

*City of Monterey Park, California*



***COMPREHENSIVE ANNUAL  
FINANCIAL REPORT***

*Year ended June 30, 2009*

# City Council



*Mayor*  
Mitchell Ing



*Mayor Pro Tem*  
Anthony Wong



*Council Member*  
Betty Tom Chu



*Council Member*  
David T. Lau



*Council Member*  
Benjamin "Frank" Venti

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

## City Officials

June Yotsuya ..... *City Manager*  
 Jenkins & Hogin ..... *City Attorney*  
 Dan Golden.....*Interim City Librarian*  
 Rick Gomez.....*Interim Director of Economic Development*  
 Robert Blackwood..... *Director of Human Resources and Risk Management*  
 Vacant ..... *Director of Development Services*  
 Elias Saykali.....*Director of Public Works/City Engineer*  
 Harry Panagiotes.....*Director of Recreation and Parks*  
 Cathleen Orchard.....*Fire Chief*  
 Jones Moy ..... *Police Chief*  
 David Dong.....*Director of Management Services*



City of Monterey Park, California

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year ended June 30, 2009

Prepared by the Management Services Department

David Dong  
Director of Management Services



**CITY OF MONTEREY PARK**  
**Comprehensive Annual Financial Report**  
**Year Ended June 30, 2009**

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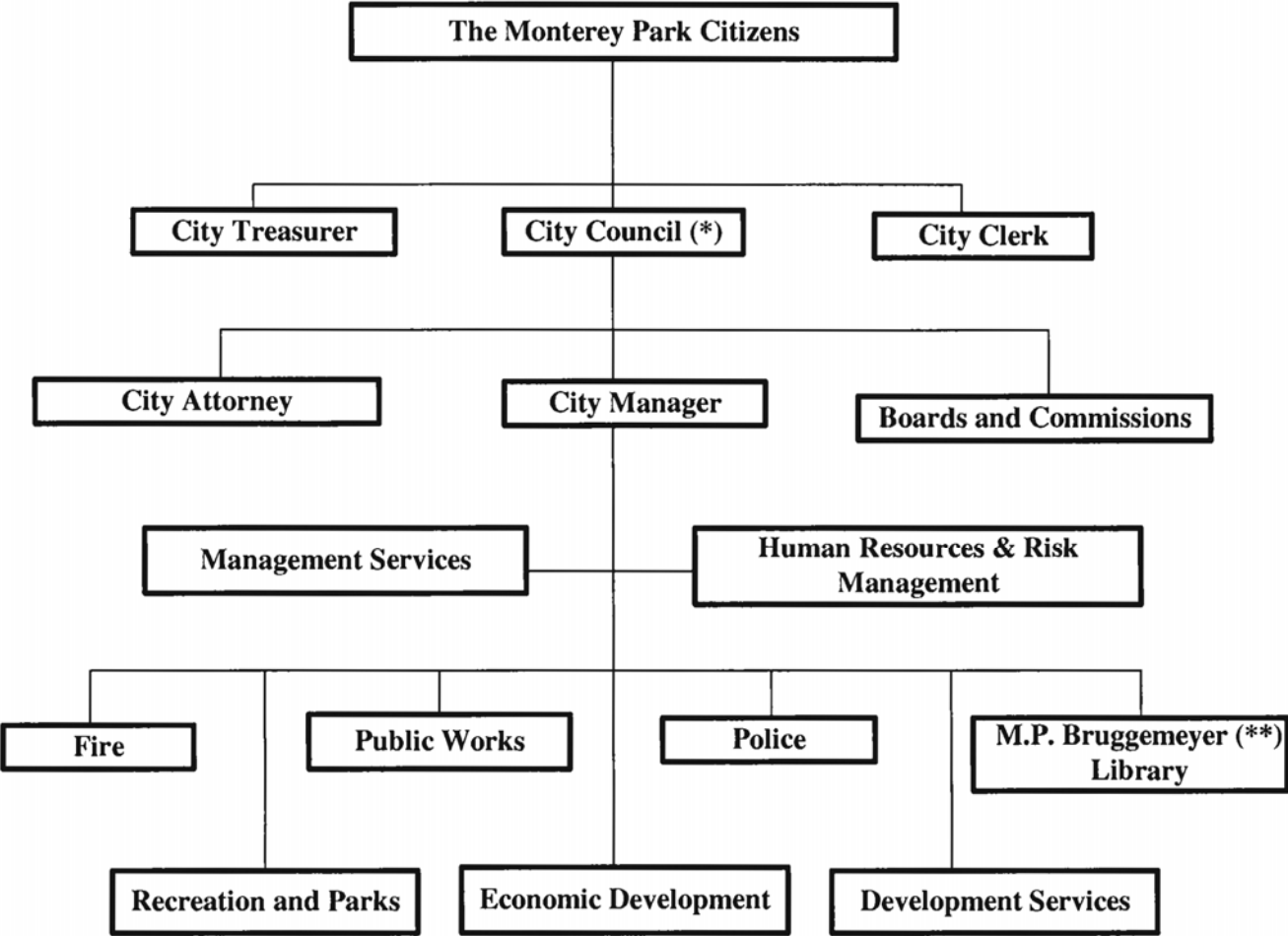
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# City of Monterey Park Organization Chart



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

(\*\*) General operations of the M.P. Bruggemeyer Library are managed by the Library Board of Trustees, an independent commission appointed by the City Council.

# CITY OF MONTEREY PARK

320 West Newmark Avenue • Monterey Park • California 91754-2896  
[www.ci.monterey-park.ca.us](http://www.ci.monterey-park.ca.us)



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**City Council**  
Betty Tom Chu  
Mitchell Ing  
David T. Lau  
Benjamin "Frank" Venti  
Anthony Wong

**City Clerk**  
David Barron

**City Treasurer**  
Joseph Leon

November 20, 2009

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

Re: 2008-09 Comprehensive Annual Financial Report

We are presenting to you the City of Monterey Park's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009. This annual report was prepared by the Management Services Department and was audited by the independent certified public accounting firm of Caporicci & Larson.

The objective of the audit is to provide reasonable assurance that the City's financial statements are free of material misstatements. The audit involves examining the City's books and records, assessing the accounting principles used by City, and evaluating the overall financial statement presentation.

The auditor has concluded that the financial statements included in this reported are prepared in conformity with generally accepted accounting principles established by the Governmental Accounting Standard Board and has issued an unqualified (clean) opinion. The auditor's report is included in the financial section of this report.

This annual report consists of management's representations concerning the finances of the City. As a result, responsibility for both the accuracy of the data and the completeness and the fairness of the presentation including all disclosures rests with the City. To the best of our knowledge, the data presented is accurate in all material respects and is reported to present fairly the financial position and results of operations of all funds and components units of the City.

Additionally, to provide a reasonable basis for making these representations, City management has established internal controls designed to protect the City's assets and to ensure that the accounting records provide a reliable basis for the preparation of the financial statements. Because the cost of internal controls should not exceed their benefits, the internal control system has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

This report also includes a discussion concerning the City's financial positions and activities for the 2008-09 fiscal year in the form of Management's Discussion and Analysis. This transmittal letter is designed to complement the MD&A and should be read in conjunction with it.

As 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. The single audit is focused on the internal control and compliance regarding the administration of Federal funds. The single audit report will be issued under a separate cover.

## **Profile of the City**

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

The City Council also serves as the governing board of the Monterey Park Community Redevelopment Agency, Public Financing Authority, and the Housing Authority. The financial information of these component units has been included with the City.

The City of Monterey Park is a full service City. Operating departments and their services are as follows.

- Development Services Department is responsible for development standards, zoning, planning, construction permits, inspection, and code compliance.
- Economic Development Department is responsible for economic development, housing, business promotion, commercial and residential rehabilitation, and the CDBG programs.
- Fire Department is responsible for fire suppression, inspection, prevention, emergency medical, and ambulance transport services. There are three fire stations in the City.
- Human Resources and Risk Management Department is responsible for recruitment and employee benefits. It also processes claims and administers risk prevention programs.
- Library is responsible for library services and literacy programs. It has an automated library circulation system and opens seven days a week to the public.
- Management Services Department is responsible for accounting, reporting, budgeting, billing, revenue collection, purchasing, investment, debt management, and data processing.
- Police Department is responsible for law enforcement activities including patrol, traffic safety, animal control, communications, investigation, and crime prevention.
- Public Works is responsible for the design and construction of the City's infrastructure, street cleaning, refuse collection, recycling, sewer, water system, and vehicle maintenance.
- Recreation and Parks Department handles recreation activities and community events. This department also maintains city parks, public landscaping and the dial-a-ride service.

## **Budget**

The City budget is adopted by the City Council. Original budget may be amended during the fiscal year by the City Council.

Budget preparation begins in February with the publication of a midyear budget review report. The midyear budget review report includes revenue and expenditure estimates for the current and coming fiscal years. It also includes a progress report of the goals and objectives established.

The Management Services Department works closely with other departments to develop long term financial projections for the City. Each year, as part of the midyear budget review process, the City prepares a five-year financial projection for all city funds and a five-year capital improvement program.

Departments begin budget preparation in March. After administrative review, the Management Services Department compiles and submits a proposed budget to the City Council in May. In June, the City Council holds a public hearing to consider the proposed budget (Due to the economic uncertainties, the City Council

began the 2009-10 budget review in June but postponed the final adoption until the impact from the State budget was available. The City's 2009-10 budget was approved on August 24, 2009).

### **Local Economy**

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 65,000. Monterey Park is primarily a residential community, with three-quarters of its land zoned for single and multiple family housing. Major businesses include food and drug, auto sales, banking, restaurants, hospitals and medical offices, and light manufacturing.

The City's economic development activities include redevelopment of commercial and residential properties, business support services, affordable housing, and preserving quality neighborhoods. Redevelopment agency funds, Community Development Block Grant, and Home Fund monies primarily finance the economic development activities and programs.

In recent years, many large under-utilized residential lots are being combined and developed into multiple family housing. The City continues pursuing opportunities to develop affordable housing and has programs for residential maintenance, rental rehabilitation, and special needs housing.

Several major development projects are underway in various stages. When completed in the next several years, these projects will generate a large number of new jobs and tax revenues for the City. These development projects include Atlantic Times Square, Towne Centre, Garvey Villa, and Cascades Market Place.

Atlantic Times Square is a mixed-use development on a seven-acre site at North Atlantic Blvd. The project includes 210 condominiums and 200,000 square feet of commercial space. The project is currently under construction and is scheduled to open by the beginning of 2010. Towne Centre is also a mixed-use development located at the southeast corner of Garvey and Garfield. The project provides additional parking spaces for public use to alleviate downtown parking shortage. Completion is expected by late 2010.

Garvey Villas is a retail and residential project located at the southwest corner of Atlantic and Garvey. The developer has assembled the site. Cascades Market Place is a 500,000 square feet retail center located on an Environmental Protection Agency Superfund site. The development of the shopping center will include the remediation of the site. Currently, the City is negotiating with the developers and various agencies in development related issues. Construction is estimated to begin in mid 2010 and completion is anticipated in late 2011.

### **Financial Outlook**

Same as businesses and other government entities, the City has been affected by the current recession. Several major revenue categories of the City such as sales tax and interest income have been adversely affected. The City has taken action to cut costs to mitigate the revenue decline. When compared to other cities in the area, the impact to Monterey Park is less severe. This is attributable to the City's conservative fiscal management.

The budget problem of the California State continues posing a major threat to the City's budget. The State budget for 2009-10 requires a loan equal to 8% of property tax from each local agency to the State. For Monterey Park this would amount to approximately \$1 million in revenue reduction for 2009-10 (the State is required to repay the loan by 2013). In order to fund the property tax loan, the City has implemented budget cuts to generate the required funds.

The State budget also requires a transfer of property tax from all redevelopment agencies in California. This would amount to a loss of approximately \$2.6 million redevelopment funds for the City. Several redevelopment agencies have filed lawsuit challenging the State's action.

The financial outlook of the City's General Fund over the next five years remains stable despite the downturns. The City should have sufficient reserve on hand to ride out the recession. There is also a steady growth in revenue anticipated from the developments that are underway.

## Major Initiatives

Major issues with financial significance of the City are summarized as follows.

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

To close the gap, the City has taken various actions over the years including: extended funding period to reduce costs; established a Pension Liability Fund to create a pension reserve; issued pension obligation bonds to save interest costs; made annual budget transfers to build up pension reserves, and formed a Blue Ribbon Committee to assist the City in addressing the pension-funding.

Due to the current recession and the financial market crisis, CalPERS has experienced a 25% reduction in its investment values. To keep the program fully funded, it is anticipated the employer contribution rates will be increased starting 2011.

In order to close the pension gap, starting 2009-10, the City Council appropriated an additional General Fund transfer of \$830,000 for pension funding.

Water Treatment Funding The City's water system serves 95% of the area in Monterey Park with 13,000 accounts. The water system has 12 wells, 13 reservoirs, 5 treatment plants, 11 pumping stations, and 134 miles of water mains. The City's water quality exceeds the current Federal and State standards and maintaining this high water quality is a priority of the water operation.

Due to the change in water quality standards, since 1999 the City has constructed 5 treatment plants with a total cost of \$10 million. The construction was funded by grants, settlements, loans from the City's Water Operation Fund, and loans from external sources. Additionally, the City has established a water treatment surcharge to pay for the ongoing treatment operation. The City is also continuing its efforts in seeking grants and legal actions to recover funds from the polluters.

Based on the 2008 annual water treatment surcharge report, which was reviewed by the City Council last November, barring from further changes to the water quality standards or new contaminations, the current water surcharge should provide sufficient revenue to support the water treatment operations, thus freeing up the water operation funds for capital improvements, primarily water main replacement.

National Pollutant Discharge Elimination System Funding The Federal Clean Water Act mandates governments to establish a program that eliminates pollutants from entering rivers and oceans. The City started its program in 1996 by carrying out a study, which included surveying businesses for possible sources of pollutants, cataloging and inventorying storm drains, and conducting public education.

Monterey Park, like other Los Angeles County cities and the County, is required to establish programs to meet the conditions and requirements of the permit. These programs include inspections of restaurants and commercial establishments for discharges, field testing of the storm drain system to identify connections, development and implementation of storm water management plans for new construction, and the installation of physical controls in catch basins to comply with total maximum daily limits for specified pollutants.

The City is working with a coalition of 43 local cities to change the NPDES regulations to more realistic and cost-effective measures for storm drain water cleanup. Should the cities fail to change these regulations, storm water regulations could very well become a multi-million dollar program that will burden both residents and businesses in the next 5 to 8 years.

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

Infrastructure Improvements and Funding Continued investment in capital improvements is the key to a long-term economic success for our community. The City has made progress in updating its infrastructure through financing, maintenance fees, and grants. Examples include catch basin structural controls, transit facility at ELAC, and water treatment facilities. With the Proposition 1B and Measure R funds, the City will begin to update city streets. Technology development is also a priority of the City. Recent projects include a PC based finance system, citywide network upgrade to Microsoft Office 2007, and the Police Department's computer aided dispatch and record management system.

However, there is a need for the City to continue upgrading its infrastructure for public safety, parks, street, and water system. The City's Five-year Capital Improvement Program has identified a total of \$49 million in improvements to the City assets over the next five years. Development of funding and financing options for these capital projects will continue to be a priority in the City's financial planning.

Other Post Employment Benefits The City provides medical benefits for employees who retire from the City. Eligible retirees may elect lifetime coverage through the City's healthcare plans. Premiums for retirees are blended (active and retired member) rates. The City contributes towards the retiree's premiums up to specified amounts that vary depending on bargaining unit and whether the retiree has more or less than 20 years of service. Retirees are responsible for the portion of premium not paid by the City. Premiums for retirees are blended (active and retired member) rates. Currently the City is funding its retiree medical costs on a pay-as-you-go basis and will be exploring the pre-funding option.

### **Risk Management**

Monterey Park is self-insured for general liability and workers' compensation. The City has acquired excess coverage for both from the Independent Cities Risk Management Authority. To finance risk management, the City maintains internal service funds for general liability and workers' compensation insurances. The claims payable includes incurred-but-not-reported claims. The Human Resources and Risk Management Department, along with the City Safety Committee, 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.

### **Gann Spending Limitation**

Article XIII B of the California Constitution (Gann Initiative), 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 2008-09 appropriations limit was \$63.1 million and the City's actual appropriation subject to the limit was \$29.7 million.

### **Debt Administration**

The primarily objective of the City's debt administration is to maintain its accessibility to capital market at the lowest possible cost; i.e. interest cost, without endangering its ability to finance essential services. The City has been successful in obtaining financing for pension funding (Pension Obligation Bonds), redevelopment (tax allocation bonds), and various infrastructure improvements, including library expansion, water main replacement, and water treatment plants. For 2008-09, the City implemented GASB 45 and reflected the Other Post Employment Benefits Obligations in its long-term debt. Please refer to Note No. 8 of the Notes to Financial Statements for the City's outstanding debt.

## Cash Management

The City monitors its cash balance daily and invests temporarily idle funds in accordance with the Government Code and the City's Investment Policy. The City's investment and cash management is through pooling of various City funds to maximize interest income.

In accordance with the City's Investment Policy, the City Treasurer oversees the City's investment activities. Investment Committee, which consists of the City Treasurer, City Manager, Director of Management Services, and the Financial Services Manager, plans and develops investment strategies. The Management Services Department staff carries out the daily investment operations.

During 2008-09, the City invested funds in the State of California Local Agency Investment Fund and certificates of deposit. Interest earnings were approximately \$964,000 million for the City and \$534,000 million for the Community Redevelopment Agency. The average yield was 2.19% for the City and 2.16% for the Redevelopment Agency. At June 30, 2009, the City and the Community Redevelopment Agency investment balances were \$53 million and \$32 million, respectively. Please refer to Note No. 2 of the Notes to the Financial Statements.

## Awards and Acknowledgement

The Government Finance Officers Association of the United States and Canada awards a Certificate of Achievement for Excellence in Financial Reporting. The City of Monterey Park has been awarded the Certificate of Achievement by GFOA for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008. This was the 18<sup>th</sup> consecutive year the City received this award. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for the preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

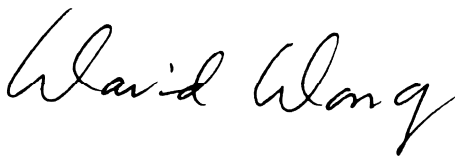
The Certificate of Achievement is valid for one year. We believe this annual report continues to conform to the Certificate of Achievement program requirements and we will submit the report for award consideration. In addition, the City's budget for fiscal year 2008-09 has received awards for excellence in budgeting from both the Government Finance Officers Association of the United States and Canada GFOA and California Society of Municipal Finance Officers Association.

Special thanks are extended to the efficient and dedicated staff of the Management Services Department who maintained the records and prepared this report. Appreciation is also extended to the City Council for their support and interest in the City's financial matters.

Respectfully submitted,



June Yotsuya  
City Manger



David Dong  
Director of Management Services

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Monterey Park  
California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2008

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



A handwritten signature in black ink, appearing to read "M. L. R. R.", written in a cursive style.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", written in a cursive style.

Executive Director



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Monterey Park  
California**

For the Fiscal Year Beginning

**July 1, 2008**

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **City of Monterey Park, CA** for its annual budget for the fiscal year beginning **July 1, 2008**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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

*California Society of Municipal Finance Officers*

Certificate of Award  
For

*Excellence in Operating Budgeting*

*Fiscal Year 2008-2009*

*The California Society of Municipal Finance Officers (CSMFO) proudly presents this certificate to*

**City of Monterey Park**

*For meeting the criteria established to achieve the EXCELLENCE AWARD in the OPERATING BUDGET CATEGORY.*

**February 17, 2009**



*Viki Copeland*

Viki Copeland  
CSMFO President

*Pamela Arends-King*

Pamela Arends-King, Chair  
Budgeting & Financial Reporting

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Monterey Park, California (City), as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Subsequent to the basic financial statements date of June 30, 2009 and the year then ended, the State of California (State) has borrowed and proposed taking funds from local governments including the City of Monterey Park. These actions by the State include:

- o 8% of Property Taxes borrowed -- to be repaid in 3 years
- o Redevelopment Agency funds -- prepared to be taken for fiscal year 2010

These above amounts are very significant to the local governments and may affect their ongoing operations. Certain lawsuits are in process to stop such State actions. For more detailed information, see Note 16 attached in the Notes to Basic Financial Statements.

In our opinion, the basic 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, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with generally accepted accounting principles in the United States.

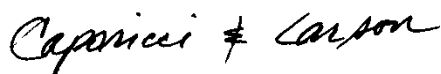
To the Honorable Mayor and Members of the City Council  
of the City of Monterey Park  
Monterey Park, California  
Page 2

As described in Note 1 to the basic financial statements, the City adopted Statement of Governmental Accounting Standards Board No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, No 49. *Accounting and Financial Reporting for Pollution Remediation Obligation*, No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* and No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statement on Auditing Standards*.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2009 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying Required Supplementary Information, such as Management's Discussion and Analysis, budgetary comparison information and other information, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Required Supplementary Information. However, we did not audit and express no opinion on the Required 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 accompanying Supplementary Information is presented for purpose of additional analysis and is not a required part of the basic financial statements. The Supplementary Information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Irvine, California  
November 13, 2009

# 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, 2009, the transmittal letter, and notes to the financial statements.

## Government-wide Financial Statements

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

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

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

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

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

## Fund Financial Statements

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

## Governmental Funds

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

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

The City maintains 22 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, Grants Special Revenue Fund, Debt Service Fund, and Capital Projects Fund, which are reported as major funds. Information for the other 18 governmental funds is combined into a single column under Non-major Special Revenue Governmental Funds. Data for the non-major governmental funds is provided in the combining statements in this report.

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

## Proprietary Funds

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

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

## Fiduciary Funds

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

## **Notes to the Financial Statements**

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

## **Required Supplementary Information**

The required supplementary information further explains and supports the information in the financial statements. This section includes the schedules of the City's funding to employee pension program and the budgetary comparison for the General Fund and Special Revenue Grants Fund.

## **Other Supplementary Information**

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

## **Financial Highlights**

The City's assets exceeded its liabilities at June 30, 2009, by \$87.6 million. In comparison with the prior year, net assets of governmental activities decreased by \$1.7 million and net assets of business-type activities increased by \$1.4 million.

At the fiscal year-end, the City's governmental funds reported a combined fund balance of \$85.3 million, up \$4.5 million from the prior year. Of this total, \$48.7 million represents unreserved fund balance and the remaining \$36.6 million represents reserved fund balance for specific purposes and commitments. The proprietary funds reported net assets at June 30, 2009 of \$31.7 million, up \$1.5 million during the year (see page 23 and 30).

The General Fund expenditures were on target for the fiscal year but the General Fund revenues were under budget by \$1.6 million. These variances, combined with fund transfers, have resulted in a decrease of \$1.3 million in fund balance. At June 30, 2009, total fund balance of the General Fund was \$17.1 million (see page 72).

## **Government-wide Financial Analysis**

Net assets serve as an indicator of a government's financial position over time. As of June 30, 2009, the City's combined net assets (governmental and business-type activities) totaled \$87.6 million, down \$276,000 over last year.

Net assets consist of three categories: invested in capital assets, restricted, and unrestricted. The largest portion of the City's net assets, approximately \$58.2 million, is the City's investment in capital assets including land, buildings, equipment, and infrastructure net of accumulated depreciation and related debt for acquiring these capital assets. Since the capital assets are used to provide services to citizens; therefore, they are not available to fund the City's day-to-day activities.

The City's restricted net assets totaled \$56.1 million at June 30, 2009. These are assets subject to external restrictions, constitutional provisions, or enabling legislation that limit how these assets may be used. The restricted assets include primarily community redevelopment funds and special revenue funds.

Unrestricted net assets are assets available for use by the City for any legal purpose. As of June 30, 2009, the City's total unrestricted net assets were a negative balance of \$26.8 million. The negative amount is a result of governments recognizing a liability, such as claims and judgments, compensated absences, other post employment benefits obligations, bonds, lease obligations, and loans, on the government-wide statement of net assets as soon as the obligation is incurred. As governments raise resources based on when liabilities are to be paid rather than when they are incurred, a negative balance in the unrestricted assets occurs. A deficit in unrestricted net assets provides a measure of how much the governments have already committed its future financial resources.

