



City of Monterey Park California

Annual Comprehensive Financial Report Year Ended June 30, 2023





City of Monterey Park, California

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

Year ended June 30, 2023

Prepared by the Finance Department

Martha Garcia
Director of Finance

City of Monterey Park
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023
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MONTEREY PARK CITY OFFICIALS



CITY COUNCIL

Jose Sanchez, Mayor
Thomas Wong, Mayor Pro Tem

Vinh Ngo
Council Member

Yvonne Yiu
Council Member

Henry Lo
Council Member

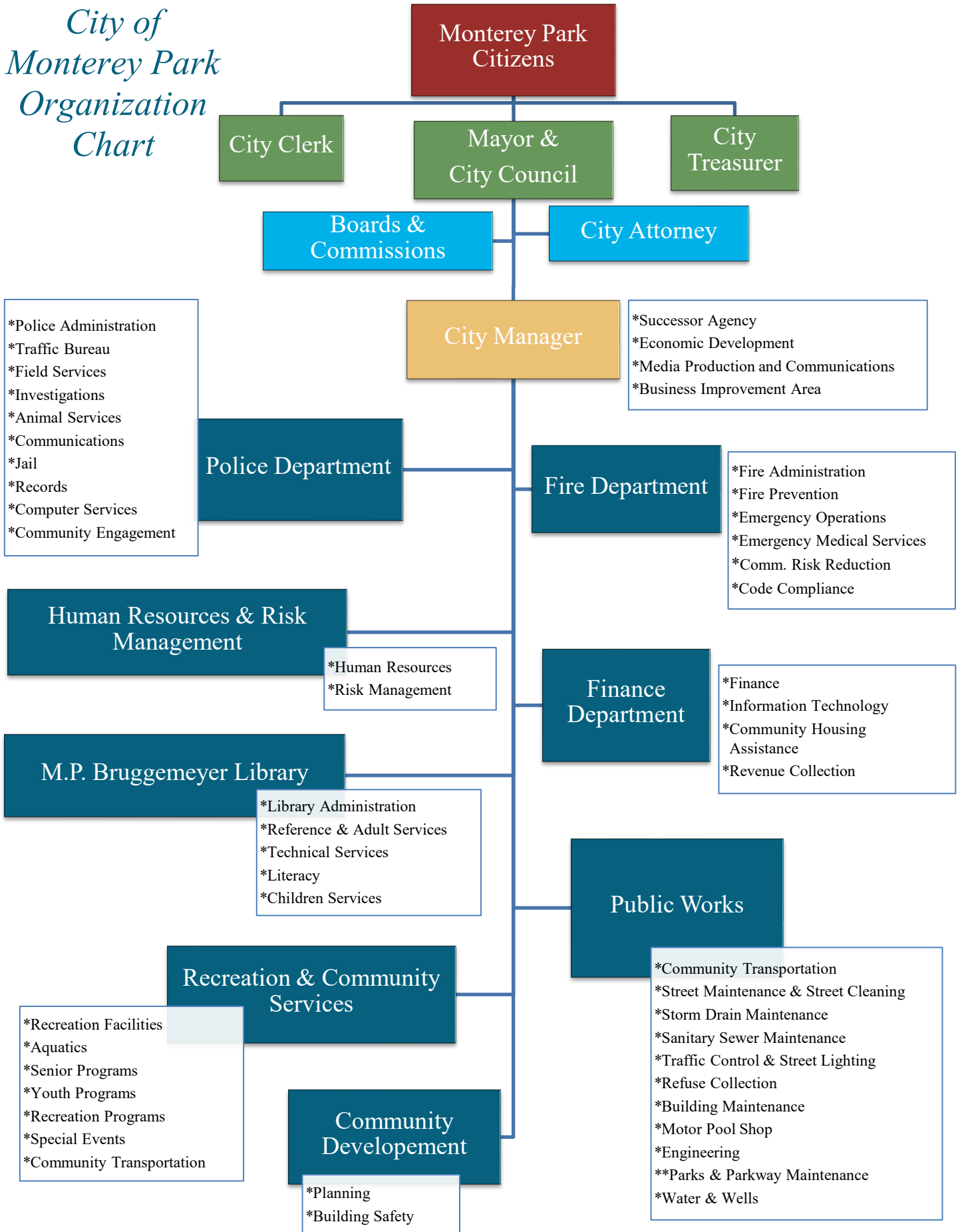
ELECTED OFFICIALS

Maychelle Yee, City Clerk
Amy Lee, City Treasurer

EXECUTIVE TEAM

Inez Alvarez.....City Manager
Diana Garcia.....Assistant City Manager
Karl H. Berger.....City Attorney
Scott Wiese.....Police Chief
Matt Hallock.....Fire Chief
Martha Garcia.....Director of Finance
Christine Tomikawa.....Director of Human Resources/Risk Management
Shawn Igoe.....Director of Public Works/City Engineer
Jessica Serrano.....Director of Community Development
Robert Aguirre.....Director of Recreation/Community Services
Kristin Olivarez-Becerra.....City Librarian

City of Monterey Park Organization Chart



CITY OF MONTEREY PARK

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



City Council
Henry Lo
Vinh Ngo
Jose Sanchez
Thomas Wong
Yvonne Yiu

City Clerk
Maychelle Yee

City Treasurer
Amy Lee

February 15, 2024

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

California State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP), as promulgated by the Government Accounting Standards Board (GASB) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that, we hereby submit, for your information and review, the Annual Comprehensive Financial Report (ACFR) for the City of Monterey Park, California, for the fiscal year ending June 30, 2023.

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

The City's financial statements have been audited by The Pun Group LLP, a fully licensed and qualified public accounting firm that performs audits of the State and local governments within the State of California. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Monterey Park for the fiscal year ending June 30, 2023, fairly state the City's financial position. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Monterey Park's 2022-23 financial statements are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

Management Discussion & Analysis

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

Profile of the City of Monterey Park

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

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

Local Economic Condition

