326,338
Production - Water	4,333,075	-	-	4,333,075
Distribution - Water	3,107,366	-	-	3,107,366
Treatment Plant	2,768,689	-	-	2,768,689
Street Maintenance - Refuse	-	6,561	-	6,561
Storm Drain Maintenance - Refuse	-	14,169	-	14,169
Refuse Collection	-	6,303,564	-	6,303,564
Sanitary Sewer Maintenance	-	-	2,118,564	2,118,564
Depreciation	1,652,171	1,427	209,254	1,862,852
Salaries and Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Insurance and Claims	-	-	-	-
Miscellaneous	-	-	-	-
Total Operating Expenses	<u>14,029,862</u>	<u>6,616,015</u>	<u>2,327,818</u>	<u>22,973,695</u>
Operating Income (Loss)	201,404	227,069	924,595	1,353,068
NONOPERATING REVENUES (EXPENSES)				
Interest Revenue	9,787	3,291	28,178	41,256
Interest Expense	(334,312)	(22,311)	(23,116)	(379,739)
Total Nonoperating Revenues (Expenses)	<u>305,560</u>	<u>(19,020)</u>	<u>5,062</u>	<u>291,602</u>
Net Income (Loss) Before Capital Contributions and Transfers	506,964	208,049	929,657	1,644,670
Capital Contributions	250,807	-	-	250,807
Transfers Out	(343,200)	(31,300)	(99,800)	(474,300)
CHANGE IN NET POSITION	414,571	176,749	829,857	1,421,177
Net Position, Beginning of Year	<u>50,819,545</u>	<u>684,663</u>	<u>9,948,665</u>	<u>61,452,873</u>
NET POSITION, END OF YEAR	<u>\$ 51,234,116</u>	<u>\$ 861,412</u>	<u>\$ 10,778,522</u>	<u>\$ 62,874,050</u>
Changes in Net Position	\$ 414,571	\$ 176,749	\$ 829,857	\$ 1,421,177
Adjustment to Reflect the Consolidation of Internal Service Fund Activities to Related Enterprise Fund	<u>(636,981)</u>	<u>(96,840)</u>	<u>-</u>	<u>(733,821)</u>
Changes in Net Position of Business-type Activities	<u>\$ (222,410)</u>	<u>\$ 79,909</u>	<u>\$ 829,857</u>	<u>\$ 687,356</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, 2022

	Internal Service
OPERATING REVENUES	
Charges for Services	\$ 10,648,659
Meter Installations	-
Other Revenue	185,974
Total Operating Revenues	10,834,633
OPERATING EXPENSES	
Administration	-
Commercial - Water	-
Production - Water	-
Distribution - Water	-
Treatment Plant	-
Street Maintenance - Refuse	-
Storm Drain Maintenance - Refuse	-
Refuse Collection	-
Sanitary Sewer Maintenance	-
Depreciation	781,216
Salaries and Benefits	2,524,774
Materials and Supplies	1,754,238
Insurance and Claims	8,722,108
Miscellaneous	359,750
Total Operating Expenses	14,142,086
Operating Income (Loss)	(3,307,453)
NONOPERATING REVENUES (EXPENSES)	
Interest Revenue	-
Interest Expense	(52,858)
Total Nonoperating Revenues (Expenses)	(52,858)
Net Income (Loss) Before Capital Contributions and Transfers	(3,360,311)
Capital Contributions	-
Transfers Out	(87,800)
CHANGE IN NET POSITION	(3,448,111)
Net Position, Beginning of Year	(10,228,609)
NET POSTION, END OF YEAR	\$ (13,676,720)

See accompanying Notes to Basic Financial Statements.

**CITY OF MONTEREY PARK
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022**

	Enterprise Funds			
	Water Utility	Refuse	Sewer	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Receipts from Customers	\$ 14,805,163	\$ 6,884,905	\$ 3,294,447	\$ 24,984,515
Cash Receipts from Interfund Services Provided	-	-	-	-
Cash Receipts from Reimbursements and Other Operating Revenue	-	-	-	-
Cash Payments to Suppliers for Goods and Services	(11,059,550)	(6,589,264)	(2,043,925)	(19,692,739)
Cash Payments to Employees for Services	(2,226,004)	(203,953)	(695,022)	(3,124,979)
Cash Payments for Insurance Premiums and Self-Insurance Claims	-	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>1,519,609</u>	<u>91,688</u>	<u>555,500</u>	<u>2,166,797</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from Bonds Payable	-	-	-	-
Cash Received from Other Funds	-	-	-	-
Cash Paid to Other Funds	(343,200)	(31,300)	(99,800)	(474,300)
Net Cash Provided (Used) by Noncapital and Related Financing Activities	<u>(343,200)</u>	<u>(31,300)</u>	<u>(99,800)</u>	<u>(474,300)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	(8,549,603)	-	(321,736)	(8,871,339)
Grant Proceeds	630,085	-	-	630,085
Capital Contributions	250,807	-	-	250,807
Proceeds from loans	4,000,000	-	-	4,000,000
Principal Paid on Bonds	(112,471)	(24,626)	(23,767)	(160,864)
Principal Paid on Loans and Lease Financing	(605,861)	-	-	(605,861)
Interest Paid on Debt	(338,571)	(23,211)	(24,048)	(385,830)
Net Cash Used by Capital and Related Financing Activities	<u>(4,725,614)</u>	<u>(47,837)</u>	<u>(369,551)</u>	<u>(5,143,002)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	5,777	3,137	26,350	35,264
Net Cash Provided by Investing Activities	<u>5,777</u>	<u>3,137</u>	<u>26,350</u>	<u>35,264</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	(3,543,428)	15,688	112,499	(3,415,241)
Cash and Cash Equivalents, Beginning of Year	<u>26,342,192</u>	<u>1,204,973</u>	<u>8,463,803</u>	<u>36,010,968</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 22,798,764</u>	<u>\$ 1,220,661</u>	<u>\$ 8,576,302</u>	<u>\$ 32,595,727</u>
Cash and Investments	\$ 22,798,566	\$ 1,220,618	\$ 8,576,257	\$ 32,595,441
Cash and Investments with Fiscal Agent	198	43	45	286
Total Cash and Cash Equivalents	<u>\$ 22,798,764</u>	<u>\$ 1,220,661</u>	<u>\$ 8,576,302</u>	<u>\$ 32,595,727</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MONTEREY PARK
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Receipts from Customers	\$ -
Cash Receipts from Interfund Services Provided	10,633,157
Cash Receipts from Reimbursements and Other Operating Revenue	185,974
Cash Payments to Suppliers for Goods and Services	(2,221,252)
Cash Payments to Employees for Services	(2,493,166)
Cash Payments for Insurance Premiums and Self-Insurance Claims	(6,370,625)
Net Cash Provided (Used) by Operating Activities	(265,912)
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Bonds Payable	-
Cash Received from Other Funds	210,235
Cash Paid to Other Funds	(87,800)
Net Cash Provided (Used) by Noncapital and Related Financing Activities	122,435
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and Construction of Capital Assets	(746,101)
Grant Proceeds	-
Capital Contributions	-
Proceeds from loans	-
Principal Paid on Bonds	-
Principal Paid on Loans and Lease Financing	(400,769)
Interest Paid on Debt	(52,858)
Net Cash Used by Capital and Related Financing Activities	(1,199,728)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	-
Net Cash Provided by Investing Activities	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	
	(1,343,205)
Cash and Cash Equivalents, Beginning of Year	9,438,321
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 8,095,116
Cash and Investments	\$ 8,094,494
Cash and Investments with Fiscal Agent	622
Total Cash and Cash Equivalents	\$ 8,095,116

See accompanying Notes to Basic Financial Statements.

**CITY OF MONTEREY PARK
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Enterprise Funds			Total
	Water Utility	Refuse	Sewer	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 201,404	\$ 227,069	\$ 924,595	\$ 1,353,068
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	1,652,171	1,427	209,254	1,862,852
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	337,677	41,821	25,947	405,445
(Increase) Decrease in Inventory	-	-	-	-
(Increase) Decrease in Deferred Outflows of Resources - Pension Plans	4,185,902	915,729	886,002	5,987,633
(Increase) Decrease in Deferred Outflows of Resources - OPEB Plan	31,280	5,169	6,443	42,892
Increase (Decrease) in Accounts Payable	25,077	5,964	(568,304)	(537,263)
Increase (Decrease) in Accrued Payroll	(121,046)	369	2,351	(118,326)
Increase (Decrease) in Deposits and Advances	236,220	-	16,087	252,307
Increase (Decrease) in Insurance Assessment Payable	-	-	-	-
Increase (Decrease) in Claims and Judgments Payable	-	-	-	-
Increase (Decrease) in Compensated Absences Payable	(342,175)	(95,079)	43,622	(393,632)
Increase (Decrease) in Net Pension Liabilities	(5,710,486)	(1,249,256)	(1,208,700)	(8,168,442)
Increase (Decrease) in Net OPEB Liability	(543,684)	(89,831)	(111,983)	(745,498)
Increase (Decrease) in Deferred Inflows of Resources - Pension Plans	1,295,367	283,381	274,182	1,852,930
Increase (Decrease) in Deferred Inflows of Resources - OPEB Plan	271,902	44,925	56,004	372,831
Total Adjustments	<u>1,318,205</u>	<u>(135,381)</u>	<u>(369,095)</u>	<u>813,729</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,519,609</u>	<u>\$ 91,688</u>	<u>\$ 555,500</u>	<u>\$ 2,166,797</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MONTEREY PARK
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Internal Service
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income (Loss)	\$ (3,307,453)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided	
Depreciation	781,216
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(15,502)
(Increase) Decrease in Inventory	-
(Increase) Decrease in Deferred Outflows of Resources - Pension Plans	-
(Increase) Decrease in Deferred Outflows of Resources - OPEB Plan	-
Increase (Decrease) in Accounts Payable	(86,319)
Increase (Decrease) in Accrued Payroll	17,599
Increase (Decrease) in Deposits and Advances	-
Increase (Decrease) in Insurance Assessment Payable	(163,515)
Increase (Decrease) in Claims and Judgments Payable	2,494,053
Increase (Decrease) in Compensated Absences Payable	14,009
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	3,041,541
Net Cash Provided (Used) by Operating Activities	\$ (265,912)

See accompanying Notes to Basic Financial Statements.

**CITY OF MONTEREY PARK
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022**

	Private-Purpose Trust Fund
CURRENT ASSETS	
Cash and Investments	\$ 550,878
Cash and Investments with Fiscal Agent	1,926,650
Total Assets	2,477,528
CURRENT LIABILITIES	
Accounts Payable	2,250
Interest Payable	150,404
Current Portion of Noncurrent Liabilities	2,216,108
Total Current Liabilities	2,368,762
NONCURRENT LIABILITIES	
Advances from City of Monterey Park	1,033,651
Bonds Payable, Net of Current Portion	8,650,774
Tax Increment Deferred Loans	81,057,609
Low/Mod Housing Deferred Loans	1,186,222
Total Noncurrent Liabilities	91,928,256
Total Liabilities	94,297,018
NET POSITION (DEFICIT)	
Net Position (Deficit) Held in Trust for	
Debt Service and Certain Administrative Expenses	\$ (91,819,490)

See accompanying Notes to Basic Financial Statements.

**CITY OF MONTEREY PARK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2022**

	Private-Purpose Trust Fund
ADDITIONS	
Redevelopment Property Tax Trust Fund	\$ 2,903,743
Investment Income	597
Total Additions	2,904,340
DEDUCTIONS	
Administration	189,999
Interest Expense and Fiscal Charges	5,628,259
Total Deductions	5,818,258
CHANGE IN NET POSITION	(2,913,918)
Net Position, Beginning of Year	(88,905,572)
NET POSITION, END OF YEAR	\$ (91,819,490)

See accompanying Notes to Basic Financial Statements.

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CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022**

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, 2022**

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 *Capital Projects Streets Fund* is used to account for funds accumulated for street related capital projects.

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.

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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).

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, 2022

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. Leased assets, which include equipment, follow the same capitalization thresholds as capital assets. Leased assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payments made to the lessor at or before the commencement of the lease term.

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, 2022

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, 2022

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. Unearned Revenue

Unearned revenues are reported in connection with resources that have been received but not yet earned.

N. 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, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. 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, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. 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.

P. Implementation of New Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

NOTE 2 CASH AND INVESTMENTS

Cash and Investments

Cash and investments at June 30, 2022, are classified in the accompanying financial statements as follows:

	Government-Wide			Fiduciary Funds	Total
	Governmental Activities	Business-Type Activities	Total		
Cash and Investments	\$ 71,883,813	\$ 32,595,441	\$ 104,479,254	\$ 550,878	\$ 105,030,132
Cash and Investments Held by Fiscal Agent	20,515,699	286	20,515,985	1,926,650	22,442,635
Total Cash and Investments	<u>\$ 92,399,512</u>	<u>\$ 32,595,727</u>	<u>\$ 124,995,239</u>	<u>\$ 2,477,528</u>	<u>\$ 127,472,767</u>

Cash and investments at June 30, 2022, consisted of the following:

Deposits:

Cash on Hand	\$ 28,550
Demand Deposits with Financial Institutions	14,517,343
Time Certificates of Deposit	250,000
Total Cash	<u>14,795,893</u>

Investments:

Negotiable Certificates of Deposit	5,869,891
Local Agency Investment Fund (LAIF)	43,294,388
Los Angeles County Treasury Pool	41,069,964
Money Market Mutual Fund	22,442,631
Total Investments	<u>112,676,874</u>
Total Cash and Investments	<u>\$ 127,472,767</u>

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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, 2022, the carrying amount of the City's demand deposits was \$14,517,343 and the bank balance was \$18,602,055. The \$4,084,712 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, 2022**

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, 2022

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, 2022, 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, 2022**

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, 2022	Maturity		
			12 Months or Less	1 to 2 Years	2 to 3 Years
Investments:					
Negotiable Certificates of Deposit	N/A	\$ 5,869,891	\$ 5,869,891	\$ -	\$ -
LAIF	N/A	43,294,388	43,294,388	-	-
Los Angeles County Treasury Pool	N/A	41,069,964	41,069,964	-	-
Total Treasury Investments		<u>90,234,243</u>	<u>90,234,243</u>	<u>-</u>	<u>-</u>
Investments Held by Fiscal Agents:					
Money Market Mutual Fund	AAA	22,442,631	-	1,667,917	20,774,714
Total Investments Held by Fiscal Agents		<u>22,442,631</u>	<u>-</u>	<u>1,667,917</u>	<u>20,774,714</u>
 Total Investments		<u>\$ 112,676,874</u>	<u>\$ 90,234,243</u>	<u>\$ 1,667,917</u>	<u>\$ 20,774,714</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, 2022, 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, 2022, the City had \$43,294,388 invested in LAIF, which had invested 1.88% 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, 2022**

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, 2022, the City had \$41,069,964 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, 2022

NOTE 3 RECEIVABLES

Receivables of the City as of June 30, 2022, were:

	Governmental Activities	Business-Type Activities	Total
Accounts Receivable:			
Property Taxes	\$ 1,420,277	\$ -	\$ 1,420,277
Sales Taxes	1,842,866	-	1,842,866
Utility Taxes	273,902	-	273,902
Water, Sewer, and Refuse Sales	-	5,844,893	5,844,893
Subvention and Grants	731,841	-	731,841
Other	468,661	-	468,661
Total Accounts Receivable	<u>\$ 4,737,547</u>	<u>\$ 5,844,893</u>	<u>\$ 10,582,440</u>
Interest Receivable	<u>\$ (25,125)</u>	<u>\$ 37,318</u>	<u>\$ 12,193</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)	262,045	-	262,045
Pacific Bridge Loan (Note 9)	434,738	-	434,738
First-Time Homebuyers (Housing)	51,009	-	51,009
Critical Maintenance (Housing)	42,771	-	42,771
Critical Maintenance (Grants)	898,171	-	898,171
Abajo del Sol Loan (Grants)	2,281,606	-	2,281,606
LINC Community Development (Housing)	2,477,432	-	2,477,432
LINC Community Development (Grants)	994,366	-	994,366
Low/Mod Housing Deferred Loans	1,186,222	-	1,186,222
Subtotal	8,680,697	-	8,680,697
Less: Allowance for Uncollectible Loans	<u>(6,745,355)</u>	<u>-</u>	<u>(6,745,355)</u>
Total Loans Receivable, Net	<u>\$ 1,935,342</u>	<u>\$ -</u>	<u>\$ 1,935,342</u>
Total Receivables	<u>\$ 6,647,764</u>	<u>\$ 5,882,211</u>	<u>\$ 12,529,975</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, 2022, 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, 2022, and has been recorded as notes receivable in the Special Revenue Grants Fund.

CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022, outstanding principal and interest are \$175,000 and \$87,045, 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, 2022, outstanding principal and interest are \$240,478 and \$194,260, 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, 2022, \$51,009 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, 2022

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, 2022, the loans outstanding totaled \$940,942. Of this amount, \$42,771 is funded by the former Redevelopment Agency’s Housing Capital Projects Fund and \$898,171 is funded by the Federal HOME Program Grants Fund. The outstanding loan balance of \$42,771 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 \$898,171 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, 2022, outstanding principal and interest being recorded as notes receivable are \$1,187,344 and \$1,094,262, 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, 2022, outstanding principal and interest being recorded as notes receivable are \$2,080,000 and \$397,432, 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, 2022, \$994,366 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, 2022**

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, 2022:

Due to/from Other Funds

<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Amount</u>
General Fund	Street Capital Projects Fund	\$ 4,260
General Fund	Nonmajor Governmental Funds	424,574
General Fund	Internal Service Funds	210,235
		<u>\$ 639,069</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>
Grants Special Revenue Fund	General Fund	\$ 45,264
Retirement/Pension Liability Special Revenue Fund	General Fund	2,764,400
Retirement/Pension Liability Special Revenue Fund	Water Utilities Enterprise Fund	343,200
Retirement/Pension Liability Special Revenue Fund	Refuse Enterprise Fund	31,300
Retirement/Pension Liability Special Revenue Fund	Sewer Enterprise Fund	99,800
Retirement/Pension Liability Special Revenue Fund	Nonmajor Governmental Funds	160,700
Retirement/Pension Liability Special Revenue Fund	Internal Service Funds	87,800
Nonmajor Governmental Funds	Nonmajor Governmental Funds	613,627
		<u>\$ 4,146,091</u>

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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 2021-22, transfers to the Retirement/Pension Liability Special Revenue Fund were council-approved pension and OPEB contributions. The transfer of \$45,264 from the General Fund to the Special Revenues Grant Fund was to classify qualifying grant expenditures. The transfer of \$613,267 Nonmajor Special Revenue Sales Tax Bond Fund from Other Nonmajor Special Revenues Funds (Measure R, Measure M and Proposition C) were to fund debt service.