Net Assets  
Fiscal Years Ended June 30, 2009 and June 30, 2008  
(In thousands)

	Government Activities		Business-type Activities		Total	
	6/30/2009	6/30/2008	6/30/2009	6/30/2008	6/30/2009	6/30/2008
<b>Assets:</b>						
Current	\$ 82,938	\$ 83,078	\$ 10,484	\$ 6,930	\$ 93,422	\$ 90,008
Non Current						
Capital Assets	45,289	47,207	24,443	24,495	69,732	71,702
Other Assets	39,069	36,220			39,069	36,220
<b>Total Assets:</b>	<b>\$ 167,296</b>	<b>\$ 166,505</b>	<b>\$ 34,927</b>	<b>\$ 31,425</b>	<b>\$ 202,223</b>	<b>\$ 197,930</b>
<b>Liabilities:</b>						
Current	\$ 13,777	\$ 15,033	\$ 1,402	\$ 1,067	\$ 15,179	\$ 16,100
Long-Term	92,411	88,667	7,077	5,331	99,488	93,998
<b>Total liabilities:</b>	<b>\$ 106,188</b>	<b>\$ 103,700</b>	<b>\$ 8,479</b>	<b>\$ 6,398</b>	<b>\$ 114,667</b>	<b>\$ 110,098</b>
<b>Net Assets:</b>						
Invested in						
Capital, Net of						
Related Debt	\$ 40,864	\$ 42,189	\$ 17,371	\$ 19,228	\$ 58,235	\$ 61,417
Restricted	56,083	50,362			56,083	50,362
Unrestricted	(35,839)	(29,746)	9,077	5,799	(26,762)	(23,947)
<b>Total Net Assets</b>	<b>\$ 61,108</b>	<b>\$ 62,805</b>	<b>\$ 26,448</b>	<b>\$ 25,027</b>	<b>\$ 87,556</b>	<b>\$ 87,832</b>

Changes in Net Assets  
Fiscal Years Ended June 30, 2009 and June 30, 2008  
(In thousands)

	Government Activities		Business-type Activities		Total	
	6/30/2009	6/30/2008	6/30/2009	6/30/2008	6/30/2009	6/30/2008
Revenues:						
<u>Program Revenues:</u>						
Charges for Services	\$ 16,719	\$ 18,127	\$ 10,499	\$ 10,524	\$ 27,218	\$ 28,651
Operation Grants & Contributions	5,402	4,472	245		5,647	4,472
Capital Grants & Contributions	546	1,620	129	445	675	2,065
<u>General Revenues:</u>						
Taxes	39,383	39,351			39,383	39,351
Other	2,363	3,872	537	963	2,900	4,835
Total Revenues:	<u>64,413</u>	<u>67,442</u>	<u>11,410</u>	<u>11,932</u>	<u>75,823</u>	<u>79,374</u>
Expenses:						
General Government	3,879	4,338			3,879	4,338
Public Safety	28,782	25,260			28,782	25,260
Comm. Development	11,508	8,389			11,508	8,389
Culture & Recreation	7,412	6,915			7,412	6,915
Highway/Streets	5,813	5,184			5,813	5,184
Health	6,005	5,730			6,005	5,730
Debt Services	2,976	3,041			2,976	3,041
Water			9,724	9,549	9,724	9,549
Total Expenses:	<u>66,375</u>	<u>58,857</u>	<u>9,724</u>	<u>9,549</u>	<u>76,099</u>	<u>68,406</u>
Increase in Net Assets Before Transfers	(1,962)	8,585	1,686	2,383	(276)	10,968
Transfer In (Out)	265	262	(265)	(262)		
Increase in Net Assets	<u>(1,697)</u>	<u>8,847</u>	<u>1,421</u>	<u>2,121</u>	<u>(276)</u>	<u>10,968</u>
Net Assets – July 1	<u>62,805</u>	<u>53,958</u>	<u>25,027</u>	<u>22,906</u>	<u>87,832</u>	<u>76,864</u>
Net Assets – June30	<u>\$ 61,108</u>	<u>\$ 62,805</u>	<u>\$ 26,448</u>	<u>\$ 25,027</u>	<u>\$ 87,556</u>	<u>\$ 87,832</u>

### Governmental Activities Financial Analysis

Overall governmental activities decreased the City's net assets by \$1.7 million, due primarily to the economic downturn reflecting in the retail, real estate market, building activities, and investment income.

### 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. Unreserved fund balance may serve as a useful measure of the City's net resources available for appropriation.

As of June 30, 2009, the City's governmental funds reported a combined ending fund balance of \$85.3 million, an increase of \$4.5 million from the prior year. Of the total fund balance, \$36.6 million has been reserved for various commitments and therefore is not available for new spending or appropriation. The remaining \$48.7 million is the unreserved fund balance.

Of the unreserved balance, \$45.4 million has been designated for specific purposes per laws and City policies, redevelopment activities, debt service, unemployment claims, disasters, and capital improvement. The remaining \$3.3 is comprised of \$5.2 million of the General Fund unreserved and undesignated fund balance, which can be used for any legal purpose authorized by the City Council, and a negative \$1.9 million fund balance for the Grants and other non-major Special Revenue Funds. The deficit balance of the Grants Fund is due primarily to the City's revenue recognition policies under modified accrual accounting. The deficit will be eliminated as the City receives reimbursements from the granting agencies. As for the deficit balance in other Non-major Special Revenue Funds include Gas Tax, Park Facilities, and Public Safety Impact Fee Funds, which will be eliminated in next year when the City receives revenues from development projects or scales down the spending.

There are four major fund types in the governmental funds; they are General Fund, Special Revenue Grants Fund, Debt Service Fund, and Capital Projects Fund.

**General Fund** is the main operating fund of the City, which finances the majority of the police, fire, recreation, parks maintenance, public works, library, community development, and general administrative services. General Fund revenues for 2008-09 totaled \$31.7 million, decreasing of \$2.7 million over 2007-08. The decrease was primarily in building plan checks, sales tax, and investment income. General Fund expenditures for 2008-09 totaled \$32.4 million, up \$1.6 million from 2007-08.

As of June 30, 2009, the total fund balance of the General Fund was \$17.1 million. The unreserved undesignated portion of the fund balance was \$5.2 million.

**Special Revenue Grants Fund** reports the activities of various grants that the City received from the Federal, State, and County agencies. Unspent grant funds are accumulated for expenditures in the future years. Total grants received for governmental activities in 2008-09 were \$5.1 million, up \$841,524 from last year. Total 2008-09 grant funded expenditures were \$3.0 million, an increase of \$765,000 in community development and a decrease of \$553,000 in capital outlay. The primarily increase of expenditures was due to purchase of low and moderate property in using Federal Home Fund and the decrease was due to more street resurfacing projects completed in the previous fiscal year. Total fund balance of the Grants Fund as of June 30, 2009 was \$3.3 million.

**Debt Service Fund** reflects the tax allocation bonds issued by the Monterey Park Community Redevelopment Agency. Total debt service revenues, primarily incremental property tax revenues, for 2008-09 were \$8.3 million, up \$375,000 from the prior fiscal year. The tax incremental revenue shows minimum increase despite the downturn of real estate market. The expenditures for 2008-09 were \$7 million, up \$0.9 million from 2007-08. The increase in expenditures was a result of requirement in AB 1389 statutory pass through payments to various taxing agencies, plus increases in pass through payments to school districts based on assessed valuation growth. Revenues in excess of debt service expenditures were transferred to the Capital Projects Fund for redevelopment activities. The fund balance in the Debt Service Fund of \$2.6 million, which is the money held by the fiscal agents. (Please refer to Note #2 of the Notes to the Financial Statements.)

**Capital Projects Fund** accounts for the commercial and residential development activities of the Monterey Park Community Redevelopment Agency. Total revenues for 2008-09 were \$2.7 million, down a half million from last year. The decrease was due mainly from the investment income. Total expenditures for 2008-09 were \$3.3 million, up \$122,000 from 2007-08. Total fund balance of the Capital Projects Fund as of June 30, 2009 was \$48 million. The fund balance is earmarked for redevelopment activities.

Non-major Special Revenue Funds account for various activities including street improvement, transportation, pension, library services, sewer, refuse, and public safety. Total revenues for 2008-09 were \$17.7 million, down \$117,000 from 2007-08. Total expenditures for 2008-09 were \$18.7 million, an increase of \$1.1 million over 2007-08. As of June 30, 2009, the fund balance of the Non-major Special Revenue Funds totaled \$14.3 million.

#### Business-type Activities Financial Analysis

The business-type activities reflect the City's water system, which includes water operation and water treatment. Total 2008-09 water revenues were \$11.3 million, a decrease of \$205,000 from 2007-08. Total 2008-09 expenses were \$9.6 million, no significant change from previous year. New capital lease \$2.3 million was issued in 2008-09, resulting in an increase of assets and liabilities. Overall, the net assets for the Water Fund increased by \$1.4 million. (Please refer to the Supplementary Information for the water operation and water treatment activities.)

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

The originally adopted General Fund budget for this fiscal year was \$32.4 million. There were minor amendments of \$18,000 made by City Council during the year, for MOU adjustments and City membership with the California Contract Cities Association.

#### **Capital Asset Administration**

The City's capital assets, net of accumulated depreciation, for its governmental and business type activities as of June 30, 2009, totaled \$69.7 million, down \$2 million over the 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 Financial Statements.)

Capital Assets Net of Depreciation  
Fiscal Years Ended June 30, 2009  
and June 30, 2008  
(In thousands)

	Government Activities		Business-type Activities		Total	
	6/30/2009	6/30/2008	6/30/2009	6/30/2008	6/30/2009	6/30/2008
Land	\$ 6,182	\$ 6,182	\$ 500	\$ 500	\$ 6,682	\$ 6,682
Buildings	20,008	20,542	203	209	20,211	20,751
Improvements	7,174	6,909	23,148	21,394	30,322	28,303
Construction in Progress	366	344	295	1,967	661	2,311
Equipment	4,289	5,471	298	425	4,587	5,896
Infrastructure	7,270	7,759			7,270	7,759
	<u>\$ 45,289</u>	<u>\$ 47,207</u>	<u>\$ 24,444</u>	<u>\$ 24,495</u>	<u>\$ 69,733</u>	<u>\$ 71,702</u>

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

- Completed replacement of Police Department Computer Aided Dispatch, Records Management System and jail video system.
- Fire Station #1 expansion and door replacement.
- Continued water wells, water mains, and pumping station improvements according to the adopted water master plan.
- Remodeled Barnes Park pool, and Barnes Park gym.
- Remodeled Garvey Ranch Park's bathroom.
- Replaced City Hall water line and entrance door.
- Replaced various major equipment and vehicles.

**Debt Administration**

As of June 30, 2009, the City's debt totaled \$103.9 million, an increase of \$6.1 million during the fiscal year. This is due to increase of \$3.2 million in tax increment deferred loan, implementation of GASB 45 in recording Other Post Employment Benefits Obligations, and increases in claims, judgments, and compensated absences payable. (Please refer to the Note #8 of the Notes to the Financial Statements.)

**Outstanding Debt**  
**Fiscal Years ended June 30, 2009 and June 30, 2008**  
(In thousands)

	<u>Government Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>6/30/2009</u>	<u>6/30/2008</u>	<u>6/30/2009</u>	<u>6/30/2008</u>	<u>6/30/2009</u>	<u>6/30/2008</u>
Capital Leases	\$ 1,528	\$ 1,856	\$ 7,073	\$ 5,267	\$ 8,601	\$ 7,123
Tax Allocation Bonds	29,175	30,225			29,175	30,225
Pension Obligation Bonds	17,380	17,405			17,380	17,405
Compensated Absences	5,850	5,479	355	288	6,205	5,767
Tax Increment						
Deferred Loans	27,129	23,915			27,129	23,915
Section 108 Loan	5,283	5,518			5,283	5,518
Library Special Tax						
Revenue Note	2,897	3,162			2,897	3,162
Claims and Judgments	5,150	4,708			5,150	4,708
Other Post Employment						
Benefits	2,022		106		2,128	
	<u>\$ 96,414</u>	<u>\$ 92,268</u>	<u>\$ 7,534</u>	<u>\$ 5,555</u>	<u>\$ 103,948</u>	<u>\$ 97,823</u>

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 \$798 million.

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

- The City's assessed valuation is approximately \$5.3 billion, an increase of \$324.2 million or 6% from the year before.
- The adopted 2009-10 State Budget requires the City to lend an 8% of its property tax revenues, approximately \$1 million, to the State to help the State's budget shortfall. The State will repay this borrowing to us in three years. In addition, an approximately \$2.6 million redevelopment agency tax increment revenue will be taken away from Monterey Park to help balance the State budget deficit. While this transfer would not have immediate impact to the City, it is problematic for the City to finance its future economic development projects.
- The Monterey Park City Council has adopted a balanced budget for 2009-10. To overcome the financial challenges brought by the recession, the 2009-10 Budget has been focused on adjusting the City's expenditures to the current economic conditions and State budget impacts.
- In 2006, the City formed a Community Blue Ribbon Committee to develop solutions to close the pension gap. The City Council has incorporated several of the Committee's recommendations. The City will be continuously working on solutions to mitigate the future pension funding gap.
- City's Redevelopment Agency is working on the merger of the Atlantic/Garvey and Merged Project areas. The merger would enhance the overall financial capacity of the Agency.
- The Atlantic Time Square, which is a mixed-use commercial and residential development, is under construction. This project is scheduled for completion by early 2010 and will generate substantial tax revenues and job opportunities.
- The City will be adjusting its service fees including water, refuse, and sewer to cover the increase in costs.

## **Requests for Information**

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

## **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**City of Monterey Park**  
**Statement of Net Assets**  
**June 30, 2009**

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and investments	\$ 75,289,457	\$ 9,329,882	\$ 84,619,339
Cash and investment held by fiscal agent	2,501,139	-	2,501,139
Account receivable	4,891,731	1,410,017	6,301,748
Internal balance	256,083	(256,083)	-
Notes and loans receivable	10,163,283	-	10,163,283
Inventory	19,939	-	19,939
Deferred charges	1,029,241	-	1,029,241
Net pension asset	18,629,465	-	18,629,465
Land held for resale	9,227,089	-	9,227,089
Capital assets (net of accumulated depreciation):			
Land	6,182,052	499,975	6,682,027
Buildings	20,007,878	203,025	20,210,903
Improvements	7,173,631	23,148,082	30,321,713
Equipment	4,289,282	297,568	4,586,850
Infrastructure	7,269,599	-	7,269,599
Construction in progress	366,271	294,834	661,105
Total assets	<u>167,296,140</u>	<u>34,927,300</u>	<u>202,223,440</u>
<u>LIABILITIES</u>			
Accounts payable	3,483,942	548,749	4,032,691
Accrued payroll	1,419,508	28,073	1,447,581
Interest payable	672,409	-	672,409
Current bonds payable	1,605,000	-	1,605,000
Current loans and notes payable	525,434	-	525,434
Current compensated absences payable	584,983	35,524	620,507
Current claims and judgments payable	2,059,892	-	2,059,892
Current capital lease obligations	98,786	421,757	520,543
Deposits and advances	1,071,363	368,012	1,439,375
Due to other governmental agencies	771,443	-	771,443
Unearned revenue	1,484,486	-	1,484,486
Net pension obligation	871,400	-	871,400
Long-term bonds payable	44,950,000	-	44,950,000
Long-term loans and notes payable	7,654,137	-	7,654,137
Long-term tax deferred loans payable	27,129,219	-	27,129,219
Long-term compensated absences payable	5,264,848	319,717	5,584,565
Long-term claims and judgments payable	3,089,838	-	3,089,838
Long-term capital lease obligations	1,429,704	6,650,790	8,080,494
Other post-employment health benefits liability	2,021,800	106,200	2,128,000
Total liabilities	<u>106,188,192</u>	<u>8,478,822</u>	<u>114,667,014</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	40,863,652	17,370,937	58,234,589
Restricted for:			
Special community services	5,766,212	-	5,766,212
Public safety	122,095	-	122,095
Capital projects	48,047,349	-	48,047,349
Debt service	2,147,526	-	2,147,526
Unrestricted (deficits)	(35,838,886)	9,077,541	(26,761,345)
Total net assets	<u>\$ 61,107,948</u>	<u>\$ 26,448,478</u>	<u>\$ 87,556,426</u>

See accompanying Notes to Basic Financial Statements.

**City of Monterey Park**  
**Statements of Activities and Changes in Net Assets**  
**For the Year Ended June 30, 2009**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	\$ 3,879,270	\$ 766,402	\$ -	\$ -
Public safety	28,781,812	5,058,340	370,414	-
Community development	11,507,775	2,410,056	2,502,985	-
Culture and recreation	7,411,985	818,438	499,498	-
Highway and streets	5,812,714	1,421,473	2,012,440	546,077
Health	6,005,109	6,243,753	16,923	-
Interest and fiscal charges	2,975,762	-	-	-
Total governmental activities	66,374,427	16,718,462	5,402,260	546,077
<b>Business-type activities:</b>				
Water	9,724,233	10,498,868	244,968	129,089
Total	\$ 76,098,660	\$ 27,217,330	\$ 5,647,228	\$ 675,166

**General Revenues:**

**Taxes:**

- Property taxes
- Sales taxes
- Vehicle in-lieu taxes (Unrestricted, intergovernmental)
- Utility user taxes
- Franchise taxes
- Business license taxes
- Transient occupancy taxes
- Other taxes

Revenues from use of money and property

Gain(Loss) on sale/deletion of property

Other

Transfers

Total general revenues and transfers

Changes in net assets

Net assets - beginning of year

Net assets - end of year

Net (Expense) Revenue and  
Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (3,112,868)	\$ -	\$ (3,112,868)
(23,353,058)	-	(23,353,058)
(6,594,734)	-	(6,594,734)
(6,094,049)	-	(6,094,049)
(1,832,724)	-	(1,832,724)
255,567	-	255,567
(2,975,762)	-	(2,975,762)
(43,707,628)	-	(43,707,628)
-	1,148,692	1,148,692
(43,707,628)	1,148,692	(42,558,936)
26,741,260	-	26,741,260
4,546,028	-	4,546,028
185,693	-	185,693
3,516,748	-	3,516,748
1,087,602	-	1,087,602
963,068	-	963,068
785,331	-	785,331
1,557,516	-	1,557,516
2,145,238	-	2,145,238
(3,346)	-	(3,346)
219,979	537,971	757,950
265,000	(265,000)	-
42,010,117	272,971	42,283,088
(1,697,511)	1,421,663	(275,848)
62,805,459	25,026,815	87,832,274
\$ 61,107,948	\$ 26,448,478	\$ 87,556,426

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**FUND FINANCIAL STATEMENTS**

**CITY OF MONTEREY PARK**  
**Balance Sheet - Governmental Funds**  
**June 30, 2009**  
**(with comparative totals for June 30, 2008)**

	Major Funds			
	General	Special Revenue Grants	Debt Service	Capital Projects
<u>Assets</u>				
Cash and investments	\$ 17,194,127	\$ 3,265,584		\$ 31,189,299
Cash and investments held by fiscal agents			\$ 2,497,115	
Accounts receivable	1,813,685	1,358,602	373,352	187,919
Due from other funds	574,053			
Notes receivable	211,359	2,693,753		9,525,029
Land held for resale				9,227,089
Advances to other funds	1,429,902			
<b>Total Assets</b>	<b>\$ 21,223,126</b>	<b>\$ 7,317,939</b>	<b>\$ 2,870,467</b>	<b>\$ 50,129,336</b>
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Accounts payable	\$ 1,118,994	\$ 795,714	\$ 263,376	\$ 381,976
Accrued payroll	1,328,914	7,353		4,842
Deposits and advances	1,071,363			
Due to other funds		447,937		
Due to other governmental agencies		771,443		
Deferred revenue	604,281	2,015,411		1,224,752
Advances from other funds				470,417
<b>Total Liabilities</b>	<b>4,123,552</b>	<b>4,037,858</b>	<b>263,376</b>	<b>2,081,987</b>
Fund Balance:				
Reserved				
Encumbrances	157,662	4,694,281		1,224,838
Land held for resale				9,227,089
Long Term Receivable				8,188,284
Contractual obligation				3,354,156
Housing set-aside commitment				7,858,886
Unreserved, designated reported in:				
General fund	11,695,000			
Debt service fund			2,607,091	
Capital projects fund				18,194,096
Special revenue funds				
Unreserved, undesignated reported in:				
General fund	5,246,912			
Special revenue funds (deficits)		(1,414,200)		
<b>Total Fund Balance</b>	<b>17,099,574</b>	<b>3,280,081</b>	<b>2,607,091</b>	<b>48,047,349</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 21,223,126</b>	<b>\$ 7,317,939</b>	<b>\$ 2,870,467</b>	<b>\$ 50,129,336</b>

See Accompanying Notes to Basic Financial Statements.

Nonmajor Special Revenue Funds	Total Governmental Funds	
	2009	2008
\$ 15,190,276	\$ 66,839,286	\$ 66,044,727
4,024	2,501,139	2,554,107
1,035,070	4,768,628	6,328,552
	574,053	2,459,740
	12,430,141	10,440,222
	9,227,089	8,523,237
245,515	1,675,417	3,280,578
<u>\$ 16,474,885</u>	<u>\$ 98,015,753</u>	<u>\$ 99,631,163</u>
\$ 800,113	\$ 3,360,173	\$ 2,560,166
70,902	1,412,011	1,332,980
	1,071,363	885,457
126,116	574,053	2,459,740
	771,443	1,285,893
	3,844,444	7,016,900
1,205,000	1,675,417	3,280,578
<u>2,202,131</u>	<u>12,708,904</u>	<u>18,821,714</u>
1,873,470	7,950,251	5,772,137
	9,227,089	8,523,237
	8,188,284	6,076,634
	3,354,156	5,577,800
	7,858,886	7,284,998
	-	-
	11,695,000	11,545,000
	2,607,091	3,113,861
	18,194,096	15,499,432
12,913,552	12,913,552	13,350,337
	5,246,912	6,697,819
(514,268)	(1,928,468)	(2,631,806)
<u>14,272,754</u>	<u>85,306,849</u>	<u>80,809,449</u>
<u>\$ 16,474,885</u>	<u>\$ 98,015,753</u>	<u>\$ 99,631,163</u>

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**CITY OF MONTEREY PARK**  
**Reconciliation of the Statement of Net Assets**  
**of Government Activities**  
**For the Year Ended June 30, 2009**

Total fund balance of governmental funds in fund statements	\$ 85,306,849
Internal service funds are used by management to charge the costs of separation benefits, workers' compensation, vehicle, technology and general liability to individual funds. The assets and liabilities of internal service funds are reported with governmental activities in the statement of net assets. Total net assets is \$5,044,954 plus the portion of the current year change in net assets allocated to Business-Type activities of \$256,083.	5,301,037
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. (Total gov't assets of \$45,288,713 less ISF of \$1,896,019 which has already been accounted in the reconciliation of Internal Service Funds elimination).	43,392,694
Long term liabilities \$96,413,641 are not due and payable in the current period and therefore are not reported in the funds, net of \$5,189,909 included in reconciliation of internal service funds	(91,223,732)
Interest on long term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(672,409)
Deferred Charges related to issuance of long term debt are recorded as expenditures in governmental fund statements	1,029,241
Net pension asset is not available to pay for current period expenditures and therefore is not recorded in the governmental funds.	18,629,465
Net pension obligation is not due and payable in the current period and therefore is not reported in the governmental funds	(871,400)
Revenue earned but unavailable is recorded as deferred revenue in governmental fund statements	216,203
Net assets of governmental activities	\$ 61,107,948

**CITY OF MONTEREY PARK**  
**Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Governmental Funds**  
**Year Ended June 30, 2009**  
**(with comparative totals for Year Ended June 30, 2008)**

	Major Funds			
	General	Special Revenue Grants	Debt Service	Capital Projects
Revenues:				
Taxes	\$ 21,671,925		\$ 8,172,468	\$ 2,043,117
Licenses and permits	2,797,953			
Intergovernmental revenues		\$ 5,036,290		
Charges for services	4,527,997	6,039		
Revenues from use of money and property	1,296,604	14,113	79,136	624,584
Fines and forfeitures	1,169,662			
Other	216,101			12,715
<b>Total Revenues</b>	<b>31,680,242</b>	<b>5,056,442</b>	<b>8,251,604</b>	<b>2,680,416</b>
Expenditures:				
Current:				
General government	2,994,218		133,659	
Public safety	21,378,507	187,557		
Community development	2,010,019	1,374,540	4,410,621	
Culture and recreation	4,918,951	300,639		
Highways and streets	993,347	16,323		
Health				
Capital outlay	98,687	464,496		3,266,150
Debt service:				
Principal retirement		329,522	1,050,000	
Interest and fiscal charges		336,532	1,403,563	
<b>Total Expenditures</b>	<b>32,393,729</b>	<b>3,009,609</b>	<b>6,997,843</b>	<b>3,266,150</b>
Excess (Deficiency) of Revenues Over Expenditures	(713,487)	2,046,833	1,253,761	(585,734)
Other Financing Sources (Uses):				
Transfers in	445,279			4,974,663
Transfers out	(1,082,000)	(101,834)	(4,974,663)	
Proceeds from sale of property				
Issuance of tax increment deferred loan			3,214,132	
<b>Total Other Financing Sources (Uses)</b>	<b>(636,721)</b>	<b>(101,834)</b>	<b>(1,760,531)</b>	<b>4,974,663</b>
Net Change in Fund Balances	(1,350,208)	1,944,999	(506,770)	4,388,929
Fund Balances, Beginning of Year	18,449,782	1,335,082	3,113,861	43,658,420
Fund Balances, End of Year	<u>\$ 17,099,574</u>	<u>\$ 3,280,081</u>	<u>\$ 2,607,091</u>	<u>\$ 48,047,349</u>

See Accompanying Notes to Basic Financial Statements.