Monterey Park is located six miles east of Los Angeles at the western gateway to the San Gabriel Valley. It encompasses an area of 7.73 square miles with a population of approximately 61,000. Monterey Park is primarily a residential community, with 78% of its land zoned for single and multiple family housing. In 2023, the median sales price of detached single-family homes in Monterey Park was \$901,818. This median sales price was 0.7% below the 2022 median sales price of \$908,500. The number of detached single-family home sales for 2023 was less than 2022, which is consistent with what is seen in most areas of California. This decline is due to high interest rates.

Current economic conditions of high inflation, high interest rates and an overall decrease in consumer confidence have resulted in tax revenue slowdowns. Consumer spending in discretionary areas, such as general consumer goods, the City's largest business sector, experienced decreases. This category includes sub-sectors such as family apparel, discount stores, shoes stores, and other specialty stores. Restaurants have been the bright spot as consumers continued to enjoy the ability to be outside by pushing the sector to an increase in revenue. Food & drugs experienced a slight uptick due to inflationary impacts on grocery stores and other grocery-related items. The City's share of the countywide use tax pool decreased 1.5% when compared to the same period in the prior year.

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

Financial Overview and Policies

In FY 2022-23, the City implemented Governmental Accounting Standards Board (GASB) 96. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The City continues the reporting requirement per GASB Statement No. 68 and 71, for pension liabilities. The City also continues the reporting for GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, for other postemployment benefits liabilities on the face of the *Statement of Net Position*. Excluding all postemployment benefits (pensions and OPEB) liabilities, the City's end of year financial condition for 2022-23 displayed a positive operating position due to the City's conservative financial planning and management.

As the City's development projects continue to expand and move forward that will generate a large number of new jobs and tax revenues for the City.

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

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

These goals serve as the guidelines to identify community priorities and effectively align resources to achieve

our mission. The City Manager presents the proposed budget to the City Council for review prior to the beginning of each fiscal year and the City Council holds public hearings to review and approve the proposed budget. The final adopted budget, reflecting the City Council's directions, is published no later than June 30.

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

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

The 2022-23 Adopted Budget includes a conservative fiscal spending plan and reflects \$28 million for infrastructure and capital improvements, specifically water, sewer, street projects and public safety equipment. The City continues improving efficiencies by aligning closely related programs to achieve long-term financial stability.