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, 2022, amounted to \$1,033,650. 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, 2022

NOTE 6 CAPITAL ASSETS

At June 30, 2022, the capital assets balances for the City are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Capital Assets, Not Being Depreciated:			
Land	\$ 8,465,051	\$ 499,975	\$ 8,965,026
Construction in Progress	4,668,763	14,312,747	18,981,510
Total Capital Assets, Not Being Depreciated	<u>13,133,814</u>	<u>14,812,722</u>	<u>27,946,536</u>
Capital Assets, Being Depreciated:			
Buildings	30,391,663	285,050	30,676,713
Improvements	28,501,442	59,388,553	87,889,995
Equipment	30,903,878	3,690,041	34,593,919
Infrastructure	39,271,505	12,043,370	51,314,875
Leased Asset	145,316	3,537	148,853
Total Capital Assets, Being Depreciated	<u>129,213,804</u>	<u>75,410,551</u>	<u>204,624,355</u>
Less Accumulated Depreciation:			
Buildings	(16,160,927)	(152,811)	(16,313,738)
Improvements	(8,001,964)	(29,597,019)	(37,598,983)
Equipment	(26,310,405)	(3,460,649)	(29,771,054)
Infrastructure	(25,352,593)	(9,411,105)	(34,763,698)
Less Accumulated Amortization:			
Leased Asset	<u>(47,312)</u>	<u>(585)</u>	<u>(47,897)</u>
Total Accumulated Depreciation	<u>(75,873,201)</u>	<u>(42,622,169)</u>	<u>(118,495,370)</u>
Total Capital Assets, Being Depreciated, Net	<u>53,340,603</u>	<u>32,788,382</u>	<u>86,128,985</u>
Total Capital Assets, Net	<u>\$ 66,474,417</u>	<u>\$ 47,601,104</u>	<u>\$ 114,075,521</u>

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 CAPITAL ASSETS (CONTINUED)

Governmental Activities

A summary of changes in capital asset activity for the year ended June 30, 2022, is as follows:

	Balance at July 1, 2021	Additions	Deletions	Transfers	Balance at June 30, 2022
Capital Assets, Not Being Depreciated:					
Land	\$ 8,465,051	\$ -	\$ -	\$ -	\$ 8,465,051
Construction in Progress	6,622,326	9,418,309	-	(11,371,872)	4,668,763
Total Capital Assets, Not Being Depreciated	15,087,377	9,418,309	-	(11,371,872)	13,133,814
Capital Assets, Being Depreciated:					
Buildings	30,391,663	-	-	-	30,391,663
Improvements	22,259,677	38,244	-	6,203,521	28,501,442
Equipment	30,896,545	121,178	(113,845)	-	30,903,878
Infrastructures	34,103,154	-	-	5,168,351	39,271,505
Leased Assets	145,316	-	-	-	145,316
Total Capital Assets, Being Depreciated	117,796,355	159,422	(113,845)	11,371,872	129,213,804
Less Accumulated Depreciation:					
Buildings	(15,567,995)	(592,932)	-	-	(16,160,927)
Improvements	(7,140,643)	(861,321)	-	-	(8,001,964)
Equipment	(24,454,416)	(1,969,834)	113,845	-	(26,310,405)
Infrastructures	(23,779,752)	(1,572,841)	-	-	(25,352,593)
Less Accumulated Amortization:					
Leased Assets	-	(47,312)	-	-	(47,312)
Total Accumulated Depreciation	(70,942,806)	(5,044,240)	113,845	-	(75,873,201)
Total Capital Assets, Being Depreciated, Net	46,853,549	(4,884,818)	-	11,371,872	53,340,603
Total Capital Assets, Net	\$ 61,940,926	\$ 4,533,491	\$ -	\$ -	\$ 66,474,417

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 CAPITAL ASSETS (CONTINUED)

Business-Type Activities

A summary of changes in capital asset activity for the year ended June 30, 2022, is as follows:

	Balance at July 1, 2021	Additions	Deletions	Transfers	Balance at June 30, 2022
Capital Assets, Not Being Depreciated:					
Land	\$ 499,975	\$ -	\$ -	\$ -	\$ 499,975
Construction in Progress	9,596,602	8,836,127	-	(4,119,982)	14,312,747
Total Capital Assets, Not Being Depreciated	10,096,577	8,836,127	-	(4,119,982)	14,812,722
Capital Assets, Being Depreciated:					
Buildings	285,050	-	-	-	285,050
Improvements	55,649,214	26,053	-	3,713,286	59,388,553
Equipment	3,690,041	-	-	-	3,690,041
Infrastructures	11,627,514	9,160	-	406,696	12,043,370
Leased Assets	3,537	-	-	-	3,537
Total Capital Assets, Being Depreciated	71,255,356	35,213	-	4,119,982	75,410,551
Less Accumulated Depreciation:					
Buildings	(147,969)	(4,842)	-	-	(152,811)
Improvements	(28,013,864)	(1,583,155)	-	-	(29,597,019)
Equipment	(3,305,419)	(155,230)	-	-	(3,460,649)
Infrastructures	(9,292,065)	(119,040)	-	-	(9,411,105)
Less Accumulated Amortization:					
Leased Assets	-	(585)	-	-	(585)
Total Accumulated Depreciation	(40,759,317)	(1,862,852)	-	-	(42,622,169)
Total Capital Assets, Being Depreciated, Net	30,496,039	(1,827,639)	-	4,119,982	32,788,382
 Total Capital Assets, Net	 \$ 40,592,616	 \$ 7,008,488	 \$ -	 \$ -	 \$ 47,601,104

Depreciation expense was charged to the following functions:

	Governmental Activities	Business-Type Activities	Total
General Government	\$ 199,430	\$ -	\$ 199,430
Public Safety	1,907,756	-	1,907,756
Public Safety/Shop	359,014	-	359,014
Community Development	41,736	-	41,736
Culture and Recreation	792,229	-	792,229
Street and Highways	1,744,075	-	1,744,075
Water Utility	-	1,652,171	1,652,171
Refuse	-	1,427	1,427
Sewer	-	209,254	209,254
Total	\$ 5,044,240	\$ 1,862,852	\$ 6,907,092

CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 LONG-TERM LIABILITIES

Changes in long-term liabilities for the City for the year June 30, 2022, are as follows:

	Balance at June 30, 2021	Additions	Deletions	Balance at June 30, 2022	Due Within One Year	Due in More Than One Year
Governmental Activities						
Direct Borrowings:						
Loans	\$ 5,668,732	\$ -	\$ (699,521)	\$ 4,969,211	\$ 727,275	\$ 4,241,936
Lease Liability	145,316	-	(49,557)	95,759	43,726	52,033
HUD Section 108 Loans Payable	1,047,000	-	(508,000)	539,000	539,000	-
Total Direct Borrowings	6,861,048	-	(1,257,078)	5,603,970	1,310,001	4,293,969
Other Debt:						
2004 Taxable Pension Obligation Bonds	11,770,000	-	(425,000)	11,345,000	425,000	10,920,000
2021 Taxable Pension Obligation Bonds	100,892,026	-	(2,969,136)	97,922,890	3,657,698	94,265,192
2022 Sales Tax Revenue Bonds Premium	-	17,750,000	(165,000)	17,585,000	305,000	17,280,000
	-	3,276,121	(109,204)	3,166,917	-	3,166,917
Total Other Debt	112,662,026	21,026,121	(3,668,340)	130,019,807	4,387,698	125,632,109
Other Long-term Liabilities:						
Compensated Absences	5,027,340	190,015	(5,074)	5,212,281	521,228	4,691,053
Insurance Assessments Payable (Note 12)	981,086	-	(163,515)	817,571	163,514	654,057
Claims and Judgments (Note 12)	19,948,654	5,448,145	(2,954,093)	22,442,706	3,635,479	18,807,227
Total Other Long-term Liabilities	25,957,080	5,638,160	(3,122,682)	28,472,558	4,320,221	24,152,337
Total Governmental Activities	\$ 145,480,154	\$ 26,664,281	\$ (8,048,100)	\$ 164,096,335	\$ 10,017,920	\$ 154,078,415
Business-Type Activities						
Direct Borrowings:						
Loans	\$ 7,915,247	\$ 4,000,000	\$ (605,212)	\$ 11,310,035	\$ 1,063,725	\$ 10,246,310
Lease Liability	3,537	-	(649)	2,888	779	2,109
Total Direct Borrowings	7,918,784	4,000,000	(605,861)	11,312,923	1,064,504	10,248,419
Other Debt:						
2021 Taxable Pension Obligation Bonds	5,442,974	-	(160,864)	5,282,110	197,302	5,084,808
Total Other Debt	5,442,974	-	(160,864)	5,282,110	197,302	5,084,808
Other Long-term Liabilities:						
Compensated Absences	736,529	-	(512,472)	224,057	22,406	201,651
Total Other Long-term Liabilities	736,529	-	(512,472)	224,057	22,406	201,651
Total Business-Type Activities	\$ 14,098,287	\$ 4,000,000	\$ (1,279,197)	\$ 16,819,090	\$ 1,284,212	\$ 15,534,878

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, 2022, \$132,117 in compensated absences, \$27,298 in lease liability, \$22,442,706 in claims and judgments, and \$817,571 in insurance assessments payable, all related to internal service funds, are included as part of the totals of long-term debt for governmental activities.

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

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.

Loan Obligations

Siemens Loan

On September 23, 2014, the City and Siemens Public, Inc. entered into a finance-purchase agreement for an amount of \$10,511,901. The City used 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%. Principal and interest 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. At June 30, 2022, the outstanding balance for the agreement was \$7,626,972 of which \$1,144,049 is reported in governmental type activities and \$6,482,923 is reported in business-type activities.

The annual debt service requirements on the agreement are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 689,167	\$ 206,361	\$ 895,528
2024	760,474	186,320	946,794
2025	836,888	164,229	1,001,117
2026	905,023	140,085	1,045,108
2027	978,435	113,978	1,092,413
2028	1,055,929	85,773	1,141,702
2029	1,138,523	55,345	1,193,868
2030	1,262,533	21,983	1,284,516
Total	<u>\$ 7,626,972</u>	<u>\$ 974,074</u>	<u>\$ 8,601,046</u>

Motorola Loan

On March 16, 2021, the City and Motorola Solutions, Inc. entered into a finance-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 principal and interest payments of \$307,745 are due April 1st of each year commencing in 2022.

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Loan Obligations (Continued)

Motorola Loan (Continued)

The annual debt service requirements on the agreement are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 244,696	\$ 63,049	\$ 307,745
2024	251,008	56,737	307,745
2025	257,485	50,260	307,745
2026	264,127	43,618	307,745
2027	270,943	36,802	307,745
2028	277,932	29,813	307,745
2029	285,104	22,641	307,745
2030	292,459	15,286	307,745
2031	300,005	7,740	307,745
Total	<u>\$ 2,443,759</u>	<u>\$ 325,946</u>	<u>\$ 2,769,705</u>

Fire Engine Loan

On September 28, 2018, the City and Banc of America Public Capital Corporation entered into a finance-purchase agreement for fire engine in the amount of \$2,618,000. The term of the agreement is 30 years at an interest rate of 4.0702%. Principal and interest payments totaling \$210,129 are due quarterly over the term of the agreement.

The annual debt service requirements on the agreement are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 379,204	\$ 41,053	\$ 420,257
2024	391,393	28,864	420,257
2025	403,974	16,283	420,257
2026	206,831	3,298	210,129
Total	<u>\$ 1,381,402</u>	<u>\$ 89,498</u>	<u>\$ 1,470,900</u>

La Loma Highland Loan

On January 1, 2001, the City and California Infrastructure and Economic Development Bank entered into a finance-purchase agreement for an amount of \$2,000,000. The City used the monies for facility improvements. The term of the agreement is thirty years through August 1, 2030, at an interest rate of 4.07%. Semiannual principal and interest payments of ranging from \$50,450 to \$120,953 are due February 1st and August 1st of each year.

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Loan Obligations (Continued)

La Loma Highland Loan (Continued)

The annual debt service requirements on the agreement are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 77,933	\$ 32,078	\$ 110,011
2024	81,103	28,841	109,944
2025	84,405	25,473	109,878
2026	87,841	21,968	109,809
2027	91,416	18,320	109,736
2028	95,136	14,524	109,660
2029	99,008	10,573	109,581
2030	103,038	6,461	109,499
2031	107,232	2,182	109,414
Total	<u>\$ 827,112</u>	<u>\$ 160,420</u>	<u>\$ 987,532</u>

Lease Liability

The City leases office equipment for various lease terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2027. This liability, amounting to \$95,759 at June 30, 2022, will be paid in future years.

The annual debt service requirements on the agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 43,726	\$ 401	\$ 44,127
2024	18,439	271	18,710
2025	16,311	169	16,480
2026	14,448	71	14,519
2027	2,835	6	2,841
Total	<u>\$ 95,759</u>	<u>\$ 918</u>	<u>\$ 96,677</u>

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 \$539,000 at June 30, 2022.

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

HUD Section 108 Loan Program (Continued)

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>
2023	\$ 539,000	\$ 6,603	\$ 545,603
Total	<u>\$ 539,000</u>	<u>\$ 6,603</u>	<u>\$ 545,603</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.

The outstanding balance of the 2004 Taxable Pension Obligation Bonds was \$11,345,000 at June 30, 2022.

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

2004 Taxable Pension Obligation Bonds (Continued)

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 425,000	\$ 687,819	\$ 1,112,819
2023	410,000	662,761	1,072,761
2024	795,000	638,588	1,433,588
2025	845,000	590,283	1,435,283
2027	895,000	538,941	1,433,941
2028 - 2032	5,350,000	2,406,399	7,756,399
2033 - 2034	2,625,000	774,994	3,399,994
Total	<u>\$ 11,345,000</u>	<u>\$ 6,299,785</u>	<u>\$ 17,644,785</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, 2022**

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, 2022, of which \$99,172,992 is reported in governmental type activities and \$5,032,008 is reported in business-type activities.

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>
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	3,645,000	2,260,235	5,905,235
2028 - 2032	19,170,000	10,374,338	29,544,338
2033 - 2037	25,670,000	8,175,495	33,845,495
2038 - 2042	32,640,000	4,094,814	36,734,814
2043	<u>7,135,000</u>	<u>215,548</u>	<u>7,350,548</u>
Total	<u>\$ 103,205,000</u>	<u>\$ 34,476,194</u>	<u>\$ 137,681,194</u>

CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Changes in long-term debt for the Successor Agency for the year ended June 30, 2022, are as follows:

Successor Agency	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022	Due Within One Year	Due in More Than One Year
Other Debt:						
Bonds Payable:						
2013A Tax Refunding Bonds - Atlantic-Garvey Project Redevelopment Project	\$ 7,140,000	\$ -	\$ (1,115,000)	\$ 6,025,000	\$ 1,175,000	\$ 4,850,000
2013B Tax Refunding Bonds - Merged Redevelopment Project	4,300,000	-	(460,000)	3,840,000	480,000	3,360,000
	<u>11,440,000</u>	<u>-</u>	<u>(1,575,000)</u>	<u>9,865,000</u>	<u>1,655,000</u>	<u>8,210,000</u>
Add Deferred Amounts:						
Bond Premium	534,191	-	(93,417)	440,774	-	440,774
Total Bonds Payable	<u>11,974,191</u>	<u>-</u>	<u>(1,668,417)</u>	<u>10,305,774</u>	<u>1,655,000</u>	<u>8,650,774</u>
Advances from the						
City of Monterey Park (Note 5)	1,170,993	-	(137,342)	1,033,651	-	1,033,651
Total Other Debt	<u>13,145,184</u>	<u>-</u>	<u>(1,805,759)</u>	<u>11,339,425</u>	<u>1,655,000</u>	<u>9,684,425</u>
Direct Borrowings:						
Tax Increment Deferred Loan - Atlantic/Garvey Project	13,817,811	967,247	-	14,785,058	-	14,785,058
Tax Increment Deferred Loan - Merged Project	63,011,758	4,290,090	(468,189)	66,833,659	561,108	66,272,551
Low/Mod Housing						
Deferred Loans	1,186,222	-	-	1,186,222	-	1,186,222
Total Direct Borrowings	<u>78,015,791</u>	<u>5,257,337</u>	<u>(468,189)</u>	<u>82,804,939</u>	<u>561,108</u>	<u>82,243,831</u>
Total Successor Agency	<u>\$ 91,160,975</u>	<u>\$ 5,257,337</u>	<u>\$ (2,273,948)</u>	<u>\$ 94,144,364</u>	<u>\$ 2,216,108</u>	<u>\$ 91,928,256</u>

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.

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Tax Allocation Bonds (Continued)

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

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, 2022, 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:

Year Ending June 30,	Principal	Interest	Total
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>\$ 6,025,000</u>	<u>\$ 665,815</u>	<u>\$ 6,690,815</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.

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, 2022, 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.

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Tax Allocation Bonds (Continued)

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

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
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	565,000	73,109	638,109
2028 - 2029	1,215,000	61,375	1,276,375
Total	<u>\$ 3,840,000</u>	<u>\$ 660,302</u>	<u>\$ 4,500,302</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 \$14,785,058 at June 30, 2022.

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 \$66,833,659 at June 30, 2022.

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Tax Allocation Bonds (Continued)

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
	\$ 1,186,222

NOTE 8 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 \$262,045, and the Pacific Bridge Loan in the amount of \$434,738, described in Note 3 at June 30, 2022, 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.

<u>Description</u>	<u>Amount</u>
<u>Due to Other Governmental Agencies:</u>	
CDBG Residential Rehabilitation Program	\$ 48,015
SERA Program	4,322
Pacific Housing Corporation Loan	262,045
Pacific Bridge Loan	434,738
Total	\$ 749,120

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 PENSION PLANS

The following is a summary of pension related items for the year ended June 30, 2022.

	Pension Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources
CalPERS Miscellaneous	\$ (20,078,555)	\$ 1,319,591	\$ (14,107,098)
CalPERS Safety	(31,501,768)	1,264,857	(22,715,025)
Subtotal	(51,580,323)	2,584,448	(36,822,123)
Massachusetts Mutual Retirement Plan	372,265	736,480	-
Total	<u>\$ (51,208,058)</u>	<u>\$ 3,320,928</u>	<u>\$ (36,822,123)</u>

A. Defined Benefit Pension Plans

a. California Public Employees' Retirement System Plan

General Information about the Pension Plan

Plan Description

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

Benefit Provided

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

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

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 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)

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

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

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

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

Employees Covered by Benefit Terms

At June 30, 2021, 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

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 PENSION PLANS (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

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

General Information about the Pension Plan (Continued)

Contributions

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 \$1,264,858 and \$2,582,210 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, 2021 using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021, 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, 2022**

NOTE 9 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, 2020 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, 2022**

NOTE 9 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

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-2021. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 PENSION PLANS (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

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

Net Pension Liability (Continued)

Subsequent Events (Continued)

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

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, 2020 (Measurement Date)	\$ 149,696,499	\$ 107,585,435	\$ 42,111,064
Changes Recognized for the Measurement Period:			
Service Cost	2,148,048	-	2,148,048
Interest on the Total Pension Liability	10,443,716	-	10,443,716
Differences Between Expected and Actual Experience	(746,806)	-	(746,806)
Plan to Plan Resource Movement	-	-	-
Contributions from the Employer	-	45,650,016	(45,650,016)
Contributions from Employees	-	878,774	(878,774)
Net Investment Income	-	27,613,258	(27,613,258)
Benefit Payments, Including Refunds of Employee Contributions	(7,915,523)	(7,915,523)	-
Administrative Expenses	-	(107,471)	107,471
Net Changes During July 1, 2020 to June 30, 2021	<u>3,929,435</u>	<u>66,119,054</u>	<u>(62,189,619)</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$ 153,625,934</u>	<u>\$ 173,704,489</u>	<u>\$ (20,078,555)</u>

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 PENSION PLANS (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

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

Changes in the Net Pension Liability (Continued)

	Safety Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (c) = (a) - (b)
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2020 (Measurement Date)	\$ 232,391,748	\$ 166,998,365	\$ 65,393,383
Changes Recognized for the Measurement Period:			
Service Cost	3,628,780	-	3,628,780
Interest on the Total Pension Liability	16,292,437	-	16,292,437
Differences Between Expected and Actual Experience	(986,638)	-	(986,638)
Contributions from the Employer	-	71,158,474	(71,158,474)
Contributions from Employees	-	1,701,579	(1,701,579)
Net Investment Income	-	43,136,498	(43,136,498)
Benefit Payments, Including Refunds of Employee Contributions	(10,706,492)	(10,706,492)	-
Administrative Expenses	-	(166,821)	166,821
Net Changes During July 1, 2020 to June 30, 2021	<u>8,228,087</u>	<u>105,123,238</u>	<u>(96,895,151)</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$ 240,619,835</u>	<u>\$ 272,121,603</u>	<u>\$ (31,501,768)</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:

	Miscellaneous	Safety
1% Decrease	6.15%	6.15%
Net Pension Liability	\$ (550,022)	\$ 544,729
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ (20,078,555)	\$ (31,501,768)
1% Increase	8.15%	8.15%
Net Pension Liability	\$ (36,251,372)	\$ (57,869,373)

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 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, 2021, the City incurred a pension expense/(income) of \$(1,230,395) and \$(2,687,388) for the miscellaneous plan and safety plan, respectively.

As of measurement date of June 30, 2021, 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	\$ 1,264,858	\$ -
Difference Between Expected and Actual Experience	54,733	(407,349)
Changes of Assumptions	-	-
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	(13,699,749)
Total	\$ 1,319,591	\$ (14,107,098)

Safety Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Made After the Measurement Date	\$ 1,264,857	\$ -
Difference Between Expected and Actual Experience	-	(1,512,332)
Changes of Assumptions	-	-
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	(21,202,693)
Total	\$ 1,264,857	\$ (22,715,025)

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 PENSION PLANS (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

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

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

For the miscellaneous plan and safety plan, \$1,264,858 and \$2,582,210, 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, 2023. 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>	Miscellaneous Plan	Safety Plan
2022	\$ (3,762,668)	\$ (6,619,967)
2023	(3,277,489)	(5,179,591)
2024	(3,299,015)	(5,118,501)
2025	(3,713,193)	(5,796,966)
2026	-	-
Thereafter	-	-

Payable to the Pension Plans

At June 30, 2022, the City had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2022.