Nonmajor Special Revenue Funds	Total Governmental Funds	
	2009	2008
\$ 8,429,376	\$ 40,316,886	\$ 40,432,674
	2,797,953	2,929,898
	5,036,290	4,185,040
8,591,435	13,125,471	13,878,802
122,620	2,137,057	3,540,095
517,656	1,687,318	2,347,916
76,169	304,985	332,155
<u>17,737,256</u>	<u>65,405,960</u>	<u>67,646,580</u>
457,156	3,585,033	3,543,528
4,307,271	25,873,335	24,843,834
290,438	8,085,618	5,990,947
932,038	6,151,628	5,953,354
3,678,464	4,688,134	4,602,434
6,026,191	6,026,191	5,749,284
1,556,148	5,385,481	5,189,775
297,894	1,677,416	1,753,079
1,176,106	2,916,201	2,979,373
<u>18,721,706</u>	<u>64,389,037</u>	<u>60,605,608</u>
(984,450)	1,016,923	7,040,972
1,082,000	6,501,942	5,801,280
(78,445)	(6,236,942)	(6,039,280)
1,345	1,345	1,337
	3,214,132	2,995,608
<u>1,004,900</u>	<u>3,480,477</u>	<u>2,758,945</u>
20,450	4,497,400	9,799,917
<u>14,252,304</u>	<u>80,809,449</u>	<u>71,009,532</u>
<u>\$ 14,272,754</u>	<u>\$ 85,306,849</u>	<u>\$ 80,809,449</u>

**CITY OF MONTEREY PARK**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2009**

Amount reported for governmental activities in the statement of activities are different because:

Net change in fund balance - total governmental funds	\$ 4,497,400
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 revenue of certain activities of internal service fund \$59,047 is reported with governmental activities. This amount includes \$86,803 charged to the Water Enterprise fund.	59,047
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. This is the amount by which depreciation expense of \$2,713,139 exceed capital assets \$1,294,318.	(1,418,821)
In the Fund Statements, debt issuances in the amount of \$3,214,132 were recorded as Other Financing Sources. Also principal debt repayment of \$1,677,417 was recorded as an expenditure. as an expenditure. However, these transactions are not recorded in the Statement of Activities. Instead, these transactions are recorded as long-term debt payable in the Statement of Net Assets.	(1,536,716)
Amortization of Bond Issuance Costs, Bond Discounts, and Reacquisition Cost in excess of the Carrying Value of the refunded Bonds is not recorded in governmental fund statements.	(75,968)
Change in net pension asset reported in the statements of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds	278,608
Net pension obligation is not due and payable in the current period and therefore is not reported in the governmental funds	(137,300)
Changes in Compensated absences which are not recognized due to timing issues in the Governmental Funds are charged to expenses in the Statement of Activities.	(362,979)
OPEB obligation costs did not require current resources, so it was not reported in the governmental funds.	(2,021,800)
Interest on long term liabilities are not due and payable in the current period and therefore are not reported in the funds.	16,407
Deferred revenue not recognized in revenue in governmental fund statements because the revenue was not available within close of fiscal year	(990,698)
Loss on deletion of capital assets are not reported in the fund's statement	(4,691)
Change in net assets of governmental activities	<u><u>\$ (1,697,511)</u></u>

See Accompanying Notes to Basic Financial Statements.

**PROPRIETARY FUND FINANCIAL STATEMENTS**

**CITY OF MONTEREY PARK**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2009**  
**(with comparative totals for June 30, 2008)**

	Enterprise	Internal	Total Proprietary Funds	
	(Water Utility)	Service	2009	2008
<u>Assets</u>				
Current Assets:				
Cash and investments	\$ 9,329,882	\$ 8,450,171	\$ 17,780,053	\$ 13,339,568
Accounts receivable	1,410,017		1,410,017	1,614,435
Inventory		19,939	19,939	14,796
Total Current Assets	10,739,899	8,470,110	19,210,009	14,968,799
Noncurrent Assets:				
Capital assets, net of accumulated depreciation	24,443,484	1,896,019	26,339,503	26,885,335
Total Assets	\$ 35,183,383	\$ 10,366,129	\$ 45,549,512	\$ 41,854,134
<u>Liabilities and Net Assets</u>				
Current Liabilities:				
Accounts payable	\$ 548,749	\$ 123,769	\$ 672,518	\$ 678,105
Accrued payroll	28,073	7,497	35,570	24,232
Claims and judgments payable-current		2,059,892	2,059,892	1,883,096
Current capital lease obligations	421,757		421,757	419,940
Current compensated absences payable	35,524		35,524	28,805
Deposits and advances	368,012		368,012	362,577
Total Current Liabilities	1,402,115	2,191,158	3,593,273	3,396,755
Noncurrent Liabilities:				
Long-term claims and judgments payable		3,089,838	3,089,838	2,824,645
Long-term capital lease obligations	6,650,790		6,650,790	5,072,528
OPEB obligations payable	106,200		106,200	
Compensated absences payable	319,717	40,179	359,896	291,401
Total Noncurrent Liabilities	7,076,707	3,130,017	10,206,724	8,188,574
Total Liabilities	8,478,822	5,321,175	13,799,997	11,585,329
Net Assets:				
Invested in capital assets, net of related debt	17,370,937	1,896,019	19,266,956	21,392,867
Unrestricted	9,333,624	3,148,935	12,482,559	8,875,938
Total Net Assets	26,704,561	\$ 5,044,954	\$ 31,749,515	\$ 30,268,805
Adjustment to reflect the consolidation of internal service funds activities to related enterprise fund	(256,083)			
Net Assets of Business-type Activities	\$ 26,448,478			

See Accompanying Notes to Basic Financial Statements.

**CITY OF MONTEREY PARK**  
**Statement of Revenues, Expenses and Changes in**  
**Net Assets - Proprietary Funds**  
**Year Ended June 30, 2009**  
**(with comparative total for Year Ended June 30, 2008)**

	Enterprise	Internal	Total Proprietary Funds	
	(Water Utility)	Service	2009	2008
Operating Revenues:				
Charges for services	\$ 10,361,710	\$ 5,487,428	\$ 15,849,138	\$ 12,658,671
Meter installations	137,158		137,158	408,046
Grants	244,968		244,968	
Treatment surcharge	-		-	2,492,209
Other revenue	537,971	58,112	596,083	1,359,461
<b>Total Operating Revenues</b>	<b>11,281,807</b>	<b>5,545,540</b>	<b>16,827,347</b>	<b>16,918,387</b>
Operating Expenses:				
Water purchased	81,225		81,225	172,379
Administration - water	2,685,377		2,685,377	2,412,380
Commercial - water	711,983		711,983	693,955
Production - water	1,647,125		1,647,125	1,642,635
Distribution - water	1,196,403		1,196,403	1,052,266
Treatment plant	2,209,497		2,209,497	2,581,498
Depreciation	1,105,820	823,977	1,929,797	1,783,824
Vehicle expense		5,094	5,094	35,770
Salaries and benefits		1,294,332	1,294,332	1,896,426
Materials and supplies		754,889	754,889	745,010
Insurance and claims		2,444,390	2,444,390	1,614,050
Miscellaneous		227,727	227,727	234,557
<b>Total Operating Expenses</b>	<b>9,637,430</b>	<b>5,550,409</b>	<b>15,187,839</b>	<b>14,864,750</b>
Operating Income (Loss)	1,644,377	(4,869)	1,639,508	2,053,637
Nonoperating Income:				
Gain (loss) on sale of surplus property		(22,887)	(22,887)	(44,296)
<b>Total Nonoperating Income (Loss)</b>	<b>-</b>	<b>(22,887)</b>	<b>(22,887)</b>	<b>(44,296)</b>
<b>Net Income (Loss) Before Transfers and Capital Contributions</b>	<b>1,644,377</b>	<b>(27,756)</b>	<b>1,616,621</b>	<b>2,009,341</b>
Capital contributions	129,089		129,089	444,903
Transfers in			-	500,000
Transfers out	(265,000)		(265,000)	(262,000)
<b>Total Transfers and Capital Contribution</b>	<b>(135,911)</b>	<b>-</b>	<b>(135,911)</b>	<b>682,903</b>
<b>Changes in Net Assets</b>	<b>1,508,466</b>	<b>(27,756)</b>	<b>1,480,710</b>	<b>2,692,244</b>
Net Assets, Beginning of Year	25,196,095	5,072,710	30,268,805	27,576,561
Net Assets, End of Year	\$ 26,704,561	\$ 5,044,954	\$ 31,749,515	\$ 30,268,805
Changes in Net Assets	1,508,466			
Adjustment to reflect the consolidation of internal service fund activities to related enterprise fund	(86,803)			
<b>Changes in Net Assets of Business-type Activities</b>	<b>\$ 1,421,663</b>			

See Accompanying Notes to Basic Financial Statements.

**CITY OF MONTEREY PARK**  
**Statement of Cash Flows -**  
**Proprietary Funds**  
**Year Ended June 30, 2009**  
**(with comparative total for Year Ended June 30, 2008)**

	Enterprise (Water Utility)	Internal Service	Total Proprietary Funds	
			2009	2008
Cash Flows from Operating Activities:				
Cash receipts from customers	\$ 11,486,225		\$ 11,486,225	\$ 11,625,570
Cash payments to suppliers for goods and services	(5,368,847)	\$ (1,112,212)	(6,481,059)	(7,424,816)
Cash payments for insurance premiums and self-insurance claims		(1,976,179)	(1,976,179)	(1,931,460)
Cash payments to employees for services	(2,888,508)	(1,282,851)	(4,171,359)	(4,507,775)
Other operating cash receipts				
Cash receipts from interfund services provided		5,545,540	5,545,540	5,448,626
Net Cash Provided by Operating Activities	<u>3,228,870</u>	<u>1,174,298</u>	<u>4,403,168</u>	<u>3,210,145</u>
Cash Flows from Noncapital Financing Activities:				
Transfers in from other funds				500,000
Transfers out to other funds	(265,000)		(265,000)	(262,000)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(265,000)</u>		<u>(265,000)</u>	<u>238,000</u>
Cash Flows from Capital and Related Financing Activities:				
Capital contributions	129,089		129,089	444,903
Acquisition and construction of capital assets	1,246,043	(354,173)	891,870	(1,489,580)
Proceeds from sale of surplus assets		1,930		
Principal paid on lease financing	(494,718)	(225,854)	(720,572)	(484,032)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>880,414</u>	<u>(578,097)</u>	<u>300,387</u>	<u>(553,572)</u>
Net Increase in Cash and Cash Equivalents	3,844,284	596,201	4,440,485	2,894,573
Cash and Cash Equivalents, Beginning of Year	<u>5,485,598</u>	<u>7,853,970</u>	<u>13,339,568</u>	<u>10,444,995</u>
Cash and Cash Equivalents, End of Year	<u>\$ 9,329,882</u>	<u>\$ 8,450,171</u>	<u>\$ 17,780,053</u>	<u>\$ 13,339,568</u>
Noncash investing, capital and financing activities:				
Proceeds from lease financing	<u>\$ 2,300,651</u>	<u>\$ -</u>	<u>\$ 2,300,651</u>	<u>\$ -</u>

See Accompanying Notes to Basic Financial Statements.

(Continued)

**CITY OF MONTEREY PARK**  
**Statement of Cash Flows -**  
**Proprietary Funds (Continued)**  
**Year Ended June 30, 2009**  
**(with comparative total for Year Ended June 30, 2008)**

	Enterprise (Water Utility)	Internal Service	Total Proprietary Funds	
			2009	2008
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating income	\$ 1,644,377	\$ (4,869)	\$ 1,639,508	\$ 2,053,637
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	1,105,820	823,977	1,929,797	1,783,822
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	204,419		204,419	155,809
(Increase) Decrease in inventory		(5,143)	(5,143)	102
Increase (decrease) in accounts payable	87,550	(93,137)	(5,587)	(551,900)
Increase in accrued payroll	7,886	3,451	11,337	24,233
Increase (decrease) in claims and judgments payable		441,988	441,988	(231,580)
Increase (decrease) in compensated absences payable	67,183	8,031	75,214	(30,878)
Increase in OPEB obligations payable	106,200		106,200	
Increase in deposits	5,435		5,435	6,900
Total Adjustments	1,584,493	1,179,167	2,763,660	1,156,508
Net Cash Provided by Operating Activities	\$ 3,228,870	\$ 1,174,298	\$ 4,403,168	\$ 3,210,145

See Accompanying Notes to Basic Financial Statements.

**CITY OF MONTEREY PARK**  
**Statement of Assets and Liabilities**  
**All Agency Funds**  
**June 30, 2009**  
**(with comparative data for June 30, 2008)**

	June 30, 2009	June 30, 2008
Assets:		
Cash and investments	\$ 2,403,179	\$ 2,655,506
Liabilities:		
Accounts payable	\$ 56,842	\$ 207,970
Deposits payable	2,346,337	2,447,536
Total Liabilities	\$ 2,403,179	\$ 2,655,506

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements**  
**June 30, 2009**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*(a) Description of Reporting Entity*

The City of Monterey Park (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, the financial statements of the City of Monterey Park include the financial activities of the City (the primary government), the Monterey Park Redevelopment Agency, 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 Community Redevelopment Agency*

The Community Redevelopment Agency of the City of Monterey Park (Agency) was formed in 1969 under provisions of the California Community Redevelopment Law. The primary purpose of the Agency is to encourage private redevelopment of property and to rehabilitate areas suffering from economic disuse. The Agency has two redevelopment project areas encompassing approximately 918 acres. The members of the City Council act as the governing body of the Agency. The Agency's financial data and activity are reported within the debt service and capital projects fund types. Separate financial statements of the Agency can be obtained at City Hall.

*The Monterey Park Public Financing Authority*

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

*The Monterey Park Housing Authority*

The Monterey Park Housing Authority 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 Monterey Park 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 assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements and eliminations have been made to minimize the double counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers tax revenues to be available if they are collected within 60 days of the end of the current fiscal year and other revenues when collected within one year of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. 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, highway user taxes, state gas tax subventions, franchise fees, transient occupancy tax, charges for services, and interest associated with the current fiscal period and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

The City reports the following major governmental funds:

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

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

The Debt Service Fund was established to account for the accumulation of resources for, and the payment of debt principal, interest and related costs of the Community Redevelopment Agency.

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

The Capital Projects Fund was established to account for financial resources segregated for the acquisition of and rehabilitation of capital facilities within the redevelopment project areas.

The City reports the following major proprietary funds:

The 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.

Additionally, the City reports the following fund types:

*Nonmajor Governmental Funds:*

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

*Proprietary Fund (Internal Service Funds):*

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

*Fiduciary Funds:*

The Agency Funds are used to account for money and property held by the City as trustee or custodian.

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

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

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

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

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

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

**(d) Property Taxes**

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

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

**(e) Budgetary Control and Accounting**

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

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

Appropriated amounts are as originally adopted or as adjusted by the City Council throughout the year. During 2008-09, the council made several supplemental budgetary appropriations, including a \$280,774 increase in the Grants Special Revenue Fund related to various grants received during the year, such as Police, Fire, Education, Library, and Parks Grants, and \$17,813 increase in the General Fund, such as MOU adjustments and City membership with the California Contract Cities Association.

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

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

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

Under Article XIII-B of the California Constitution (The Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations, and if certain proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or refunded to the taxpayers through revised tax rate or revised fee schedules. For the fiscal year ended June 30, 2009, based on calculations by City Management, proceeds of taxes did not exceed the appropriations limit.

**(f) *Cash and Cash Equivalents***

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

**(g) *Investments***

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

**(h) *Inventories***

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

**(i) *Capital Assets***

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

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

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

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

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

**(j) *Land Held for Resale***

Cost of land held for resale is capitalized in the Capital Projects Fund at acquisition cost.

**(k) *Compensated Absences***

Compensated absences are accounted for in accordance with GASB Cod. Section C60. 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.

**(l) *Capitalization of Leases***

Capitalizable leases have been treated in accordance with the Financial Accounting Standards Board Statement No. 13, "Accounting for Leases."

**(m) *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, 2009 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).

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

**(n) Other Post-employment Benefits**

In addition to the pension benefits, the City provides postretirement medical insurance benefits (Note 11), in accordance with contractual provisions of the various Memoranda of Understanding with the City's recognized employee organizations, to all vested employees who retire from the City. Currently, 209 retirees meet those eligibility requirements. The City contributes between \$340 and \$875 per month toward medical insurance coverage for retirees. For those retirees who are eligible for Medicare, the City contributes toward Medicare supplemental insurance coverage. Upon retirement, vested full-time employees may, at their own cost, convert group life insurance coverage to individual life insurance coverage.

Expenditures for postretirement medical insurance benefits are recognized as annual premiums and are paid on a pay-as-you-go basis. During the year, expenditures of \$1,108,000 were recognized for postretirement medical insurance. Increases over the prior year expenditure of \$52,343 were attributable increased monthly contributions for retirees.

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

**(o) Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

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

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

Columns in the accompanying basic and fund financial statements for year ended June 30, 2008 are not necessary for a fair presentation of the financial statements in accordance with generally accepted accounting principles but are presented as additional analytical data. Such data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of these totals.

**2. CASH AND INVESTMENTS**

Cash and investments at June 30, 2009 are classified in the accompanying financial statements as follows:

<b>Statement of Net Assets:</b>	
Cash and investments	\$ 84,619,339
Cash and investments held by fiscal agent	2,501,139
<b>Fiduciary Funds:</b>	
Cash and investments	2,403,179
Total	\$ 89,523,657

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

Cash and investments at June 30, 2009 consist of the following:

Cash on hand	\$	4,850
Demand deposits with financial institutions		1,563,448
Certificates of deposit with financial institutions		1,200,000
Investments		86,755,359
Total	\$	89,523,657

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

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

***Deposits***

At June 30, 2009, the carrying amount of the City's demand deposits was \$1,563,448 and the bank balance was \$1,860,329. The \$296,881 difference represents outstanding checks, deposits in transit, and other reconciling items.

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

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

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

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

<sup>(2)</sup> Not to exceed \$250,000 with any one issuer with maturity on or before 12/31/2013. Starting 1/1/2014, the FDIC insurance will return to \$100,000.

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

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

In addition to the investment types listed above, the City may also invest appropriate funds in money market funds and mutual funds 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. Investments in U. S. government securities are not considered to have credit risk and, therefore, their credit quality is not disclosed. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

***Concentration of Credit Risk***

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

***Custodial Credit Risk***

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City's investment policy contains the following policy requirements that would limit the exposure to custodial credit risk for deposits: The City's investment policy limits investments in Certificates of Deposits to those insured up to \$250,000 by an instrumentality of the federal government. Starting 1/1/2014, the FDIC insurance will return to \$100,000.

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 Certificate of 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.

***Disclosures Relating to Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of year-end, the average life-month end maturity of the investments contained in the LAIF investment pool is approximately 235 days.

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

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

<u>Investment</u>	<u>Credit Rating</u>	<u>Fair Value June 30, 2009</u>	<u>Maturity - 12 Months or Less</u>
Certificates of Deposit	N/A*	\$ 1,200,000	\$ 1,200,000
LAIF	N/A*	84,254,220	84,254,220
Total Treasury Investments		85,454,220	85,454,220
Investments Held by Fiscal Agents:			
LAIF	N/A*	1,718,995	1,718,995
Money Market Fund	N/A*	782,144	782,144
Total Investments Held by Fiscal Agents		2,501,139	2,501,139
Total Investments		\$ 87,955,359	\$ 87,955,359

\* There is no rating for the Investments in Local Agency Investment Fund and Money Market Fund.

***Investment in State Investment Pool***

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

The City's investments with LAIF at June 30, 2009, 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, 2009, the City had \$84,254,220 invested in LAIF, which had invested 14.71% of the pool investment funds in Structured Notes and Asset-Backed Securities. The LAIF fair value factor of 1.001304743 was used to calculate the fair value of the investments in LAIF.

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

**3. RECEIVABLES**

Receivables of the City as of June 30, 2009 were:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Accounts Receivables:</b>			
Interest	\$ 318,408		\$ 318,408
Property taxes	879,878		879,878
Sales taxes	444,700		444,700
Utility taxes	288,410		288,410
Water sales		\$ 1,410,017	1,410,017
Subvention and grants	1,589,060		1,589,060
Others	1,371,275		1,371,275
	<u>4,891,731</u>	<u>1,410,017</u>	<u>6,301,748</u>
Total Accounts Receivable	<u>\$ 4,891,731</u>	<u>\$ 1,410,017</u>	<u>\$ 6,301,748</u>
<b>Notes Receivable:</b>			
Rental Rehabilitation (CRA)	\$ 19,973		\$ 19,973
Residential Rehabilitation (CDBG) (See Note 9)	48,015		48,015
SERA Program (See Note 9)	185,300		185,300
Camino Real Loan	226,634		226,634
Pacific Housing Loan (See Note 9)	197,295		197,295
Pacific Bridge Loan (See Note 9)	340,833		340,833
First-Time Homebuyers	255,919		255,919
Critical Maintenance (CRA)	68,657		68,657
Critical Maintenance (Grants)	72,752		72,752
Abajo del Sol Loan	1,849,558		1,849,558
Monterey Park Senior Village Loan	211,359		211,359
Atlantic Times Square Mezzanine Loan	6,694,413		6,694,413
Bridge Loan	2,259,434		2,259,434
	<u>12,430,142</u>		<u>12,430,142</u>
Subtotal	<u>12,430,142</u>		<u>12,430,142</u>
Less Allowance for Uncollectible Notes	<u>(2,266,859)</u>		<u>(2,266,859)</u>
	<u>\$ 10,163,283</u>	<u>\$ -</u>	<u>\$ 10,163,283</u>
Total Notes Receivable	<u>\$ 10,163,283</u>	<u>\$ -</u>	<u>\$ 10,163,283</u>
Total Receivables	<u>\$ 15,055,014</u>	<u>\$ 1,410,017</u>	<u>\$ 16,465,031</u>

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

*Following is the detail of Notes Receivable:*

- A. The City has implemented a Rental Rehabilitation Program to assist owners of multi-unit rental properties with the rehabilitation of the premises for use by low/moderate income families through loans. The loans bears no interest during the term, and ten percent (10%) of the original loan amount will be forgiven by the City on each anniversary date on which the City deemed the rehabilitation improvements completed. The outstanding balance of loans made through the Rental Rehabilitation Loan Program at June 30, 2009 is \$19,973 and has been recorded as notes receivable in the Community Redevelopment Agency Capital Projects Fund. The amount is offset with deferred revenue in the fund level financial statements and as an allowance for uncollectible notes in the government-wide statements.
- B. The City provided low interest financing for the rehabilitation of residential sites within the City through the Community Development Block Grant program. The amount of outstanding loan balances at June 30, 2009 is \$48,015 and has been recorded as notes receivable in the Grants Special Revenue Fund.
- C. The City participated in the State Earthquake Rehabilitation Assistance (SERA) program to assist residents with the application and loan processes for residential repairs and rehabilitation following the October 1987 Whittier-Narrows earthquake. The outstanding balance of loans placed through the program is \$185,300 at June 30, 2009 and has been recorded as notes receivable in the Grants Special Revenue Fund.
- D. On April 19, 1993, the Monterey Park Community Redevelopment Agency and Camino Real Chevrolet entered into a development assistance agreement. This agreement was extended in September 2002. Under the Agreement, the Monterey Park Community Redevelopment Agency provided a ten-year loan in the amount of \$1,450,000 bearing interest at the rate based on the performance of Camino Real Chevrolet's sales tax per annum until paid. Principal and interest payments are due in monthly installments. The amount of outstanding loan balance at June 30, 2009 is \$226,634 and has been recorded as notes receivable in the Capital Projects Fund.
- E. 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. In 2008-09, the subordinated construction loan has been paid off by Pacific Housing. Other remaining amounts bear interest at the rate of three percent per annum until paid. The loan was funded by use of federal HOME Program funds and is reported in the Grants Special Revenue Fund. At June 30, 2009, outstanding principal and interest are \$175,000 and \$22,295, respectively.
- F. In 1995, the Monterey Park Community 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 Agency agreed to loan to Pacific Bridge Housing up to the maximum sum of \$240,478 bearing interest at the rate of three percent per annum until paid. Principal and interest payments are due in annual installments commencing upon February 15 of the first full calendar year following the date of the initial occupancy of the facility and continuing annually thereafter on each successive February 15 through and including the date which is thirty (30) years after the Repayment Commencement Date. The amount of such annual installments payable by Borrower is based on the Annual Residential Receipt Installments as described in the agreement. During  
  
1996-97, the loan was funded by the use of federal HOME Program funds, and is reported in the Grants Special Revenue Fund. At June 30, 2009, outstanding principal and interest are \$240,478 and \$100,355, respectively.

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

- G. 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. At June 30, 2009, \$255,919 is the amount of outstanding loan balances, and has been reported as notes receivable with an offset of deferred revenue in the Housing Capital Projects Fund in the fund level financial statements and as an allowance for uncollectible notes in the government-wide statements.
- H. 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, 2009, the loans outstanding totaled \$141,409. Of this amount, \$68,657 is funded by the Monterey Park Community Redevelopment Agency's Housing Capital Projects Fund and \$72,752 is funded by the Federal HOME Program Special Revenue Fund. The outstanding loan balance of \$68,657 has been reported as notes receivable with an offset of deferred revenue in the Housing Capital Projects Fund in the fund level financial statements and as an allowance for uncollectible notes in the government-wide statements. The outstanding loan balance of \$72,752 has been reported as notes receivable with an offset of deferred revenue in the Grants Special Revenue Fund in the fund level financial statements and as an allowance for uncollectible notes in the government-wide statements.
- I. In 1998, the Monterey Park Housing Authority and the Abajo del Sol, Limited Partnership have entered into a housing development agreement. Under the agreement, the Agency provided to the Developer a \$1.2 million loan bearing interest at the rate of 5.1% percent per annum for the construction of 60 units of affordable housing for senior citizens. On or before March 15<sup>th</sup> of each year, the Borrower shall pay lender an amount equal to the applicable percentage of the Net Cash Flow attributable to the prior calendar year. The loan is funded by the Federal HOME Program Special Revenue Fund. At June 30, 2009, outstanding principal and interest being recorded as notes receivable are \$1,200,000 and \$649,558, respectively in the Grants Special Revenue Fund with an offset of deferred revenue in the fund level financial statement and as an allowance for uncollectible notes in the government-wide statements.
- J. The City has entered into an agreement with the developers of Monterey Park Senior Village to defer the payment of entitlement and permit fees totaling \$300,000 bearing interest at the rate of five and six-tenths percent per annum. The City began billing at the end of December 2003. At June 30, 2009, outstanding principal and interest balances are \$140,000 and \$71,359, respectively and have been reported as notes receivable with an offset of deferred revenue in the General Fund in the fund level financial statements.
- K. In November 2004, the Monterey Park Community Redevelopment Agency entered into an agreement for the development of the Atlantic Times Square mixed-use Project. As amended on June 6, 2007, the Monterey Park Community Redevelopment Agency agreed to make a Mezzanine loan of up to \$8 million to the Developer bearing interest to be accrued at the Prime Rate plus 1.5% (with a cap of 9.85%). The loan will be due in full upon the earlier of the sale of the commercial element of the Project or 15 years after the issuance of a certificate of occupancy for any portion of the project. At June 30, 2009, outstanding principal and interest balances are \$5,850,000 and \$844,413, respectively and have been recorded as notes receivable in the Capital Projects Fund.