Major Accomplishments

The City of Monterey Park's major accomplishments during the Fiscal Year 2022-23, which displayed significant financial impacts, included:

- Monterey Park Public Safety responded to the January 21, 2023, Mass Shooting Incident. City staff produced, created, and disseminated website alerts, social media, video messaging and news releases regarding the shooting incident.
- Public safety departments and City staff collaborated to maintain safety and keep the public aware and informed of the visits by Vice President Kamala Harris and President Joe Biden to Monterey Park.
- Conducted a General and Special Election in November 2022 to fill three City Council positions in District Nos. 1, 3, 5; a City Clerk position; a City Treasurer position; and a general tax proposition, Measure MP.
- Implemented a process for digital signature to facilitate organizational effectiveness and efficiency to reduce paper waste.
- Implemented a robust disaster recovery plan, removed all Windows 7 and older computers off the network, upgraded City Wi-Fi from 200Mbps to 1Gbps, and increased cyber security position of entire City IT infrastructure. Installed Citywide cameras to all city owned property.
- Conducted a citywide classification and compensation study and completed negotiations with one sworn bargaining unit.
- Planning Division spearheaded a community-wide campaign called “Going Green”, which involves all City Departments and will be rooted in the community to develop and implement strategies which will help mitigate climate change and adapt to climate change that is already occurring. Staff connected with over 1,000 constituents during outreach related to the campaign, through a survey, community workshops, and city events, among others.
- Built the Police Department’s Business Watch, Town Hall meetings, Citizens Academy, social media, and virtual engagement programs to proactively engage with the community through dialogue, collaboration, community

input, panel discussions; and worked with community leaders to better understand the needs and concerns of the community.

- Received and assessed the completed 5-year Caltrans California Road System analysis. This comprehensive report is now incorporated into our Local Road Safety Plan. Road safety improvements are now being implemented based on this report. Four of the top seven recommendations have been completed.
- Completed street resurfacing and rehabilitation improvements at various locations throughout the City as recommended by the Pavement Management Study.
- Initiated an emergency water main replacement of the catastrophic failing of the 12" water main line at Monterey Pass Road. The upgrade improved water reliability for the one-mile segment in the commercial district.

Gann Spending Limitation

Article XIII B of the California Constitution, which was adopted in 1979 and amended in 1990 by Proposition 111, establishes a limit on government spending. The limit is calculated based on a government's 1978-79 appropriations adjusted each year by the change in California per capita income or the change in nonresidential assessed valuation combined with the change in city or county population. The City's 2022-23 appropriations limit was \$105.6 million and the City's actual appropriation subject to the limit was 52% below the legal limit. Based on the past trend and projected future growth, the City believes its appropriations will continue to remain within the legal limit.

Debt Administration

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

Cash Management

While the City monitors its cash balance daily and invests temporarily idle funds in accordance with the Government Code and the City's Investment Policy, there is potential to further enhance our returns and cash management. The City's investment and cash management is handled through the pooling of various City funds to maximize safe and efficient investment operations. Investment earnings are distributed based on average cash balance. The Finance staff carries out the daily investment operations. At June 30, 2023, the City's investment balances, including amounts held by fiscal agent, were \$75.1 million.

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

Risk Management

Monterey Park is self-insured for general liability and workers' compensation. The City has acquired excess coverage for both under a Joint Power Authority Agreement (JPA) with Public Risk Innovation Solutions and Management (PRISM). PRISM is a member-directed risk sharing pool of public agencies committed to providing risk coverage programs and risk management services, which drive member stability, efficiency, and best practices. To finance risk management, the City maintains internal service funds for general liability and workers' compensation insurances. The claims payable includes incurred-but-not-reported claims. However, the claim values consider the indemnity and expense exposures and are based on known facts at the time of evaluation. The City does not warranty the ultimate values of incurred-but-not-reported claims, which could be significantly different from the final settlement. The City actively administers various risk management programs including employee accident prevention training, claims review, and safety meetings to reduce the City's exposure to loss.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting. The City of Monterey Park was awarded the Certificate of Achievement by GFOA for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. This was the 34th 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 comprehensive financial report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year. We believe the City's Fiscal Year 2022-23 ACFR will continue to conform to the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA for award consideration. In addition, the City's Budget has received awards for excellence in budgeting from both the Government Finance Officers Association of the United States and Canada (GFOA) and California Society of Municipal Finance Officers Association (CSMFO).