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, 2022**

NOTE 9 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, 2022, there are 38 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, 2021 to June 30, 2022.

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 did not make contributions to the MMRP.

Net Pension Liability

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2022, the total pension liability was determined by rolling forward the June 30, 2021 total pension liability to June 30, 2022, 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, 2021
Actuarial Assumptions:	
Discount Rate	3.54%
Expected Long-term	
Rate of Return on Investment	3.00%
Inflation	2.50%
Mortality Rate	CalPERS 1997-2015 experience study
Mortality Improvement Scale	Fully generational projection with Scale MP-21
Cost of Living Adjustment/PPPA	2%; PPPA valued for each annuitant

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 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 4.50% for June 30, 2021 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, 2021	\$ 5,185,000	\$ 5,299,000	\$ (114,000)
Changes Recognized for the Measurement Period:			
Service Cost	-	-	-
Interest on the Total Pension Liability	224,352	-	224,352
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(882,892)	-	(882,892)
Changes in Assumptions	233,362	-	233,362
Contributions from the Employer	-	-	-
Contributions from Employees	-	-	-
Net Investment Income	-	(896,110)	896,110
Benefit Payments, Including Refunds	(398,781)	(398,781)	-
Administrative Expense	-	(15,333)	15,333
Net Changes	<u>(823,959)</u>	<u>(1,310,224)</u>	<u>486,265</u>
Balance at June 30, 2022 (Measurement Date)	<u>\$ 4,361,041</u>	<u>\$ 3,988,776</u>	<u>\$ 372,265</u>

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 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 3.54%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.54%) or 1 percentage point higher (4.54%) than the current rate:

1% Decrease		2.54%
Net Pension Liability	\$	729,000
Current Discount Rate		3.54%
Net Pension Liability	\$	372,265
1% Increase		4.54%
Net Pension Liability	\$	65,709

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

For the measurement period ending June 30, 2022, the City incurred a pension expense/(income) of \$441,215 for MMRP. As of measurement date of June 30, 2022, 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	736,480	-
Total	<u>\$ 736,480</u>	<u>\$ -</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>
2023	\$ 142,870
2024	161,870
2025	206,870
2026	224,870
2026	-
Thereafter	-

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 PENSION PLANS (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

c. Aggregate Amount of Pension Expenses

The aggregate amount of pension income for all defined benefit pension plans for the fiscal year ended June 30, 2022 totaled \$(4,358,998).

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 non benefited, 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, non benefited, nonpersable employees of the City must participate in the plan. During the year ended June 30, 2022, 109 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 non benefited, nonpersable part-time employees, respectively. During the year, the City contributed \$ 30,424 to the plan.

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 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 2020	\$340-\$435 per month	\$355-\$1,375	\$346-\$650
Calendar Year 2021	\$340-\$435 per month	\$355-\$1,375	\$346-\$650

Employees Covered

As of measurement date June 30, 2021, the following current and former employees were covered by the benefit terms under the plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	238
Inactive Employees or Beneficiaries Entitled to but not yet Receiving Benefits	60
Active Employees	275
	<u>573</u>

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 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 \$341,000, \$16,000 in administrative expenses, and \$1,310,920 in cash benefit payments, resulting in total contributions of \$2,667,920. The contributions to the OPEB plan are generally made from the general fund.

B. Total OPEB Liability

For the measurement period ended June 30, 2021, the City's total OPEB liability was determined in a June 30, 2021 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, 2022**

NOTE 10 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

B. Total OPEB Liability (Continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Contribution Policy	Pre-funded through CERBT with Strategy 1 asset allocation.
Actuarial Assumptions:	
Discount Rate	6.25%
General Inflation	2.50%
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	6.25%
Medical Trend	Non-Medicare - 6.5% for 2023, decreasing to an ultimate rate of 3.75% in 2076 and later years Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076 and later years Medicare (Kaiser) - 4.60% for 2023, decreasing to an ultimate rate of 3.75% in 2076 and later years
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 experience study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021

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%	4.56%
Fixed Income	25.00%	0.78%
TIPS	5.00%	-0.08%
Commodities	3.00%	1.22%
Real Estate Investment Trusts	8.00%	4.06%
Total	100.00%	

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

B. Total OPEB Liability (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 6.25%. 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, 2020 (Measurement Date)	\$ 33,933,863	\$ 9,490,012	\$ 24,443,851
Changes in the Year:			
Service Cost	847,594	-	847,594
Interest on the Total OPEB Liability	2,288,889	-	2,288,889
Differences between Actual and Expected Experience	(2,184,649)	-	(2,184,649)
Changes in Assumptions	(257,475)	-	(257,475)
Changes in Benefit Terms	-	-	-
Contributions - Employer	-	2,760,000	(2,760,000)
Net Investment Income	-	2,703,454	(2,703,454)
Benefit Payments	(1,744,000)	(1,744,000)	-
Administrative Expenses	-	(19,765)	19,765
Administrative Expenses	-	-	-
Net Changes	<u>(1,049,641)</u>	<u>3,699,689</u>	<u>(4,749,330)</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$ 32,884,222</u>	<u>\$ 13,189,701</u>	<u>\$ 19,694,521</u>

Change of Assumptions

Discount rate was updated based on current capital market assumptions. Demographic assumptions were updated to CalPERS 2000-2019 Experience Study. Mortality improvement scale was updated to Scale MP-2021. Medical trend rate for Kaiser Senior Advantage was decreased. Participation at retirement was updated for Tier I based on current experience.

Change of Benefit Terms

There were no changes of benefit terms.

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

C. Changes in the Net OPEB Liability (Continued)

Subsequent Events

CalPERS approved new CERBT asset allocations in March 2022. This is not expected to impact the expected long-term rate of return assumption for CERBT Strategy 1.

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 (5.25%)	Discount Rate (6.25%)	1% Increase (7.25%)
Net OPEB Liability	\$ 24,167,863	\$ 19,694,521	\$ 16,026,161

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	\$ 17,834,126	\$ 19,694,521	\$ 21,702,441

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

For the year ended June 30, 2022, the City recognized OPEB expense of \$567,022. At June 30, 2022, 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	\$ 2,667,920	\$ -
Differences Between Actual and Expected Experience	-	4,172,228
Changes in Assumptions	-	741,802
Differences Between Projected and Actual Earnings	-	1,447,358
Total	\$ 2,667,920	\$ 6,361,388

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 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)**

\$2,667,920 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, 2023. 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>
2023	\$ (1,869,027)
2024	(1,855,029)
2025	(1,417,441)
2026	(812,872)
2027	(407,019)
Thereafter	-

Payable to the OPEB Plan

At June 30, 2022, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2022.

NOTE 11 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, 2022**

NOTE 11 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, 2022, the assessment liability balance was \$817,571.

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, 2022, total estimated claims payable were as follows:

Description	Amount
General Liability	\$ 8,545,020
Workers' Compensation	13,897,686
Total	<u>\$ 22,442,706</u>

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

	2022	2021	2020
Claims Liabilities - Beginning Balance	\$ 19,948,653	\$ 18,372,816	\$ 15,651,443
Incurred claims, representing the total of a provision for events of the current fiscal year and any change in the provision for events of prior fiscal years	2,494,053	4541631	5483449
Payments on claims attributable to events of both the current fiscal year and prior fiscal years	<u>-</u>	<u>(2,965,794)</u>	<u>(2,762,076)</u>
Claims Liabilities - Ending Balance	<u>\$ 22,442,706</u>	<u>\$ 19,948,653</u>	<u>\$ 18,372,816</u>

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 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 12 OTHER REQUIRED DISCLOSURES

Deficit Fund Balance/Net Position

At June 30, 2022, deficit fund balance was reported for the Law Enforcement/Fire/Medic DIF Special Revenue Fund (Nonmajor Fund) in the amount of \$(128,279). City management intends to eliminate the deficit with future receipts and/or transfers from the General Fund.

At June 30, 2022, deficit fund balance was reported for the SB2 Planning Grant Special Revenue Fund (Nonmajor Fund) in the amount of \$(252,083). City management intends to eliminate the deficit with future receipts of grant monies.

At June 30, 2022, deficit net position was reported for the General Liability Internal Service Fund in the amount of \$(7,367,141). 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, 2022, deficit net position was reported for the Workers' Compensation Internal Service Fund in the amount of \$(9,140,443). 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, 2022, deficit net position was reported for the Successor Agency Private-Purpose Trust Fund in the amount of \$(91,819,490). 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:

	Final Budget	Actual	Variance
Nonmajor Special Revenue Funds:			
Governmental Funds:			
Maintenance District 93-1	\$ 625,957	\$ 800,267	\$ (174,310)
Circulation DIF	-	265,165	(265,165)
SB2 - Planning Grant	33,975	252,083	(218,108)

**CITY OF MONTEREY PARK
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 13 FUND BALANCE CLASSIFICATIONS

Fund balance classifications as of June 30, 2022, are as follows:

	Major Funds						Totals
	Special Revenue Funds				Stree Capital	Nonmajor	
	General	Grants	Retirement/ Pension	Housing	Projects Fund		
Nonspendable:							
Prepaid Items	\$ 82,310	\$ -	\$ -	\$ -	\$ -	\$ 44,212	\$ 126,522
Total Nonspendable	82,310	-	-	-	-	44,212	126,522
Restricted:							
Housing	-	-	-	2,458,662	-	-	2,458,662
Grants:	-	1,222,542	-	-	-	-	1,222,542
Highways and Streets	-	-	-	-	20,453,846	-	20,453,846
Public Safety	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
Retirement	-	-	2,565,775	-	-	-	2,565,775
OPA Proposition A	-	-	-	-	-	4,087,857	4,087,857
State Gas Tax	-	-	-	-	-	1,138,161	1,138,161
Measure W	-	-	-	-	-	256,171	256,171
Proposition C	-	-	-	-	-	2,777,065	2,777,065
Air Quality Improvement	-	-	-	-	-	377,967	377,967
Asset Forfeiture	-	-	-	-	-	793,791	793,791
Park Facilities	-	-	-	-	-	650,990	650,990
Business Improvement Area #1	-	-	-	-	-	187,731	187,731
Maintenance District 93-1	-	-	-	-	-	268,160	268,160
Public Safety Augmentation	-	-	-	-	-	846,716	846,716
Measure R	-	-	-	-	-	1,543,591	1,543,591
Circulation Development Impact	-	-	-	-	-	123,540	123,540
SB1-RMRA	-	-	-	-	-	2,000,134	2,000,134
Measure M	-	-	-	-	-	2,503,527	2,503,527
Debt Service	-	-	-	-	-	3,556	3,556
Total Restricted	-	1,222,542	2,565,775	2,458,662	20,453,846	17,558,957	44,259,782
Committed:							
Catastrophic Event	4,840,000	-	-	-	-	-	4,840,000
Working Capital	3,000,000	-	-	-	-	-	3,000,000
Economic Development	1,886,927	-	-	-	-	-	1,886,927
CERCLA Liability	-	-	-	-	-	276,809	276,809
Total Committed	9,726,927	-	-	-	-	276,809	10,003,736
Assigned:							
City Capital Improvements	19,156,028	-	-	-	-	-	19,156,028
Total Assigned	19,156,028	-	-	-	-	-	19,156,028
Unassigned:							
General Fund	-	-	-	-	-	-	-
Law Enforcement/Fire/Medic DIF	-	-	-	-	-	(172,491)	(172,491)
SB2 - Planning Grant	-	-	-	-	-	(252,083)	(252,083)
Total Unassigned	-	-	-	-	-	(424,574)	(424,574)
Total Fund Balances	<u>\$ 28,965,265</u>	<u>\$ 1,222,542</u>	<u>\$ 2,565,775</u>	<u>\$ 2,458,662</u>	<u>\$ 20,453,846</u>	<u>\$ 17,455,404</u>	<u>\$ 73,121,494</u>

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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, 2022**

Fiscal Year Ended	June 30, 2022	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, 2021	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	\$ 2,148,048	\$ 2,180,399	\$ 2,265,594	\$ 2,094,764	\$ 2,228,391	\$ 2,069,087	\$ 1,980,088	\$ 1,910,429
Interest	10,443,716	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	(746,806)	602,063	2,073,497	(117,357)	(1,360,108)	(944,621)	(1,849,112)	-
Benefit Payments, Including Refunds of Employee Contributions	(7,915,523)	(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	3,929,435	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	149,696,499	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>\$ 153,625,934</u>	<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	\$ 45,650,016	\$ 4,961,827	\$ 4,364,979	\$ 4,603,513	\$ 3,511,958	\$ 3,019,357	\$ 2,466,015	\$ 2,203,100
Contributions - Employee	878,774	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	27,613,258	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	(7,915,523)	(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)	(107,471)	-	229	(271,552)	-	-	-	-
Other	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	66,119,054	3,942,248	5,169,330	6,708,307	8,524,662	(533,523)	812,696	11,307,548
Plan Fiduciary Net Position - Beginning	107,585,435	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>\$ 173,704,489</u>	<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>\$ (20,078,555)</u>	<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>113.07%</u>	<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>\$ 12,120,063</u>	<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>-165.66%</u>	<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, 2022**

Fiscal Year Ended	June 30, 2022	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, 2021	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	\$ 3,628,780	\$ 3,826,239	\$ 3,799,004	\$ 3,527,711	\$ 3,386,209	\$ 2,947,888	\$ 2,923,036	\$ 3,003,645
Interest	16,292,437	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	(986,638)	(2,916,658)	2,807,034	2,778,709	(2,485,932)	(950,812)	(1,936,767)	-
Benefit Payments, Including Refunds of Employee Contributions	(10,706,492)	(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	8,228,087	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	232,391,748	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>\$ 240,619,835</u>	<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	\$ 71,158,474	\$ 6,084,397	\$ 5,484,667	\$ 4,724,661	\$ 4,231,618	\$ 3,647,109	\$ 3,220,567	\$ 2,924,318
Contributions - Employee	1,701,579	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	43,136,498	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	(10,706,492)	(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)	(166,821)	-	361	(434,958)	-	-	-	-
Other	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	105,123,238	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	166,998,365	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>\$ 272,121,603</u>	<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>\$ (31,501,768)</u>	<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>113.09%</u>	<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>\$ 13,434,829</u>	<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>-234.48%</u>	<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, 2022

Fiscal Year Ended/Measurement Period Ended	June 30, 2022	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	224,352	232,000	247,000	263,000	269,000	287,000	305,004	321,000
Changes of Benefit Terms	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(882,892)	-	48,000	-	170,000	-	-	(53,000)
Changes of Assumptions	233,562	-	(19,000)	-	377,000	-	-	76,000
Benefit Payments, Including Refunds of Employee Contributions	(398,781)	(501,000)	(597,000)	(641,000)	(659,004)	(666,000)	(691,000)	(702,000)
Net Change in Total Pension Liability	(823,759)	(269,000)	(321,000)	(378,000)	156,996	(379,000)	(385,996)	(358,000)
Total Pension Liability - Beginning	5,185,000	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>\$ 4,361,241</u>	<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	(896,110)	323,000	447,000	269,000	(98,000)	53,000	(12,000)	57,000
Benefit Payments, Including Refunds of Employee Contributions	(398,781)	(501,000)	(597,000)	(641,000)	(659,000)	(666,000)	(691,000)	(702,000)
Administrative Expense	(15,333)	(17,000)	(17,000)	(16,000)	(18,000)	(15,000)	(14,000)	(16,000)
Other	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	(1,310,224)	410,000	1,033,000	612,000	175,000	322,000	233,000	289,000
Plan Fiduciary Net Position - Beginning	5,299,000	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>\$ 3,988,776</u>	<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>\$ 372,465</u>	<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>91.46%</u>	<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>	<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>	<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, 2022**

Fiscal Year Ended	June 30, 2022	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)	\$ 1,264,858	\$ 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	(1,264,858)	(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>\$ -</u>	<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	\$ 11,554,944	\$ 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	10.95%	376.64%	41.40%	38.85%	39.20%	31.66%	26.42%	21.61%
Notes to Schedule:								
Valuation Date	6/30/2019	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 (1)	Entry Age (1)	Entry Age (1)	Entry Age (1)	Entry Age (1)	Entry Age (1)	Entry Age (1)	Entry Age (1)
Amortization Method								15 Year Smoothed Market
Asset Valuation Method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
Inflation	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.15% (3)	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)	(4)
Mortality	(5)	(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, 2022**

Fiscal Year Ended	June 30, 2022	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)	\$ 2,582,210	\$ 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	(2,582,210)	(71,143,291)	(6,084,397)	(5,484,667)	(4,724,661)	(4,231,618)	(3,647,109)	(3,220,567)
Contribution Deficiency (Excess)	\$ -	\$ (64,398,586)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 14,666,650	\$ 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	17.61%	529.54%	45.92%	44.28%	39.88%	34.83%	31.54%	27.90%

Notes to Schedule:

Valuation Date	6/30/2019	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	Entry Age
Amortization Method	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	15 Year Smoothed Market
Inflation	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.15% (3)	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)	(4)
Mortality	(5)	(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, 2022**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Actuarially Determined Contribution	\$ 64,000	\$ 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)	<u>\$ 64,000</u>	<u>\$ -</u>	<u>\$ (206,000)</u>	<u>\$ (6,000)</u>	<u>\$ 11,000</u>	<u>\$ 11,000</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions as a Percentage of Covered Payroll	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>

Notes to Schedule:

Valuation Date	6/30/2019	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	Entry Age
Actuarial Cost Method	Level Dollar	Level Dollar	Level Dollar	Level Dollar	Level Dollar	Level Dollar	Level Dollar	Level Dollar
Amortization Method	(1)	(1)	(1)	(1)	(1)	(1)	(2)	(2)
Remaining Amortization Period	(2)	(2)	(2)	(2)	(2)	(2)	(3)	(3)
Asset Valuation Method	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Noninvestment Expenses	4.50%	4.50%	4.50%	4.50%	4.50%	4.75%	4.75%	4.75%
Discount Rate	2.75%	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%	2.00%
Cost of Living Adjustment	(4)	(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, 2022**

Fiscal Year Ended Measurement Period	June 30, 2022 June 30, 2021	June 30, 2021 June 30, 2020	June 30, 2020 June 30, 2019	June 30, 2019 June 30, 2018	June 30, 2018 June 30, 2017
Total OPEB Liability:					
Service Cost	\$ 847,594	\$ 822,907	\$ 1,014,890	\$ 985,000	\$ 956,000
Interest	2,288,889	2,199,290	2,418,231	2,307,000	2,204,000
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	(2,184,649)	-	(5,065,175)	-	-
Changes of Assumptions	(257,475)	-	(1,135,595)	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,744,000)	(1,695,000)	(1,628,685)	(1,580,000)	(1,653,000)
Net Change in Total OPEB Liability	(1,049,641)	1,327,197	(4,396,334)	1,712,000	1,507,000
Total OPEB Liability - Beginning	33,933,863	32,606,666	37,003,000	35,291,000	33,784,000
Total OPEB Liability - Ending (A)	\$ 32,884,222	\$ 33,933,863	\$ 32,606,666	\$ 37,003,000	\$ 35,291,000
OPEB Fiduciary Net Position:					
Contributions - Employer	\$ 2,760,000	\$ 2,710,000	\$ 2,694,599	\$ 2,565,000	\$ 2,703,000
Contributions - Employee	-	-	-	-	-
Net Investment Income	2,703,454	318,876	468,237	491,000	475,000
Benefit Payments, Including Refunds of Employee Contributions	(1,744,000)	(1,695,000)	(1,628,685)	(1,580,000)	(1,653,000)
Administrative Expense	(19,765)	(19,470)	(17,545)	(10,000)	(2,000)
Net Change in Plan Fiduciary Net Position	3,699,689	1,314,406	1,516,606	1,466,000	1,523,000
Plan Fiduciary Net Position - Beginning	9,490,012	8,175,606	6,659,000	5,193,000	3,670,000
Plan Fiduciary Net Position - Ending (B)	\$ 13,189,701	\$ 9,490,012	\$ 8,175,606	\$ 6,659,000	\$ 5,193,000
Plan's Net OPEB Liability - Ending (A) - (B)	\$ 19,694,521	\$ 24,443,851	\$ 24,431,060	\$ 30,344,000	\$ 30,098,000
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	40.11%	27.97%	25.07%	18.00%	14.71%
Covered-Employee Payroll	\$ 25,378,000	\$ 25,791,000	\$ 29,951,647	\$ 28,530,000	\$ 27,659,000
Plan's Net OPEB Liability as a Percentage of Covered-Employee Payroll	77.60%	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, 2022**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Actuarially Determined Contribution	\$ 2,539,000	\$ 2,487,000	\$ 2,999,000	\$ 2,925,000	\$ 2,855,000
Contributions in Relation to the					
Actuarially Determined Contribution	<u>(2,667,920)</u>	<u>(2,760,000)</u>	<u>(2,710,000)</u>	<u>(2,694,599)</u>	<u>(2,565,000)</u>
Contribution Deficiency (Excess)	<u>\$ (128,920)</u>	<u>\$ (273,000)</u>	<u>\$ 289,000</u>	<u>\$ 230,401</u>	<u>\$ 290,000</u>
Covered-Employee Payroll	<u>\$ 25,472,326</u>	<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>10.47%</u>	<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, 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	Entry Age
Actuarial Cost Method	(1)	(1)	(1)	(1)	(1)
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	(2)	(2)	(2)	(2)	(2)
Discount Rate	6.75%	6.75%	6.75%	6.50%	6.50%
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Medical Trend (3):					
Non-Medicare	7.25% to 4.0%	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%	6.3% to 4.0%	6.5% to 4.0%	6.5% to 4.0%
Mortality	(4)	(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, 2022**