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

L. Bridge Loan

In June 2006, the Monterey Park Community Redevelopment Agency entered into an Owner Participation and Disposition and Development Agreement with Magnus Sunhill Group for the development of the Monterey Park Town Center mixed-use project. As amended on May 29, 2009, the Monterey Park Community Redevelopment Agency agreed to make a Bridge loan of up to \$3,427,800 to the Developer bearing interest at the Prime Rate plus 1.5% (with a cap of 9.85%). The loan proceeds are to be used to pay for relocation of existing tenants and various permit fees. The Bridge loan is due in full upon (i) the earliest to occur of transfer title of City's property (vacant land on South of Garvey Ave., known as 120 S. Garfield) or (ii) July 31, 2009. At June 30, 2009, outstanding principal and interest balances are \$2,223,643 and \$35,790, respectively and have been recorded as notes receivable in the Merged Capital Projects Fund.

**4. INTERFUND TRANSACTIONS**

Individual interfund receivables and payables were as follows at June 30, 2009:

	<b>Due from Other Funds</b>	<b>Due to Other Funds</b>
General Fund	\$ 574,053	
Special Revenue Funds -		
Grants		\$ 447,937
Nonmajor special revenue funds		126,116
	\$ 574,053	\$ 574,053
Total		

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

Advances payable consists of loans from the General Fund to Park Facilities Fund in the amount of \$805,000 to finance parks projects. Repayment will be made in future years as sufficient Park Facilities Fee are accumulated. In 2006, a loan of \$400,000 was made from the General Fund to the Public Safety Impact Fee to finance the purchase of Fire Station #2 site. In 2008, City advanced the Monterey Park Community Redevelopment Agency \$2,225,578 for the loan to the developer for the City's permit in connection with the Atlantic Time Square development project. Repayment will be made in future years based on the availability of funds in the Agency.

	<b>Advances to Other Funds</b>	<b>Advances from Other Funds</b>
General Fund	\$ 1,429,902	
Capital Project Funds		\$ 470,417
Special Revenue Funds -		
Nonmajor special revenue funds	245,515	1,205,000
Total	\$ 1,675,417	\$ 1,675,417

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

	Transfers In			Total
	General Fund	Capital Projects Fund	Nonmajor Special Revenue Funds	
<b><u>Transfers Out</u></b>				
General Fund			\$ 1,082,000	\$ 1,082,000
Special Revenue Grants Funds:				
Grants	\$ 101,834			101,834
Nonmajor special revenue fund	78,445			78,445
Debt Service Fund		\$ 4,974,663		4,974,663
Water Enterprise Fund	265,000			265,000
Total	<u>\$ 445,279</u>	<u>\$ 4,974,663</u>	<u>\$ 1,082,000</u>	<u>\$ 6,501,942</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. Transfers from General Fund to Nonmajor Special Revenue Funds were made to set-aside funds for future pension liabilities. Transfers from Special Revenue Grants Fund to General Fund were reimbursements for General Fund costs. Transfers from the Debt Service Fund to Capital Projects Fund were tax increment for redevelopment activities.

**5. LAND HELD FOR RESALE**

At June 30, 2009, the Community Redevelopment Agency held title to several parcels slated for development. These have been recorded as land held for resale in the Capital Projects Fund in the amount of \$9,277,089.

Land held for resale is generally acquired for redevelopment through the use of disposition and development agreements. These agreements provide for transfer of the property to developers after certain redevelopment obligations have been fulfilled. The amounts are offset by a reservation of fund balance.

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

**6. CAPITAL ASSETS**

At June 30, 2009, the capital assets balances for the City are as follows:

	Governmental Activities	Business-Type Activities	Total
<b>Non-depreciable Assets:</b>			
Land	\$ 6,182,052	\$ 499,975	\$ 6,682,027
Construction in process	366,271	294,834	661,105
<b>Total non-depreciable assets</b>	<b>6,548,323</b>	<b>794,809</b>	<b>7,343,132</b>
<b>Depreciable Assets, Net:</b>			
Buildings	28,455,063	285,050	28,740,113
Less accumulated depreciation	(8,447,185)	(82,025)	(8,529,210)
Buildings, net	20,007,878	203,025	20,210,903
Improvements	9,640,202	35,744,061	45,384,263
Less accumulated depreciation	(2,466,571)	(12,595,979)	(15,062,550)
Improvements, net	7,173,631	23,148,082	30,321,713
Equipment	19,163,861	1,902,529	21,066,390
Less accumulated depreciation	(14,874,579)	(1,604,961)	(16,479,540)
Equipment, net	4,289,282	297,568	4,586,850
Infrastructure	31,355,401	-	31,355,401
Less accumulated depreciation	(24,085,802)	-	(24,085,802)
Infrastructure, net	7,269,599	-	7,269,599
<b>Total depreciable assets, net</b>	<b>38,740,390</b>	<b>23,648,675</b>	<b>62,389,065</b>
<b>Total capital assets</b>	<b>\$ 45,288,713</b>	<b>\$ 24,443,484</b>	<b>\$ 69,732,197</b>

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

A summary of changes in capital asset activity for the year ended June 30, 2009 is as follows:

<b>Governmental Activities:</b>	<b>Balances at July 1, 2008</b>	<b>Reclassification</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balances at June 30, 2009</b>
Capital Assets, not Being Depreciated:					
Land	\$ 6,182,052	\$ -			\$ 6,182,052
Construction in progress	344,158	-	\$ 58,104	\$ 35,991	366,271
<b>Total Capital Assets, not Being Depreciated</b>	<b>6,526,210</b>	<b>-</b>	<b>58,104</b>	<b>35,991</b>	<b>6,548,323</b>
Capital Assets, Being Depreciated:					
Buildings	28,429,063	-	26,000	-	28,455,063
Improvements	9,123,764	-	516,438	-	9,640,202
Equipment	18,787,497	-	1,083,943	707,579	19,163,861
Infrastructure	31,355,401	-	-		31,355,401
<b>Total Capital Assets, Being Depreciated</b>	<b>87,695,725</b>	<b>-</b>	<b>1,626,381</b>	<b>707,579</b>	<b>88,614,527</b>
Less Accumulated Depreciation for:					
Buildings	7,886,933	-	560,252	-	8,447,185
Improvements	2,214,416	46,541	205,614	-	2,466,571
Equipment	13,316,853	(46,541)	2,282,336	678,069	14,874,579
Infrastructure	23,596,888	-	488,914		24,085,802
<b>Total Accumulated Depreciation</b>	<b>47,015,090</b>	<b>-</b>	<b>3,537,116</b>	<b>678,069</b>	<b>49,874,137</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>40,680,635</b>	<b>-</b>	<b>(1,910,735)</b>	<b>29,510</b>	<b>38,740,390</b>
<b>Governmental Activities, Capital Assets, Net</b>	<b>\$ 47,206,845</b>	<b>\$ -</b>	<b>\$ (1,852,631)</b>	<b>\$ 65,501</b>	<b>\$ 45,288,713</b>

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

<b>Business-type Activities:</b>	<b>Balances at June 30, 2008</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balances at June 30, 2009</b>
Capital Assets, not Being Depreciated:				
Land	\$ 499,975			\$ 499,975
Construction in progress	1,967,281	\$ 95,433	\$ 1,767,880	294,834
Total Capital Assets, not Being Depreciated	<u>2,467,256</u>	<u>95,433</u>	<u>1,767,880</u>	<u>794,809</u>
Capital Assets, Being Depreciated:				
Buildings	285,050		-	285,050
Equipment	1,888,840	13,689	-	1,902,529
Improvements	33,030,696	3,220,845	507,480	35,744,061
Total Capital Assets, Being Depreciated	<u>35,204,586</u>	<u>3,234,534</u>	<u>507,480</u>	<u>37,931,640</u>
Buildings	76,437	5,588	-	82,025
Equipment	1,464,182	140,779	-	1,604,961
Improvements	11,636,527	959,452	-	12,595,979
Total Accumulated Depreciation	<u>13,177,146</u>	<u>1,105,819</u>	<u>-</u>	<u>14,282,965</u>
Total Capital Assets, Being Depreciated, Net	<u>22,027,440</u>	<u>2,128,715</u>	<u>507,480</u>	<u>23,648,675</u>
Business-type Activities, Capital Assets, Net	<u>\$ 24,494,696</u>	<u>\$ 2,224,148</u>	<u>\$ 2,275,360</u>	<u>\$ 24,443,484</u>

**Depreciation expense of \$4,642,930 was charged to the following functions:**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
General government	\$ 199,454		\$ 199,454
Public safety	1,572,747		1,572,747
Community development	31,169		31,169
Culture and recreation	925,507		925,507
Street and highways	692,436		692,436
Health	12,976		12,976
Water	102,827	\$ 1,105,819	1,208,646
	<u>\$ 3,537,116</u>	<u>\$ 1,105,819</u>	<u>\$ 4,642,935</u>

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

**7. CAPITALIZED LEASE OBLIGATIONS**

The City has entered into several noncancellable long-term leases for financing its transit bus, capital equipment, energy retrofit project, public safety communication system, centralized computer system, and City Hall carpeting replacements, included in governmental activities capital assets. The City has also entered lease agreements with Municipal Leasing Associates, San Gabriel Valley Municipal Water District and California Infrastructure and Economic Development Bank, to finance water system energy retrofit program, water volatile organic chemicals treatment and La Loma and Highland Reservoirs project, Police Computer Aided Dispatch and Records Management System (CAD/RMS), and has recorded the transactions in the Governmental Fund and Water Fund, respectively. These leases are classified as capital leases for accounting purposes as defined under Financial Accounting Standards Board Statement No. 13, "Accounting for Leases" and therefore have been recorded at the present value of the future minimum lease payments at the date of inception of the leases.

The assets acquired through capital leases are as follows:

<u>Asset</u>	<u>Governmental Funds</u>	<u>Water Enterprise Funds</u>
Machinery and equipment	\$ 1,771,926	
Improvements		\$ 10,061,449
Construction in Progress		14,256
	<u>1,771,926</u>	<u>10,075,705</u>
Less: Accumulated depreciation	<u>(492,970)</u>	<u>(1,661,807)</u>
Total	<u>\$ 1,278,956</u>	<u>\$ 8,413,898</u>

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

<u>Fiscal Years</u>	<u>Governmental Funds</u>	<u>Enterprise Fund</u>	<u>Total</u>
2010	\$ 165,867	\$ 542,059	\$ 707,926
2011	165,867	668,204	834,071
2012	165,867	667,702	833,569
2013	165,867	667,185	833,052
2014	165,867	666,655	832,522
2015-2019	829,340	3,154,772	3,984,112
2020-2024	331,736	1,115,666	1,447,402
2025-2029		548,664	548,664
2030-2031		218,913	218,913
Subtotal	<u>1,990,411</u>	<u>8,249,820</u>	<u>10,240,231</u>
Less amount representing interest	<u>(461,921)</u>	<u>(1,177,273)</u>	<u>(1,639,194)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 1,528,490</u>	<u>\$ 7,072,547</u>	<u>\$ 8,601,037</u>

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

**8. LONG-TERM DEBT**

Changes in long-term debt for the year ended June 30, 2009 are as follows:

<u>Governmental Activities</u>	<u>Balance at June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2009</u>	<u>Due Within One Year</u>	<u>Due In More Than One Year</u>
1998 Tax Allocation						
Revenue Bonds - Merged						
Redevelopment Project	\$ 9,435,000		\$ 280,000	\$ 9,155,000	\$ 290,000	\$ 8,865,000
2002 Tax Allocation Bonds						
Atlantic-Garvey Project						-
Redevelopment Project	20,790,000		770,000	20,020,000	790,000	19,230,000
2004 Taxable Pension Obligation Bonds	17,405,000		25,000	17,380,000	525,000	16,855,000
	<u>47,630,000</u>	<u>-</u>	<u>1,075,000</u>	<u>46,555,000</u>	<u>1,605,000</u>	<u>44,950,000</u>
HUD Section 108						
Loans payable	5,518,000		235,000	5,283,000	250,000	5,033,000
Library Special Tax Revenue						
Note Series 2005	3,161,803		265,232	2,896,571	275,434	2,621,137
	<u>8,679,803</u>	<u>-</u>	<u>500,232</u>	<u>8,179,571</u>	<u>525,434</u>	<u>7,654,137</u>
Tax Increment Deferred Loan-						
Atlantic/Garvey Project	4,738,440	598,268		5,336,708		5,336,708
Tax Increment Deferred Loan-						
Merged Project	19,176,647	2,615,864		21,792,511		21,792,511
	<u>23,915,087</u>	<u>3,214,132</u>	<u>-</u>	<u>27,129,219</u>	<u>-</u>	<u>27,129,219</u>
Compensated absences payable	5,478,821	\$ 918,892	547,882	5,849,831	584,983	5,264,848
Claims and judgments payable						
(See Note 11)	4,707,741	1,816,030	1,374,041	5,149,730	2,059,892	3,089,838
Other Post Employment Benefits - Obligation		2,021,800		2,021,800	-	-
Capital lease obligations						
(See Note 7)	<u>1,856,528</u>	<u>-</u>	<u>328,038</u>	<u>1,528,490</u>	<u>98,786</u>	<u>1,429,704</u>
<b>Total Governmental</b>						
<i>Activities Long-Term Debt</i>	<u>\$ 92,267,980</u>	<u>\$ 7,970,854</u>	<u>\$ 3,825,193</u>	<u>\$ 96,413,641</u>	<u>\$ 4,874,095</u>	<u>\$ 89,517,746</u>
<b>Business-type Activities</b>						
Compensated Absence Payable	\$ 288,058	\$ 95,989	\$ 28,806	\$ 355,241	\$ 35,524	\$ 319,717
Other Post Employment Benefits - Obligation		106,200		106,200		106,200
Capital Lease Obligation	<u>5,266,614</u>	<u>2,310,651</u>	<u>504,718</u>	<u>7,072,547</u>	<u>421,758</u>	<u>6,650,789</u>
<b>Total Business-Type Activities</b>	<u>\$ 5,554,672</u>	<u>\$ 2,512,840</u>	<u>\$ 533,524</u>	<u>\$ 7,533,988</u>	<u>\$ 457,282</u>	<u>\$ 7,076,706</u>

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At June 30, 2009, \$40,179 in compensated absences, \$5,149,730 in claims and judgments of internal service funds are included as part of the above totals for governmental activities.

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

***Tax Allocation Bonds***

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

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

\$9,155,000

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

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

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

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

\$20,020,000

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

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

The bonds are secured by a first and prior lien on tax increment revenues excluding any portion of revenues that are required to be deposited to the Agency's Low and Moderate Income Housing Funds, the County of Los Angeles pass-thru agreement, and County administration fees. Annual Principal and interest payments on the bonds are expected to require less than 35% of net revenues. The amount of principal and interest outstanding at June 30, 2009 totaled \$44,233,875. Principal and interest paid for the current year is \$2,453,563 and the net tax increment revenue \$7,079,637.

Total Tax Allocation Bonds

\$29,175,000

***Section 108 Loan Program***

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

\$5,283,000

and February 1. Principal payments are made on August 1 of each year and continue until the year 2023.

***2004 Taxable Pension Obligation Bonds***

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

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

\$17,380,000

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

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

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

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

The note is secured by City's Special Library Tax. Annual Principal and interest payments on the note are expected to require less than 80% of net revenues. The amount of principal and interest outstanding at June 30, 2009 totaled \$3,448,749. Principal and interest paid for the current year is \$383,196 and the net library tax revenue was \$489,933. \$2,896,571

Total Tax Allocation Bonds, Section 108 Loan Program, Library Special Tax Revenue Note, and Pension Obligation Bonds \$54,734,571

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

Year Ending June 30	Tax Allocation Bonds		Pension Obligation Bonds		HUD Section 108 Loan		Library Special Tax Revenue Note		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
2010	\$ 1,080,000	\$ 1,366,845	\$ 525,000	\$ 1,021,713	\$ 250,000	\$ 289,910	\$ 275,434	\$ 107,761	\$ 4,916,663
2011	1,120,000	1,326,671	510,000	996,408	265,000	278,185	286,028	97,166	4,879,458
2012	1,165,000	1,282,715	495,000	970,806	281,000	265,183	297,030	86,164	4,842,898
2013	1,210,000	1,235,184	485,000	945,165	298,000	250,933	308,454	74,741	4,807,477
2014	1,260,000	1,184,690	475,000	919,315	316,000	235,140	320,318	62,876	4,773,339
2015-2019	7,190,000	4,997,987	2,255,000	4,210,108	1,896,000	882,027	1,409,308	123,470	22,963,900
2020-2024	9,105,000	2,982,777	2,125,000	3,565,565	1,977,000	249,025			20,004,367
2025-2029	7,045,000	682,006	4,490,000	2,679,212					14,896,218
2030-2034			6,020,000	1,140,769					7,160,769
<b>Total</b>	<u>\$ 29,175,000</u>	<u>\$ 15,058,875</u>	<u>\$ 17,380,000</u>	<u>\$ 16,449,061</u>	<u>\$ 5,283,000</u>	<u>\$ 2,450,403</u>	<u>\$ 2,896,571</u>	<u>\$ 552,178</u>	<u>\$ 89,245,089</u>

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

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

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

\$5,336,708

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

The Monterey Park Community 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 111 Southeast Project area, Freeway `99 Annex area, Central Commercial Project area, and Merged Monterey Pass Road area to the Agency at specified interest rates ranging from 0% to 7%. The percentage distribution from the basic tax levy and the repayment schedule of the deferred loans are also based on a specified formula for each taxing entity.

\$21,792,511

***Arbitrage***

The Tax Reform Act of 1986 substantially revised the treatment to be afforded to arbitrage earnings on invested bond proceeds and now requires the City to remit excess arbitrage earnings to the Internal Revenue Service. Certain of the City's debt and interest earned on the proceeds thereon fall under the requirements of the act. The City has made the necessary arbitrage rebate calculations. As of June 30, 2009, the Agency incurred no rebate liability for the 1998 Merged Bonds or for the 2002 Tax Allocation Bonds.

**9. DUE TO OTHER GOVERNMENTAL AGENCIES**

In the Grants Special Revenue Fund, an amount equal to the total outstanding balance of the identified loans receivable for the CDBG Residential Rehabilitation Program \$48,015, State Earthquake Rehabilitation Assistance (SERA) Program \$185,300, the Pacific Bridge Housing Corporation loan \$197,295, the Pacific Bridge Loan \$340,833, described in Note 3 at June 30, 2009 has been recorded as Due to Other Governmental Agencies. As these notes are repaid, the repayment proceeds must be returned to the applicable government agency.

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

**10. PENSION PLANS**

**A. Defined Benefit Pension Plans**

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

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

Participants are required to contribute 8% (9% for safety employees) of their annual covered salary. The City makes majority portion of the contributions required of City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate; the current rate is 9.709% for non-safety employees, and 16.503% for safety employees, of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by CalPERS.

For fiscal year 2008-2009, the City's annual pension cost was \$5,289,156 and the City actually contributed \$5,010,548. The required contribution was determined as part of the June 30, 2006, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service, and (c) 3.25% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3%.

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

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

The City's changes in net pension asset of the Safety Plan, for the year ended June 30, 2009, were as follows (amounts in thousands):

Annual required contribution	\$	(3,362)
Interest on beginning net pension asset		1,422
Adjustment to the annual required contribution		(1,144)
		(3,084)
Annual pension cost		(3,084)
Contributions made		(3,362)
		278
Change in net pension asset		278
Net pension asset, beginning of year		18,351
Net pension asset, end of year	\$	18,629

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

**TREND INFORMATION FOR PERS**

**Schedule of Employer Contributions (\$ Amount in Thousands)**

**Safety Plan**

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Asset</u>
6/30/06	\$ 2,592	\$ 2,919	113%	\$ 17,762
6/30/07	2,610	2,902	111%	18,054
6/30/08	2,891	3,188	110%	18,351
6/30/09	3,084	3,362	109%	18,629

**Miscellaneous Plan**

<u>Fiscal Year</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/06	\$ 1,251	100%	\$ -
6/30/07	1,244	100%	-
6/30/08	1,366	100%	-
6/30/09	2,205	100%	-

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Asset Value (a)</u>	<u>Entry Age Actuarial Accrued Liability (b)</u>	<u>Unfunded AAL (UAAL) [(b)-(a)]</u>	<u>Funded Ratio [(a)/(b)]</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a % of Covered Payroll {(b)-(a)/(c)}</u>
6/30/07						
Misc	\$ 56,315	\$ 57,684	\$ 1,369	97.6%	\$ 11,174	12.3%
Safety	109,447	111,806	2,359	97.9%	9,882	23.9%
Total	<u>\$ 165,762</u>	<u>\$ 169,490</u>	<u>\$ 3,728</u>	<u>97.8%</u>	<u>\$ 21,056</u>	<u>17.7%</u>

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

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

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

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

Miscellaneous employees under the age of 55 joined PERS on April 1, 1976. However, these employees still remain vested under the MMRP and are eligible to receive retirement benefits at the time of retirement. Miscellaneous employees over the age 55 (on or before April 1, 1976) could not participate in PERS and remain wholly in the MMRP. The MMRP was amended in 1976 to provide equivalent retirement benefits to all miscellaneous employees, whether totally vested in PERS, totally vested in the MMRP or partially vested in both plans. Eligibility requirements for the MMRP are the same as those for PERS. There are 68 individuals in the plan, all of whom are no longer employed by the City or are currently participating in PERS. The City's payroll for employees covered by the MMRP for the year ended June 30, 2009 was zero. The City does not issue a publicly available financial report for the MMRP.

**Funding Policy**

MMRP is a contributory plan deriving funds from employee contributions as well as from employer contributions and earnings from investments. Employer contributions were 7% and employee contributions were 7%; there were no current year employee contributions required. The annual required contribution for the current year was determined as part of the July 1, 2003, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 5% a year compounded annually; (b) projected salary increases of 2% a year, attributable to cost-of-living adjustment, (c) additional projected salary increases of 5% a year (includes inflation at 2%), attributable to seniority/merit; and (d) no postretirement benefit increases.

The actuarial value of assets was determined by estimate, since the actual accounting of the pension assets is done on a calendar year basis. Assets are assigned to the general investment account of the insurance company where investments are comprised mainly of bonds and mortgages. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period was 30 years for the plan.

**TREND INFORMATION FOR MMRP**

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

Fiscal Year	Annual Required Contribution (a)	City Contribution (b)	Percentage Contributed [(b)/(a)]	Net Pension Obligation
6/30/06	\$ 341	\$ 190	56%	\$ 445
6/30/07	341	201	59%	585
6/30/08	362	213	59%	734
6/30/09	363	225	62%	872

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability (b)	Unfunded AAL (UAAL) [(b)-(a)]	Funded Ratio [(a)/(b)]	Covered Payroll (c)	UAAL as a % of Covered Payroll {(b)-(a)/(c)}
7/01/07	\$ 2,464	\$ 7,977	\$ 5,513	30.9%	-	N/A

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

**(b) *Defined Contribution Pension Plan***

***Monterey Park Part-Time Retirement Plan***

***Plan Description***

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

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

All part-time, nonbenefited employees of the City must participate in the plan. During 2008-09, 168 part-time employees participated in the plan. All contributions to the plan vest immediately. An employee who leaves the City is entitled to all contributions, including contributions made by the City, and earnings applied to the individual's account through the date of separation, less legally required income tax withholding. Participants that become full-time employees and enter the PERS retirement plan will have the amount in their individual accounts transferred from this plan into a Section 457, Deferred Compensation Plan, subject to all the rules governing Section 457 plans, including substantial penalties for withdrawal prior to the age of normal retirement. Contribution levels into the deferred compensation plan were established by City Council resolution at 4% and 3.5% for the City and nonbenefited part-time employees, respectively.

During the year, total required and actual contributions amounted to \$58,131 and covered payroll for the year ended June 30, 2009 totaled \$1,453,275. The City contributed \$58,131 (4% of current covered payroll) and employees contributed \$50,865 (3.5% of current covered payroll). Total plan assets at June 30, 2009 were \$656,992. Plan assets are held in trust for the exclusive benefit of participants and their beneficiaries and, therefore, are not included in the financial statements.

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

**11. OTHER POST EMPLOYMENT BENEFITS**

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

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

The information is shown the City adopted GASB 45 for the current fiscal year, elected to use the entry age normal cost method with unfunded liabilities amortized over 30 years, and continues to fund on a pay-as-you-go basis.

**Funding Policy**

The contribution requirements are established and amended by the City. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2008-2009, the City contributed \$1,108,000 to the plan and the breakdown is as follows.