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

Respectfully submitted,



Inez Alvarez
City Manager



Martha Garcia
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Monterey Park
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

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INDEPENDENT AUDITORS' REPORT

200 E. Sandpointe Avenue, Suite 600
Santa Ana, California 92707



www.pungroup.cpa



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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Monterey Park, California (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Prior Period Adjustments

As discussed in Note 18 to the basic financial statements, net pension liabilities and net OPEB liabilities and related deferred outflows of resources and deferred inflows of resources were reallocated from business-type activities to governmental activities in amounts of \$827,918 and \$1,210,777, respectively, and corrections were made to lease receivable in the governmental activities in the amount of \$45,951 and pension related deferred outflows of resources for in the governmental activities in the amount of \$1,319,564. Accordingly, beginning net position as of July 1, 2022, of the governmental activities and business-type activities were restated to reflect the correction of these errors. Our opinions are not modified with respect to these matters.

Implementation of New GASB Pronouncements

As discussed in Note 1 and Note 18 to the basic financial statements, the City implemented Governmental Accounting Standards Board ("GASB") Statement No. 96, *Subscription Based Information Technology Arrangements* during the year. The implementation of GASB Statement No. 96 requires the City to record right to use-subscription assets and corresponding subscription liabilities. As a result of the implementation, the City reported restatements of its net position. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors’ Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City’s ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis, Budgetary Comparison Schedules, the Schedules of Changes in Net Pension Liability and Related Ratios, and the Schedules of Contributions - Pensions, the Schedule of Changes in Net OPEB Liability and Related Ratios and Schedule of Contributions - OPEB, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The Combining and Individual Fund Financial Statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Combining and Individual Fund Financial Statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

To the Honorable Mayor and the Members of the City Council
of the City of Monterey Park
Monterey Park, California
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2024, on our consideration of City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "The Per Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
February 15, 2024

City of Monterey Park
Management Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2023

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, 2023, the transmittal letter, and notes to the basic financial statements.

Government-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

City of Monterey Park
Management Discussion and Analysis (Unaudited)(Continued)
For the Year Ended June 30, 2023

Governmental Funds

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

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

The City maintains 19 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for General Fund, Special Revenue Grants Fund, Special Revenue Retirement/Pension Liability Fund, and Special Revenue Housing Fund, which are reported as major funds. Information for the other 15 governmental funds is combined into a single column under Nonmajor Special Revenue Governmental Funds. Data for the nonmajor governmental funds is provided in the combining statements in this report.

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

Proprietary Funds

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

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

Fiduciary Funds

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

City of Monterey Park
Management Discussion and Analysis (Unaudited)(Continued)
For the Year Ended June 30, 2023

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

Other Supplementary Information

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

Financial Highlights

- Total 2022-23 net position increased by \$4.8 million from 2021-22, which is the net of the \$11.6 million increase in governmental activities and the \$6.8 decrease in business-type activities. The \$11.6 million increase in governmental activities was attributed to an overall increase in revenue including interest income, property taxes and sales tax revenue from Measure MP. The \$6.8 decrease in business-type activities was attributed to operational and Capital Improvement Project costs exceeding revenue received across all enterprise funds.
- As of June 30, 2023, the City's assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources by \$50.5 million, of which \$111 million was related to the net investment in capital assets, \$41.3 million was restricted for special revenues, and a negative \$101.8 million was unrestricted.
- At the 2022-23 year-end, the General Fund total fund balance was \$28.5 million, a \$0.5 million decrease from the prior year. The decrease was related to capital outlay projects.
- The City kept the residential trash rates at the same level as 2021-22. However, the service contract cost for the trash provider was adjusted by CPI, per the contractual agreement.
- The City continued to serve as the Successor Agency for its former Redevelopment Agency, and reported the former RDA assets and liabilities in the Fiduciary Fund as a Private Purpose Trust Fund.

Government-wide Financial Analysis

The net position of the City is derived from the total assets and deferred outflows of resources less its liabilities and deferred inflows of resources at the end of a reporting period. It serves as an indicator of a government's financial position at a certain point in time. As of June 30, 2023, the City's combined assets (governmental and business-type activities) totaled \$258.8 million, down \$47.4 million from last year. The decrease was primarily attributed to \$49 million decrease in net pension assets. The City's total deferred outflow of resources increased \$33.6 million, from \$6 million to \$39.6 million. The increase was due to the City's pension plans. The City's liabilities totaled \$240.2 million, up \$17.4 million from last year. The City's total deferred inflow of resources decreased \$37.1 million, from \$44.8 million to \$7.7 million. The decrease was related to the City's pension plans and other post-employment benefits. As a result, the City's combined net position totaled \$50.5 million, up \$4.8 million from last year.