	General Fund			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 34,699,478	\$ 34,699,478	\$ 37,402,738	\$ 2,703,260
Licenses and Permits	2,194,060	2,194,060	2,153,956	(40,104)
Charges for Services	8,472,304	8,472,304	9,345,381	873,077
Revenues from Use of Money and Property	1,070,135	1,070,135	(1,879,661)	(2,949,796)
Fines and Forfeitures	441,284	441,284	346,514	(94,770)
Other Revenue	575,000	805,435	1,703,030	897,595
Total Revenues	<u>47,452,261</u>	<u>47,682,696</u>	<u>49,071,958</u>	<u>1,389,262</u>
EXPENDITURES				
Current:				
General Government	7,069,518	7,564,975	7,057,405	507,570
Public Safety	29,012,339	29,425,375	30,587,146	(1,161,771)
Community Development	404,081	1,628,133	7,354,396	(5,726,263)
Culture and Recreation	5,916,063	6,079,721	4,479,305	1,600,416
Highways and Streets	855,146	951,763	859,688	92,075
Capital Outlay	4,072,991	5,650,999	1,644,809	4,006,190
Debt Service:				
Principal Retirement	332,128	332,128	348,311	(16,183)
Interest and Fiscal Charges	102,882	102,882	103,061	(179)
Total Expenditures	<u>47,765,148</u>	<u>51,735,976</u>	<u>52,434,121</u>	<u>(698,145)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(312,887)	(4,053,280)	(3,362,163)	691,117
OTHER FINANCING USES				
Transfers Out	<u>(2,703,000)</u>	<u>(2,764,400)</u>	<u>(2,809,664)</u>	<u>(45,264)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (3,015,887)</u>	<u>\$ (6,817,680)</u>	(6,171,827)	<u>\$ 645,853</u>
Fund Balance, Beginning of Year			<u>35,137,092</u>	
FUND BALANCE, END OF YEAR			<u>\$ 28,965,265</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, 2022**

	Special Revenue Grants Fund			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 1,822,969	\$ 2,178,388	\$ 4,100,308	\$ 1,921,920
Revenues from Use of Money and Property	-	-	81,786	81,786
Total Revenues	<u>1,822,969</u>	<u>2,178,388</u>	<u>4,182,094</u>	<u>2,003,706</u>
EXPENDITURES				
Current:				
General Government	445,787	2,201,014	809,186	1,391,828
Public Safety	508,849	3,590,097	1,060,533	2,529,564
Culture and Recreation	74,035	1,452,294	813,482	638,812
Highways and Streets	22,545	285,706	20,523	265,183
Capital Outlay	2,276,972	3,744,099	990,193	2,753,906
Debt Service:				
Principal Retirement	508,001	508,001	508,001	-
Interest and Fiscal Charges	19,175	19,175	19,175	-
Total Expenditures	<u>3,855,364</u>	<u>11,800,386</u>	<u>4,221,093</u>	<u>7,579,293</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,032,395)</u>	<u>(9,621,998)</u>	<u>(38,999)</u>	<u>9,582,999</u>
OTHER FINANCING SOURCES				
Transfers In	-	-	45,264	45,264
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>45,264</u>	<u>45,264</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,032,395)</u>	<u>\$ (9,621,998)</u>	6,265	<u>\$ 9,628,263</u>
Fund Balance, Beginning of Year, as Restated			<u>1,216,277</u>	
FUND BALANCE, END OF YEAR			<u>\$ 1,222,542</u>	

**CITY OF MONTEREY PARK
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SPECIAL REVENUE RETIREMENT/PENSION LIABILITY FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2022**

	Special Revenue Retirement/Pension Liability			
	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		
REVENUES				
Taxes	\$ 7,697,240	\$ 7,697,240	\$ 8,367,523	\$ 670,283
Revenues from Use of Money and Property	21,128	21,128	1,236	(19,892)
Other Revenue	12,800	12,800	12,800	-
Total Revenues	<u>7,731,168</u>	<u>7,731,168</u>	<u>8,381,559</u>	<u>650,391</u>
EXPENDITURES				
Current:				
General Government	993,528	993,528	255,690	737,838
Public Safety	2,733,312	2,733,312	1,916,468	816,844
Community Development	26,559	98,532	35,684	62,848
Culture and Recreation	246,306	246,306	147,585	98,721
Highways and Streets	19,747	19,738	10,130	9,608
Debt Service:				
Principal Retirement	3,555,000	3,555,000	3,394,136	160,864
Interest and Fiscal Charges	3,782,225	3,782,225	3,625,129	157,096
Total Expenditures	<u>11,356,677</u>	<u>11,428,641</u>	<u>9,384,822</u>	<u>2,043,819</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(3,625,509)</u>	<u>(3,697,473)</u>	<u>(1,003,263)</u>	<u>2,694,210</u>
OTHER FINANCING SOURCES				
Transfers In	3,687,200	3,687,200	3,487,200	(200,000)
Total Other Financing Sources	<u>3,687,200</u>	<u>3,687,200</u>	<u>3,487,200</u>	<u>(200,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 61,691</u>	<u>\$ (10,273)</u>	2,483,937	<u>\$ 2,494,210</u>
Fund Balance, Beginning Of Year			<u>81,838</u>	
FUND BALANCE, END OF YEAR			<u>\$ 2,565,775</u>	

**CITY OF MONTEREY PARK
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SPECIAL REVENUE HOUSING FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2022**

	Special Revenue Housing			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Revenues from Use of Money and Property	\$ -	\$ -	\$ 6,238	\$ 6,238
Other Revenue	137,342	137,342	-	(137,342)
Total Revenues	137,342	137,342	6,238	(131,104)
EXPENDITURES				
Current:				
Community Development	60,000	60,000	-	60,000
Total Expenditures	60,000	60,000	-	60,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	77,342	77,342	6,238	(71,104)
NET CHANGE IN FUND BALANCE	\$ 77,342	\$ 77,342	6,238	\$ (71,104)
Fund Balance, Beginning Of Year			2,452,424	
FUND BALANCE, END OF YEAR			\$ 2,458,662	

CITY OF MONTEREY PARK
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
JUNE 30, 2022

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.

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, 2022, 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.

SB2 - Planning Grant Fund - used to account for the funding and technical assistance received to help the city prepare, adopt, and implement plans and process improvements that streamline housing approvals and accelerate housing production

**CITY OF MONTEREY PARK
NONMAJOR GOVERNMENTAL FUNDS
DEBT SERVICE FUNDS**

Sales Tax Bond Fund - used to account for the funds collected for debt service payment on the City's Sales Tax Bond.

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**CITY OF MONTEREY PARK
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds				
	Proposition A	Gas Tax	Measure W	Proposition C	Air Quality Improvement
	A	Gas Tax	Measure W	C	Improvement
ASSETS					
Cash and Investments	\$ 3,965,010	\$ 1,093,527	\$ 255,919	\$ 2,795,737	\$ 377,846
Cash and Investments held by fiscal agents	-	-	-	-	-
Accounts Receivable	154,156	113,153	-	-	-
Interest Receivable	3,897	1,075	252	2,748	371
Prepaid Items	-	-	-	-	-
Total Assets	<u>\$ 4,123,063</u>	<u>\$ 1,207,755</u>	<u>\$ 256,171</u>	<u>\$ 2,798,485</u>	<u>\$ 378,217</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 27,514	\$ 62,840	\$ -	\$ 20,230	\$ -
Accrued Payroll	7,692	6,754	-	1,190	250
Due to Other Funds	-	-	-	-	-
Total Liabilities	<u>35,206</u>	<u>69,594</u>	<u>-</u>	<u>21,420</u>	<u>250</u>
DEFERRED INFLOW OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	4,087,857	1,138,161	256,171	2,777,065	377,967
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	<u>4,087,857</u>	<u>1,138,161</u>	<u>256,171</u>	<u>2,777,065</u>	<u>377,967</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	<u>\$ 4,123,063</u>	<u>\$ 1,207,755</u>	<u>\$ 256,171</u>	<u>\$ 2,798,485</u>	<u>\$ 378,217</u>

**CITY OF MONTEREY PARK
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022**

	Special Revenue Funds				
	Asset	Parks/Library/ Facilities DIF	Business Improvement Area #1	Maintenance District 93-1	Law Enforcement/ Fire/Medic DIF
	Forfeiture				
ASSETS					
Cash and Investments	\$ 794,921	\$ 650,351	\$ 192,162	\$ 293,363	\$ -
Cash and Investments held by fiscal agents	-	-	-	-	-
Accounts Receivable	-	-	-	33,172	-
Interest Receivable	781	639	189	288	-
Prepaid Items	-	-	-	-	44,212
Total Assets	\$ 795,702	\$ 650,990	\$ 192,351	\$ 326,823	\$ 44,212
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 1,911	\$ -	\$ 4,620	\$ 56,201	\$ -
Accrued Payroll	-	-	-	2,462	-
Due to Other Funds	-	-	-	-	172,491
Total Liabilities	1,911	-	4,620	58,663	172,491
DEFERRED INFLOW OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	44,212
Restricted	793,791	650,990	187,731	268,160	-
Committed	-	-	-	-	-
Unassigned	-	-	-	-	(172,491)
Total Fund Balances (Deficits)	793,791	650,990	187,731	268,160	(128,279)
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ 795,702	\$ 650,990	\$ 192,351	\$ 326,823	\$ 44,212

**CITY OF MONTEREY PARK
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022**

	Special Revenue Funds				
	Public Safety Augmentation	Measure R	Circulation DIF	CERCLA Liability	SB1 - RMRA
ASSETS					
Cash and Investments	\$ 681,045	\$ 1,576,314	\$ 123,419	\$ 275,228	\$ 1,785,900
Cash and Investments held by fiscal agents	-	-	-	-	-
Accounts Receivable	165,001	-	-	1,310	212,479
Interest Receivable	670	1,549	121	271	1,755
Prepaid Items	-	-	-	-	-
Total Assets	\$ 846,716	\$ 1,577,863	\$ 123,540	\$ 276,809	\$ 2,000,134
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ 32,221	\$ -	\$ -	\$ -
Accrued Payroll	-	2,051	-	-	-
Due to Other Funds	-	-	-	-	-
Total Liabilities	-	34,272	-	-	-
DEFERRED INFLOW OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	846,716	1,543,591	123,540	-	2,000,134
Committed	-	-	-	276,809	-
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	846,716	1,543,591	123,540	276,809	2,000,134
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ 846,716	\$ 1,577,863	\$ 123,540	\$ 276,809	\$ 2,000,134

**CITY OF MONTEREY PARK
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022**

	Special Revenue Funds		Debt Service Fund	Total Nonmajor Governmental Funds
	Measure M	SB2 - Planning Grant	Sales Tax Bond	
	<u> </u>	<u> </u>	<u> </u>	
ASSETS				
Cash and Investments	\$ 2,501,069	\$ -	\$ -	\$ 17,361,811
Cash and Investments held by fiscal agents	-	-	3,556	3,556
Accounts Receivable	-	252,083	-	931,354
Interest Receivable	2,458	-	-	17,064
Prepaid Items	-	-	-	44,212
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 2,503,527</u>	<u>\$ 252,083</u>	<u>\$ 3,556</u>	<u>\$ 18,357,997</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ 205,537
Accrued Payroll	-	-	-	20,399
Due to Other Funds	-	252,083	-	424,574
Total Liabilities	<u>-</u>	<u>252,083</u>	<u>-</u>	<u>650,510</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable Revenue	-	252,083	-	252,083
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	44,212
Restricted	2,503,527	-	3,556	17,558,957
Committed	-	-	-	276,809
Unassigned	-	(252,083)	-	(424,574)
Total Fund Balances (Deficits)	<u>2,503,527</u>	<u>(252,083)</u>	<u>3,556</u>	<u>17,455,404</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	<u>\$ 2,503,527</u>	<u>\$ 252,083</u>	<u>\$ 3,556</u>	<u>\$ 18,357,997</u>

**CITY OF MONTEREY PARK
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022**

	Special Revenue Funds				
	Proposition A	Gas Tax	Measure W	Proposition C	Air Quality Improvement
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	1,794,588	1,417,519	737,121	1,272,186	78,038
Charges for Services	380	-	-	-	-
Revenues from Use of Money and Property	13,671	3,733	845	9,608	-
Fines and Forfeitures	-	-	-	-	1,289
Total Revenues	1,808,639	1,421,252	737,966	1,281,794	79,327
EXPENDITURES					
Current:					
General Government	-	-	-	1,634	-
Public Safety	4,012	2,365	-	-	-
Community Development	-	-	-	-	-
Culture and Recreation	558,426	-	-	-	-
Highways and Streets	536,933	1,077,232	607,082	364,374	9,131
Health	-	-	-	-	-
Capital Outlay	-	-	-	237,690	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	1,099,371	1,079,597	607,082	603,698	9,131
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	709,268	341,655	130,884	678,096	70,196
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	(68,000)	(57,900)	(2,900)	(147,205)	-
Total Other Financing Sources (Uses)	(68,000)	(57,900)	(2,900)	(147,205)	-
NET CHANGES IN FUND BALANCES	641,268	283,755	127,984	530,891	70,196
Fund Balances (Deficits), Beginning of Year	3,446,589	854,406	128,187	2,246,174	307,771
FUND BALANCES (DEFICITS), END OF YEAR	\$ 4,087,857	\$ 1,138,161	\$ 256,171	\$ 2,777,065	\$ 377,967

**CITY OF MONTEREY PARK
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Special Revenue Funds				
	Asset Forfeiture	Parks/Library/ Facilities DIF	Business Improvement Area #1	Maintenance District 93-1	Law Enforcement/ Fire/Medic DIF
	REVENUES				
Taxes	\$ -	\$ -	\$ 84,040	\$ 1,002,590	\$ -
Intergovernmental Revenues	-	-	-	-	-
Charges for Services	-	164,532	-	-	159,879
Revenues from Use of Money and Property	2,743	2,282	612	-	20
Fines and Forfeitures	243,326	-	-	1,000	-
Total Revenues	246,069	166,814	84,652	1,003,590	159,899
EXPENDITURES					
Current:					
General Government	-	-	-	1,921	-
Public Safety	148,705	-	-	-	85,799
Community Development	-	-	34,768	-	-
Culture and Recreation	-	-	-	179,684	-
Highways and Streets	-	-	-	618,662	-
Health	-	-	-	-	-
Capital Outlay	5,833	13,800	-	-	71,884
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	154,538	13,800	34,768	800,267	157,683
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	91,531	153,014	49,884	203,323	2,216
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
NET CHANGES IN FUND BALANCES	91,531	153,014	49,884	203,323	2,216
Fund Balances (Deficits), Beginning of Year	702,260	497,976	137,847	64,837	(130,495)
FUND BALANCES (DEFICITS), END OF YEAR	\$ 793,791	\$ 650,990	\$ 187,731	\$ 268,160	\$ (128,279)

**CITY OF MONTEREY PARK
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Special Revenue Funds				
	Public Safety		Circulation	CERCLA	
	Augmentation	Measure R	DIF	Liability	SB1 - RMRA
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	902,915	953,986	-	142,475	1,219,740
Charges for Services	-	-	53,708	-	-
Revenues from Use of Money and Property	-	4,773	652	-	5,065
Fines and Forfeitures	2,529	-	-	957	-
Total Revenues	905,444	958,759	54,360	143,432	1,224,805
EXPENDITURES					
Current:					
General Government	-	1,677	-	-	-
Public Safety	-	-	-	-	-
Community Development	-	-	-	-	-
Culture and Recreation	-	81,653	-	-	-
Highways and Streets	-	279,136	-	-	-
Health	-	-	-	234,375	-
Capital Outlay	-	1,103,688	265,165	-	1,886,342
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	-	1,466,154	265,165	234,375	1,886,342
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	905,444	(507,395)	(210,805)	(90,943)	(661,537)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	(258,461)	-	-	-
Total Other Financing Sources (Uses)	-	(258,461)	-	-	-
NET CHANGES IN FUND BALANCES	905,444	(765,856)	(210,805)	(90,943)	(661,537)
Fund Balances (Deficits), Beginning of Year	(58,728)	2,309,447	334,345	367,752	2,661,671
FUND BALANCES (DEFICITS), END OF YEAR	\$ 846,716	\$ 1,543,591	\$ 123,540	\$ 276,809	\$ 2,000,134

**CITY OF MONTEREY PARK
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Special Revenue Funds		Debt Service Fund	Total Nonmajor Governmental Funds
	Measure M	SB2- Planning Grant	Sales Tax Bond	
	<u>Measure M</u>	<u>Grant</u>	<u>Bond</u>	
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 1,086,630
Intergovernmental Revenues	1,079,545	-	-	9,598,113
Charges for Services	-	-	-	378,499
Revenues from Use of				
Money and Property	7,868	-	3,556	55,428
Fines and Forfeitures	-	-	-	249,101
Total Revenues	<u>1,087,413</u>	<u>-</u>	<u>3,556</u>	<u>11,367,771</u>
EXPENDITURES				
Current:				
General Government	-	-	-	5,232
Public Safety	-	-	-	240,881
Community Development	-	-	-	34,768
Culture and Recreation	-	-	-	819,763
Highways and Streets	542	10,325	-	3,503,417
Health	-	-	-	234,375
Capital Outlay	1,500,000	241,758	-	5,326,160
Debt Service:				
Principal Retirement	-	-	165,000	165,000
Interest and Fiscal Charges	-	-	448,627	448,627
Total Expenditures	<u>1,500,542</u>	<u>252,083</u>	<u>613,627</u>	<u>10,778,223</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(413,129)	(252,083)	(610,071)	589,548
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	613,627	613,627
Transfers Out	(239,861)	-	-	(774,327)
Total Other Financing Sources (Uses)	<u>(239,861)</u>	<u>-</u>	<u>613,627</u>	<u>(160,700)</u>
NET CHANGES IN FUND BALANCES	(652,990)	(252,083)	3,556	428,848
Fund Balances (Deficits), Beginning of Year	<u>3,156,517</u>	<u>-</u>	<u>-</u>	<u>17,026,556</u>
FUND BALANCES (DEFICITS), END OF YEAR	<u>\$ 2,503,527</u>	<u>\$ (252,083)</u>	<u>\$ 3,556</u>	<u>\$ 17,455,404</u>

**CITY OF MONTEREY PARK
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE PROPOSITION A FUND
YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 1,326,492	\$ 1,794,588	\$ 468,096
Charges for Services	65,000	380	(64,620)
Revenues from Use of Money and Property	10,000	13,671	3,671
Total Revenues	1,401,492	1,808,639	407,147
EXPENDITURES			
Current:			
Public Safety	28,400	4,012	24,388
Culture and Recreation	727,390	558,426	168,964
Highways and Streets	1,795,373	536,933	1,258,440
Capital Outlay	781,198	-	781,198
Total Expenditures	3,332,361	1,099,371	2,232,990
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,930,869)	709,268	2,640,137
OTHER FINANCING USES			
Transfers Out	-	(68,000)	(68,000)
NET CHANGE IN FUND BALANCE	\$ (1,930,869)	641,268	\$ 2,572,137
Fund Balance, Beginning of Year		3,446,589	
FUND BALANCE, END OF YEAR		\$ 4,087,857	