Police	\$ 383,000
Fire	172,000
Miscellaneous	<u>553,000</u>
Total	<u>\$ 1,108,000</u>

**Annual OPEB Cost and Net OPEB Obligation**

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

(\$ Amount in Thousands)	Total
Annual required contribution	\$ 3,236
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	3,236
Contributions made	(1,108)
Increase in net OPEB obligation	2,128
Net OPEB obligation - beginning of year	-
Net OPEB obligation - end of year	\$ 2,128

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 plus the one preceding year were as follows:

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>% of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
6/30/2008	\$ 3,107,000	34.0%	\$2,051,000
6/30/2009	\$ 3,236,000	34.3%	\$2,128,000

**Funded Status and Funding Progress**

As of July 1, 2008, the most recent actuarial valuation date, the plan was zero percent funded. The Actuarial Accrued Liability for benefits was \$42,957,000, and the actuarial value of assets was \$0.00, resulting in an UAAL of \$42,957,000. The covered payroll (annual payroll of active employees covered by the plan) was \$21,859,000 and the ratio of UAAL to the covered payroll was 197 percent.

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

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

In July 1, 2008, actuarial valuation, the entry age normal cost method was used. The actuarial assumptions include a 5.0% discount rate and an annual healthcare cost trend rate of 11.0% initially and reduced by decrements of 1% to an ultimate rate of 5.0% thereafter. The UAAL is being amortized as level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2008, was 30 years.

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Entry Age Actuarial Accrued Liability	(Unfunded) Actuarial Liability	Funded Accrued Liability	Funded Ratio	Annual Covered Payroll	(Unfunded) Actuarial Liability as Percentage of Covered Payroll
7/1/2008	\$ -	\$ 42,957,000	\$ (42,957,000)		0.00%	\$ 21,859,000	(196.52)%

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

**12. RISK MANAGEMENT**

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

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

The City retains the risk for the first \$500,000 of each Workers' Compensation claim and is a member of the Independent Cities Risk Management Authority for coverage up to \$100 million per occurrence. The City retains the risk for the first \$300,000 of each General Liability and Auto Liability claim and is a member of the Independent Cities Risk Management Authority for coverage up to \$20 million per occurrence. The City also purchases commercial insurance for other risks of loss, including property loss, earthquake and flood, emergency vehicle physical damage and special events. There have been no significant changes in insurance coverage as compared to last year and the City has not experienced settlements in excess of insurance coverage during the past three fiscal years. Estimates for liabilities have been accrued in the Workers Compensation and General Liability Funds. These funds also include an estimate for incurred but not reported claims.

At June 30, 2009, total estimated claims payable were as follows:

General Liability	\$	1,197,800
Workers' Compensation		<u>3,951,930</u>
Total	\$	<u><u>5,149,730</u></u>

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

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

	<u>2009</u>	<u>2008</u>
Claims liabilities - beginning balance	\$ 4,707,741	\$ 4,939,321
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	3,657,476	3,004,208
Payments on claims attributable to events of both the current fiscal year and prior fiscal years	<u>(3,215,487)</u>	<u>(3,235,788)</u>
Total	<u><u>\$ 5,149,730</u></u>	<u><u>\$ 4,707,741</u></u>

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

**13. FUND DEFICITS AND BUDGET OVERAGES**

At June 30, 2009, deficit net assets were reported for the Workers' Compensation Internal Service Fund, in the amount of \$1,617,026. City management intends to eliminate the deficit net assets of the Workers' Compensation Fund over time by increased charges to City departments. City management believes the present cash positions of these funds is adequate to meet current needs.

Expenditures exceeded appropriations in the Debt Service Fund by \$38,060.

**14. COMMITMENT**

State law requires redevelopment agencies to set aside 20 percent of their tax increment revenues for low/mod housing. In 1997, the Monterey Park Redevelopment Agency approved a plan to set aside future tax increment revenue in addition to the regular 20 percent set aside requirements. No additional housing set aside obligations were incurred as of June 30, 2009.

A summary of the plan is presented below:

<u>Year Ending June 30, 2009</u>	<u>Amount</u>
2024-2029	\$ 500,000
2030-2034	450,000
2035-2039	<u>236,222</u>
Total	<u>\$ 1,186,222</u>

**15. CONTINGENCIES**

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

The City has received Federal grants for specific purposes that are subject to review and audit by the Federal government. Although such audits could result in expenditure disallowance under grant terms, and any required reimbursements are not expected to be material.

As of June 30, 2009, in the opinion of City management, there were no additional outstanding matters that would have a significant effect on the financial position of the funds of the City.

**CITY OF MONTEREY PARK**  
**Notes to Financial Statements, Continued**  
**June 30, 2009**

**16. SUBSEQUENT EVENTS**

Subsequent to June 30, 2009, the State of California (State) has decided to borrow, to defer certain revenue payments and to take certain funds from local governments, including Monterey Park. These amounts are very significant to the city and are as follows:

8% of Property Taxes	<u>\$1,010,000</u>
Redevelopment Agency	<u>\$2,600,000</u>

Property Taxes borrowed by the State for fiscal year 2009-2010 were nearly \$2 billion statewide to help the State's budget shortfall. This amount will not be repaid for 3 years by the State. Under the just passed Senate Bill 67 (SB67), local governments were allowed to securitize the eventual repayment of this property tax borrowing by the State through a bond offering. However, Management of the City feels that the City has sufficient reserves to not warrant participation in this program. In addition, the returns being offering by the State borrows exceed the current returns the City is earning on their excess cash balance. As a result, the City has chosen not to participate in this program under SB67.

Redevelopment Agency funds have been estimated for a two year takeaway by the State. This decision is to be litigated by California Redevelopment Association and other parties with hope that this will be considered unconstitutional as was last year's State proposed takeaway.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF MONTEREY PARK**  
**Required Supplementary Information**  
**June 30, 2009**

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

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

<b>Actuarial Valuation Date</b>	<b>Actuarial Asset Value (a)</b>	<b>Entry Age Actuarial Accrued Liability (b)</b>	<b>Unfunded AAL (UAAL) [(b) - (a)]</b>	<b>Funded Ratio [(a)/(b)]</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a % of Covered Payroll {(b)-(a)/(c)}</b>
<b>06/30/05</b>						
Misc.	\$ 47,392	\$ 47,926	\$ 534	98.9%	\$ 10,156	5.3%
Safety	96,418	100,372	3,954	96.1%	9,269	42.7%
<b>Total</b>	<b>\$ 143,810</b>	<b>\$ 148,298</b>	<b>\$ 4,488</b>	<b>97.0%</b>	<b>\$ 19,425</b>	<b>23.1%</b>
<b>06/30/06</b>						
Misc.	\$ 51,490	\$ 51,597	\$ 107	99.8%	\$ 10,682	1.0%
Safety	102,479	106,760	4,281	96.0%	9,812	43.6%
<b>Total</b>	<b>\$ 153,969</b>	<b>\$ 158,357</b>	<b>\$ 4,388</b>	<b>97.2%</b>	<b>\$ 20,494</b>	<b>21.4%</b>
<b>06/30/07</b>						
Misc.	\$ 56,315	\$ 57,684	\$ 1,369	97.6%	\$ 11,174	12.3%
Safety	109,447	111,806	2,359	97.9%	9,882	23.9%
<b>Total</b>	<b>\$ 165,762</b>	<b>\$ 169,490</b>	<b>\$ 3,728</b>	<b>97.8%</b>	<b>\$ 21,056</b>	<b>17.7%</b>

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

**Schedule of Funding Progress for Last Six Years (\$ Amount in Thousands)**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Entry Age Actuarial Accrued Liability (b)</b>	<b>Unfunded AAL (UAAL) [(b) - (a)]</b>	<b>Funded Ratio [(a)/(b)]</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a % of Covered Payroll {(b)-(a)/(c)}</b>
7/01/06	2,947	8,273	5,326	35.6%	-	N/A
7/01/07	2,514	7,977	5,463	31.5%	-	N/A

**CITY OF MONTEREY PARK**  
**General Fund and Special Revenue Grants Fund**  
**Budgetary Comparison Schedules**  
**Year Ended June 30, 2009**

	General Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 22,760,000	\$ 22,760,000	\$ 21,671,925	\$ (1,088,075)
Licenses and permits	2,612,000	2,612,000	2,797,953	185,953
Intergovernmental revenues				
Charges for services	4,499,890	4,499,890	4,527,997	28,107
Revenues from use of money and property	1,970,333	1,970,333	1,296,604	(673,729)
Fines and forfeitures	1,155,000	1,155,000	1,169,662	14,662
Other	250,000	250,000	216,101	(33,899)
Total Revenues	<u>33,247,223</u>	<u>33,247,223</u>	<u>31,680,242</u>	<u>(1,566,981)</u>
Expenditures:				
Current:				
General government	3,014,116	3,014,116	2,994,218	19,898
Public safety	21,081,919	21,087,919	21,378,507	(290,588)
Community development	2,052,151	2,063,964	2,010,019	53,945
Culture and recreation	4,992,533	4,992,533	4,918,951	73,582
Highways and streets	1,089,614	1,089,614	993,347	96,267
Capital outlay	161,737	161,737	98,687	63,050
Debt service:				
Principal retirement				
Interest and fiscal charges				
Total Expenditures	<u>32,392,070</u>	<u>32,409,883</u>	<u>32,393,729</u>	<u>16,154</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 855,153</u>	<u>\$ 837,340</u>	<u>(713,487)</u>	<u>\$ (1,550,827)</u>
Other Financing Sources (Uses):				
Transfers in			445,279	
Transfers out			<u>(1,082,000)</u>	
Total Other Financing Sources (Uses)			<u>(636,721)</u>	
Net Change in Fund Balances			(1,350,208)	
Fund Balances, Beginning of Year			<u>18,449,782</u>	
Fund Balances, End of Year			<u>\$ 17,099,574</u>	

See Accompanying Note to Required Supplementary Information.

Special Revenue Grants

Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
Original	Final		
\$ 3,410,186	\$ 3,790,960	\$ 5,036,290 6,039	\$ 1,245,330 6,039
		14,113	14,113
<u>3,410,186</u>	<u>3,790,960</u>	<u>5,056,442</u>	<u>1,265,482</u>
80,885	225,686	187,557	38,129
1,532,273	1,532,273	1,374,540	157,733
292,580	304,876	300,639	4,237
38,393	46,459	16,323	30,136
4,826,679	4,942,290	464,496	4,477,794
329,524	329,524	329,524	
336,530	336,530	336,530	
<u>7,436,864</u>	<u>7,717,638</u>	<u>3,009,609</u>	<u>4,708,029</u>
<u>\$ (4,026,678)</u>	<u>\$ (3,926,678)</u>	<u>2,046,833</u>	<u>\$ 5,973,511</u>
		<u>(101,834)</u>	
		<u>(101,834)</u>	
		1,944,999	
		<u>1,335,082</u>	
		<u>\$ 3,280,081</u>	

**CITY OF MONTEREY PARK**  
**Note to Required Supplementary Information**  
**June 30, 2009**

**(1) Budgetary Control and Accounting**

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

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

Appropriated amounts are as originally adopted or as adjusted by the City Council throughout the year. During the 2008-2009, the City made several supplemental budgetary appropriations, including a \$17,800 in the General Fund and \$281,000 increase in the Special Revenue Grants Fund.

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

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

**SUPPLEMENTARY INFORMATION**

**CITY OF MONTEREY PARK**  
**Debt Service Fund and Capital Projects Fund**  
**Budgetary Comparison Schedules**  
**Year Ended June 30, 2009**

	Debt Service		Variance
	Budget	Actual	Positive (Negative)
Revenues:			
Taxes	\$ 7,084,000	\$ 8,172,468	\$ 1,088,468
Revenues from use of money and property	240,000	79,136	(160,864)
Other			
Total Revenues	7,324,000	8,251,604	927,604
Expenditures:			
Current:			
General government	114,088	133,659	(19,571)
Community development	4,392,132	4,410,621	(18,489)
Capital outlay			
Debt service:			
Principal retirement	1,050,000	1,050,000	
Interest and fiscal charges	1,403,563	1,403,563	
Total Expenditures	6,959,783	6,997,843	(38,060)
Excess (Deficiency) of Revenues Over Expenditures	\$ 364,217	1,253,761	\$ 889,544
Other Financing Sources (Uses):			
Transfers in			
Transfers out		(4,974,663)	
Issuance of tax increment deferred loan		3,214,132	
Total Other Financing Sources (Uses)		(1,760,531)	
Net Change in Fund Balances		(506,770)	
Fund Balances, Beginning of Year		3,113,861	
Fund Balances, End of Year		\$ 2,607,091	

Capital Projects

Budget	Actual	Variance Positive (Negative)
\$ 1,771,000	\$ 2,043,117	\$ 272,117
1,210,000	624,584	(585,416)
25,000	12,715	(12,285)
3,006,000	2,680,416	(325,584)
4,962,082	3,266,150	1,695,932
4,962,082	3,266,150	1,695,932
\$ (1,956,082)	(585,734)	\$ 1,370,348
	4,974,663	
	4,974,663	
	4,388,929	
	43,658,420	
	\$ 48,047,349	

**CITY OF MONTEREY PARK**  
**Combining Balance Sheet - Nonmajor Governmental Funds**  
**June 30, 2009**  
**(With Comparative Total June 30, 2008)**

	Special Revenue			
	Proposition A	Gas Tax	Bike Route	Proposition C
<u>Assets</u>				
Cash and investments	\$ 1,501,532	\$ 19,461	\$ 38,160	\$ 1,429,164
Cash and investments held by fiscal agents				
Accounts receivable	4,813	84,501		4,390
Advances to other funds				
<b>Total Assets</b>	<b>\$ 1,506,345</b>	<b>\$ 103,962</b>	<b>\$ 38,160</b>	<b>\$ 1,433,554</b>
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Accounts payable	\$ 25,387	\$ 56,548	\$ 38,160	\$ 107,432
Accrued payroll	3,696	7,186		
Due to other funds				
Deferred revenue				
Advances from other funds				
<b>Total Liabilities</b>	<b>29,083</b>	<b>63,734</b>	<b>38,160</b>	<b>107,432</b>
Fund Balance:				
Reserved for:				
Encumbrances	115,763	62,516		208,251
Unreserved				
Designated for:				
Air quality improvement				
Retirement				
CERCLA liability				
Pension liability				
Claims				
Capital projects and operations	1,361,499			1,117,871
Undesignated		(22,288)		
<b>Total Fund Balance</b>	<b>1,477,262</b>	<b>40,228</b>	<b>-</b>	<b>1,326,122</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,506,345</b>	<b>\$ 103,962</b>	<b>\$ 38,160</b>	<b>\$ 1,433,554</b>

Special Revenue

Air Quality Improvement	Asset Forfeiture	Retirement	Sewer	Refuse	Park Facilities
\$ 128,437	\$ 1,663,806	\$ 683,417	\$ 459,190	\$ 2,471,146	\$ 935,338
18,805	5,095	4,024 84,518	33,429	648,946	71,847
<u>\$ 147,242</u>	<u>\$ 1,668,901</u>	<u>\$ 771,959</u>	<u>\$ 492,619</u>	<u>\$ 3,120,092</u>	<u>\$ 1,007,185</u>
\$ 818	\$ 1,862 441	\$ 636 48,591	\$ 60,674 1,109	\$ 392,485 5,273	\$ 43,187
818	2,303	49,227	61,783	397,758	805,000 848,187
146,424	47,776	722,732	428,787	126,925	449,316
146,424	1,618,822	2,049	501,000 2,094,409	(290,318)	158,998
<u>\$ 147,242</u>	<u>\$ 1,668,901</u>	<u>\$ 771,959</u>	<u>\$ 492,619</u>	<u>\$ 3,120,092</u>	<u>\$ 1,007,185</u>

**CITY OF MONTEREY PARK**  
**Combining Balance Sheet - Nonmajor Governmental Funds (Continued)**  
**June 30, 2009**  
**(With Comparative Total June 30, 2008)**

	Special Revenue			
	Business Improvement Area #1	Maintenance District 93-1	Public Safety Impact Fee	Public Safety Augmentation
<u>Assets</u>				
Cash and investments	\$ 231,483	\$ 22,315	\$ 413,414	
Cash and investments held by fiscal agents				
Accounts receivable	740	11,993		\$ 126,116
Advances to other funds			173,668	
<b>Total Assets</b>	<b>\$ 232,223</b>	<b>\$ 34,308</b>	<b>\$ 587,082</b>	<b>\$ 126,116</b>
 Liabilities and Fund Balance				
Liabilities:				
Accounts payable	\$ 3,372	\$ 4,250	\$ 64,987	
Accrued payroll		3,381		
Due to other funds				\$ 126,116
Deferred revenue				
Advance from other funds			400,000	
<b>Total Liabilities</b>	<b>3,372</b>	<b>7,631</b>	<b>464,987</b>	<b>126,116</b>
 Fund Balance:				
Reserved for:				
Encumbrances	97,292	8,557	323,757	
Unreserved				
Designated for:				
Air quality improvement				
Retirement				
CERCLA liability				
Pension liability				
Claims				
Capital projects and operations	131,559	18,120		
Undesignated			(201,662)	
<b>Total Fund Balance</b>	<b>228,851</b>	<b>26,677</b>	<b>122,095</b>	<b>-</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 232,223</b>	<b>\$ 34,308</b>	<b>\$ 587,082</b>	<b>\$ 126,116</b>

Special Revenue			Total Nonmajor Governmental Funds - Special Revenue Funds	
Library Tax	CERCLA Liability	Pension Liability	2009	2008
\$ 152,419	\$ 781,800	\$ 4,259,194	\$ 15,190,276	\$ 15,688,008
			4,024	19,758
9,238	2,486		1,035,070	1,441,876
			245,515	1,204,539
<u>\$ 161,657</u>	<u>\$ 784,286</u>	<u>\$ 4,259,194</u>	<u>\$ 16,474,885</u>	<u>\$ 18,354,181</u>
\$ 1,133			\$ 800,113	\$ 688,258
407			70,902	50,957
			126,116	1,103,123
			-	1,204,539
			1,205,000	1,055,000
<u>1,540</u>	<u>-</u>	<u>-</u>	<u>2,202,131</u>	<u>4,101,877</u>
4,530			1,873,470	1,205,373
			-	-
			146,424	112,499
			722,732	646,908
	\$ 784,286		784,286	761,026
		\$ 4,259,194	4,259,194	4,617,194
			501,000	501,000
155,587			6,499,916	6,711,710
			(514,268)	(303,406)
<u>160,117</u>	<u>784,286</u>	<u>4,259,194</u>	<u>14,272,754</u>	<u>14,252,304</u>
<u>\$ 161,657</u>	<u>\$ 784,286</u>	<u>\$ 4,259,194</u>	<u>\$ 16,474,885</u>	<u>\$ 18,354,181</u>

**CITY OF MONTEREY PARK**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Nonmajor Governmental Funds**  
**Year Ended June 30, 2009**  
**(with comparative total for Year Ended June 30, 2008)**

	Special Revenue			
	Proposition A	Gas Tax	Bike Route	Proposition C
Revenues:				
Taxes	\$ 1,047,373	\$ 1,021,835	\$ 39,426	\$ 775,612
Charges for services	77,153			
Revenues from use of money and property	28,985	327		26,701
Fines and forfeitures				
Other				
Total Revenues	<u>1,153,511</u>	<u>1,022,162</u>	<u>39,426</u>	<u>802,313</u>
Expenditures:				
Current:				
General government				
Public safety				
Community development		33,936		
Culture and recreation				
Highways and streets	1,003,682	1,142,501		853,822
Health				
Capital outlay	44,448	15,432	39,426	30,902
Debt service:				
Principal retirement				
Interest and fiscal charges		-		
Total Expenditures	<u>1,048,130</u>	<u>1,191,869</u>	<u>39,426</u>	<u>884,724</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>105,381</u>	<u>(169,707)</u>		<u>(82,411)</u>
Other Financing Sources (Uses):				
Transfers in				
Transfers out				
Proceeds from sale of property				
Total Other Financing Sources (Uses)				
Net Change in Fund Balance	105,381	(169,707)		(82,411)
Fund Balance, Beginning of Year	<u>1,371,881</u>	<u>209,935</u>		<u>1,408,533</u>
Fund Balance, End of Year	<u>\$ 1,477,262</u>	<u>\$ 40,228</u>	<u>\$ -</u>	<u>\$ 1,326,122</u>

Special Revenue

Air Quality Improvement	Asset Forfeiture	Retirement	Sewer	Refuse	Park Facilities
\$ 73,722		\$ 4,085,346			\$ 313,266
			\$ 294,574	\$ 5,949,179	
2,182	32,643 517,656	4,024			
<u>75,904</u>	<u>550,299</u>	<u>4,089,370</u>	<u>294,574</u>	<u>5,949,179</u>	<u>313,266</u>
		457,156			
	92,499	3,359,529			
		217,101			
		378,031			
41,979		53,888			
			229,524	5,676,667	
	349,455		231,957		150,242
	7,662	25,000			
	150	1,022,841			
<u>41,979</u>	<u>449,766</u>	<u>5,513,546</u>	<u>461,481</u>	<u>5,676,667</u>	<u>150,242</u>
<u>33,925</u>	<u>100,533</u>	<u>(1,424,176)</u>	<u>(166,907)</u>	<u>272,512</u>	<u>163,024</u>
		1,500,000			
	1,345				
		1,500,000			
	1,345				
33,925	101,878	75,824	(166,907)	272,512	163,024
<u>112,499</u>	<u>1,564,720</u>	<u>646,908</u>	<u>597,743</u>	<u>2,449,822</u>	<u>(4,026)</u>
<u>\$ 146,424</u>	<u>\$ 1,666,598</u>	<u>\$ 722,732</u>	<u>\$ 430,836</u>	<u>\$ 2,722,334</u>	<u>\$ 158,998</u>

**CITY OF MONTEREY PARK**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Nonmajor Governmental Funds (Continued)**  
**Year Ended June 30, 2009**  
**(with comparative total for Year Ended June 30, 2008)**

	Special Revenue			
	Business Improvement Area #1	Maintenance District 93-1	Public Safety Impact Fee	Public Safety Augmentation
	<u>Area #1</u>	<u>93-1</u>	<u>Impact Fee</u>	<u>Augmentation</u>
Revenues:				
Taxes	\$ 59,696			\$ 523,167
Charges for services		\$ 960,905	\$ 1,181,238	
Revenues from use of money and property	4,187		5,678	
Fines and forfeitures				
Other			76,169	
<b>Total Revenues</b>	<u>63,883</u>	<u>960,905</u>	<u>1,263,085</u>	<u>523,167</u>
Expenditures:				
Current:				
General government				
Public safety			332,076	523,167
Community development	39,401			
Culture and recreation		419,177		
Highways and streets		582,592		
Health				
Capital outlay	10,746		683,540	
Debt service:				
Principal retirement				
Interest and fiscal charges			35,151	
<b>Total Expenditures</b>	<u>50,147</u>	<u>1,001,769</u>	<u>1,050,767</u>	<u>523,167</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>13,736</u>	<u>(40,864)</u>	<u>212,318</u>	
Other Financing Sources (Uses):				
Transfers in				
Transfers out			(138,445)	
Proceeds from sale of property				
<b>Total Other Financing Sources (Uses)</b>			<u>(138,445)</u>	
<b>Net Change in Fund Balance</b>	<u>13,736</u>	<u>(40,864)</u>	<u>73,873</u>	
Fund Balance, Beginning of Year	<u>215,115</u>	<u>67,541</u>	<u>48,222</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 228,851</u>	<u>\$ 26,677</u>	<u>\$ 122,095</u>	<u>\$ -</u>

Special Revenue			Total Nonmajor Governmental Funds - Special Revenue Funds	
Library Tax	CERCLA Liability	Pension Liability	2009	2008
\$ 489,933			\$ 8,429,376	\$ 8,725,966
	\$ 128,386		8,591,435	7,798,702
3,019	14,874		122,620	228,322
			517,656	1,101,419
			76,169	
492,952	143,260		17,737,256	17,854,409
			457,156	420,926
			4,307,271	4,279,720
			290,438	239,113
134,830			932,038	918,311
			3,678,464	3,759,204
	120,000		6,026,191	5,749,284
			1,556,148	738,165
265,232			297,894	282,220
117,964			1,176,106	1,217,657
518,026	120,000		18,721,706	17,604,600
(25,074)	23,260		(984,450)	249,809
		\$ 1,082,000	2,582,000	2,342,000
		(1,440,000)	(1,578,445)	(1,260,000)
			1,345	1,337
		(358,000)	1,004,900	1,083,337
(25,074)	23,260	(358,000)	20,450	1,333,146
185,191	761,026	4,617,194	14,252,304	12,919,158
\$ 160,117	\$ 784,286	\$ 4,259,194	\$ 14,272,754	\$ 14,252,304

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Proposition A Special Revenue Fund**  
**Year Ended June 30, 2009**  
**(with comparative actual for Year Ended June 30, 2008)**

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 1,165,000	\$ 1,047,373	\$ (117,627)	\$ 1,177,365
Charges for services	57,000	77,153	20,153	71,261
Revenues from use of money and property	53,000	28,985	(24,015)	47,898
Total Revenues	1,275,000	1,153,511	(121,489)	1,296,524
Expenditures:				
Current:				
Highways and streets	1,111,154	1,003,682	107,472	1,023,370
Capital outlay	160,897	44,448	116,449	10
Total Expenditures	1,272,051	1,048,130	223,921	1,023,380
Excess of Revenues Over Expenditures	\$ 2,949	105,381	\$ 102,432	273,144
Other Financing Sources:				
Proceeds from sale of property		-		622
Net Change in Fund Balance		105,381		273,766
Fund Balance, Beginning of Year		1,371,881		1,098,115
Fund Balance, End of Year		\$ 1,477,262		\$ 1,371,881

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Gas Tax Special Revenue Fund**  
**Year Ended June 30, 2009**  
**(with comparative actual for Year Ended June 30, 2008)**