City of Monterey Park
Management Discussion and Analysis (Unaudited)(Continued)
For the Year Ended June 30, 2023

Net position consists of three categories: net investment in capital assets, restricted fund balances, and an unrestricted fund balance. The largest portion of the City's net position, approximately \$111 million, is the City's investment in capital assets, including land, buildings, equipment, and infrastructure net of accumulated depreciation and related debt for acquiring these capital assets. Since the capital assets are used to provide services to citizens, they are not available to fund the City's day-to-day activities.

The City's restricted net position totaled \$41.3 million at June 30, 2023. These are assets subject to external restrictions, constitutional provisions, or enabling legislation that limit how these assets may be used. The restricted net position includes primarily grants, retirement/pension funds, and various nonmajor special revenue funds. The unrestricted net position is available for use by the City for any legal purpose. As of June 30, 2023, the City's total unrestricted net position was a negative \$101.8 million.

Statement of Net Position
For Fiscal Years Ended June 30, 2023 and June 30, 2022
(In thousands)

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2022</u>
<i>Assets:</i>						
<i>Current</i>	\$ 106,976	\$ 106,619	\$ 20,640	\$ 30,665	\$ 127,616	\$ 137,284
<i>Non Current</i>						
<i>Capital Assets</i>	75,924	66,474	53,594	47,601	129,518	\$ 114,075
<i>Other</i>	1,675	51,912	-	2,637	1,675	\$ 54,549
<i>Total Assets:</i>	<u>184,575</u>	<u>225,005</u>	<u>74,234</u>	<u>80,903</u>	<u>258,809</u>	<u>\$ 305,908</u>
<i>Deferred Outflow of Resources</i>	<u>36,708</u>	<u>5,397</u>	<u>2,910</u>	<u>592</u>	<u>39,618</u>	<u>\$ 5,989</u>
<i>Liabilities:</i>						
<i>Current</i>	36,369	28,063	6,402	5,015	42,771	\$ 33,078
<i>Long-Term</i>	<u>178,258</u>	<u>172,362</u>	<u>19,173</u>	<u>16,033</u>	<u>197,431</u>	<u>188,395</u>
<i>Total Liabilities</i>	<u>214,627</u>	<u>200,425</u>	<u>25,575</u>	<u>21,048</u>	<u>240,202</u>	<u>\$ 221,473</u>
<i>Deferred Inflow of Resources</i>	<u>6,979</u>	<u>41,931</u>	<u>763</u>	<u>2,851</u>	<u>7,742</u>	<u>\$ 44,782</u>
<i>Net Position:</i>						
<i>Net Investment in Capital</i>						
<i>Assets</i>	68,652	60,290	42,384	35,741	111,036	\$ 96,031
<i>Restricted</i>	41,268	52,853	-	2,637	41,268	55,490
<i>Unrestricted</i>	<u>(110,243)</u>	<u>(125,097)</u>	<u>8,423</u>	<u>19,218</u>	<u>(101,820)</u>	<u>(105,879)</u>
<i>Total Net Position</i>	<u>\$ (323)</u>	<u>\$ (11,954)</u>	<u>\$ 50,807</u>	<u>\$ 57,596</u>	<u>\$ 50,484</u>	<u>\$ 45,642</u>

*Fiscal Year End 6.30.2022 figures were restated, see note 18

City of Monterey Park
Management Discussion and Analysis (Unaudited)(Continued)
For the Year Ended June 30, 2023

Statement of Activities
For Fiscal Years Ended June 30, 2023 and June 30, 2022
(In thousands)