**CITY OF MONTEREY PARK
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE GAS TAX FUND
YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 1,565,079	\$ 1,417,519	\$ (147,560)
Revenues from Use of Money and Property	3,500	3,733	233
Total Revenues	<u>1,568,579</u>	<u>1,421,252</u>	<u>(147,327)</u>
EXPENDITURES			
Current:			
Community Development	29,500	2,365	27,135
Health	1,352,697	1,077,232	275,465
Total Expenditures	<u>1,382,197</u>	<u>1,079,597</u>	<u>302,600</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	186,382	341,655	155,273
OTHER FINANCING USES			
Transfers Out	<u>(57,900)</u>	<u>(57,900)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 128,482</u>	283,755	<u>\$ 155,273</u>
Fund Balance, Beginning of Year		<u>854,406</u>	
FUND BALANCE, END OF YEAR		<u>\$ 1,138,161</u>	

**CITY OF MONTEREY PARK
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE MEASURE W FUND
YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 740,000	\$ 737,121	\$ (2,879)
Revenues from Use of Money and Property	-	845	845
Total Revenues	740,000	737,966	(2,034)
EXPENDITURES			
Current:			
Highways and Streets	638,022	607,082	30,940
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	101,978	130,884	28,906
OTHER FINANCING USES			
Transfers Out	(2,900)	(2,900)	-
NET CHANGE IN FUND BALANCE	\$ 99,078	127,984	\$ 28,906
Fund Balance, Beginning of Year		128,187	
FUND BALANCE, END OF YEAR		\$ 256,171	

**CITY OF MONTEREY PARK
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE PROPOSITION C FUND
YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 1,017,343	\$ 1,272,186	\$ 254,843
Revenues from Use of Money and Property	2,500	9,608	7,108
Total Revenues	<u>1,019,843</u>	<u>1,281,794</u>	<u>261,951</u>
EXPENDITURES			
Current:			
General Government	5,500	1,634	3,866
Highways and Streets	1,235,552	364,374	871,178
Capital Outlay	568,579	237,690	330,889
Total Expenditures	<u>1,809,631</u>	<u>603,698</u>	<u>1,205,933</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(789,788)	678,096	1,467,884
OTHER FINANCING USES			
Transfers Out	(13,300)	(147,205)	(133,905)
Total Other Financing Sources	<u>(13,300)</u>	<u>(147,205)</u>	<u>(133,905)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (803,088)</u>	530,891	<u>\$ 1,333,979</u>
Fund Balance, Beginning of Year		<u>2,246,174</u>	
FUND BALANCE, END OF YEAR		<u>\$ 2,777,065</u>	

**CITY OF MONTEREY PARK
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE AIR QUALITY IMPROVEMENT FUND
 YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 80,000	\$ 78,038	\$ (1,962)
Fines and Forfeitures	500	1,289	789
Total Revenues	80,500	79,327	(1,173)
 EXPENDITURES			
Current:			
Highways and Streets	22,436	9,131	13,305
 NET CHANGE IN FUND BALANCE	\$ 58,064	70,196	\$ 12,132
 Fund Balance, Beginning of Year		307,771	
 FUND BALANCE, END OF YEAR		\$ 377,967	

**CITY OF MONTEREY PARK
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE ASSET FORFEITURE FUND
YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Revenues from Use of Money and Property	\$ -	\$ 2,743	\$ 2,743
Fines and Forfeitures	80,000	243,326	163,326
Total Revenues	<u>80,000</u>	<u>246,069</u>	<u>166,069</u>
EXPENDITURES			
Current:			
Public Safety	268,874	148,705	120,169
Capital Outlay	7,538	5,833	1,705
Total Expenditures	<u>276,412</u>	<u>154,538</u>	<u>121,874</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (196,412)</u>	91,531	<u>\$ 287,943</u>
Fund Balance, Beginning of Year		<u>702,260</u>	
FUND BALANCE, END OF YEAR		<u>\$ 793,791</u>	

**CITY OF MONTEREY PARK
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE PARKS/LIBRARY/FACILITIES DIF FUND
 YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for Services	\$ 164,310	\$ 164,532	\$ 222
Revenues from Use of Money and Property	-	2,282	2,282
Total Revenues	164,310	166,814	2,504
 EXPENDITURES			
Capital Outlay	33,850	13,800	20,050
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 130,460	153,014	\$ 22,554
 Fund Balance, Beginning of Year		497,976	
 FUND BALANCE, END OF YEAR		\$ 650,990	

**CITY OF MONTEREY PARK
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE BUSINESS IMPROVEMENT AREA #1 FUND
 YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ 75,000	\$ 84,040	\$ 9,040
Revenues from Use of Money and Property	-	612	612
Total Revenues	75,000	84,652	9,652
 EXPENDITURES			
Current:			
Community Development	89,539	34,768	54,771
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (14,539)	49,884	\$ 64,423
 Fund Balance, Beginning of Year		137,847	
 FUND BALANCE, END OF YEAR		\$ 187,731	

**CITY OF MONTEREY PARK
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE MAINTENANCE DISTRICT 93-1 FUND
 YEAR ENDED JUNE 30, 2022**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Taxes	\$ 999,775	\$ 1,002,590	\$ 2,815
Fines and Forfeitures	-	1,000	1,000
Total Revenues	<u>999,775</u>	<u>1,003,590</u>	<u>3,815</u>
 EXPENDITURES			
Current:			
General Government	-	1,921	(1,921)
Culture and Recreation	154,552	179,684	(25,132)
Highways and Streets	<u>471,405</u>	<u>618,662</u>	<u>(147,257)</u>
Total Expenditures	<u>625,957</u>	<u>800,267</u>	<u>(174,310)</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 <u><u>\$ 373,818</u></u>	 203,323	 <u><u>\$ (170,495)</u></u>
 Fund Balance, Beginning of Year		 <u>64,837</u>	
 FUND BALANCE, END OF YEAR		 <u><u>\$ 268,160</u></u>	

**CITY OF MONTEREY PARK
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE LAW ENFORCEMENT/FIRE/MEDIC DIF FUND
 YEAR ENDED JUNE 30, 2022**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Charges for Services	\$ 215,000	\$ 159,879	\$ (55,121)
Revenues from Use of Money and Property	500	20	(480)
Total Revenues	<u>215,500</u>	<u>159,899</u>	<u>(55,601)</u>
EXPENDITURES			
Current:			
Public Safety	85,799	85,799	-
Capital Outlay	<u>493,292</u>	<u>71,884</u>	<u>421,408</u>
Total Expenditures	<u>579,091</u>	<u>157,683</u>	<u>421,408</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (363,591)</u>	2,216	<u>\$ 365,807</u>
Fund Balance, Beginning of Year		<u>(130,495)</u>	
FUND BALANCE, END OF YEAR		<u>\$ (128,279)</u>	

**CITY OF MONTEREY PARK
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE PUBLIC SAFETY AUGMENTATION FUND
 YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 780,000	\$ 902,915	\$ 122,915
Fines and Forfeitures	-	2,529	2,529
Total Revenues	780,000	905,444	125,444
 EXPENDITURES			
Current:			
General Government	776,000	-	776,000
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 \$ 4,000	 905,444	 \$ 901,444
 Fund Balance, Beginning of Year		 (58,728)	
 FUND BALANCE, END OF YEAR		 \$ 846,716	

**CITY OF MONTEREY PARK
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE MEASURE R FUND
YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 763,007	\$ 953,986	\$ 190,979
Revenues from Use of Money and Property	5,000	4,773	(227)
Total Revenues	768,007	958,759	190,752
EXPENDITURES			
Current:			
General Government	7,800	1,677	6,123
Culture and Recreation	97,649	81,653	15,996
Highways and Streets	437,468	279,136	158,332
Capital Outlay	4,199,726	1,103,688	3,096,038
Total Expenditures	4,742,643	1,466,154	3,276,489
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,974,636)	(507,395)	3,467,241
OTHER FINANCING USES			
Transfers Out	(18,600)	(258,461)	(239,861)
NET CHANGE IN FUND BALANCE	\$ (3,993,236)	(765,856)	\$ 3,227,380
Fund Balance, Beginning of Year		2,309,447	
FUND BALANCE, END OF YEAR		\$ 1,543,591	

**CITY OF MONTEREY PARK
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE CIRCULATION DIF FUND
 YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for Services	\$ -	\$ 53,708	\$ 53,708
Revenues from Use of Money and Property	-	652	652
Total Revenues	-	54,360	54,360
EXPENDITURES			
Current:			
Capital Outlay	-	265,165	(265,165)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	(210,805)	\$ (210,805)
Fund Balance, Beginning of Year		334,345	
FUND BALANCE, END OF YEAR		\$ 123,540	

**CITY OF MONTEREY PARK
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE CERCLA LIABILITY FUND
 YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 234,375	\$ 142,475	\$ (91,900)
Fines and Forfeitures	1,000	957	(43)
Total Revenues	235,375	143,432	(91,943)
 EXPENDITURES			
Current:			
Health	234,375	234,375	-
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 1,000	(90,943)	\$ (91,943)
 Fund Balance, Beginning of Year		367,752	
 FUND BALANCE, END OF YEAR		\$ 276,809	

**CITY OF MONTEREY PARK
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE SB1-RMRA FUND
 YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 1,103,381	\$ 1,219,740	\$ 116,359
Revenues from Use of Money and Property	2,500	5,065	2,565
Total Revenues	1,105,881	1,224,805	118,924
EXPENDITURES			
Current:			
Capital Outlay	1,886,342	1,886,342	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (780,461)	(661,537)	\$ 118,924
Fund Balance, Beginning of Year		2,661,671	
FUND BALANCE, END OF YEAR		\$ 2,000,134	

**CITY OF MONTEREY PARK
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE MEASURE M FUND
YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 864,741	\$ 1,079,545	\$ 214,804
Revenues from Use of Money and Property	1,000	7,868	6,868
Total Revenues	865,741	1,087,413	221,672
EXPENDITURES			
Current:			
Highways and Streets	12,077	542	11,535
Total Expenditures	12,077	1,500,542	(1,488,465)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	853,664	(413,129)	(1,266,793)
OTHER FINANCING USES			
Transfers Out	-	(239,861)	239,861
NET CHANGE IN FUND BALANCE	\$ 853,664	(652,990)	\$ (1,026,932)
Fund Balance, Beginning of Year		3,156,517	
FUND BALANCE, END OF YEAR		\$ 2,503,527	

**CITY OF MONTEREY PARK
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE SB2 – PLANNING GRANT FUND
 YEAR ENDED JUNE 30, 2022**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Taxes	\$ 310,000	\$ -	\$ (310,000)
EXPENDITURES			
Current:			
Highways and Streets	33,975	10,325	23,650
Capital Outlay	<u>-</u>	<u>241,758</u>	<u>(241,758)</u>
Total Expenditures	<u>33,975</u>	<u>252,083</u>	<u>(218,108)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 276,025</u>	<u>(252,083)</u>	<u>\$ (528,108)</u>
Fund Balance, Beginning of Year		<u>-</u>	
FUND BALANCE, END OF YEAR		<u>\$ (252,083)</u>	

**CITY OF MONTEREY PARK
WATER UTILITY ENTERPRISE FUND
JUNE 30, 2022**

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.

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**CITY OF MONTEREY PARK
WATER UTILITY ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
JUNE 30, 2022**

	Water Operations Activity	Water Treatment Activity	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 3,245,430	\$ 19,553,136	\$ 22,798,566
Cash and Investments with Fiscal Agent	160	38	198
Accounts Receivable	3,162,287	1,502,357	4,664,644
Interest Receivable	2,910	24,926	27,836
Total Current Assets	<u>6,410,787</u>	<u>21,080,457</u>	<u>27,491,244</u>
Noncurrent Assets:			
Net Pension Asset	1,488,419	355,270	1,843,689
Nondepreciable Capital Assets	499,975	14,312,747	14,812,722
Depreciable Capital Assets, Net of Accumulated Depreciation	<u>25,213,238</u>	<u>4,361,982</u>	<u>29,575,220</u>
Total Noncurrent Assets	<u>27,201,632</u>	<u>19,029,999</u>	<u>46,231,631</u>
Total Assets	<u>33,612,419</u>	<u>40,110,456</u>	<u>73,722,875</u>
DEFERRED OUFLOWS OF RESOURCES			
Amounts Related to Pension Plans	97,821	23,349	121,170
Amounts Related to Other Post Employment Benefit Plans	227,158	78,256	305,414
Total Deferred Outflows of Resources	<u>324,979</u>	<u>101,605</u>	<u>426,584</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	2,761,360	42,636	2,803,996
Accrued Payroll	21,164	9,816	30,980
Deposits and Advances	464,533	266,878	731,411
Interest Payable	5,617	1,342	6,959
Loan Obligations - Due Within One Year	663,725	400,000	1,063,725
Lease Liability - Due Within One Year	779	-	779
Compensated Absences Payable - Due Within One Year	1,495	4,293	5,788
Bonds Payable - Due Within One Year	111,349	26,597	137,946
Total Current Liabilities	<u>4,030,022</u>	<u>751,562</u>	<u>4,781,584</u>
Noncurrent Liabilities:			
Loan Obligation	6,646,310	3,600,000	10,246,310
Lease liability	2,109	-	2,109
Compensated Absences Payable	13,449	38,641	52,090
Bonds Payable	2,869,643	685,462	3,555,105
Net OPEB Liability	1,676,866	577,685	2,254,551
Total Noncurrent Liabilities	<u>11,208,377</u>	<u>4,901,788</u>	<u>16,110,165</u>
Total Liabilities	<u>15,238,399</u>	<u>5,653,350</u>	<u>20,891,749</u>
DEFERRED INFLOWS OF RESOURCES			
Amounts Related to Pension Plans	1,045,756	249,611	1,295,367
Amounts Related to Other Post Employment Benefit Plans	541,634	186,593	728,227
Total Deferred Inflows of Resources	<u>1,587,390</u>	<u>436,204</u>	<u>2,023,594</u>
NET POSITION			
Net Investment in Capital Assets	18,216,562	14,407,851	32,624,413
Restricted for Pension Benefits	1,488,419	355,270	1,843,689
Unrestricted	<u>(2,593,372)</u>	<u>19,359,386</u>	<u>16,766,014</u>
Total Net Position	<u>\$ 17,111,609</u>	<u>\$ 34,122,507</u>	<u>\$ 51,234,116</u>
Adjustment to Reflect the Consolidation of Internal Service Funds Activities to Related Enterprise Activity	<u>(6,415,914)</u>	<u>-</u>	<u>(6,415,914)</u>
Net Position Related to Water Utility Enterprise Activities	<u>\$ 10,695,695</u>	<u>\$ 34,122,507</u>	<u>\$ 44,818,202</u>

**CITY OF MONTEREY PARK
WATER UTILITY ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2022**

	Water Operations Activity	Water Treatment Activity	Total
OPERATING REVENUES			
Charges for Services	\$ 9,562,642	\$ 4,526,991	\$ 14,089,633
Meter Installations	141,629	-	141,629
Other Revenue	4	-	4
Total Operating Revenues	<u>9,704,275</u>	<u>4,526,991</u>	<u>14,231,266</u>
OPERATING EXPENSES			
Administration	842,223	-	842,223
Commercial - Water	1,326,338	-	1,326,338
Production - Water	4,333,075	-	4,333,075
Distribution - Water	3,107,366	-	3,107,366
Treatment Plant Operations	-	2,768,689	2,768,689
Depreciation	1,251,997	400,174	1,652,171
Total Operating Expenses	<u>10,860,999</u>	<u>3,168,863</u>	<u>14,029,862</u>
Operating Income (Loss)	(1,156,724)	1,358,128	201,404
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental Grants	50,000	580,085	630,085
Interest Income	9,787	-	9,787
Interest Expense	(313,956)	(20,356)	(334,312)
Total Nonoperating Revenues (Expenses)	<u>(254,169)</u>	<u>559,729</u>	<u>305,560</u>
Net Income (Loss) Before Capital Contributions and Transfers	(1,410,893)	1,917,857	506,964
Capital Contributions	250,807	-	250,807
Transfers Out	(215,300)	(127,900)	(343,200)
CHANGES IN NET POSITION	(1,375,386)	1,789,957	414,571
Net Position, Beginning of Year	<u>18,486,995</u>	<u>32,332,550</u>	<u>50,819,545</u>
NET POSITION, END OF YEAR	<u>\$ 17,111,609</u>	<u>\$ 34,122,507</u>	<u>\$ 51,234,116</u>
Changes in Net Position	\$ (1,375,386)	\$ 1,789,957	\$ 414,571
Adjustment to Reflect Consolidation of Internal Service Fund Activities to Related Enterprise Activity	<u>(636,981)</u>	<u>-</u>	<u>(636,981)</u>
Changes in Net Position Related to Water Utility Enterprise Activities	<u>\$ (2,012,367)</u>	<u>\$ 1,789,957</u>	<u>\$ (222,410)</u>

**CITY OF MONTEREY PARK
WATER UTILITY ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
YEAR ENDED JUNE 30, 2022**

	Water Operations Activity	Water Treatment Activity	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts from Customers	\$ 9,638,009	\$ 5,167,154	\$ 14,805,163
Cash Payments to Suppliers for Goods and Services	(8,272,647)	(2,786,903)	(11,059,550)
Cash Payments to Employees for Services	(1,408,208)	(817,796)	(2,226,004)
Net Cash Provided (Used) by Operating Activities	(42,846)	1,562,455	1,519,609
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Cash Received from Other Funds	-	-	-
Cash Paid to Other Funds	(215,300)	(127,900)	(343,200)
Net Cash Used by Noncapital and Related Financing Activities	(215,300)	(127,900)	(343,200)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	(3,833,458)	(4,716,145)	(8,549,603)
Grant Proceeds	50,000	580,085	630,085
Capital Contributions	250,807	-	250,807
Proceeds from loans	-	4,000,000	4,000,000
Principal Paid on Bonds	(90,786)	(21,685)	(112,471)
Principal Paid on Loans and Lease Financing	(605,861)	-	(605,861)
Interest Paid on Debt	(317,394)	(21,177)	(338,571)
Net Cash Used by Capital and Related Financing Activities	(4,546,692)	(178,922)	(4,725,614)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Income	13,197	(7,420)	5,777
Net Cash Provided (Used) by Investing Activities	13,197	(7,420)	5,777
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
	(4,791,641)	1,248,213	(3,543,428)
Cash and Cash Equivalents, Beginning Of Year	8,037,231	18,304,961	26,342,192
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 3,245,590	\$ 19,553,174	\$ 22,798,764
Cash and Investments	\$ 3,245,430	\$ 19,553,136	\$ 22,798,566
Cash and Investments with Fiscal Agent	160	38	198
Total Cash and Cash Equivalents	\$ 3,245,590	\$ 19,553,174	\$ 22,798,764
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (1,156,724)	\$ 1,358,128	\$ 201,404
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	1,251,997	400,174	1,652,171
Changes in Assets, Deferred Outflows, Liabilities, and Deferred Inflows:			
(Increase) Decrease in Accounts Receivable	(77,118)	414,795	337,677
(Increase) Decrease in Deferred Outflows of Resources - Pension Plans	3,379,298	806,604	4,185,902
(Increase) Decrease in Deferred Outflows of Resources - OPEB Plan	23,265	8,015	31,280
Increase (Decrease) in Accounts Payable	524,865	(499,788)	25,077
Increase (Decrease) in Accrued Payroll	4,224	(125,270)	(121,046)
Increase (Decrease) in Deposits and Advances	10,852	225,368	236,220
Increase (Decrease) in Compensated Absences Payable	(237,016)	(105,159)	(342,175)
Increase (Decrease) in Net Pension Liabilities	(4,610,102)	(1,100,384)	(5,710,486)
Increase (Decrease) in Net OPEB Liabilities	(404,376)	(139,308)	(543,684)
Increase (Decrease) in Deferred Inflows of Resources - Pension Plans	1,045,756	249,611	1,295,367
Increase (Decrease) in Deferred Inflows of Resources - OPEB Plan	202,233	69,669	271,902
Total Adjustments	1,113,878	204,327	1,318,205
Net Cash Provided (Used) by Operating Activities	\$ (42,846)	\$ 1,562,455	\$ 1,519,609