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 1,189,500	\$ 1,021,835	\$ (167,665)	\$ 1,125,192
Revenues from use of money and property	<u>13,000</u>	<u>327</u>	<u>(12,673)</u>	<u>4,778</u>
Total Revenues	<u>1,202,500</u>	<u>1,022,162</u>	<u>(180,338)</u>	<u>1,129,970</u>
Expenditures:				
Current:				
Community development	32,095	33,936	(1,841)	23,143
Highways and streets	1,144,245	1,142,501	1,744	1,214,531
Capital outlay	77,948	15,432	62,516	10,948
Debt service:				
Principal retirement				19,694
Interest and fiscal charges				<u>814</u>
Total Expenditures	<u>1,254,288</u>	<u>1,191,869</u>	<u>62,419</u>	<u>1,269,130</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (51,788)</u>	<u>(169,707)</u>	<u>\$ (117,919)</u>	<u>(139,160)</u>
Net Change in Fund Balance		<u>(169,707)</u>		<u>(139,160)</u>
Fund Balance, Beginning of Year		<u>209,935</u>		<u>349,095</u>
Fund Balance, End of Year		<u>\$ 40,228</u>		<u>\$ 209,935</u>

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Bike Route Special Revenue Fund**  
**Year Ended June 30, 2009**  
**(with comparative actual for Year Ended June 30, 2008)**

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 39,426	\$ 39,426	\$ -	\$ 34,607
Expenditures:				
Capital outlay	40,692	39,426	1,266	34,607
Net Change in Fund Balance	<u>\$ (1,266)</u>		<u>\$ 1,266</u>	
Fund Balance, Beginning of Year				
Fund Balance, End of Year		<u>\$ -</u>		<u>\$ -</u>

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Proposition C Special Revenue Fund**  
**Year Ended June 30, 2009**  
**(with comparative actual for Year Ended June 30, 2008)**

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 908,000	\$ 775,612	\$ (132,388)	\$ 855,599
Revenues from use of money and property	<u>48,000</u>	<u>26,701</u>	<u>(21,299)</u>	<u>57,499</u>
Total Revenues	<u>956,000</u>	<u>802,313</u>	<u>(153,687)</u>	<u>913,098</u>
Expenditures:				
Current:				
Highways and streets	846,100	853,822	(7,722)	860,350
Capital outlay	<u>247,451</u>	<u>30,902</u>	<u>216,549</u>	<u>105,736</u>
Total Expenditures	<u>1,093,551</u>	<u>884,724</u>	<u>208,827</u>	<u>966,086</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (137,551)</u>	(82,411)	<u>\$ 55,140</u>	(52,988)
Other Financing Sources:				
Transfers in				
Net Change in Fund Balance		(82,411)		(52,988)
Fund Balance, Beginning of Year		<u>1,408,533</u>		<u>1,461,521</u>
Fund Balance, End of Year		<u>\$ 1,326,122</u>		<u>\$ 1,408,533</u>

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Air Quality Improvement Special Revenue Fund**  
**Year Ended June 30, 2009**  
**(with comparative actual for Year Ended June 30, 2008)**

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 79,000	\$ 73,722	\$ (5,278)	\$ 77,214
Revenues from use of money and property	4,500	2,182	(2,318)	3,097
Total Revenues	83,500	75,904	(7,596)	80,311
Expenditures:				
Current:				
Highways and streets	55,220	41,979	13,241	46,421
Net Change in Fund Balance	\$ 28,280	33,925	\$ 5,645	33,890
Fund Balance, Beginning of Year		112,499		78,609
Fund Balance, End of Year		\$ 146,424		\$ 112,499

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Asset Forfeiture Special Revenue Fund**  
**Year Ended June 30, 2009**  
**(with comparative actual for Year Ended June 30, 2008)**

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Revenues from use of money and property	\$ 22,000	\$ 32,643	\$ 10,643	\$ 32,441
Fines and forfeitures	150,000	517,656	367,656	1,101,419
Total Revenues	<u>172,000</u>	<u>550,299</u>	<u>378,299</u>	<u>1,133,860</u>
Expenditures:				
Current:				
Public safety	387,937	92,499	295,438	122,211
Capital outlay	377,704	349,455	28,249	
Debt service:				
Principal retirement	7,662	7,662		7,116
Interest and fiscal charges	150	150		346
Total Expenditures	<u>773,453</u>	<u>449,766</u>	<u>323,687</u>	<u>129,673</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (601,453)</u>	100,533	<u>\$ 701,986</u>	1,004,187
Other Financing Sources (Uses):				
Proceeds from sale of property		<u>1,345</u>		<u>715</u>
Net Change in Fund Balance		101,878		1,004,902
Fund Balance, Beginning of Year		<u>1,564,720</u>		<u>559,818</u>
Fund Balance, End of Year		<u>\$ 1,666,598</u>		<u>\$ 1,564,720</u>

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Retirement Special Revenue Fund**  
**Year Ended June 30, 2009**  
**(with comparative actual for Year Ended June 30, 2008)**

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 4,172,000	\$ 4,085,346	\$ (86,654)	\$ 3,988,952
Revenues from use of money and property		4,024	4,024	19,794
Total Revenues	<u>4,172,000</u>	<u>4,089,370</u>	<u>(82,630)</u>	<u>4,008,746</u>
Expenditures:				
Current:				
General government	578,363	457,156	121,207	420,926
Public safety	3,427,670	3,359,529	68,141	3,126,072
Community development	238,799	217,101	21,698	164,976
Culture and recreation	410,130	378,031	32,099	326,399
Highways and streets	58,070	53,888	4,182	49,528
Debt service:				
Principal retirement	25,000	25,000	-	
Interest and fiscal charges	1,022,841	1,022,841	-	1,022,841
Total Expenditures	<u>5,760,873</u>	<u>5,513,546</u>	<u>247,327</u>	<u>5,110,742</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,588,873)</u>	(1,424,176)	<u>\$ 164,697</u>	(1,101,996)
Other Financing Sources:				
Transfers in		1,500,000		1,200,000
Net Change in Fund Balance		75,824		98,004
Fund Balance, Beginning of Year		<u>646,908</u>		<u>548,904</u>
Fund Balance, End of Year		<u>\$ 722,732</u>		<u>\$ 646,908</u>

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Sewer Special Revenue Fund**  
**Year Ended June 30, 2009**  
**(with comparative actual for Year Ended June 30, 2008)**

	2009			2008
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Charges for services	\$ 318,000	\$ 294,574	\$ (23,426)	\$ 293,650
Expenditures:				
Current:				
Health	247,616	229,524	18,092	193,391
Capital outlay	643,572	231,957	411,615	
Total Expenditures	891,188	461,481	429,707	193,391
Net Change in Fund Balance	\$ (573,188)	(166,907)	\$ 406,281	100,259
Fund Balance, Beginning of Year		597,743		497,484
Fund Balance, End of Year		\$ 430,836		\$ 597,743

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Refuse Special Revenue Fund**  
**Year Ended June 30, 2009**  
**(with comparative actual for Year Ended June 30, 2008)**

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Charges for services	\$ 5,935,000	\$ 5,949,179	\$ 14,179	\$ 5,773,306
Expenditures:				
Current:				
Health	5,858,519	5,676,667	181,852	5,465,893
Total Expenditures	5,858,519	5,676,667	181,852	5,465,893
Net Change in Fund Balance	<u>\$ 76,481</u>	272,512	<u>\$ 196,031</u>	307,413
Fund Balance, Beginning of Year		<u>2,449,822</u>		<u>2,142,409</u>
Fund Balance, End of Year		<u>\$ 2,722,334</u>		<u>\$ 2,449,822</u>

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Park Facilities Special Revenue Fund**  
**Year Ended June 30, 2009**  
**(with comparative actual for Year Ended June 30, 2008)**

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 206,000	\$ 313,266	\$ 107,266	\$ 278,543
Expenditures:				
Capital outlay	599,227	150,242	448,985	127,172
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (393,227)</u>	<u>163,024</u>	<u>\$ 556,251</u>	<u>151,371</u>
Net Change in Fund Balance		163,024		151,371
Fund Balance, Beginning of Year		<u>(4,026)</u>		<u>(155,397)</u>
Fund Balance, End of Year		<u>\$ 158,998</u>		<u>\$ (4,026)</u>

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Business Improvement Area #1 Special Revenue Fund**  
**Year Ended June 30, 2009**  
**(with comparative actual for Year Ended June 30, 2008)**

	2009			2008
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Taxes	\$ 69,000	\$ 59,696	\$ (9,304)	\$ 59,302
Revenues from use of money and property	8,400	4,187	(4,213)	7,916
Total Revenues	77,400	63,883	(13,517)	67,218
Expenditures:				
Current:				
Community development	87,552	39,401	48,151	50,994
Capital outlay	108,038	10,746	97,292	
Total Expenditures	195,590	50,147	145,443	50,994
Net Change in Fund Balance	\$ (118,190)	13,736	\$ 131,926	16,224
Fund Balance, Beginning of Year		215,115		198,891
Fund Balance, End of June		\$ 228,851		\$ 215,115

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Maintenance District 93-1 Special Revenue Fund**  
**Year Ended June 30, 2009**  
**(with comparative actual for Year Ended June 30, 2008)**

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Charges for services	\$ 965,000	\$ 960,905	\$ (4,095)	\$ 922,091
Expenditures:				
Current:				
Culture and recreation	430,267	419,177	11,090	479,715
Highways and streets	586,694	582,592	4,102	565,004
Total Expenditures	1,016,961	1,001,769	15,192	1,044,719
Net Change in Fund Balance	\$ (51,961)	(40,864)	\$ 11,097	(122,628)
Fund Balance, Beginning of Year		67,541		190,169
Fund Balance, End of Year		\$ 26,677		\$ 67,541

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Public Safety Impact Fee Special Revenue Fund**  
**Year Ended June 30, 2009**  
**(with comparative actual for Year Ended June 30, 2008)**

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Charges for services	\$ 687,000	\$ 1,181,238	\$ 494,238	\$ 623,637
Revenues from use of money and property		5,678	5,678	20,477
Other		76,169	76,169	
<b>Total Revenues</b>	<b>687,000</b>	<b>1,263,085</b>	<b>576,085</b>	<b>644,114</b>
Expenditures:				
Current:				
Public safety	517,218	332,076	185,142	440,852
Capital outlay	965,241	683,540	281,701	431,222
Debt services:				
Interest and fiscal charges	35,151	35,151		65,869
<b>Total Expenditures</b>	<b>1,517,610</b>	<b>1,050,767</b>	<b>466,843</b>	<b>937,943</b>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (830,610)</u>	<u>212,318</u>	<u>\$ 1,042,928</u>	<u>(293,829)</u>
Other Financing Sources:				
Transfers out		(138,445)		(60,000)
<b>Total Other Financing Sources (Uses)</b>		<u>(138,445)</u>		<u>(60,000)</u>
<b>Net Change in Fund Balance</b>		<b>73,873</b>		<b>(353,829)</b>
Fund Balance, Beginning of Year		<u>48,222</u>		<u>402,051</u>
Fund Balance, End of Year		<u>\$ 122,095</u>		<u>\$ 48,222</u>

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Public Safety Augmentation Special Revenue Fund**  
**Year Ended June 30, 2009**  
**(with comparative actual for Year Ended June 30, 2008)**

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 642,600	\$ 523,167	\$ (119,433)	\$ 590,585
Expenditures:				
Current:				
Public safety	<u>642,600</u>	<u>523,167</u>	<u>119,433</u>	<u>590,585</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance, Beginning of Year		<u>-</u>		<u>-</u>
Fund Balance, End of Year		<u>\$ -</u>		<u>\$ -</u>

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**Library Tax Special Revenue Fund**  
**Year Ended June 30, 2009**  
**(with comparative actual for Year Ended June 30, 2008)**

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 502,700	\$ 489,933	\$ (12,767)	\$ 538,607
Revenues from use of money and property	<u>6,500</u>	<u>3,019</u>	<u>(3,481)</u>	<u>6,513</u>
Total Revenues	<u>509,200</u>	<u>492,952</u>	<u>(16,248)</u>	<u>545,120</u>
Expenditures:				
Current:				
Culture and recreation	146,804	134,830	11,974	112,197
Capital outlay	4,530		4,530	28,470
Debt service:				
Principal retirement	265,232	265,232	-	255,410
Interest and fiscal charges	<u>117,964</u>	<u>117,964</u>	<u>-</u>	<u>127,787</u>
Total Expenditures	<u>534,530</u>	<u>518,026</u>	<u>16,504</u>	<u>523,864</u>
Net Change in Fund Balance	<u>\$ (25,330)</u>	<u>(25,074)</u>	<u>\$ 256</u>	<u>21,256</u>
Fund Balance, Beginning of Year		<u>185,191</u>		<u>163,935</u>
Fund Balance, End of Year		<u>\$ 160,117</u>		<u>\$ 185,191</u>

**CITY OF MONTEREY PARK**  
**Budgetary Comparison Schedule**  
**CERCLA Liability Special Revenue Fund**  
**Year Ended June 30, 2009**  
**(with comparative actual for Year Ended June 30, 2008)**

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Charges for services	\$ 128,000	\$ 128,386	\$ 386	\$ 114,757
Revenues from use of money and property	35,000	14,874	(20,126)	27,909
Total Revenues	163,000	143,260	(19,740)	142,666
Expenditures:				
Current:				
Health	120,000	120,000		90,000
Net Change in Fund Balance	\$ 43,000	23,260	\$ (19,740)	52,666
Fund Balance, Beginning of Year		761,026		708,360
Fund Balance, End of Year		\$ 784,286		\$ 761,026

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## DESCRIPTION OF INTERNAL SERVICE FUNDS

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

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

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

***Workers' Compensation Fund*** - To account for costs related to operations and fleet maintenance for the City's vehicles.

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

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

**CITY OF MONTEREY PARK**  
**Combining Statement of Net Assets - Internal Service Funds**  
**June 30, 2009**  
**(with comparative total June 30, 2008)**

<u>Assets</u>	<u>Separation Benefits</u>	<u>General Liability</u>	<u>Workers' Compensation</u>
Current:			
Cash and investments	\$ 1,815,641	\$ 2,540,995	\$ 2,341,669
Inventory			
Total Current Assets	<u>1,815,641</u>	<u>2,540,995</u>	<u>2,341,669</u>
Capital assets, net of accumulated depreciation			
Total Assets	<u>\$ 1,815,641</u>	<u>\$ 2,540,995</u>	<u>\$ 2,341,669</u>
 <u>Liabilities</u>			
Current Liabilities:			
Accounts payable		\$ 37,400	
Accrued payroll	\$ 3,337	485	\$ 543
Claims and judgments payable - current portion		479,120	1,580,772
Capital lease obligation - current portion			
Total Current Liabilities	<u>3,337</u>	<u>517,005</u>	<u>1,581,315</u>
Noncurrent:			
Claims and judgments payable		718,680	2,371,158
Compensated absences payable		5,423	6,222
Total Noncurrent Liabilities	<u>-</u>	<u>724,103</u>	<u>2,377,380</u>
Total Liabilities	<u>3,337</u>	<u>1,241,108</u>	<u>3,958,695</u>
 <u>Net Assets</u>			
Invested in capital assets net of related debt	-		
Unrestricted	<u>1,812,304</u>	<u>1,299,887</u>	<u>(1,617,026)</u>
Total Net Assets (Deficits)	<u>\$ 1,812,304</u>	<u>\$ 1,299,887</u>	<u>\$ (1,617,026)</u>

Shop	Technology	Totals	
		2009	2008
\$ 1,007,673	\$ 744,193	\$ 8,450,171	\$ 7,853,970
19,939		19,939	14,796
<u>1,027,612</u>	<u>744,193</u>	<u>8,470,110</u>	<u>7,868,766</u>
1,595,576	300,443	1,896,019	2,390,639
<u>\$ 2,623,188</u>	<u>\$ 1,044,636</u>	<u>\$ 10,366,129</u>	<u>\$ 10,259,405</u>
\$ 86,188	\$ 181	\$ 123,769	\$ 216,906
3,132		7,497	4,046
		2,059,892	1,883,096
		-	225,854
<u>89,320</u>	<u>181</u>	<u>2,191,158</u>	<u>2,329,902</u>
		3,089,838	2,824,645
28,534		40,179	32,148
<u>28,534</u>	<u>-</u>	<u>3,130,017</u>	<u>2,856,793</u>
<u>117,854</u>	<u>181</u>	<u>5,321,175</u>	<u>5,186,695</u>
1,595,576	300,443	1,896,019	2,164,785
909,758	744,012	3,148,935	2,907,925
<u>\$ 2,505,334</u>	<u>\$ 1,044,455</u>	<u>\$ 5,044,954</u>	<u>\$ 5,072,710</u>

**CITY OF MONTEREY PARK**  
**Combining Statement of Revenues, Expenses and**  
**Changes in Net Assets - Internal Service Funds**  
**Year Ended June 30, 2009**  
**(with comparative total for Year Ended June 30, 2008)**

	Separation Benefits	General Liability	Workers' Compensation
Operating Revenues:			
Charges for services	\$ 1,512,159	\$ 790,000	\$ 1,249,231
Other revenue			
Total Operating Revenues	<u>1,512,159</u>	<u>790,000</u>	<u>1,249,231</u>
Operating Expenses:			
Depreciation			
Vehicle expense			
Salaries and benefits	838,353	46,856	52,146
Materials and supplies			
Insurance and claims		924,140	1,520,250
Miscellaneous			
Total Operating Expenses	<u>838,353</u>	<u>970,996</u>	<u>1,572,396</u>
Operating Income (Loss)	673,806	(180,996)	(323,165)
Nonoperating Income (Loss):			
(Loss) on sale of surplus property			
Total Nonoperating Income (Loss)			
Net Income (Loss) Before Transfers	673,806	(180,996)	(323,165)
Transfers in			
Change in Net Assets	673,806	(180,996)	(323,165)
Net Assets (Deficits), Beginning of Year	<u>1,138,498</u>	<u>1,480,883</u>	<u>(1,293,861)</u>
Net Assets (Deficits), End of Year	<u>\$ 1,812,304</u>	<u>\$ 1,299,887</u>	<u>\$ (1,617,026)</u>

Shop	Technology	Totals	
		2009	2008
\$ 1,813,940	\$ 122,098	\$ 5,487,428	\$ 5,035,311
58,112		58,112	396,158
<u>1,872,052</u>	<u>122,098</u>	<u>5,545,540</u>	<u>5,431,469</u>
759,820	64,157	823,977	705,608
5,094		5,094	35,770
356,977		1,294,332	1,896,426
746,489	8,400	754,889	745,010
		2,444,390	1,614,050
<u>227,727</u>	<u></u>	<u>227,727</u>	<u>234,557</u>
<u>2,096,107</u>	<u>72,557</u>	<u>5,550,409</u>	<u>5,231,421</u>
(224,055)	49,541	(4,869)	200,048
<u>(22,887)</u>	<u></u>	<u>(22,887)</u>	<u>(26,917)</u>
<u>(22,887)</u>	<u></u>	<u>(22,887)</u>	<u>(26,917)</u>
(246,942)	49,541	(27,756)	173,131
<u></u>	<u></u>	<u>-</u>	<u>500,000</u>
(246,942)	49,541	(27,756)	673,131
<u>2,752,276</u>	<u>994,914</u>	<u>5,072,710</u>	<u>4,399,579</u>
<u>\$ 2,505,334</u>	<u>\$ 1,044,455</u>	<u>\$ 5,044,954</u>	<u>\$ 5,072,710</u>

**CITY OF MONTEREY PARK**  
**Combining Statement of Cash Flows - Internal Service Funds**  
**Year Ended June 30, 2009**  
**(with comparative total for Year Ended June 30, 2008)**

	Separation Benefits	General Liability	Workers' Compensation
Cash Flows from Operating Activities:			
Cash payments to suppliers for goods and services			
Cash payments for insurance premiums and self-insurance claims		\$ (647,382)	\$ (1,328,797)
Cash payments to employees for services	\$ (836,287)	(45,523)	(50,547)
Other operating cash receipts			
Cash receipts from interfund services provided	1,512,159	790,000	1,249,231
Net Cash Provided by (Used for) Operating Activities	675,872	97,095	(130,113)
Cash Flows from Noncapital Financing Activities:			
Transfers in from other funds			
Net Cash Provided by Noncapital Financing Activities			
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets			
Proceeds from sale of surplus assets			
Principal paid on lease financing			
Net Cash Provided by (Used for) Capital and Related Financing Activities			
Net Increase (Decrease) in Cash and Cash Equivalents	675,872	97,095	(130,113)
Cash and Cash Equivalents, Beginning of Year	1,139,769	2,443,900	2,471,782
Cash and Cash Equivalents, End of Year	\$ 1,815,641	\$ 2,540,995	\$ 2,341,669
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	\$ 673,806	\$ (180,996)	\$ (323,165)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation			
Changes in assets and liabilities:			
Decrease in accounts receivable			
(Increase) Decrease in inventory			
Increase (decrease) in accounts payable		26,223	
Increase in accrued payroll	2,066	180	205
Increase (decrease) in claims and judgments payable		250,535	191,453
Increase (decrease) in compensated absences payable		1,153	1,394
Total Adjustments	2,066	278,091	193,052
Net Cash Provided by (Used for) Operating Activities	\$ 675,872	\$ 97,095	\$ (130,113)

Shop	Technology	Totals	
		2009	2008
\$ (1,061,834)	\$ (50,378)	\$ (1,112,212)	\$ (957,482)
		(1,976,179)	(1,931,460)
(350,494)		(1,282,851)	(1,901,286)
<u>1,872,052</u>	<u>122,098</u>	<u>5,545,540</u>	<u>5,448,626</u>
<u>459,724</u>	<u>71,720</u>	<u>1,174,298</u>	<u>658,398</u>
			<u>500,000</u>
			<u>500,000</u>
(319,425)	(34,748)	(354,173)	(658,223)
1,930		1,930	
<u>(225,854)</u>		<u>(225,854)</u>	<u>(218,950)</u>
<u>(543,349)</u>	<u>(34,748)</u>	<u>(578,097)</u>	<u>(877,173)</u>
(83,625)	36,972	596,201	281,225
<u>1,091,298</u>	<u>707,221</u>	<u>7,853,970</u>	<u>7,572,745</u>
<u>\$ 1,007,673</u>	<u>\$ 744,193</u>	<u>\$ 8,450,171</u>	<u>\$ 7,853,970</u>
<u>\$ (224,055)</u>	<u>\$ 49,541</u>	<u>\$ (4,869)</u>	<u>\$ 200,047</u>
759,820	64,157	823,977	705,609
			17,157
(5,143)		(5,143)	102
(77,382)	(41,978)	(93,137)	(28,077)
1,000		3,451	4,047
		441,988	(231,580)
<u>5,484</u>		<u>8,031</u>	<u>(8,907)</u>
<u>683,779</u>	<u>22,179</u>	<u>1,179,167</u>	<u>458,351</u>
<u>\$ 459,724</u>	<u>\$ 71,720</u>	<u>\$ 1,174,298</u>	<u>\$ 658,398</u>

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## AGENCY FUNDS

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

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

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

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

**CITY OF MONTEREY PARK**  
**Combining Statement of Assets and Liabilities - All Agency Funds**  
**June 30, 2009**  
**(with comparative total for Year Ended June 30, 2008)**

<u>Assets</u>	Deposits Fund	Construction Agency Fund	Manta Rays Swim Team Fund	<u>Totals</u>	
				2009	2008
Cash and investments	\$ 2,251,524	\$ 143,458	\$ 8,197	\$ 2,403,179	\$ 2,655,506
<b>Total Assets</b>	<b>\$ 2,251,524</b>	<b>\$ 143,458</b>	<b>\$ 8,197</b>	<b>\$ 2,403,179</b>	<b>\$ 2,655,506</b>
<u>Liabilities</u>					
Accounts payable	\$ 56,842			\$ 56,842	\$ 207,970
Deposits payable	2,194,682	\$ 143,458	\$ 8,197	2,346,337	2,447,536
<b>Total Liabilities</b>	<b>\$ 2,251,524</b>	<b>\$ 143,458</b>	<b>\$ 8,197</b>	<b>\$ 2,403,179</b>	<b>\$ 2,655,506</b>

**CITY OF MONTEREY PARK**  
**Combining Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
**Year Ended June 30, 2009**

<u>Deposits Fund</u>	Balance at June 30, 2008	Additions	Deletions	Balance at June 30, 2009
<b>Assets:</b>				
Cash and investments	\$ 2,463,135	\$ 2,421,843	\$ 2,633,454	\$ 2,251,524
<b>Liabilities:</b>				
Accounts payable	\$ 206,038	\$ 1,163,157	\$ 1,312,353	\$ 56,842
Deposits payable	2,257,097	1,258,686	1,321,101	2,194,682
Total Liabilities	\$ 2,463,135	\$ 2,421,843	\$ 2,633,454	\$ 2,251,524
 <u>Construction Agency Fund</u>				
<b>Assets:</b>				
Cash and investments	\$ 180,491	\$ 117,887	\$ 154,920	\$ 143,458
<b>Liabilities:</b>				
Accounts payable	\$ 1,932	\$ 75,528	\$ 77,460	\$ -
Deposits payable	178,559	42,359	77,460	143,458
Total Liabilities	\$ 180,491	\$ 117,887	\$ 154,920	\$ 143,458
 <u>Manta Rays Swim Team Fund</u>				
<b>Assets:</b>				
Cash and investments	\$ 11,880	\$ 27,037	\$ 30,720	\$ 8,197
<b>Liabilities:</b>				
Deposits payable	\$ 11,880	\$ 27,037	\$ 30,720	\$ 8,197
 <u>Total - All Agency Funds</u>				
<b>Assets:</b>				
Cash and investments	\$ 2,655,506	\$ 2,566,767	\$ 2,819,094	\$ 2,403,179
<b>Liabilities:</b>				
Accounts payable	\$ 207,970	\$ 1,238,685	\$ 1,389,813	\$ 56,842
Deposits payable	2,447,536	1,328,082	1,429,281	2,346,337
Total Liabilities	\$ 2,655,506	\$ 2,566,767	\$ 2,819,094	\$ 2,403,179