	<i>Governmental</i>		<i>Business-type</i>		<i>Total</i>	
	<i>Activities</i>		<i>Activities</i>			
	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2022</u>
Revenues						
<u>Program Revenues:</u>						
<i>Charges for Services</i>	\$ 11,840	\$ 12,031	\$ 23,125	\$ 24,327	\$ 34,965	\$ 36,358
<i>Operating Grants & Contributions</i>	19,676	14,676	-	-	19,676	14,676
<i>Capital Grants & Contributions</i>	773	-	-	881	773	881
<u>General Revenues:</u>						
<i>Taxes</i>	52,704	46,432	-	-	52,704	46,432
<i>Revenues from Use of Money and Property</i>	1,355	(1,859)	558	-	1,913	(1,859)
<i>Other</i>	1,183	1,445	-	-	1,183	1,445
Total Revenues:	<u>\$ 87,531</u>	<u>\$ 72,725</u>	<u>\$ 23,683</u>	<u>\$ 25,208</u>	<u>\$ 111,214</u>	<u>\$ 97,933</u>
Expenses:						
<i>General Government</i>	13,258	5,717	-	-	13,258	5,717
<i>Public Safety</i>	40,065	32,975	-	-	40,065	32,975
<i>Comm. Development</i>	7,570	7,545	-	-	7,570	7,545
<i>Culture & Recreation</i>	4,437	7,250	-	-	4,437	7,250
<i>Highway & Streets</i>	6,953	5,301	-	-	6,953	5,301
<i>Health</i>	293	234	-	-	293	234
<i>Interest & Fiscal Charges</i>	3,803	3,717	-	-	3,803	3,717
<i>Water/Refuse/Sewer</i>	-	-	29,993	22,009	29,993	22,009
Total Expenses:	<u>\$ 76,379</u>	<u>\$ 62,739</u>	<u>\$ 29,993</u>	<u>\$ 22,009</u>	<u>\$ 106,372</u>	<u>\$ 84,748</u>
<i>Transfers</i>	479	474	(479)	(474)	-	-
Changes in Net Position	11,631	10,460	(6,789)	2,725	4,843	13,185
<i>Net Position July 1</i>	<u>(11,954)</u>	<u>(22,414)</u>	<u>57,595</u>	<u>54,870</u>	<u>45,641</u>	<u>32,456</u>
Net Position June 30	<u><u>\$ (324)</u></u>	<u><u>\$ (11,954)</u></u>	<u><u>\$ 50,806</u></u>	<u><u>\$ 57,595</u></u>	<u><u>\$ 50,484</u></u>	<u><u>\$ 45,641</u></u>

*Fiscal Year End 6.30.2022 figures were restated, see note 18

Governmental Activities Financial Analysis

Overall governmental activities increased the City's net position by \$11.6 million. The increase in net position was due primarily to the implementation of the ¾ cent sales tax Measure MP.

City of Monterey Park
Management Discussion and Analysis (Unaudited)(Continued)
For the Year Ended June 30, 2023

Governmental Funds

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

As of June 30, 2023, the City's governmental funds reported a combined ending fund balance of \$69.5 million, a decrease of \$4.7 million from the prior year. The fund balance categories of the governmental funds show \$77,450 as nonspendable, \$41 million as restricted, \$10.4 million as committed, \$18 million as assigned, and negative \$493 as unassigned. *(Please refer to Note 16 of the Notes to Basic Financial Statements for detailed breakdown.)*

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

The General Fund is the main operating fund of the City, which accounts for the majority of the police, fire, recreation, parks maintenance, public works, library, community development, and general administrative services. General Fund revenues and transfers in for 2022-23 totaled \$61.5 million, an increase of \$12.5 million from 2021-22. The increase was primarily due to improved economic conditions and additional revenue received from voter-approved $\frac{3}{4}$ cent sales Measure MP. Total 2022-23 general fund expenditures and transfers out were \$62 million, reflecting an increase of \$12.9 million from 2021-22. As of June 30, 2023, the total fund balance of the General Fund was \$28.5 million, a decrease of \$0.5 million from last year.

The Special Revenue Grants Fund reports the activities of various grants that the City received from Federal, State, and County agencies. Unspent grant funds are accumulated for expenditures in future years. Total grants received for governmental activities and transfers in for 2022-23 were \$8.2 million, up \$4 million from last year. Total 2022-23 grant funded expenditures and transfers out were \$8.7 million, reflecting an increase of \$4.5 million from 2021-22. Total fund balance of the Special Revenue Grants Fund as of June 30, 2023 was \$.7 million a decrease of \$.5 million from last year.