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**CITY OF MONTEREY PARK
INTERNAL SERVICE FUNDS
JUNE 30, 2022**

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, 2022**

	<u>Separation Benefits</u>	<u>General Liability</u>	<u>Workers' Compensation</u>
ASSETS			
Current Assets:			
Cash and Investments	\$ 733,032	\$ 1,999,499	\$ 4,814,326
Cash and Investments Held by Fiscal Agents	-	-	-
Accounts Receivables	-	15,502	-
Total Current Assets	<u>733,032</u>	<u>2,015,001</u>	<u>4,814,326</u>
Noncurrent Assets:			
Nondepreciable Capital Assets	-	-	-
Depreciable Capital Assets, Net of Accumulated Depreciation	<u>-</u>	<u>-</u>	<u>-</u>
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>733,032</u>	<u>2,015,001</u>	<u>4,814,326</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	-	420	34,138
Accrued Payroll	13,407	3,693	4,114
Due to Other Funds	-	-	-
Insurance Assessment Payable - Due within One Year	-	163,514	-
Claims and Judgments Payable - Due within One Year	-	1,279,755	2,355,724
Loan Payable - Due within One Year	-	-	-
Lease Liability - Due within One Year	-	-	-
Compensated Absences Payable - Due within One Year	-	1,544	1,883
Total Current Liabilities	<u>13,407</u>	<u>1,448,926</u>	<u>2,395,859</u>
Noncurrent Liabilities:			
Insurance Assessment Payable - Due in More than One Year	-	654,057	-
Claims and Judgments Payable - Due in More than One Year	-	7,265,265	11,541,962
Loan Payable - Due in More than One Year	-	-	-
Lease Liability - Due in More than One Year	-	-	-
Compensated Absences Payable - Due in More than One Year	-	13,894	16,948
Total Noncurrent Liabilities	<u>-</u>	<u>7,933,216</u>	<u>11,558,910</u>
Total Liabilities	<u>13,407</u>	<u>9,382,142</u>	<u>13,954,769</u>
NET POSITION			
Net Investment in Capital Assets	-	-	-
Unrestricted	719,625	(7,367,141)	(9,140,443)
Total Net Position (Deficit)	<u>\$ 719,625</u>	<u>\$ (7,367,141)</u>	<u>\$ (9,140,443)</u>

CITY OF MONTEREY PARK
COMBINING SCHEDULE OF NET POSITION - INTERNAL SERVICE FUNDS (CONTINUED)
JUNE 30, 2022

	<u>Shop</u>	<u>Technology</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and Investments	\$ 547,637	\$ -	\$ 8,094,494
Cash and Investments Held by Fiscal Agents	622	-	622
Accounts Receivables	-	-	15,502
Total Current Assets	<u>548,259</u>	<u>-</u>	<u>8,110,618</u>
Noncurrent Assets:			
Nondepreciable Capital Assets	-	1,604,656	1,604,656
Depreciable Capital Assets, Net of Accumulated Depreciation	<u>1,634,121</u>	<u>172,436</u>	<u>1,806,557</u>
Total Noncurrent Assets	<u>1,634,121</u>	<u>1,777,092</u>	<u>3,411,213</u>
Total Assets	<u>2,182,380</u>	<u>1,777,092</u>	<u>11,521,831</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	91,699	28,473	154,730
Accrued Payroll	6,518	4,760	32,492
Due to Other Funds	-	210,235	210,235
Insurance Assessment Payable - Due within One Year	-	-	163,514
Claims and Judgments Payable - Due within One Year	-	-	3,635,479
Loan Payable - Due within One Year	379,204	-	379,204
Lease Liability - Due within One Year	25,069	-	25,069
Compensated Absences Payable - Due within One Year	<u>6,967</u>	<u>2,818</u>	<u>13,212</u>
Total Current Liabilities	<u>509,457</u>	<u>246,286</u>	<u>4,613,935</u>
Noncurrent Liabilities:			
Insurance Assessment Payable - Due in More than One Year	-	-	654,057
Claims and Judgments Payable - Due in More than One Year	-	-	18,807,227
Loan Payable - Due in More than One Year	1,002,198	-	1,002,198
Lease Liability - Due in More than One Year	2,229	-	2,229
Compensated Absences Payable - Due in More than One Year	<u>62,704</u>	<u>25,359</u>	<u>118,905</u>
Total Noncurrent Liabilities	<u>1,067,131</u>	<u>25,359</u>	<u>20,584,616</u>
Total Liabilities	<u>1,576,588</u>	<u>271,645</u>	<u>25,198,551</u>
NET POSITION			
Net Investment in Capital Assets	1,252,688	1,777,092	3,029,780
Unrestricted	<u>(646,896)</u>	<u>(271,645)</u>	<u>(16,706,500)</u>
Total Net Position (Deficit)	<u>\$ 605,792</u>	<u>\$ 1,505,447</u>	<u>\$ (13,676,720)</u>

**CITY OF MONTEREY PARK
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022**

	<u>Separation Benefits</u>	<u>General Liability</u>	<u>Workers' Compensation</u>
OPERATING REVENUES			
Charges for Services	\$ 986,500	\$ 4,100,367	\$ 2,899,300
Other Revenue	-	-	185,974
Total Operating Revenues	<u>986,500</u>	<u>4,100,367</u>	<u>3,085,274</u>
OPERATING EXPENSES			
Salaries and Benefits	1,562,624	170,930	104,859
Materials and Supplies	-	3,436	-
Insurance and Claims	-	5,021,871	3,700,237
Miscellaneous	-	-	-
Depreciation	-	-	-
Total Operating Expenses	<u>1,562,624</u>	<u>5,196,237</u>	<u>3,805,096</u>
Operating Income (Loss)	<u>(576,124)</u>	<u>(1,095,870)</u>	<u>(719,822)</u>
NONOPERATING INCOME			
Interest Expense	-	-	-
Total Nonoperating Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss) Before Capital Contributions and Transfers	(576,124)	(1,095,870)	(719,822)
Transfers Out	<u>-</u>	<u>(26,400)</u>	<u>-</u>
CHANGES IN NET POSITION	(576,124)	(1,122,270)	(719,822)
Net Position (Deficit), Beginning of Year	<u>1,295,749</u>	<u>(6,244,871)</u>	<u>(8,420,621)</u>
NET POSITION (DEFICIT), END OF YEAR	<u>\$ 719,625</u>	<u>\$ (7,367,141)</u>	<u>\$ (9,140,443)</u>

**CITY OF MONTEREY PARK
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	<u>Shop</u>	<u>Technology</u>	<u>Total</u>
OPERATING REVENUES			
Charges for Services	\$ 2,166,341	\$ 496,151	\$ 10,648,659
Other Revenue	-	-	185,974
Total Operating Revenues	<u>2,166,341</u>	<u>496,151</u>	<u>10,834,633</u>
OPERATING EXPENSES			
Salaries and Benefits	411,756	274,605	2,524,774
Materials and Supplies	1,750,802	-	1,754,238
Insurance and Claims	-	-	8,722,108
Miscellaneous	69,271	290,479	359,750
Depreciation	772,625	8,591	781,216
Total Operating Expenses	<u>3,004,454</u>	<u>573,675</u>	<u>14,142,086</u>
Operating Income (Loss)	<u>(838,113)</u>	<u>(77,524)</u>	<u>(3,307,453)</u>
NONOPERATING INCOME			
Interest Expense	<u>(52,858)</u>	-	<u>(52,858)</u>
Total Nonoperating Revenue	<u>(52,858)</u>	<u>-</u>	<u>(52,858)</u>
Net Income (Loss) Before Capital Contributions and Transfers	(890,971)	(77,524)	(3,360,311)
Transfers Out	<u>(47,300)</u>	<u>(14,100)</u>	<u>(87,800)</u>
CHANGES IN NET POSITION	(938,271)	(91,624)	(3,448,111)
Net Position (Deficit), Beginning of Year	<u>1,544,063</u>	<u>1,597,071</u>	<u>(10,228,609)</u>
NET POSITION (DEFICIT), END OF YEAR	<u>\$ 605,792</u>	<u>\$ 1,505,447</u>	<u>\$(13,676,720)</u>

**CITY OF MONTEREY PARK
COMBINING SCHEDULE OF CASH FLOWS - INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022**

	Separation Benefits	General Liability	Workers' Compensation
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts from Interfund Services Provided	\$ 986,500	\$ 4,084,865	\$ 2,899,300
Cash Receipts from Reimbursements and Other Operating Revenues	-	-	185,974
Cash Payments to Suppliers for Goods and Services	-	(5,981)	-
Cash Payments to Employees for Services	(1,556,647)	(171,053)	(100,670)
Cash Payments for Insurance Premiums and Self-Insurance Claims	-	(3,882,423)	(2,488,202)
Net Cash Provided (Used) by Operating Activities	<u>(570,147)</u>	<u>25,408</u>	<u>496,402</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Cash Received from Other Funds	-	-	-
Cash Paid to Other Funds	-	(26,400)	-
Net Cash Provided (Used) by Noncapital and Related Financing Activities	<u>-</u>	<u>(26,400)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	-	-	-
Principal Paid on Lease Financing	-	-	-
Interest Paid on Lease Financing	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(570,147)	(992)	496,402
Cash And Cash Equivalents, Beginning Of Year	1,303,179	2,000,491	4,317,924
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 733,032</u>	<u>\$ 1,999,499</u>	<u>\$ 4,814,326</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Loss	\$ (576,124)	\$ (1,095,870)	\$ (719,822)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:			
Depreciation	-	-	-
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	-	(15,502)	-
Increase (Decrease) in Accounts Payable	-	(2,545)	20,945
Increase (Decrease) in Accrued Payroll	5,977	2,490	3,409
Increase (Decrease) in Insurance Assessment Payable	-	(163,515)	-
Increase (Decrease) in Claims and Judgments Payable	-	1,302,963	1,191,090
Increase (Decrease) in Compensated Absences Payable	-	(2,613)	780
Total Adjustments	<u>5,977</u>	<u>1,121,278</u>	<u>1,216,224</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (570,147)</u>	<u>\$ 25,408</u>	<u>\$ 496,402</u>

CITY OF MONTEREY PARK
COMBINING SCHEDULE OF CASH FLOWS - INTERNAL SERVICE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	<u>Shop</u>	<u>Technology</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts from Interfund Services Provided	\$ 2,166,341	\$ 496,151	\$ 10,633,157
Cash Receipts from Reimbursements and Other Operating Revenues	-	-	185,974
Cash Payments to Suppliers for Goods and Services	(1,786,308)	(428,963)	(2,221,252)
Cash Payments to Employees for Services	(414,576)	(250,220)	(2,493,166)
Cash Payments for Insurance Premiums and Self-Insurance Claims	-	-	(6,370,625)
Net Cash Provided (Used) by Operating Activities	<u>(34,543)</u>	<u>(183,032)</u>	<u>(265,912)</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Cash Received from Other Funds	-	210,235	210,235
Cash Paid to Other Funds	(47,300)	(14,100)	(87,800)
Net Cash Provided (Used) by Noncapital and Related Financing Activities	<u>(47,300)</u>	<u>196,135</u>	<u>122,435</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	-	(746,101)	(746,101)
Principal payments on loans and lease obligations	(400,769)	-	(400,769)
Interest Paid on Lease Financing	(52,858)	-	(52,858)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(453,627)</u>	<u>(746,101)</u>	<u>(1,199,728)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(535,470)	(732,998)	(1,343,205)
Cash And Cash Equivalents, Beginning Of Year	1,083,729	732,998	9,438,321
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 548,259</u>	<u>\$ -</u>	<u>\$ 8,095,116</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Loss	\$ (838,113)	\$ (77,524)	\$ (3,307,453)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:			
Depreciation	772,625	8,591	781,216
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	-	-	(15,502)
Increase (Decrease) in Accounts Payable	33,765	(138,484)	(86,319)
Increase (Decrease) in Accrued Payroll	2,254	3,469	17,599
Increase (Decrease) in Insurance Assessment Payable	-	-	(163,515)
Increase (Decrease) in Claims and Judgments Payable	-	-	2,494,053
Increase (Decrease) in Compensated Absences Payable	(5,074)	20,916	14,009
Total Adjustments	<u>803,570</u>	<u>(105,508)</u>	<u>3,041,541</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (34,543)</u>	<u>\$ (183,032)</u>	<u>\$ (265,912)</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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Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

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Operating Information - These schedules contain service and infrastructure data to help the reader understanding how the information in the City's financial report relates to the services the City provides and the activities it performs.

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

	Fiscal Year				
	2012/13	2013/14	2014/15	2015/16	2016/17
Governmental Activities:					
Net investment in capital assets	\$ 50,018,559	\$ 50,805,697	\$ 46,057,423	\$ 47,995,442	\$ 49,245,097
Restricted	20,629,264	18,330,529	20,198,282	22,221,698	20,689,401
Unrestricted	9,341,223	11,318,896	(79,297,776)	(68,990,541)	(63,742,375)
Total governmental activities net position	<u>\$ 79,989,046</u>	<u>\$ 80,455,122</u>	<u>\$ (13,042,071)</u>	<u>\$ 1,226,599</u>	<u>\$ 6,192,123</u>
Business-Type Activities:					
Net investment in capital assets	\$ 20,381,489	\$ 20,020,776	\$ 15,083,212	\$ 23,132,584	\$ 27,583,180
Restricted	-	-	-	514,518	-
Unrestricted	25,700,563	26,197,066	24,186,095	18,629,778	19,078,479
Total business-type activities net position	<u>\$ 46,082,052</u>	<u>\$ 46,217,842</u>	<u>\$ 39,269,307</u>	<u>\$ 42,276,880</u>	<u>\$ 46,661,659</u>
Primary Government:					
Net investment in capital assets	\$ 70,400,048	\$ 70,826,473	\$ 61,140,635	\$ 71,128,006	\$ 76,828,277
Restricted	20,629,264	18,330,529	20,198,282	22,736,216	20,689,401
Unrestricted	35,041,786	37,515,962	(55,111,681)	(50,360,763)	(44,663,896)
Total primary government net position	<u>\$ 126,071,098</u>	<u>\$ 126,672,964</u>	<u>\$ 26,227,236</u>	<u>\$ 43,503,459</u>	<u>\$ 52,853,782</u>

Source: City of Monterey Park Management Services Department

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

	Fiscal Year				
	2017/18	2018/19	2019/20	2020/21	2021/22
Governmental Activities:					
Net investment in capital assets	\$ 51,940,625	\$ 54,422,220	\$ 50,393,059	\$ 53,107,029	\$ 60,290,327
Restricted	22,583,024	28,308,812	28,524,906	22,377,681	52,356,565
Unrestricted	<u>(85,102,541)</u>	<u>(94,444,814)</u>	<u>(99,160,818)</u>	<u>(97,899,017)</u>	<u>(123,881,984)</u>
Total governmental activities net position	<u>\$ (10,578,892)</u>	<u>\$ (11,713,782)</u>	<u>\$ (20,242,853)</u>	<u>\$ (22,414,307)</u>	<u>\$ (11,235,092)</u>
Business-Type Activities:					
Net investment in capital assets	\$ 32,224,486	\$ 32,343,708	\$ 31,922,658	\$ 32,466,443	\$ 35,740,792
Restricted	-	-	-	-	2,637,265
Unrestricted	<u>18,182,441</u>	<u>22,623,485</u>	<u>23,894,813</u>	<u>22,403,284</u>	<u>17,179,026</u>
Total business-type activities net position	<u>\$ 50,406,927</u>	<u>\$ 54,967,193</u>	<u>\$ 55,817,471</u>	<u>\$ 54,869,727</u>	<u>\$ 55,557,083</u>
Primary Government:					
Net investment in capital assets	\$ 84,165,111	\$ 86,765,928	\$ 82,315,717	\$ 85,573,472	\$ 96,031,119
Restricted	22,583,024	28,308,812	28,524,906	22,377,681	54,993,830
Unrestricted	<u>(66,920,100)</u>	<u>(71,821,329)</u>	<u>(75,266,005)</u>	<u>(75,495,733)</u>	<u>(106,702,958)</u>
Total primary government net position	<u>\$ 39,828,035</u>	<u>\$ 43,253,411</u>	<u>\$ 35,574,618</u>	<u>\$ 32,455,420</u>	<u>\$ 44,321,991</u>

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

	Fiscal Year				
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Expenses:					
Governmental activities:					
General government	\$ 6,522,107	\$ 4,050,482	\$ 4,610,081	\$ 3,771,179	\$ 4,935,827
Public safety	26,233,074	27,352,152	26,907,556	27,479,974	30,527,993
Community development	8,521,044	2,343,881	7,049,958	2,456,567	2,368,605
Culture and recreation	5,909,468	6,277,461	8,665,230	7,151,089	7,383,391
Highway and streets	5,380,336	6,434,924	5,512,170	6,223,450	5,555,218
Health	119,999	120,000	488,697	116,629	250,000
Interest and fiscal charges	1,275,063	1,207,716	1,269,034	990,315	993,823
Total governmental activities expenses	53,961,091	47,786,616	54,502,726	48,189,203	52,014,857
Business-type activities:					
Water	10,706,980	11,775,078	12,906,852	11,962,698	13,197,497
Refuse	6,040,457	6,985,344	6,657,089	7,562,168	7,648,908
Sewer	238,551	221,078	522,245	1,117,677	1,332,184
Total business-type activities expenses	16,985,988	18,981,500	20,086,186	20,642,543	22,178,589
Total primary government expenses	70,947,079	66,768,116	74,588,912	68,831,746	74,193,446
Program revenues:					
Governmental activities:					
Charges for services:					
General government	909,328	907,537	1,005,102	1,157,100	1,216,968
Public safety	3,037,155	3,076,644	2,956,084	3,766,713	2,665,634
Community development	1,541,110	1,442,835	2,023,271	2,607,075	3,660,518
Culture and recreation	738,884	690,289	1,320,369	1,289,483	1,327,230
Highway and Streets	451,744	400,382	1,462,323	1,403,282	1,688,010
Health					
Operating grants and contributions	5,258,202	1,516,481	7,963,721	7,953,884	6,928,332
Capital grants and contributions	1,988,468	627,628	557,625	502,276	1,134,757
Total government activities program revenues	13,924,891	8,661,796	17,288,495	18,779,813	18,621,449
Business-type activities:					
Charges for services:					
Water	13,302,811	10,747,045	11,452,592	12,323,342	13,439,676
Refuse	5,832,841	6,028,436	6,371,405	6,954,603	7,124,768
Sewer	273,556	287,548	1,714,098	2,673,585	2,843,412
Operating grants and contributions					
Capital grants and contributions	41,834	169,783	98,776	97,507	1,916,453
Total business-type activities revenues	19,451,042	17,232,812	19,636,871	22,049,037	25,324,309
Total primary government revenues	\$ 33,375,933	\$ 25,894,608	\$ 36,925,366	\$ 40,828,850	\$ 43,945,758

Source: City of Monterey Park Management Services Department

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

	Fiscal Year				
	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Expenses:					
Governmental activities:					
General government	\$ 13,276,893	\$ 8,675,180	\$ 7,024,897	\$ 16,862,932	\$ 4,997,877
Public safety	35,442,619	41,058,210	46,448,518	41,432,208	32,974,686
Community development	2,536,781	2,555,488	385,629	500,831	7,545,425
Culture and recreation	8,037,936	8,394,326	8,194,387	7,367,933	7,250,027
Highway and streets	5,856,197	6,778,639	7,592,489	6,349,422	5,300,500
Health	160,000	150,000	137,500	187,500	234,375
Interest and fiscal charges	940,605	931,970	923,137	1,533,531	3,716,653
Total governmental activities expenses	<u>66,251,032</u>	<u>68,543,813</u>	<u>70,706,557</u>	<u>74,234,357</u>	<u>62,019,543</u>
Business-type activities:					
Water	11,978,551	15,975,908	16,130,638	16,900,021	15,001,155
Refuse	6,364,504	6,782,261	6,643,796	7,102,416	6,735,166
Sewer	2,120,013	1,925,498	2,066,260	2,826,252	2,350,934
Total business-type activities expenses	<u>20,463,068</u>	<u>24,683,667</u>	<u>24,840,693</u>	<u>26,828,689</u>	<u>24,087,255</u>
Total primary government expenses	<u>86,714,100</u>	<u>93,227,480</u>	<u>95,547,250</u>	<u>101,063,046</u>	<u>86,106,798</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	1,290,795	1,951,847	1,418,515	1,430,819	2,369,083
Public safety	4,239,502	3,263,720	3,123,842	2,765,703	2,792,022
Community development	3,364,687	2,828,385	1,591,515	1,894,660	2,722,923
Culture and recreation	1,956,845	1,012,436	747,940	230,570	485,573
Highway and Streets	1,382,500	1,341,088	1,523,872	2,410,818	3,661,000
Health					
Operating grants and contributions	8,281,863	12,119,613	9,349,191	12,199,854	14,675,500
Capital grants and contributions	159,994	1,209,222	279,624	-	-
Total government activities program revenues	<u>20,676,186</u>	<u>23,726,311</u>	<u>18,034,499</u>	<u>20,932,424</u>	<u>26,706,101</u>
Business-type activities:					
Charges for services:					
Water	14,213,398	15,251,324	13,791,440	16,087,723	14,231,262
Refuse	6,760,312	6,674,188	6,722,940	6,905,547	6,843,084
Sewer	3,164,108	3,546,475	3,158,607	3,273,154	3,252,413
Operating grants and contributions					
Capital grants and contributions	2,341,781	1,362,136	149,262	93,503	880,892
Total business-type activities revenues	<u>26,479,599</u>	<u>26,834,123</u>	<u>23,822,249</u>	<u>26,359,927</u>	<u>25,207,651</u>
Total primary government revenues	<u>\$ 47,155,785</u>	<u>\$ 50,560,434</u>	<u>\$ 41,856,748</u>	<u>\$ 47,292,351</u>	<u>\$ 51,913,752</u>