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## **GENERAL FUNDS**

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

**CITY OF MONTEREY PARK**  
**General Fund**  
**Balance Sheet**  
**June 30, 2009**  
**(with comparative data June 30, 2008)**

<u>Assets</u>	Totals	
	2009	2008
Cash and investments	\$ 17,194,127	\$ 16,581,521
Accounts receivable	1,813,685	2,336,932
Due from other funds	574,053	2,459,742
Notes receivable	211,359	231,714
Advances to other funds	1,429,902	2,076,040
 Total Assets	 \$ 21,223,126	 \$ 23,685,949
 <u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	\$ 1,118,994	\$ 1,080,287
Accrued payroll	1,328,914	1,273,645
Deposits and advances	1,071,363	884,704
Deferred revenue	604,281	1,997,531
 Total Liabilities	 4,123,552	 5,236,167
 Fund Balance:		
Reserved for:		
Encumbrances	157,662	206,963
Unreserved		
Designated for:		
Advances to other funds	1,205,000	1,055,000
Capital improvements	5,150,000	5,150,000
Unemployment claims	340,000	340,000
Potential catastrophic events	2,000,000	2,000,000
Working capital	3,000,000	3,000,000
Undesignated	5,246,912	6,697,819
 Total Fund Balance	 17,099,574	 18,449,782
 Total Liabilities and Fund Balance	 \$ 21,223,126	 \$ 23,685,949

**CITY OF MONTEREY PARK**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balance - General Fund**  
**Year Ended June 30, 2009**  
**(with comparative data for Year Ended June 30, 2008)**

	Totals	
	2009	2008
Revenues:		
Taxes	\$ 21,671,925	\$ 21,960,929
Licenses and permits	2,797,953	2,929,898
Charges for services	4,527,997	6,077,637
Revenues from use of money and property	1,296,604	1,904,731
Fines and forfeitures	1,169,662	1,246,497
Other	216,101	291,804
	31,680,242	34,411,496
Expenditures:		
Current:		
General government	2,994,218	2,967,090
Public safety	21,378,507	20,173,990
Community development	2,010,019	1,686,859
Culture and recreation	4,918,951	4,661,470
Highways and streets	993,347	823,660
Capital outlay	98,687	290,372
Debt service:		
Principal retirement	-	144,414
Interest and fiscal charges	-	5,963
	32,393,729	30,753,818
Excess (Deficiency) of Revenues Over Expenditures	(713,487)	3,657,678
Other Financing Sources (Uses):		
Transfers in	445,279	300,720
Transfers out	(1,082,000)	(1,582,000)
	(636,721)	(1,281,280)
Net Change in Fund Balance	(1,350,208)	2,376,398
Fund Balance, Beginning of Year	18,449,782	16,073,384
Fund Balance, End of Year	\$ 17,099,574	\$ 18,449,782

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## MAJOR SPECIAL REVENUE FUND

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

**CITY OF MONTEREY PARK**  
**Special Revenue Grants Fund**  
**Balance Sheet**  
**June 30, 2009**  
**(with comparative data June 30, 2008)**

<u>Assets</u>	Totals	
	2009	2008
Cash and investments	\$ 3,265,584	\$ 2,661,570
Accounts receivable	1,358,602	1,526,240
Notes receivable	2,693,753	3,132,555
 Total Assets	 \$ 7,317,939	 \$ 7,320,365
 <u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	\$ 795,714	\$ 412,856
Accrued payroll	7,353	2,775
Deposits and advances		753
Due to other funds	447,937	1,356,617
Due to other governmental agencies	771,443	1,285,893
Deferred revenue	2,015,411	2,926,389
 Total Liabilities	 4,037,858	 5,985,283
 Fund Balance:		
Reserved for:		
Encumbrances	4,694,281	3,663,482
Unreserved:		
Undesignated	(1,414,200)	(2,328,400)
 Total Fund Balance	 3,280,081	 1,335,082
 Total Liabilities and Fund Balance	 \$ 7,317,939	 \$ 7,320,365

**CITY OF MONTEREY PARK**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balances - Special Revenue Grants Fund**  
**Year Ended June 30, 2009**  
**(with comparative data for Year Ended June 30, 2008)**

	Totals	
	2009	2008
Revenues:		
Intergovernmental revenues	\$ 5,036,290	\$ 4,185,040
Charges for services	6,039	2,463
Revenues from use of money and property	14,113	27,415
Total Revenues	5,056,442	4,214,918
Expenditures:		
Current:		
Public safety	187,557	390,124
Community development	1,374,540	609,132
Culture and recreation	300,639	373,573
Highways and streets	16,323	19,570
Capital outlay	464,496	1,017,435
Debt service:		
Principal retirement	329,522	311,445
Interest and fiscal charges	336,532	318,978
Total Expenditures	3,009,609	3,040,257
Excess (Deficiency) of Revenues Over Expenditures	2,046,833	1,174,661
Other Financing Sources (Uses):		
Transfers out	(101,834)	(38,720)
Net Change in Fund Balance	1,944,999	1,135,941
Fund Balance, Beginning of Year	1,335,082	199,141
Fund Balance, End of Year	\$ 3,280,081	\$ 1,335,082

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## DEBT SERVICE FUND

**Debt service Funds account for the accumulation of resources that are used to make the payments of principal, interest, and related costs on general long-term debt of the City of Monterey Park Community Redevelopment Agency.**

*Debt Service Fund* - used to account for the principal, interest, and related costs of the redevelopment project areas.

**CITY OF MONTEREY PARK**  
**Debt Service Fund**  
**Balance Sheet**  
**June 30, 2009**  
**(with comparative data June 30, 2008)**

<u>Assets</u>	Totals	
	2009	2008
Cash and investments held by fiscal agent	\$ 2,497,115	\$ 2,534,349
Accounts receivable	373,352	668,024
 Total Assets	 \$ 2,870,467	 \$ 3,202,373
 <u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	\$ 263,376	\$ 88,512
 Total Liabilities	 263,376	 88,512
 Fund Balance:		
Unreserved		
Designated for debt service	2,607,091	3,113,861
 Total Fund Balance	 2,607,091	 3,113,861
 Total Liabilities and Fund Balance	 \$ 2,870,467	 \$ 3,202,373

**CITY OF MONTEREY PARK**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Debt Service Fund**  
**Year Ended June 30, 2009**  
**(with comparative data for Year Ended June 30, 2008)**

	Totals	
	2009	2008
Revenues:		
Taxes	\$ 8,172,468	\$ 7,796,621
Revenues from use of money and property	79,136	166,358
Total Revenues	8,251,604	7,962,979
Expenditures:		
Current:		
General government	133,659	155,512
Community development	4,410,621	3,455,843
Debt service:		
Principal retirement	1,050,000	1,015,000
Interest and fiscal charges	1,403,563	1,436,775
Total Expenditures	6,997,843	6,063,130
Excess (Deficiency) of Revenues Over Expenditures	1,253,761	1,899,849
Other Financing Sources (Uses):		
Transfers out	(4,974,663)	(4,418,560)
Proceeds from tax increment deferred loan	3,214,132	2,995,608
Total Other Financing Sources	(1,760,531)	(1,422,952)
Net Change in Fund Balances	(506,770)	476,897
Fund Balance, Beginning of Year	3,113,861	2,636,964
Fund Balance, End of Year	\$ 2,607,091	\$ 3,113,861

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## CAPITAL PROJECTS FUNDS

**Capital Projects Funds account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds. The Capital Projects fund is the following:**

*Capital Projects Fund* - used to account for financial resources segregated for the acquisition and rehabilitation of capital facilities within the redevelopment project areas.

**CITY OF MONTEREY PARK**  
**Capital Projects Fund**  
**Balance Sheet**  
**June 30, 2009**  
**(with comparative data June 30, 2008)**

<u>Assets</u>	Totals	
	2009	2008
Cash and investments	\$ 31,189,299	\$ 31,113,628
Accounts receivable	187,919	355,477
Notes receivable	9,525,029	7,075,953
Land held for resale	9,227,089	8,523,237
 Total Assets	\$ 50,129,336	\$ 47,068,295
 <u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	\$ 381,976	\$ 290,253
Accrued payroll	4,842	5,603
Deferred revenue	1,224,752	888,441
Advances from other funds	470,417	2,225,578
 Total Liabilities	2,081,987	3,409,875
 Fund Balance:		
Reserved for:		
Encumbrances	1,224,838	696,319
Land held for resale	9,227,089	8,523,237
Long Term Receivable	8,188,284	6,076,634
Contractual obligation	3,354,156	5,577,800
Housing set-aside commitment	7,858,886	7,284,998
Unreserved		
Designated for:		
Capital projects	18,194,096	15,499,432
 Total Fund Balance	48,047,349	43,658,420
 Total Liabilities and Fund Balance	\$ 50,129,336	\$ 47,068,295

**CITY OF MONTEREY PARK**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Capital Projects Fund**  
**Year Ended June 30, 2009**  
**(with comparative data for Year Ended June 30, 2008)**

	Totals	
	2009	2008
Revenues:		
Taxes	\$ 2,043,117	\$ 1,949,158
Revenues from use of money and property	624,584	1,213,269
Other	12,715	40,351
Total Revenues	2,680,416	3,202,778
Expenditures:		
Capital outlay	3,266,150	3,143,803
Excess (Deficiency) of Revenues Over Expenditures	(585,734)	58,975
Other Financing Sources (Uses):		
Transfers in	4,974,663	4,418,560
Total Other Financing Sources	4,974,663	4,418,560
Net Change in Fund Balance	4,388,929	4,477,535
Fund Balance, Beginning of Year	43,658,420	39,180,885
Fund Balance, End of Year	\$ 48,047,349	\$ 43,658,420

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## WATER ENTERPRISE FUND

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

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

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

**CITY OF MONTEREY PARK**

**Schedule of Assets, Liabilities and Net Assets by Function - Water Enterprise Fund**

**June 30, 2009**

**(with comparative total June 30, 2008)**

<u>Assets</u>	<u>Water Operations Activity</u>	<u>Water Treatment Activity</u>
Current Assets:		
Cash and investments	\$ 8,441,527	\$ 888,355
Accounts receivable	1,410,017	
Due from other funds		
Total Current Assets	<u>9,851,544</u>	<u>888,355</u>
Noncurrent Assets:		
Capital assets, net of accumulated depreciation	<u>15,971,251</u>	<u>8,472,233</u>
Total Assets	<u>\$ 25,822,795</u>	<u>\$ 9,360,588</u>
 <u>Liabilities and Net Assets</u>		
Current Liabilities:		
Accounts payable	\$ 232,290	\$ 316,459
Accrued payroll	23,773	4,300
Capital lease obligation - current portion	180,529	241,228
Current compensated absences payable	32,212	3,312
Deposits and advances	368,012	
Due to other funds		
Total Current Liabilities	<u>836,816</u>	<u>565,299</u>
Noncurrent Liabilities:		
Capital lease obligation	3,290,790	3,360,000
OPEB obligations payable	106,200	
Compensated absences payable	<u>289,900</u>	<u>29,817</u>
Total Non Current Liabilities	<u>3,686,890</u>	<u>3,389,817</u>
Total Liabilities	<u>4,523,706</u>	<u>3,955,116</u>
Net Assets:		
Invested in capital assets, net of related debt	12,499,932	4,871,005
Restricted		
Unrestricted-designated for capital improvements	<u>8,799,157</u>	<u>534,467</u>
Total Net Assets	21,299,089	5,405,472
Adjustment to reflect the consolidation of internal service funds activities to related activity	<u>(256,083)</u>	
Net Assets Related to Water Enterprise Activities	<u>\$ 21,043,006</u>	<u>\$ 5,405,472</u>

Totals

2009	2008
\$ 9,329,882	\$ 5,485,598
1,410,017	1,614,435
	2,305,914
<u>10,739,899</u>	<u>9,405,947</u>
<u>24,443,484</u>	<u>24,494,696</u>
\$ <u>35,183,383</u>	\$ <u>33,900,643</u>
\$ 548,749	\$ 461,199
28,073	20,186
421,757	194,086
35,524	28,806
368,012	362,577
	2,305,914
<u>1,402,115</u>	<u>3,372,768</u>
6,650,790	5,072,528
106,200	
319,717	259,252
<u>7,076,707</u>	<u>5,331,780</u>
<u>8,478,822</u>	<u>8,704,548</u>
17,370,937	19,228,082
<u>9,333,624</u>	<u>5,968,013</u>
26,704,561	25,196,095
<u>(256,083)</u>	<u>(169,280)</u>
\$ <u>26,448,478</u>	\$ <u>25,026,815</u>

**CITY OF MONTEREY PARK**

**Schedule of Revenues, Expenses and Changes in Net Assets by Function - Water Enterprise Fund  
Year Ended June 30, 2009**

**(With comparative total for Year Ending June 30, 2008)**

	Water Operations Activity	Water Treatment Activity
Operating Revenues:		
Charges for services	\$ 7,484,581	\$ 2,877,129
Meter installations	137,158	
Grants		244,968
Other revenue	57,682	480,289
	<hr/>	<hr/>
Total Operating Revenues	7,679,421	3,602,386
	<hr/>	<hr/>
Operating Expenses:		
Water purchased	52,774	28,451
Administration-water	2,685,377	
Commercial-water	711,983	
Production-water	1,647,125	
Distribution-water	1,196,403	
Treatment plant operations		2,209,497
Depreciation	766,535	339,285
	<hr/>	<hr/>
Total Operating Expenses	7,060,197	2,577,233
	<hr/>	<hr/>
Operating Income (Loss)	619,224	1,025,153
Nonoperating Income (Loss):		
(Loss) on sale of surplus property		
	<hr/>	<hr/>
Total Nonoperating Income (Loss)	-	-
	<hr/>	<hr/>
Net Income (Loss) Before Transfers and Contribution	619,224	1,025,153
Capital contributions	129,089	
Transfers out	(265,000)	
	<hr/>	<hr/>
Total Transfers and Capital Contributions	(135,911)	-
	<hr/>	<hr/>
Changes in Net Assets	483,313	1,025,153
Net Assets (Deficits), Beginning of Year	20,815,776	4,380,319
	<hr/>	<hr/>
Net Assets (Deficits), End of Year	\$ 21,299,089	\$ 5,405,472
	<hr/>	<hr/>
Changes in Net Assets	\$ 483,313	\$ 1,025,153
Adjustment to reflect consolidation of internal service fund activities to related enterprise activity	(86,803)	
	<hr/>	<hr/>
Changes in Net Activities of Water Enterprise Activities	\$ 396,510	\$ 1,025,153
	<hr/>	<hr/>

Totals

2009	2008
\$ 10,361,710	\$ 10,115,569
137,158	408,046
244,968	
537,971	963,303
<u>11,281,807</u>	<u>11,486,918</u>
81,225	172,379
2,685,377	2,412,380
711,983	693,955
1,647,125	1,642,635
1,196,403	1,052,266
2,209,497	2,581,498
1,105,820	1,078,216
<u>9,637,430</u>	<u>9,633,329</u>
1,644,377	1,853,589
	(17,379)
<u>-</u>	<u>(17,379)</u>
1,644,377	1,836,210
129,089	444,903
(265,000)	(262,000)
<u>(135,911)</u>	<u>182,903</u>
1,508,466	2,019,113
25,196,095	23,176,982
<u>\$ 26,704,561</u>	<u>\$ 25,196,095</u>
\$ 1,508,466	\$ 2,019,113
(86,803)	101,258
<u>\$ 1,421,663</u>	<u>\$ 2,120,371</u>

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

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

<u><b>Index</b></u>	<u><b>Page</b></u>
<b>Financial Trends</b> - These schedules contain information to help the reader to understand how the City's financial performance and well-being have changed over time.	
1 Net Assets by Component	138
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3 Fund Balances of Governmental Funds	144
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<b>Revenue Capacity</b> - These schedules contain information to help the reader assess the City's property	
5 Assessed Value and Estimated Actual Value of Taxable Property	148
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11 Direct and Overlapping Debt	160
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<b>Demographic and Economic Information</b> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take	
14 Demographic and Economic Statistics	165
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**CITY OF MONTEREY PARK**  
**Net Assets by Component**  
**Last Seven Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year		
	2003	2004	2005
<b>Governmental Activities:</b>			
Invested in capital assets, net of related debt	\$ 28,473,823	\$ 28,995,314	\$ 33,316,889
Restricted	35,032,907	37,577,409	44,040,390
Unrestricted	<u>(34,029,791)</u>	<u>(32,196,829)</u>	<u>(34,565,344)</u>
Total governmental activities net assets	<u>\$ 29,476,939</u>	<u>\$ 34,375,894</u>	<u>\$ 42,791,935</u>
<b>Business-Type Activities:</b>			
Invested in capital assets, net of related debt	\$ 13,267,529	\$ 17,067,003	\$ 19,880,710
Restricted	-	-	-
Unrestricted	<u>1,300,140</u>	<u>1,608,386</u>	<u>1,210,407</u>
Total business-type activities net assets	<u>\$ 14,567,669</u>	<u>\$ 18,675,389</u>	<u>\$ 21,091,117</u>
<b>Primary Government:</b>			
Invested in capital assets, net of related debt	\$ 41,741,352	\$ 46,062,317	\$ 53,197,599
Restricted	15,474,589	6,139,301	44,040,390
Unrestricted	<u>(13,171,333)</u>	<u>849,665</u>	<u>(33,354,937)</u>
Total primary government net assets	<u>\$ 44,044,608</u>	<u>\$ 53,051,283</u>	<u>\$ 63,883,052</u>

Source: City of Monterey Park Management Services Department

**Fiscal Year**

<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
\$ 39,935,338	\$ 41,243,683	\$ 42,188,514	\$ 40,863,652
40,358,826	41,256,879	50,363,018	57,279,208
<u>(31,003,360)</u>	<u>(28,542,889)</u>	<u>(29,746,073)</u>	<u>(37,034,912)</u>
<u>\$ 49,290,804</u>	<u>\$ 53,957,673</u>	<u>\$ 62,805,459</u>	<u>\$ 61,107,948</u>
\$ 19,700,171	\$ 20,202,373	\$ 19,228,082	\$ 17,370,937
-	-	-	-
<u>2,099,749</u>	<u>2,704,071</u>	<u>5,798,733</u>	<u>9,077,541</u>
<u>\$ 21,799,920</u>	<u>\$ 22,906,444</u>	<u>\$ 25,026,815</u>	<u>\$ 26,448,478</u>
\$ 59,635,509	\$ 61,446,056	\$ 61,416,596	\$ 58,234,589
40,358,826	41,256,879	50,363,018	57,279,208
<u>(28,903,611)</u>	<u>(25,838,818)</u>	<u>(23,947,340)</u>	<u>(27,957,371)</u>
<u>\$ 71,090,724</u>	<u>\$ 76,864,117</u>	<u>\$ 87,832,274</u>	<u>\$ 87,556,426</u>

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

	Fiscal Year		
	2003	2004	2005
<b>Expenses:</b>			
Governmental activities:			
General government	\$ 3,875,042	\$ 3,766,150	\$ 4,110,311
Public safety	19,712,262	19,275,515	20,418,214
Community development	5,601,070	6,494,687	6,880,151
Culture and recreation	5,322,394	5,380,342	5,348,469
Highway and streets	4,421,007	5,595,749	4,776,390
Health	4,722,742	4,587,644	4,924,369
Interest and fiscal charges	2,008,899	3,040,713	4,079,124
	<u>45,663,416</u>	<u>48,140,800</u>	<u>50,537,028</u>
Business-type activities:			
Water	8,877,261	6,296,717	8,620,295
	<u>8,877,261</u>	<u>6,296,717</u>	<u>8,620,295</u>
	<u>54,540,677</u>	<u>54,437,517</u>	<u>59,157,323</u>
<b>Program revenues:</b>			
Governmental activities:			
Charges for services:			
General government	1,442,693	1,331,238	1,449,459
Public safety	2,994,168	2,564,364	3,018,772
Community development	1,623,800	957,673	2,106,140
Culture and recreation	877,441	937,278	792,172
Highway and Streets	1,208,418	1,186,860	1,303,633
Health	5,004,307	4,933,367	5,139,373
Operating grants and contributions	1,809,654	1,969,482	2,302,117
Capital grants and contributions	1,768,359	3,081,881	6,125,743
	<u>16,728,840</u>	<u>16,962,143</u>	<u>22,237,409</u>
Business-type activities:			
Water			
Charges for services:	7,860,078	6,718,386	7,590,509
Capital grants and contributions	4,672,557	855,628	3,331,675
	<u>12,532,635</u>	<u>7,574,014</u>	<u>10,922,184</u>
	<u>\$ 29,261,475</u>	<u>\$ 24,536,157</u>	<u>\$ 33,159,593</u>

**Fiscal Year**

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 3,805,164	\$ 5,740,916	\$ 4,338,308	\$ 3,879,270
22,168,220	23,991,371	25,259,657	28,781,812
7,206,979	9,550,291	8,388,572	11,507,775
5,536,176	5,776,367	6,914,716	7,411,985
5,283,276	6,550,763	5,184,431	5,812,714
5,289,520	5,575,305	5,729,874	6,005,109
<u>4,292,781</u>	<u>3,211,151</u>	<u>3,040,769</u>	<u>2,975,762</u>
<u>53,582,116</u>	<u>60,396,164</u>	<u>58,856,327</u>	<u>66,374,427</u>
<u>8,594,316</u>	<u>10,253,822</u>	<u>9,549,450</u>	<u>9,724,233</u>
<u>8,594,316</u>	<u>10,253,822</u>	<u>9,549,450</u>	<u>9,724,233</u>
<u>62,176,432</u>	<u>70,649,986</u>	<u>68,405,777</u>	<u>76,098,660</u>
1,458,109	1,469,072	765,334	766,402
3,309,549	3,521,884	4,961,930	5,058,340
2,166,424	1,840,229	3,960,929	2,410,056
697,239	766,051	801,478	818,438
1,457,019	1,422,080	1,569,903	1,421,473
5,550,377	5,792,895	6,066,956	6,243,753
2,572,146	6,794,692	4,472,472	5,402,260
<u>2,955,297</u>	<u>2,055,895</u>	<u>1,620,031</u>	<u>546,077</u>
<u>20,166,160</u>	<u>23,662,798</u>	<u>24,219,033</u>	<u>22,666,799</u>
8,842,158	10,729,127	10,523,615	10,498,868
319,059	287,506	444,903	-
<u>9,161,217</u>	<u>11,016,633</u>	<u>10,968,518</u>	<u>10,498,868</u>
<u>\$ 29,327,377</u>	<u>\$ 34,679,431</u>	<u>\$ 35,187,551</u>	<u>\$ 33,165,667</u>

(Continued)

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

	Fiscal Year		
	2003	2004	2005
<b>General revenues and other</b>			
<b>Changes in net assets:</b>			
Governmental activities:			
Taxes:			
Property taxes	\$ 20,323,727	\$ 18,883,567	\$ 18,859,161
Sales tax	4,763,934	4,504,133	5,261,458
Vehicle in-lieu tax	2,861,427	3,681,334	691,143
Vehicle in-lieu tax gap loan repayment	-	-	1,075,194
Utility users tax	3,143,376	3,154,439	3,103,159
Utility franchise tax	-	-	978,880
Business license tax	880,448	909,816	917,106
Transient occupancy tax	-	-	500,011
Other taxes	1,020,713	1,414,928	3,465,501
Revenues from use of money and property	583,883	617,980	1,461,509
Other	6,023	2,798	152,538
Gain/(Loss) on sale of property	-	-	-
Transfers	250,000	234,987	250,000
Total general revenues and transfers	<u>33,833,531</u>	<u>33,403,982</u>	<u>36,715,660</u>
Business-type activities:			
Investment income	702,346	11,779	363,839
Transfers	(250,000)	(234,987)	(250,000)
Total business-type activities	<u>452,346</u>	<u>(223,208)</u>	<u>113,839</u>
Total primary government	<u>34,285,877</u>	<u>33,180,774</u>	<u>36,829,499</u>
Changes in net assets			
Governmental activities	4,898,955	2,225,325	8,416,041
Business-type activities	4,107,720	1,054,089	2,415,728
Total primary government	<u>\$ 9,006,675</u>	<u>\$ 3,279,414</u>	<u>\$ 10,831,769</u>

Source: City of Monterey Park Management Services Department

**Fiscal Year**

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 21,338,420	\$ 23,059,597	\$ 25,506,057	\$ 26,741,260
5,255,486	5,620,979	5,407,689	4,546,028
386,524	429,693	275,591	185,693
-	-	-	-
3,186,345	3,330,631	3,417,647	3,516,748
1,023,947	1,073,341	1,043,237	1,087,602
957,513	996,629	1,028,436	963,068
608,376	783,505	908,694	785,331
3,794,098	1,607,587	1,763,576	1,557,516
2,709,920	3,797,283	3,540,097	2,145,238
407,783	450,990	332,056	219,979
(3,587)	-	-	(3,346)
<u>250,000</u>	<u>250,000</u>	<u>262,000</u>	<u>265,000</u>
<u>39,914,825</u>	<u>41,400,235</u>	<u>43,485,080</u>	<u>42,010,117</u>
391,902	593,713	963,303	537,971
<u>(250,000)</u>	<u>(250,000)</u>	<u>(262,000)</u>	<u>(265,000)</u>
<u>141,902</u>	<u>343,713</u>	<u>701,303</u>	<u>272,971</u>
<u>40,056,727</u>	<u>41,743,948</u>	<u>44,186,383</u>	<u>42,283,088</u>
6,498,869	4,666,869	8,847,786	(1,697,511)
<u>708,803</u>	<u>1,106,524</u>	<u>2,120,371</u>	<u>1,421,663</u>
<u>\$ 7,207,672</u>	<u>\$ 5,773,393</u>	<u>\$ 10,968,157</u>	<u>\$ (275,848)</u>