Source: City of Monterey Park Management Services Department

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

	Fiscal Year				
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Net (expense)/revenue:					
Governmental activities:	\$ (40,036,200)	\$ (39,124,820)	\$ (37,214,231)	\$ (29,409,390)	\$ (33,393,408)
Business-type activities:	2,465,054	(1,748,688)	(449,315)	1,406,494	3,145,720
Total primary government revenues	<u>\$ (37,571,146)</u>	<u>\$ (40,873,508)</u>	<u>\$ (37,663,546)</u>	<u>\$ (28,002,896)</u>	<u>\$ (30,247,688)</u>
General revenues and other					
Changes in net position:					
Governmental activities:					
Taxes:					
Property Taxes	\$ 24,066,354	\$ 19,794,165	\$ 22,600,233	\$ 22,235,616	\$ 23,154,960
Sales Taxes	5,437,244	4,942,821	5,245,208	6,427,211	6,517,491
Vehicle In-lieu Taxes	33,334	27,588	26,649	25,041	27,482
Utility User Taxes	3,041,163	3,202,264	3,257,450	3,212,890	3,212,912
Franchise Taxes	942,736	970,212	1,028,025	992,615	938,802
Business License Taxes	941,005	974,816	1,340,197	1,052,086	1,244,295
Transient Occupancy Taxes	957,024	1,049,070	1,158,767	1,248,578	1,261,777
Other Taxes	2,760,446	7,282,605	346,203	285,845	269,734
Revenues from use of money and property	827,781	872,174	929,648	1,155,649	701,151
Other	499,923	731,679	1,153,382	1,403,883	1,030,348
Gain/(Loss) on sale of property	14,408				
Transfers		18,000			
Total general revenues and transfers	<u>39,521,418</u>	<u>39,865,394</u>	<u>37,085,762</u>	<u>38,039,414</u>	<u>38,358,952</u>
Extraordinary item				5,638,626	
Business-type activities:					
Revenues from use of money and property					
Other	3,230,138	1,897,638	2,192	1,601,079	105
Gain/(Loss) on sale of property	4,042	4,840	1,258,626		
Transfers		(18,000)	18,485		
Total business-type activities	<u>3,234,180</u>	<u>1,884,478</u>	<u>1,279,303</u>	<u>1,601,079</u>	<u>1,239,059</u>
Total primary government	<u>42,755,598</u>	<u>41,749,872</u>	<u>38,365,065</u>	<u>39,640,493</u>	<u>39,598,011</u>
Changes in net position					
Governmental activities	(514,782)	740,574	(128,469)	14,268,650	4,965,544
Business-type activities	5,699,234	135,790	829,988	3,007,573	4,384,779
Total primary government	<u>\$ 5,184,452</u>	<u>\$ 876,364</u>	<u>\$ 701,519</u>	<u>\$ 17,276,223</u>	<u>\$ 9,350,323</u>

Source: City of Monterey Park Management Services Department

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

	Fiscal Year				
	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Net (expense)/revenue:					
Governmental activities:	\$ (45,574,846)	\$ (44,817,502)	\$ (52,672,058)	\$ (53,301,933)	\$ (35,313,442)
Business-type activities:	6,016,531	2,150,457	(1,018,444)	(468,762)	1,120,396
Total primary government revenues	<u>\$ (39,558,315)</u>	<u>\$ (42,667,046)</u>	<u>\$ (53,690,502)</u>	<u>\$ (53,770,695)</u>	<u>\$ (34,193,046)</u>
General revenues and other					
Changes in net position:					
Governmental activities:					
Taxes:					
Property Taxes	\$ 24,306,944	\$ 25,904,561	\$ 27,133,836	\$ 29,942,243	\$ 29,676,242
Sales Taxes	5,341,854	7,156,102	6,923,739	9,063,297	9,294,060
Vehicle In-lieu Taxes	32,428	29,876	48,934	44,545	69,754
Utility User Taxes	2,964,825	3,107,983	2,846,105	2,931,943	3,278,449
Franchise Taxes	966,346	973,084	982,837	1,011,131	1,067,908
Business License Taxes	1,146,838	1,140,840	985,158	721,601	661,415
Transient Occupancy Taxes	1,163,775	1,064,049	847,272	953,200	2,098,921
Other Taxes	585,106	158,828	171,413	220,485	284,927
Revenues from use of money and property	1,689,011	2,413,637	2,096,340	395,918	(1,858,601)
Other	1,736,642	1,733,652	1,565,830	1,339,319	1,445,282
Gain/(Loss) on sale of property					
Transfers			541,523	533,787	474,300
Total general revenues and transfers	<u>39,933,769</u>	<u>43,682,612</u>	<u>44,142,987</u>	<u>47,157,469</u>	<u>46,492,657</u>
Extraordinary item					
Business-type activities:					
Revenues from use of money and property			562,859	53,395	41,256
Other	1,053,244	2,409,810	2,260,426	1,410	4
Gain/(Loss) on sale of property					
Transfers			(541,523)	(533,787)	(474,300)
Total business-type activities	<u>1,053,244</u>	<u>2,409,810</u>	<u>2,281,762</u>	<u>(478,982)</u>	<u>(433,040)</u>
Total primary government	<u>40,987,013</u>	<u>46,092,422</u>	<u>46,424,749</u>	<u>46,678,487</u>	<u>46,059,617</u>
Changes in net position					
Governmental activities	(5,641,077)	(1,134,890)	(8,529,071)	(6,144,464)	11,179,215
Business-type activities	7,069,775	4,560,267	1,263,318	(947,744)	687,356
Total primary government	<u>\$ 1,428,698</u>	<u>\$ 3,425,377</u>	<u>\$ (7,265,753)</u>	<u>\$ (7,092,208)</u>	<u>\$ 11,866,571</u>

Source: City of Monterey Park Management Services Department

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

	Fiscal Year				
	2012/13	2013/14	2014/15	2015/16	2016/17
Revenues:					
Taxes	\$ 41,087,434	\$ 38,059,146	\$ 41,748,001	\$ 41,158,303	\$ 37,078,002
Licenses and permits	967,662	848,949	775,135	2,428,895	2,913,671
Intergovernmental revenues	4,693,489	2,035,035	3,072,957	3,203,752	6,664,547
Charges for services	4,981,641	4,922,983	5,521,035	6,110,829	6,721,667
Revenues from use of money & property	822,143	943,369	919,998	1,207,629	694,820
Fines and forfeitures	822,779	931,718	1,043,704	1,295,647	605,957
Other	1,374,275	767,790	1,180,868	1,414,172	1,074,799
Total revenues	<u>54,749,423</u>	<u>48,508,990</u>	<u>54,261,698</u>	<u>56,819,227</u>	<u>55,753,463</u>
Expenditures					
Current:					
General government	4,454,906	3,859,127	4,609,650	5,744,019	5,844,104
Public safety	25,080,613	25,647,992	27,076,488	28,396,653	29,258,673
Community development	7,808,273	2,345,099	3,015,194	2,261,895	2,392,374
Culture and recreation	5,677,937	5,587,721	6,738,804	6,464,589	6,634,294
Highways and streets	4,362,120	5,672,512	4,938,939	5,103,275	4,780,221
Health	119,999	120,000	488,697	-	250,000
Capital outlay	5,928,361	2,957,442	4,855,050	4,594,721	3,415,464
Debt service:					
Debt Issuance Costs	-	-	-	-	-
Principal	1,204,215	1,229,166	1,255,802	1,291,263	1,370,156
Interest and fiscal charges	1,270,840	1,217,331	1,279,276	1,058,676	995,948
Total expenditures	<u>55,907,264</u>	<u>48,636,390</u>	<u>54,257,900</u>	<u>54,915,091</u>	<u>54,941,234</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,157,841)</u>	<u>(127,400)</u>	<u>3,798</u>	<u>1,904,136</u>	<u>812,229</u>
Other financing sources (uses):					
Transfers in	9,466	943,350	1,380,000	2,327,332	2,246,686
Transfers out	(9,466)	(903,905)	(1,380,000)	(2,577,332)	(2,746,686)
Capital Lease	-	-	-	-	-
(Loss) on sale of property	-	-	-	-	-
Proceeds from sale of property	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>14,408</u>	<u>56,195</u>	<u>2,138,897</u>	<u>(250,000)</u>	<u>(500,000)</u>
Net change in fund balances before Extraordinary Item	<u>\$ (1,143,433)</u>	<u>\$ (71,205)</u>	<u>\$ 2,142,695</u>	<u>\$ 1,654,136</u>	<u>\$ 312,229</u>
Extraordinary Items	-	-	-	5,638,626	-
Net change in fund balances	<u>\$ (1,143,433)</u>	<u>\$ (71,205)</u>	<u>\$ 2,142,695</u>	<u>\$ 7,292,762</u>	<u>\$ 312,229</u>
Debt services as a percentage of noncapital expenditures ⁽²⁾	4.95%	5.36%	5.13%	4.67%	4.59%

Notes:

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

Source: City of Monterey Park Management Services Department

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

	Fiscal Year				
	2017/18	2018/19	2019/20	2020/21	2021/22
Revenues:					
Taxes	\$ 36,662,530	\$ 39,864,511	\$ 40,160,022	\$ 45,232,837	\$ 46,856,891
Licenses and permits	2,729,412	3,038,847	1,837,426	1,849,831	2,153,956
Intergovernmental revenues	8,945,319	11,577,229	9,385,537	11,430,832	13,698,421
Charges for services	8,417,372	7,161,652	6,057,607	6,458,077	9,723,880
Revenues from use of money & property	1,727,784	2,701,145	2,329,927	518,793	(1,734,973)
Fines and forfeitures	680,133	1,623,039	587,059	446,741	595,615
Other	1,756,785	1,741,046	1,566,488	1,622,030	1,715,830
Total revenues	<u>60,919,335</u>	<u>67,707,469</u>	<u>61,924,066</u>	<u>67,559,141</u>	<u>73,009,620</u>
Expenditures					
Current:					
General government	7,146,292	6,136,588	6,898,124	115,631,413	8,127,513
Public safety	30,235,225	34,708,110	35,762,037	37,642,012	33,805,028
Community development	2,497,952	2,563,517	316,097	430,627	7,424,848
Culture and recreation	6,981,663	7,383,682	7,034,788	6,618,326	6,260,135
Highways and streets	4,812,085	5,347,037	6,627,295	5,621,649	4,393,758
Health	160,000	150,000	137,500	187,500	234,375
Capital outlay	4,413,196	2,927,407	3,111,577	9,655,402	8,196,125
Debt service:					
Debt Issuance Costs	-	-	-	-	337,312
Principal	1,416,257	1,079,149	1,115,754	1,154,028	4,415,448
Interest and fiscal charges	944,666	895,018	853,417	809,641	4,195,992
Total expenditures	<u>58,607,336</u>	<u>61,190,508</u>	<u>61,856,589</u>	<u>177,750,598</u>	<u>77,390,534</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,311,999</u>	<u>6,516,961</u>	<u>67,477</u>	<u>(110,191,457)</u>	<u>(4,380,914)</u>
Other financing sources (uses):					
Transfers in	2,225,885	3,003,264	4,319,658	4,488,195	4,146,091
Transfers out	(2,725,885)	(3,003,264)	(3,706,035)	(4,929,208)	(3,583,991)
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	21,026,121
Total other financing Sources (uses)	<u>(500,000)</u>	<u>-</u>	<u>613,623</u>	<u>103,133,313</u>	<u>21,588,221</u>
Net change in fund balances before Extraordinary Item	<u>\$ 1,811,999</u>	<u>\$ 6,516,961</u>	<u>\$ 681,100</u>	<u>\$ (7,058,144)</u>	<u>\$ 17,207,307</u>
Extraordinary Items	-	-	-	-	-
Net change in fund balances	<u>\$ 1,811,999</u>	<u>\$ 6,516,961</u>	<u>\$ 681,100</u>	<u>\$ (7,058,144)</u>	<u>\$ 17,207,307</u>
Debt services as a percentage of noncapital expenditures ⁽²⁾	4.36%	3.39%	3.35%	1.17%	12.93%

Notes:

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

Source: City of Monterey Park Management Services Department

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

	<u>2012/13</u>	<u>2013/14</u>	<u>Fiscal Year 2014/15</u>	<u>2015/16</u>	<u>2016/17</u>
General Fund:					
Nonspendable	\$ -	\$ -	\$ 741,556	\$ 741,556	\$ 816,495
Restricted	-	-	-	78,799	-
Committed	7,173,519	7,173,519	7,173,519	10,979,027	10,826,927
Assigned	9,653,901	9,321,463	10,095,120	12,052,503	14,414,724
Unassigned	<u>3,554,425</u>	<u>3,554,425</u>	<u>3,556,499</u>	<u>4,554,426</u>	<u>4,144,661</u>
Total general fund	<u>\$ 20,381,845</u>	<u>\$ 20,049,407</u>	<u>\$ 21,566,694</u>	<u>\$ 28,406,311</u>	<u>\$ 30,202,807</u>
All other governmental funds:					
Nonspendable	\$ 1,989,686	\$ 1,989,686	\$ 1,921,015	\$ -	\$ -
Restricted	18,684,533	17,449,555	19,872,630	21,597,574	21,426,308
Committed	-	1,496,211	699,188	584,570	472,919
Assigned	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>(931,973)</u>	<u>(168,139)</u>	<u>(1,369,489)</u>
Total all other governmental funds	<u>\$ 20,674,219</u>	<u>\$ 20,935,452</u>	<u>\$ 21,560,860</u>	<u>\$ 22,014,005</u>	<u>\$ 20,529,738</u>
Total for Governmental Funds:	<u>\$ 41,056,064</u>	<u>\$ 40,984,859</u>	<u>\$ 43,127,554</u>	<u>\$ 50,420,316</u>	<u>\$ 50,732,545</u>

Source: City of Monterey Park Management Services Department

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

	<u>2017/18</u>	<u>2018/19</u>	<u>Fiscal Year 2019/20</u>	<u>2020/21</u>	<u>2021/22</u>
Nonspendable	\$ 74,939	\$ 75,778	\$ 78,802	\$ 72,590	\$ 82,310
Restricted	-	-	-		
Committed	10,826,927	7,226,927	7,226,927	9,226,927	9,726,927
Assigned	15,064,826	20,147,039	19,365,589	21,418,237	19,156,028
Unassigned	<u>3,994,828</u>	<u>5,105,667</u>	<u>5,838,129</u>	<u>4,419,338</u>	<u>-</u>
	<u>\$ 29,961,520</u>	<u>\$ 32,555,411</u>	<u>\$ 32,509,447</u>	<u>\$ 35,137,092</u>	<u>\$ 28,965,265</u>
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 44,212
Restricted	22,145,598	26,088,353	26,887,421	20,468,071	44,259,782
Committed	437,426	417,741	418,383	367,752	276,809
Assigned	-	-	-	-	
Unassigned	<u>-</u>	<u>-</u>	<u>(72,645)</u>	<u>(58,728)</u>	<u>(424,574)</u>
	<u>\$ 22,583,024</u>	<u>\$ 26,506,094</u>	<u>\$ 27,233,159</u>	<u>\$ 20,777,095</u>	<u>\$ 44,156,229</u>
Total for Governmental Funds:	<u>\$ 52,544,544</u>	<u>\$ 59,061,505</u>	<u>\$ 59,742,606</u>	<u>\$ 55,914,187</u>	<u>\$ 73,121,494</u>

Source: City of Monterey Park Management Services Department

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 Assessed Value	Total Direct Tax Rate ^{(3) (4)}
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	33,537,437	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
2021/22	6,696,922,280	1,485,031,636	236,761,070	352,907,188	27,122,190	8,771,622,174	0.24540

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.

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

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

Agency	<u>Fiscal Year</u>				
	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>
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	0.06228	0.04906	0.04985	0.04926	0.03615
Garvey School District	0.06037	0.05978	0.05947	0.05874	0.06067
Garvey-Alhambra	0.03327	0.04914	0.04522	0.04538	0.05303
Los Angeles Community College District	0.04875	0.04454	0.04017	0.03575	0.03596
Los Angeles Unified School District	0.17561	0.14644	0.14688	0.12971	0.13110
Metropolitan Water District	0.01800	0.01800	0.01800	0.01800	0.02300
Montebello Unified School District	0.09630	0.09457	0.08750	0.08715	0.14705
Monterey Park GO Debt	0.09117	0.09117	0.09117	0.09117	0.09117
Total Overlapping Rates	<u>0.58575</u>	<u>0.55270</u>	<u>0.53826</u>	<u>0.51516</u>	<u>0.57813</u>
Total Direct & Overlapping ⁽²⁾ Tax Rates	<u>1.67692</u>	<u>1.64387</u>	<u>1.62943</u>	<u>1.60633</u>	<u>1.66930</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⁾	0.40086	0.24388	0.24412	0.24437	0.24460

Notes:

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

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

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

Agency	2017/18	2018/19	2019/20	2020/21	2021/22
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	0.05786	0.05404	0.04501	0.04509	0.04405
Garvey School District	0.08332	0.08705	0.08623	0.08425	0.08837
Garvey-Alhambra	0.09319	0.08800	0.07055	0.07360	0.05726
Los Angeles Community College District	0.04599	0.04621	0.02717	0.04016	0.04376
Los Angeles Unified School District	0.12219	0.12323	0.12552	0.13993	0.11323
Metropolitan Water District	0.03000	0.03000	0.03000	0.03000	0.03000
Montebello Unified School District	0.13514	0.13921	0.09306	0.09706	0.09031
Monterey Park GO Debt	0.09117	0.09117	0.09117	0.09117	0.09117
Total Overlapping Rates	<u>0.65886</u>	<u>0.65891</u>	<u>0.56871</u>	<u>0.60126</u>	<u>0.55815</u>
Total Direct & Overlapping ⁽²⁾ Tax Rates	<u>1.75003</u>	<u>1.75008</u>	<u>1.65988</u>	<u>1.69243</u>	<u>1.64932</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⁾	0.24384	0.24490	0.24507	0.24526	0.24540

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
- (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
- (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 c

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

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

Union Bank	2021/22	
Taxpayers	Taxable Assessed Valuation	Percent of Total City Taxable Assessed Valuation
Atlantic Times Square LLC	\$ 151,453,625	1.73%
Monterey Park Retail Partners LLC	123,617,754	1.41%
Omninet LACC LLC ET AL	86,848,359	0.99%
Ethan Capital LLC	68,995,456	0.79%
Union Bank	60,030,983	0.68%
Garfield Calmed Investment LP	55,957,539	0.64%
Atlantic Square LLC	50,933,459	0.58%
BRE California Saturn LLC	40,995,962	0.47%
Emerald Hills LLC	36,024,497	0.41%
Real Estate Investors 1984 1 ET AL	30,828,274	0.35%
	<u>\$ 705,685,908</u>	<u>8.06%</u>
 Total City Assessed Value	 <u>\$ 8,771,622,174</u>	

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

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

	2012/13	
Taxpayers	Taxable Assessed Valuation	Percent of Total City Taxable Assessed Valuation
Garfield Calmed Investment LP	\$ 150,700,710	2.59%
Atlantic Times Square II LLC	72,976,714	1.25%
Los Angeles Corporate Center LLC	62,902,370	1.08%
Union Bank	53,604,100	0.92%
Garfield Calmed Investment LP	46,900,000	0.81%
1977 Saturn LLC	43,892,940	0.75%
GMS Five LLC	25,934,687	0.45%
MPM Partners LLC	25,366,372	0.44%
Care 1st Health Plan	24,027,602	0.41%
Emerald Hills LLC	22,000,000	0.38%
Real Estate Investors 1984 1 ET AL	\$ 528,305,495	9.07%
 Total City Assessed Value	 \$ 5,821,654,598	

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

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

Fiscal Year	Original Levy			1% - CY PER BOOK			
	Taxes Levied for the Fiscal Year			Collected within the Fiscal Year of Levy			Percentage of Levy
	1%	D.S.	Amount	1%	D.S.	Amount	
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%
2021/22	10,954,338	6,470,729	17,425,067	10,109,659	6,194,802	16,304,462	93.57%

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.