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

	Fiscal Year		
	2003	2004	2005
<b>General Fund:</b>			
Reserved	\$ 226,000	\$ 383,513	\$ 1,609,646
Unreserved	<u>10,186,471</u>	<u>10,896,390</u>	<u>10,992,733</u>
Total general fund	<u>\$ 10,412,471</u>	<u>\$ 11,279,903</u>	<u>\$ 12,602,379</u>
<b>All other governmental funds:</b>			
Reserved	\$ 13,948,449	\$ 14,330,817	\$ 18,247,285
Unreserved, reported in:			
Debt Service	2,533,418	2,242,233	2,532,000
Non major special revenue funds	11,681,532	12,893,288	13,919,706
Special revenue funds	262,089	365,292	(4,125,038)
Capital project funds	<u>17,614,834</u>	<u>18,845,681</u>	<u>22,395,185</u>
Total all other governmental funds	<u>\$ 46,040,322</u>	<u>\$ 48,677,311</u>	<u>\$ 52,969,138</u>

Source: City of Monterey Park Management Services Department

**Fiscal Year**

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 1,024,501	\$ 156,462	\$ 206,963	\$ 157,662
<u>14,085,149</u>	<u>15,916,922</u>	<u>18,242,819</u>	<u>16,941,912</u>
<u>\$ 15,109,650</u>	<u>\$ 16,073,384</u>	<u>\$ 18,449,782</u>	<u>\$ 17,099,574</u>
\$ 13,898,628	\$ 26,330,589	\$ 36,141,704	\$ 37,139,749
3,325,105	-	-	2,607,091
11,322,367	11,082,491	13,046,931	12,399,284
(2,227,083)	(2,713,678)	(2,328,400)	(1,414,200)
<u>24,700,708</u>	<u>20,236,746</u>	<u>15,499,432</u>	<u>17,475,351</u>
<u>\$ 51,019,725</u>	<u>\$ 54,936,148</u>	<u>\$ 62,359,667</u>	<u>\$ 68,207,275</u>



<b>Fiscal Year</b>				
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
\$	35,533,276	\$ 37,981,560	\$ 40,432,674	\$ 40,316,886
	2,355,310	2,151,806	2,929,898	2,797,953
	5,147,213	6,311,434	4,185,040	5,036,290
	12,087,372	12,243,396	13,878,802	13,125,471
	2,695,272	3,786,117	3,540,095	2,137,057
	1,218,183	1,484,320	2,347,916	1,687,318
	446,828	441,725	332,155	304,985
	<u>59,483,454</u>	<u>64,400,358</u>	<u>67,646,580</u>	<u>65,405,960</u>
	3,617,431	4,175,114	3,543,528	3,585,033
	21,702,423	22,882,590	24,843,834	25,873,335
	4,887,781	6,954,496	5,990,947	8,085,618
	5,153,714	5,449,379	5,953,354	6,151,628
	4,251,299	4,372,836	4,602,434	4,688,134
	5,289,411	5,523,633	5,749,284	6,026,191
	10,488,775	9,164,797	5,189,775	5,385,481
	1,801,611	1,776,129	1,753,079	1,677,419
	4,229,442	3,148,785	2,979,373	2,916,198
	-	-	-	-
	<u>61,421,887</u>	<u>63,447,759</u>	<u>60,605,608</u>	<u>64,389,037</u>
	<u>(1,938,433)</u>	<u>952,599</u>	<u>7,040,972</u>	<u>1,016,923</u>
	3,131,496	6,059,430	5,801,280	6,501,942
	(2,881,496)	(6,009,430)	(6,039,280)	(6,236,942)
	-	(510,178)	-	-
	6,306	-	1,337	1,345
	-	-	-	-
	2,239,985	2,587,736	-	-
	-	-	2,995,608	3,214,132
	-	1,800,000	-	-
	-	-	-	-
	-	-	-	-
	<u>2,496,291</u>	<u>3,927,558</u>	<u>2,758,945</u>	<u>3,480,477</u>
\$	<u>557,858</u>	<u>4,880,157</u>	<u>9,799,917</u>	<u>4,497,400</u>
	13.43%	9.98%	9.34%	8.44%

**CITY OF MONTEREY PARK**  
**Assessed Value and Estimated Actual Value of Taxable Property** <sup>(1)</sup>  
**Last Ten Fiscal Years**  
**(in thousands of dollars)**

Fiscal Year Ended June 30	Secured	Unsecured	Taxable Assessed Value	Total Direct Tax Rate <sup>(2)</sup>
2000	\$ 2,913,861	\$ 101,623	\$ 3,015,484	0.091175
2001	3,038,055	99,766	3,137,821	0.091175
2002	3,213,424	119,505	3,332,929	0.091175
2003	3,394,637	125,783	3,520,420	0.091175
2004	3,636,665	95,329	3,731,994	0.091175
2005	3,861,942	100,106	3,962,048	0.091175
2006	4,157,522	116,538	4,274,060	0.091175
2007	4,526,381	114,503	4,640,884	0.091175
2008	4,895,657	102,978	4,998,635	0.091175
2009	5,199,694	123,150	5,322,844	0.091175

Notes:

(1) In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

(2) Retirement Tax at 0.091175 per \$100 of Assessed Valuation.

Source: County of Los Angeles Department of Auditor-Controller

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

	Fiscal Year			
	2000	2001	2002	2003
City Direct Rates:				
Monterey Park	0.09117	0.09117	0.09117	0.09117
Overlapping Rates:				
Los Angeles County General	0.00142	0.00131	0.00113	0.00103
Garvey School District	0.00000	0.00000	0.03118	0.05287
Control District	0.00177	0.00155	0.00047	0.00088
Metropolitan Water District	0.00890	0.00880	0.00770	0.00670
San Gabriel Valley Water District	<u>0.02211</u>	<u>0.02175</u>	<u>0.02400</u>	<u>0.02400</u>
Total Direct Rate	<u>0.12537</u>	<u>0.12459</u>	<u>0.15565</u>	<u>0.17665</u>

Notes: 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 the Los Angeles Unified School District bonds.

Source: HDL Coren & Cone

<b>Fiscal Year</b>					
<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
0.09117	0.09117	0.09117	0.09117	0.09117	0.09117
0.00099	0.00092	0.01510	0.02932	0.00878	0.02212
0.02471	0.02319	0.06379	0.05942	0.05460	0.03625
0.00046	0.00025	0.00002	0.00005	0.00000	0.00000
0.00610	0.00580	0.00520	0.00470	0.00450	0.00430
<u>0.02200</u>	<u>0.02000</u>	<u>0.02000</u>	<u>0.02000</u>	<u>0.02000</u>	<u>0.01800</u>
<u>0.14543</u>	<u>0.14133</u>	<u>0.19528</u>	<u>0.20466</u>	<u>0.17905</u>	<u>0.17184</u>

**CITY OF MONTEREY PARK**  
**Principal Property Tax Payers**  
**Current Year and Nine Years Ago**

<b>Taxpayers</b>	<b>2009</b>	
	<b>Taxable Assessed Valuation</b>	<b>Percent of Total City Taxable Assessed Valuation</b>
Los Angeles Corporate Center	\$ 91,095,000	1.71%
Garfield Calmed Investment LP	68,228,080	1.28%
1977 Saturn LLC	55,151,400	1.04%
Union Bank	54,236,396	1.02%
GMS Five LLC	41,972,713	0.79%
Emerald Hills LLC	29,418,902	0.55%
Real Estate Investors 1984 1	22,000,000	0.41%
Atlantic Shopping Center LP	21,624,000	0.41%
901 Corporate Center LP	21,216,000	0.40%
Tripeak LLC	19,560,530	0.37%
	\$ 424,503,021	7.98%

The amounts shown above include assessed valuation data for both the City and the Redevelopment Agency.

Source: HDL Coren & Cone

<b>Taxpayers</b>	<b>2000</b>	
	<b>Taxable Assessed Valuation</b>	<b>Percent of Total City Taxable Assessed Valuation</b>
Union Bank	\$ 36,814,956	1.27%
Arden Realty Finance Partnership	35,457,674	1.18%
GMS Realty	35,166,780	1.17%
Lloyds Bank California	26,470,000	0.88%
National Medical Hospital of Monterey Park	25,940,689	0.86%
Monterey Park Hospital	18,625,149	0.60%
A & R Management & Development	18,027,975	0.45%
Mar Investments Et. Al.	13,629,904	0.42%
Aespace America Inc.	12,750,000	0.37%
Real Estate Investors 1984 1	11,100,000	0.36%
	<b>\$ 233,983,127</b>	<b>7.56%</b>

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

<b>Fiscal Year Ended June 30</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of Levy</b>		<b>Collection in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percent of Levy</b>		<b>Amount</b>	<b>Percent of Levy</b>
<b>2000</b>	3,693,733	3,573,222	96.74%	115,741	3,688,963	99.87%
<b>2001</b>	3,844,072	3,736,076	97.19%	120,511	3,856,587	100.33%
<b>2002</b>	4,104,989	3,958,207	96.42%	107,996	4,066,203	99.06%
<b>2003</b>	4,355,132	4,221,523	96.93%	146,782	4,368,305	100.30%
<b>2004</b>	4,605,963	4,361,754	94.70%	133,609	4,495,363	97.60%
<b>2005</b>	4,930,941	4,833,603	98.03%	244,209	5,077,812	102.98%
<b>2006</b>	5,373,194	5,191,875	96.63%	97,338	5,289,213	98.44%
<b>2007</b>	5,822,423	5,701,063	97.92%	181,319	5,882,382	101.03%
<b>2008</b>	6,234,528	5,980,368	95.92%	121,360	6,101,728	97.87%
<b>2009</b>	6,571,830	6,279,340	95.55%	254,160	6,533,500	99.42%

Note: The amounts presented are general fund secured property tax (not including retirement tax or Redevelopment Agency tax increment).

Source: City of Monterey Park Management Services Department

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

Fiscal Year Ended June 30	Governmental Activities			
	Pension Obligation	1998 Merged	2002 Atlantic/Garvey	Tax Increment Deferred
	Bonds	Bonds	Bonds	Loan
2000	\$ -	\$ 11,245	\$ 21,700	\$ 9,468
2001	-	11,050	20,810	10,870
2002	-	10,850	19,865	12,401
2003	-	10,640	24,270	14,017
2004	17,405	10,420	23,685	14,151
2005	17,405	10,190	22,990	16,092
2006	17,405	9,950	22,275	18,332
2007	17,405	9,700	21,540	20,919
2008	17,405	9,435	20,790	23,915
2009	17,380	9,155	20,020	27,129

Note: Business-type activities, Percentage of Personal Income was based on data from Los Angeles County State of California Employment Department. 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

**Governmental Activities**

<b>HUD Section 108 Loans</b>	<b>Library Special tax Revenue Note</b>	<b>Capital Lease Obligation</b>	<b>Total Governmental Activities</b>
\$ -	\$ -	\$ 2,185	\$ 44,598
-	-	1,915	44,645
-	-	2,858	45,974
-	-	2,322	51,249
6,330	-	2,264	74,255
6,145	3,900	1,578	78,300
5,948	3,663	961	78,534
5,739	3,417	2,337	81,057
5,518	3,161	1,856	82,080
5,283	2,897	1,528	83,392

(Continued)

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

Fiscal Year Ended June 30	Business-type Activities			
	Capital Lease Obligation	Total Primary Government	Percentage of Personal Income	Debt Per Capita
2000	\$ 1,816	\$ 46,414	0.02%	689
2001	1,642	46,287	0.02%	744
2002	3,056	49,030	0.02%	783
2003	3,190	54,439	0.02%	859
2004	5,170	79,425	0.02%	1,242
2005	3,954	82,254	0.02%	1,273
2006	3,628	82,162	0.02%	1,276
2007	4,557	85,614	0.02%	1,327
2008	5,267	87,347	N/A	1,356
2009	7,073	90,465	N/A	1,394

Note: Business-type activities, Percentage of Personal Income was based on data from Los Angeles County State of California Employment Department. 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**  
**Ratio of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
**(In Thousands, except Per Capita)**

Fiscal Year Ended June 30	Outstanding General Bonded Debt				Percent of Assessed Valuation <sup>(1)</sup>	Per Capita
	Pension Obligation	Tax Allocation	Total			
	Bonds	Bonds				
2000	\$ -	\$ 32,945	\$ 32,945		1.0925%	489
2001	-	31,860	31,860		1.0154%	512
2002	-	30,715	30,715		0.9216%	490
2003	-	34,910	34,910		0.9916%	551
2004	17,405	34,105	51,510		1.3802%	806
2005	17,405	33,180	50,585		1.2767%	783
2006	17,405	32,225	49,630		1.1612%	771
2007	17,405	31,240	48,645		1.0482%	754
2008	17,405	30,225	47,630		0.9529%	739
2009	17,380	29,175	46,555		0.8746%	718

Note:

(1) 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

**CITY OF MONTEREY PARK**  
**Direct and Overlapping Debt**  
**June 30, 2009**

City Assessed Valuation	\$ 4,459,677,834
Redevelopment Agency Incremental Valuation	<u>863,166,228</u>
Total Assessed Valuation	<u><u>\$ 5,322,844,062</u></u>

	<u>Percentage Applicable(%)</u>	<u>Net Bonded Debt Debt 6/30/09</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping Debt Repaid with Property Taxes:			
Metropolitan Water District	0.240	\$ 274,192,302	\$ 658,062
Garvey School District	28.504	42,046,020	11,984,798
LA CCD DS	0.910	2,408,605,000	21,918,306
Los Angeles Unified DS	0.039	8,046,220,000	3,138,026
Montebello Unified DS	8.080	131,349,641	10,613,051
Alhambra Unified DS	32.663	<u>130,188,883</u>	<u>42,523,595</u>
Total overlapping debt repaid with property taxes		<u><u>\$ 11,032,601,846</u></u>	<u><u>\$ 90,835,838</u></u>

Source: HDL Coren & Cone

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

	Fiscal Year			
	2000	2001	2002	2003
Assessed valuation	3,015,484	3,137,821	3,332,929	3,520,420
Debt limit percentage	15%	15%	15%	15%
Debt limit	452,323	470,673	499,939	528,063
Total net debt applicable to limit:				
Pension obligation bonds	-	-	-	-
Legal debt margin	<u>\$ 452,323</u>	<u>\$ 470,673</u>	<u>\$ 499,939</u>	<u>\$ 528,063</u>
Total debt applicable to the limit as a percentage of debt limit	0.0000%	0.0000%	0.0000%	0.0000%

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

Source: City of Monterey Park Management Services Department  
County of Los Angeles Department of Auditor-Controller

<b>Fiscal Year</b>					
<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
3,731,994	3,962,048	4,274,060	4,640,884	4,998,635	5,322,844
15%	15%	15%	15%	15%	15%
559,799	594,307	641,109	696,133	749,795	798,427
17,405	17,405	17,405	17,405	17,405	17,380
<u>\$ 542,394</u>	<u>\$ 576,902</u>	<u>\$ 623,704</u>	<u>\$ 678,728</u>	<u>\$ 732,390</u>	<u>\$ 781,047</u>
3.1092%	2.9286%	2.7148%	2.5002%	2.3213%	2.1768%

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

<b>Fiscal Year Ended June 30</b>	<b>Tax Allocation Bonds</b>			
	<b>Tax Increment</b>	<b>Debt Service</b>		<b>Coverage</b>
		<b>Principal</b>	<b>Interest</b>	
<b>2000</b>	4,669	1,025	2,088	1.50
<b>2001</b>	4,888	1,085	1,970	1.60
<b>2002</b>	5,721	1,145	1,965	1.84
<b>2003</b>	5,791	210	1,894	2.75
<b>2004</b>	6,214	805	1,552	2.64
<b>2005</b>	6,555	925	1,526	2.67
<b>2006</b>	7,533	955	1,497	3.07
<b>2007</b>	8,134	985	1,469	3.31
<b>2008</b>	9,746	1,015	1,436	3.98
<b>2009</b>	10,216	1,050	1,404	4.16

Source: City of Monterey Park Management Services Department

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

<b>Calendar Year</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
2000	67,409	279,049,532	29,232	3.8%
2001	62,181	294,508,314	30,503	4.0%
2002	62,629	301,002,945	30,828	4.8%
2003	63,406	310,043,501	31,452	4.9%
2004	63,928	329,048,068	33,179	4.6%
2005	64,614	342,231,121	34,426	3.7%
2006	64,387	369,174,348	37,362	3.5%
2007	64,508	390,295,865	39,794	3.6%
2008	64,434	N/A	N/A	4.7%
2009	64,874	N/A	N/A	8.5%

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

Sources: Bureau of Economic Analysis  
State of California Employment Development Department (data shown is for the county)

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

<b>Employers</b>	<b>2009</b>	
	<b>Number of Employees</b>	<b>Percent of Total Employment</b>
East Los Angeles Community College	1,969	0.043%
Garfield Medical Center	951	0.021%
Los Angeles County Sheriff's Department	791	0.017%
L.A County Children's Court	736	0.016%
City of Monterey Park	521	0.011%
Monterey Park Hospital	362	0.008%
Care 1st Health Plan	315	0.007%
Southern California Gas Company	275	0.006%
Pacific Bell	232	0.005%
Chinese Daily News	184	0.004%
Ralph's Grocery Store (2 Locations)	173	0.004%
SynerMed Inc	156	0.003%
Remitco LLC	155	0.003%
CVS Pharmacies (2 Locations)	139	0.003%
California Highway Patrol	131	0.003%
Camino Real Chevrolet	119	0.003%
Southern California Edison Co.	114	0.002%

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

Source: City of Monterey Park Management Services Department  
State of California Employment Development Department-Labor Market Information

<b>Employers</b>	<b>2000</b>	
	<b>Number of Employees</b>	<b>Percent of Total Employment</b>
East Los Angeles Community College	2,381	0.054%
Union Processing Center	1,200	0.027%
Sanwa Processing Center	1,000	0.023%
Garfield Medical Center	853	0.019%
LA County Children's Court	800	0.018%
Los Angeles County Sheriff's Department	532	0.012%
Community Development Commission	500	0.011%
Pacific Bell (3 Locations)	443	0.010%
City of Monterey Park	399	0.009%
Monterey Park Hospital	343	0.008%
Southern California Gas Company	199	0.004%
First Union Bank	183	0.004%
La Colonial Tortilla Products, Inc.	161	0.004%
Chinese Daily News	160	0.004%
Ralph's Grocery Store (2 Locations)	159	0.004%
Lyte Optronics, Inc.	158	0.004%
Foster Wheeler Environmental	138	0.003%

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

<b><u>Function</u></b>	<b>Full-time and Part-time Employees as of June 30</b>									
	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>
General Government	123	126	127	126	127	114	116	126	127	120
Public Safety	188	188	193	193	193	193	193	194	196	196
Public Works	60	60	60	60	60	61	63	63	63	62
Community Development	<u>28</u>	<u>29</u>	<u>28</u>	<u>29</u>	<u>28</u>	<u>27</u>	<u>28</u>	<u>28</u>	<u>28</u>	<u>27</u>
Total	<u>399</u>	<u>403</u>	<u>408</u>	<u>408</u>	<u>408</u>	<u>395</u>	<u>400</u>	<u>411</u>	<u>414</u>	<u>405</u>

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			
	2000	2001	2002	2003
<b>Police:</b>				
Number of service calls	42,514	58,342	47,073	46,237
Response time priority I (emergency) (minutes/seconds)	3:44	4:04	4:34	3:54
<b>Fire:</b>				
Number of emergency calls	3,460	3,636	3,286	3,528
Inspections	\$2,261	2,059	1,578	2,148
<b>Public works:</b>				
Street resurfacing (miles)	0.12	1.54	0.64	-
<b>Parks and recreation:</b>				
Hours of recreation classes	550	600	650	602
Number of facility rentals	269	269	269	247
<b>Water:</b>				
Meters changed and upgrades	1,846	1,853	799	504
Water turn-ons and turn-offs	2,190	2,182	2,387	3,514
Average daily consumption (thousand of gallons)	10,000	10,000	10,000	10,000

Source: City of Monterey Park Annual Budget  
City of Monterey Park Management Services Department  
City of Monterey Park Engineering Division

<b>Fiscal Year</b>					
<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
50,587 3:47	55,883 4:28	56,197 4:24	50,908 4:05	54,696 4:17	55,608 4:09
3,484 1,911	3,587 2,165	3,640 2,566	3,895 2,597	4,163 2,747	3,980 3,578
0.82	-	-	2.22	2.38	-
650 250	723 235	770 269	770 235	770 235	770 242
520 3,277 10,000	459 3,744 10,000	641 3,574 11,000	653 3,744 11,000	712 2,905 11,000	593 2,951 11,000

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

	<b>Fiscal Year</b>			
	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
<b>Police:</b>				
Stations	1	1	1	1
<b>Fire:</b>				
Fire stations	3	3	3	3
<b>Public works:</b>				
Streets (miles)	115	115	115	115
Streetlights	3,359	3,359	3,359	3,359
Traffic signals	75	75	75	75
<b>Parks and recreation:</b>				
Parks	13	13	13	13
Community centers				
<b>Water:</b>				
Water mains (miles)	132	132	134	134
Maximum daily capacity (thousands of gallons)	12,246	12,369	12,493	12,618
<b>Wastewater:</b>				
Sanitary sewers (miles)	126	126	126	126
Storm sewers (miles)	12.43	12.43	12.43	12.43

Source: City of Monterey Park Annual Budget  
City of Monterey Park Water Division

**Fiscal Year**

<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
1	1	1	1	1	1
3	3	3	3	3	3
115	119	119	119	119	119
3,359	3,359	3,359	3,359	3,359	3,359
75	75	75	75	75	75
13	14	14	14	14	14
134	134	134	134	134	134
12,744	12,871	13,000	13,130	13,540	12,140
126	126	126	126	126	126
12.43	12.43	12.43	12.43	12.43	12.43

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

	Fiscal Year				
	2000	2001	2002	2003	2004
Type of Customer:					
Residential	2,288.0	2,325.0	2,367.0	2,394.0	2,354.0
Commercial	864.0	894.0	905.0	910.0	908.0
Institutional	34.0	41.0	42.0	43.0	54.0
Government	44.0	39.0	41.0	40.0	44.1
Total	<u>3,230.0</u>	<u>3,299.0</u>	<u>3,355.0</u>	<u>3,387.0</u>	<u>3,360.1</u>

Source: City of Monterey Park Management Services Department

<b>Fiscal Year</b>				
<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
2,390.3	2,390.2	2,442.3	2,482.5	2,814.1
885.0	891.4	916.4	874.0	924.6
66.0	76.7	81.2	76.7	132.3
<u>50.0</u>	<u>52.4</u>	<u>61.8</u>	<u>62.0</u>	<u>87.6</u>
<u><u>3,391.3</u></u>	<u><u>3,410.7</u></u>	<u><u>3,501.7</u></u>	<u><u>3,495.2</u></u>	<u><u>3,958.6</u></u>

**CITY OF MONTEREYPARK**  
**Water Rates**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30</b>	<b>Monthly Base Rate</b>	<b>Rate per 1,000 Gallons</b>
<b>2000</b>	\$ 8.74	1.52
<b>2001</b>	9.08	1.58
<b>2002</b>	9.52	1.66
<b>2003</b>	9.86	1.72
<b>2004</b>	10.16	1.77
<b>2005</b>	10.60	1.84
<b>2006</b>	11.13	1.94
<b>2007</b>	11.69	2.04
<b>2008</b>	12.11	2.11
<b>2009</b>	12.72	2.22

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

Sources: City of Monterey Park Management Services Department

**CITY OF MONTEREY PARK**  
**Water Customers**  
**Current Year and Five Years Ago**

<u>Water Customer</u>	<u>2009</u>		<u>2004*</u>	
	<u>Water Charges</u>	<u>Percent of Total Water Revenues</u>	<u>Water Charges</u>	<u>Percent of Total Water Revenues</u>
Aespace America Inc.	\$ 54,351	0.73%	\$ 55,701	0.82%
Garfield Medical Center	47,652	0.64%	40,942	0.60%
Monterey Park Golf Course	29,659	0.40%	36,950	0.54%
L.A. Corporate Center	29,418	0.39%	6,642	0.10%
Southern California Edison	24,970	0.33%	13,655	0.20%
Ocean Star Seafood	24,892	0.33%	29,075	0.43%
Continental Homes	23,438	0.31%	21,904	0.32%
Empress Harbor Seafood	21,762	0.29%	33,340	0.49%
Garfield Estates	21,397	0.29%	30,683	0.45%
Lincoln Plaza Hotel	21,027	0.28%	24,544	0.36%
Union Bank of California	19,470	0.26%	24,898	0.36%
New Cure Inc.	19,408	0.26%	4,909	0.07%
	<u>\$ 337,445</u>	<u>4.51%</u>	<u>\$ 323,243</u>	<u>4.74%</u>

Source: City of Monterey Park Management Services Department

\* City of Monterey Park Management Services Department only maintains five years data in the system.  
Information prior to Year 2004 is not available.