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

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

Fiscal Year	1% - PY PER BOOK			Total Collections to Date			
	Collections in Subsequent Years						Percentage of Levy ⁽¹⁾
	1%	D.S.	Amount	1%	D.S.	Amount	
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%
2021/22	357,825	139,127	496,952	10,467,484	6,333,929	16,801,414	96%

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.

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

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

Fiscal Year	Governmental Activities					Total Governmental Activities
	Pension Obligation Bonds	Street Bonds	HUD Section 108 Loans	Library Special Tax Revenue Note	Capital Lease Obligation	
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	112,662		1,047	-	5,669	119,378
2021/22	109,518	17,585	539	-	4,969	132,611

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.

Source: City of Monterey Park Management Services Department

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

Fiscal Year	Business-Type Activity	Pension Obligation Bonds	Total Primary Government	⁽¹⁾ Percentage of Personal Income	Population	⁽²⁾ Debt Per Capita
	Capital Lease Obligation					
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%	61,805	554
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% ⁽³⁾	62,240	437
2018/19	9,167		27,941	1.10%	61,828	452
2019/20	8,466		25,779	0.92%	60,734	424
2020/21	7,915	5,443	132,736	4.42%	60,380	2,198
2021/22	7,310	5,032	144,953	N/A	60,207	2,408

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) Start from FY17/18, personal income data for California

Source: City of Monterey Park Management Services Department

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

Fiscal Year	Pension Obligation Bonds ⁽¹⁾	Actual Taxable Value of Property	Percent of Actual Taxable Value of Property ⁽²⁾	Population	Net Bonded Debt Per Capita
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%	61,805	233
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	118,105	8,483,013	1.39%	60,380	1,956
2021/22	114,550	8,771,622	1.31%	60,207	1,903

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.

Source: City of Monterey Park Management Services Department

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CITY OF MONTEREY PARK
Direct and Overlapping Debt
As of June 30, 2022

	<u>Gross Bonded Debt Balance</u>	<u>Percent Applicable To City</u>	<u>Net Bonded Debt</u>
Overlapping Debt			
METROPOLITAN WATER DISTRICT	9,835,780	0.030	2,997
GARVEY SD DS 2000 SERIES B	4,745,300	29.509	1,400,297
GARVEY SD DS 2004 SERIES 2006	6,377,081	29.509	1,881,821
GARVEY SD DS 2004 SERIES C	8,030,320	29.509	2,369,677
GARVEY SD DS 2011 REFUND BONDS	1,840,000	29.509	542,968
GARVEY SD DS 2014 REF BONDS	1,370,000	29.509	404,275
GARVEY SD DS 2016 SERIES A	8,700,000	29.509	2,567,294
GARVEY SD DS 2016 SERIES B	9,015,000	29.509	2,660,248
GARVEY SD DS 2016 SERIES C	8,740,000	29.509	2,579,098
LA CCD DS 2003 TAXABLE SERIES 2004B	2,115,000	0.877	18,545
LA CCD DS 2001 TAXABLE SERIES 2004A	31,555,000	0.877	276,681
LA CCD DS 2008, 2009 TAXABLE SER B	75,000,000	0.877	657,617
LA CCD DS 2008, 2010 TAX SERIES D	125,000,000	0.877	1,096,029
LA CCD DS 2008, 2010 TAX SER E (BABS)	900,000,000	0.877	7,891,405
LA CCD DS 2013	13,000,000	0.877	113,987
LA CCD DS 2013 REF BONDS	8,380,000	0.877	73,478
LA CCD DS 2008 SERIES G	30,765,000	0.877	269,755
LA CCD DS 2015 REF SERIES A	144,260,000	0.877	1,264,905
LA CCD DS 2015 REF SERIES B	14,965,000	0.877	131,217
LA CCD DS 2015 REF SERIES C	178,565,000	0.877	1,565,699
LA CCD DS 2008 SERIES I	184,220,000	0.877	1,615,283
LA CCD DS 2008 SERIES J	173,020,000	0.877	1,517,079
LA CCD DS 2016 REF BONDS	239,880,000	0.877	2,103,323
LA CCD DS 2020 REF BONDS	1,750,350,000	0.877	15,347,468
LA CCD DS 2016 SERIES C	275,440,000	0.877	2,415,121
LOS ANGELES UNIF DS 2002 SERIES E (BABS)	200,000,000	0.033	66,222
LOS ANGELES UNIF DS 2005 SERIES H	207,560,000	0.033	68,725
LOS ANGELES UNIF MEASURE R SERIES KRY BABS	363,005,000	0.033	120,195
LOS ANGELES UNIF MEASURE Y 2009 SERIES KRY BABS	806,795,000	0.033	267,138
LOS ANGELES UNIF MEASURE R 2010 SERIES RY BABS	477,630,000	0.033	158,148
LOS ANGELES UNIF MEASURE Y 2010 SERIES RY BABS	772,955,000	0.033	255,934
LOS ANGELES UNIF DS 2005 2010 SERIES J-1 QSCBS	115,480,000	0.033	38,237
LOS ANGELES UNIF DS 2005 2010 SERIES J-2 QSCBS	60,710,000	0.033	20,102
LOS ANGELES UNIF DS 2012 REFUNDING BOND SERIES A	27,435,000	0.033	9,084
LOS ANGELES UNIF DS 2014 REF BOND SERIES A	17,090,000	0.033	5,659
LOS ANGELES UNIF DS 2014 REF BOND SERIES B	20,480,000	0.033	6,781
LOS ANGELES UNIF DS 2014 REF BOND SERIES C	100,155,000	0.033	33,162
LOS ANGELES UNIF DS 2014 REF BOND SERIES D	713,850,000	0.033	236,363
Sub-Total Overlapping Debt			<u>\$ 52,052,017</u>

2021/22 Assessed Valuation: \$6,966,990,847 After Deducting \$1,804,631,327 Incremental Value.

Debt to Assessed Valuation Ratios:	Direct Debt	0.00%
	Overlapping debt	1.63%
	Total debt	1.63%

Notes:

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

Source: HDL Coren & Cone

CITY OF MONTEREY PARK
Direct and Overlapping Debt
As of June 30, 2022

	<u>Gross Bonded Debt Balance</u>	<u>Percent Applicable To City</u>	<u>Net Bonded Debt</u>
Overlapping Debt (Continued)			
LOS ANGELES UNIF DS 2015 REF BONDS SERIES A	95,430,000	0.033	31,598
LOS ANGELES UNIF DS 2008 SERIES A 2016	164,550,000	0.033	54,484
LOS ANGELES UNIF DS 2016 REF BONDS SERIES A	359,570,000	0.033	119,057
LOS ANGELES UNIF DS 2016 REF BONDS SERIES B	238,230,000	0.033	78,880
LOS ANGELES UNIF DS 2017 REF BONDS SER A PROP BB	498,240,000	0.033	164,973
LOS ANGELES UNIF DS 2017 REF BONDS SER A MEAS K	109,935,000	0.033	36,401
LOS ANGELES UNIF DS 2005 SERIES M 1 2018	921,240,000	0.033	305,032
LOS ANGELES UNIF DS 2008 SERIES B 1 2018	108,220,000	0.033	35,833
LOS ANGELES UNIF DS 2019 REF 2002 SER D MEAS K	1,007,820,000	0.033	333,700
LOS ANGELES UNIF DS 2019 REF 2004 SER I MEAS R	135,105,000	0.033	44,735
LOS ANGELES UNIF DS 2019 REF 2005 SER F MEAS Y	299,825,000	0.033	99,275
LOS ANGELES UNIF MEASURE R 2020 SERIES RYQ	81,115,000	0.033	26,858
LOS ANGELES UNIF MEASURE Y 2020 SERIES RYQ	29,955,000	0.033	9,918
LOS ANGELES UNIF MEASURE Q 2020 SERIES RYQ	151,450,000	0.033	50,147
LOS ANGELES UNIF DS MEASURE Q SER C 2020	603,245,000	0.033	199,741
LOS ANGELES UNIF 2020 REF A MEAS K	108,865,000	0.033	36,046
LOS ANGELES UNIF 2020 REF A MEAS R	108,375,000	0.033	35,884
LOS ANGELES UNIF 2020 REF A MEAS Y	74,215,000	0.033	24,573
LOS ANGELES UNIF 2021 REF A PROP BB	893,005,000	0.033	295,683
LOS ANGELES UNIF 2021 REF A MEAS Q	673,280,000	0.033	222,930
MONTEBELLO USD DS 1998 SERIES 1998	1,352,514	9.145	123,681
MONTEBELLO USD DS 1998 SERIES 1999	1,659,946	9.145	151,795
MONTEBELLO USD DS 1998 SERIES 2001	2,156,550	9.145	197,207
MONTEBELLO USD DS 1998 SERIES 2004	4,509,982	9.145	412,417
MONTEBELLO USD DS 1998 SERIES 2002	3,683,332	9.145	336,824
MONTEBELLO USD DS REF 2004 SERIES 2013A	13,815,000	9.145	1,263,319
MONTEBELLO USD DS REF BOND SERIES 2015	25,065,000	9.145	2,292,080
MONTEBELLO USD DS REF BONDS 2016 SERIES A	12,200,000	9.145	1,115,634
MONTEBELLO USD DS 2016 SERIES A	91,520,000	9.145	8,369,087
ALHAMBRA USD DS 1999 SERIES A	4,809,938	32.888	1,581,879
ALHAMBRA USD DS 2005 REF BONDS	4,565,000	32.888	1,501,325
ALHAMBRA USD DS 2008 SERIES B-1 QSCB	10,324,708	32.888	3,395,562
ALHAMBRA USD-GARVEY DS 2012 REF SERIES A	49,119,695	32.888	16,154,353
ALHAMBRA USD DS 2012 REF SERIES B	3,380,000	32.888	1,111,605
ALHAMBRA USD-GARVEY DS 2016 REF SERIES A	9,290,000	32.888	3,055,270
ALHAMBRA USD DS 2016 REF BOND SERIES B	20,025,000	32.888	6,585,768
ALHAMBRA USD DS 2016 SERIES A	21,230,000	32.888	6,982,065
ALHAMBRA USD-GARVEY DS 2016 SERIES A	13,615,000	32.888	4,477,664
Sub-Total Overlapping Debt			\$ 61,313,283
Total Overlapping Debt			\$ 113,365,300
Direct Debt:			
Pension Obligation Bonds	109,517,995	100%	109,517,995
HUD Section 108 Loan	539,000	100%	539,000
Capital Lease Obligation	12,279,243	100%	12,279,243
Total Direct Debt			\$ 122,336,238
Total Direct and Overlapping Debt			\$ 235,701,538

Source: HDL Coren & Cone

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

	Fiscal Year				
	2012/13	2013/14	2014/15	2015/16	2016/17
Assessed valuation	5,821,655	6,052,916	6,315,574	6,591,897	6,934,068
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	873,248	907,937	947,336	988,785	1,040,110
Total net debt applicable to limit: Pension obligation bonds	<u>15,365</u>	<u>14,890</u>	<u>14,425</u>	<u>13,970</u>	<u>13,520</u>
Legal debt margin	<u>\$ 857,883</u>	<u>\$ 893,047</u>	<u>\$ 932,911</u>	<u>\$ 974,815</u>	<u>\$ 1,026,590</u>
Total debt applicable to the limit as a percentage of debt limit	1.76%	1.64%	1.52%	1.41%	1.30%

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

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

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

	Fiscal Year				
	2017/18	2018/19	2019/20	2020/21	2021/22
Assessed valuation	7,269,530	7,651,050	8,089,187	8,483,013	8,771,622
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	1,090,430	1,147,657	1,213,378	1,272,452	1,315,743
Total net debt applicable to limit: Pension obligation bonds	<u>13,075</u>	<u>12,635</u>	<u>12,200</u>	<u>118,105</u>	<u>114,550</u>
Legal debt margin	<u>\$ 1,077,355</u>	<u>\$ 1,135,022</u>	<u>\$ 1,201,178</u>	<u>\$ 1,154,347</u>	<u>\$ 1,201,193</u>
Total debt applicable to the limit as a percentage of debt limit	1.20%	1.10%	1.01%	9.28%	8.71%

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

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

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

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2012/13	61,445	466,098,988	46,530	7.0%
2013/14	61,777	499,767,889	49,400	6.5%
2014/15	61,805	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	2,790,524	70,647	9.6%
2020/21	60,380	3,006,184	76,614	13.3%
2021/22	60,207	N/A	N/A	5.4%

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

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- Sources:
1. Bureau of Economic Analysis
 2. State of California Employment Development Department
 3. State of California, Department of Finance

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

Employers	2021/22	
	Number of Employees	Percentage of Total Employment ⁽¹⁾
GARFIELD MEDICAL CENTER	1,063	0.023%
SOUTHERN CALIFORNIA GAS COMPANY	430	0.009%
COSTCO WHOLESALE #1318	425	0.009%
MONTEREY PARK HOSPITAL	334	0.007%
HOME DEPOT #2304	251	0.006%
RALPHS GROCERY CO (2 LOCATIONS)	199	0.004%
REMITCO L L C	170	0.004%
CARMICHAEL INTERNATIONAL SERVICE	141	0.003%
BEHAVIOR RESPITE IN ACTION INC	121	0.003%
CAMINO REAL CHEVROLET	112	0.002%
MONTEREY PARK CONVALESCENT HOSPITAL INC	110	0.002%
HERITAGE MANOR HEALTHCARE	110	0.002%
LA COLONIAL TORTILLA PRODUCTS INC	86	0.002%
GREAT WALL SUPERMARKET	78	0.002%
99 RANCH MARKET	64	0.001%

Note:

(1) Percentage of total employment is calculated based on Los Angeles County's total employment annual force of 4,548,900 in 2021 and 4,365,700 in 2012.

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

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

Employers	2012/13	
	Number of Employees	Percentage of Total Employment ⁽¹⁾
GARFIELD MEDICAL CENTER	984	0.023%
CITY OF MONTEREY PARK	393	0.009%
MONTEREY PARK HOSPITAL	362	0.008%
SOUTHERN CALIFORNIA GAS COMPANY	419	0.010%
SYNERMED INC	315	0.007%
CARE 1ST HEALTH PLAN (2 LOCATIONS)	303	0.007%
RALPH'S GROCERY CO (2 LOCATIONS)	165	0.004%
REMITCO L L C	181	0.004%
CHINESE DAILY NEWS	142	0.003%
SOUTHERN CALIFORNIA EDISION CO.	143	0.003%
CAMINO REAL CHEVROLET	100	0.002%
24 HOURS FITNESS	134	0.003%
MONTEREY PARK CONVALESCENT	92	0.002%
HERITAGE MANOR HEALTHCARE	90	0.002%
99 RANCH MARKET	74	0.002%

Note:

(1) Percentage of total employment is calculated based on Los Angeles County's total employment annual force of 4,548,900 in 2021 and 4,365,700 in 2012.

Sources: 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

Function	Fiscal Year									
	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22
General Government	32	32	31	32	33	33	35	38	45	52
Public Safety										
Police	114	114	114	116	119	119	122	122	110	113
Fire	58	58	58	58	59	61	61	66	62	63
Public Works	70	70	71	71	71	71	71	80	63	64
Culture and Recreation										
Library	25	25	26	26	26	26	26	25	18	18
Recreation/Community Services	36	36	37	37	37	37	37	36	15	15
Community/Economic Development ⁽¹⁾	13	13	14	14	15	17	17	0	0	0
Total	348	347	350	352	359	364	368	367	313	325

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.

Source: City of Monterey Park Annual Budget

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

	Fiscal Year				
	2012/13	2013/14	2014/15	2015/16	2016/17
Police:					
Number of service calls	51,130	51,735	54,568	54,183	53,646
Response time priority I (emergency) (minutes/seconds)	3:55	4:28	3:56	4:49	4:46
Fire:					
Number of emergency calls	4,565	4,538	4,605	4,985	5,047
Inspections	2,385	2,955	2,424	5,139	3,523
Public works:					
Street resurfacing (miles)	14.68	0.48	0.16	2.12	2.71
Parks and recreation:					
Hours of recreation classes	540	640	640	650	600
Number of facility rentals / Number of hours of facility rentals ⁽¹⁾	145	167	165	175	1,197
Water:					
Meters changed and upgrades ⁽²⁾	739	329	10,994	98	112
Water turn-ons and turn-offs	2,856	2,412	2,412	2,682	2,440
Average daily consumption (thousand of gallons)	8,000	8,000	8,000	8,000	8,000

Note:

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

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

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

	Fiscal Year				
	2017/18	2018/19	2019/20	2020/21	2021/22
Police:					
Number of service calls	54,696	53,534	50,153	49,154	46,977
Response time priority I (emergency) (minutes/seconds)	4:22	4:02	3:59	3:32	3:27
Fire:					
Number of emergency calls	5,121	4,355	4,251	4,979	5,266
Inspections	3,523	2,922	3,200	2,356	1,776
Public works:					
Street resurfacing (miles)	2.80	0	2.79	0	9.39
Parks and recreation:					
Hours of recreation classes	922	960	640	350	1,150
Number of facility rentals / Number of hours of facility rentals ⁽¹⁾	1,230	2,816	640	0	121
Water:					
Meters changed and upgrades ⁽²⁾	8	5	7	2	5
Water turn-ons and turn-offs	2,440	2,080	3,471	1,078	2,000
Average daily consumption (thousand of gallons)	8,000	8,000	8,000	8,000	8,000

Note:

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

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

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

	Fiscal Year				
	2012/13	2013/14	2014/15	2015/16	2016/17
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)	12,810	11,510	9,680	7,200	6,800
Wastewater:					
Sanitary sewers (miles)	126	126	126	126	126
Storm sewers (miles)	12.43	12.43	12.43	12.43	12.43

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

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

	Fiscal Year				
	2017/18	2018/19	2019/20	2020/21	2021/22
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	3359	3359
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)	7,000	6,700	6,700	6,800	6,300
Wastewater:					
Sanitary sewers (miles)	126	126	126	126	126
Storm sewers (miles)	12.43	12.43	12.43	12.43	12.43

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

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

	Fiscal Year				
	2012/13	2013/14	2014/15	2015/16	2016/17
Type of Customers:					
Residential	2,825.1	1,956.0	1,965.9	1,564.2	1,555.6
Commercial	893.6	671.8	709.0	594.0	618.0
Institutional	163.0	11.1	-	4.4	6.0
Government	88.0	13.6	10.6	37.3	45.7
Total	3,969.7	2,652.5	2,685.5	2,199.9	2,225.3

Source: City of Monterey Park Management Services Department

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

	Fiscal Year				
	2017/18	2018/19	2019/20	2020/21	2021/22
Type of Customers:					
Residential	1,571.6	1,524.5	1,557.1	1,734.8	1,552.1
Commercial	610.0	579.5	530.4	507.0	507.8
Institutional	6.0	5.1	5.3	5.9	5.8
Government	98.5	48.8	48.8	67.6	56.5
Total	<u><u>2,286.1</u></u>	<u><u>2,157.9</u></u>	<u><u>2,141.6</u></u>	<u><u>2,315.3</u></u>	<u><u>2,122.2</u></u>

Source: City of Monterey Park Management Services Department

CITY OF MONTEREYPARK
Water Rates
Last Ten Fiscal Years

Fiscal Year	Monthly Base Rate	Rate per 1,000 Gallons
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
2021/22	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.

Source: City of Monterey Park Management Services Department

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

Water Customer	2021/22		2017/2018	
	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues
Garfield Medical Ctr	\$ 126,776	1.24%	\$ 65,207	0.87%
Garfield Estates	118,656	1.16%	112,088	1.50%
Mp 3600 Llc	108,501	1.06%	97,697	1.31%
Continental Homes	103,667	1.01%	78,117	1.04%
Atlantic Times Square II, LLC	88,626	0.87%	142,245	1.90%
Atlantic Times Square II, LLC	83,973	0.82%	99,224	1.33%
Moon Valley Nursery Of Ca, Inc	74,945	0.73%	66,175	0.88%
Aespace America Inc	69,237	0.68%	101,555	1.36%
Ethan Capital Llc	64,738	0.63%	-	0.00%
Mtry Pk Intrcm Hosp	48,844	0.48%	38,597	0.52%
	\$ 887,963	8.68%	\$ 800,905	10.71%

Source: City of Monterey Park Management Services Department