Special Revenue Retirement/Pension Liability Fund accounts for revenue received from the voter-approved property tax levied to provide for employee retirement costs. Total revenues and transfers for 2022-23 were approximately \$12.9 million, an increase of \$1.1 million over 2021-22. Total expenditures for 2022-23 were \$10.8 million, up \$1.9 million from 2021-22. The increase in expenditures was due to an additional payment of the Unfunded Accrued Liability (UAL). The total fund balance in the Retirement/Pension Liability Fund as of June 30, 2023 was \$4.7 million, all of which is restricted for employee retirement costs.

The Special Revenue Housing Fund accounts for housing activities. The City assumed the responsibility of the housing assets and functions after the dissolution of the City's Redevelopment Agency. Total revenues for 2022-23 were \$36,007. There were no housing expenditures for 2022-23. As of June 30, 2023, the fund balance of the Special Revenue Housing Fund was \$3.7 million.

Capital Projects Street Fund accounts for revenue received from Series 2021 bond proceeds to provide for street improvements. There were no revenues for 2022-23. Total expenditures for 2022-23 were \$8.3 million. As of June 30, 2023, the fund balance of the Capital Projects Street Fund was \$12.1 million.

City of Monterey Park
Management Discussion and Analysis (Unaudited)(Continued)
For the Year Ended June 30, 2023

Nonmajor Governmental Funds account for various activities including street maintenance, transportation, air quality improvement, lighting and landscaping district, public safety activity, and development impact improvements. Total revenues and transfers-in for 2022-23 were \$12 million, up \$3.5 million from 2021-22. Total expenditures and transfers-out for 2022-23 were \$10 million, an increase of \$1.6 million over 2021-22. As of June 30, 2023, the fund balance of the Nonmajor Governmental Funds totaled \$17.5 million, up \$0.5 million from 2021-22.

Business-type Activities Financial Analysis

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

Total 2022-23 water revenues were \$13.4 million, down \$0.8 million from 2021-22. The decrease in water revenues was primarily due to increased conservation measures throughout the community. Water operating expenses were \$18 million, up \$4 million from 2021-22. The increase was primarily due to the purchase of water, and the increased costs for the water production and water treatment operations. The net position for the Water Fund was \$47.3 million, down \$5.4 million from the previous year at June 30, 2023.

Refuse Fund revenues for 2022-23 were at \$7 million, up \$0.2 million from the previous year. Operating expenditures were \$7.7 million, up \$1.1 million from last year. The net position for the Refuse Fund was \$0.4 million at June 30, 2023, a decrease of \$0.7 million from the prior year.

Sewer Fund revenues were \$3.3 million, up \$0.1 million from last year. Operating expenditures were \$3.4 million, up \$1.1 million from last year. The increase was primarily due to increased operational costs. The net position for the Sewer Fund increased to \$11.0 million, a decrease of \$58,237 from the prior year.

General Fund Budgetary Highlights

The originally adopted General Fund budget for this fiscal year was \$50.5 million. The final amended budget of \$50.5 million reflecting City Council approved amendments throughout the year.

The budget amendments included additional funds for minimum wage mandates, service costs, negotiated salary and benefit increases with all full-time employee units and addition of staff.

Overall, actual revenues in the General Fund were higher than the budgeted revenues. The increase was \$5.9 million. Primarily due to increased tax revenue \$5 million higher than budgeted. Revenue from licenses and permits was higher than budgeted by \$109 thousand. Revenue from fines and forfeitures and investment income were lower by \$57 thousand and \$67 thousand, respectively. Actual expenses in the General Fund were under budget in all the major categories, except for public safety, community development, capital outlay and debt service. General government was under budget \$0.3 million, and culture and recreation was under budget \$0.1 million. These were due to the City's cost control measures in response to the revenue drop and unclear economic outlook. Public Safety, however, was over budget by \$0.4 million, community development was over by \$5 million, capital outlay was under budget by \$ 0.2 million and debt service was over by \$0.2 million. These reflected the City's commitment and reallocation of resources from non-urgent services to crucial and necessary services. Overall, actual expenditures were \$4.7 million more than budgeted. Most of the capital outlay budget that was not spent will be rolled over into the 2023-24 budget.

City of Monterey Park
Management Discussion and Analysis (Unaudited)(Continued)
For the Year Ended June 30, 2023

Capital Asset Administration

The City’s capital assets, net of accumulated depreciation, for its governmental and business-type activities as of June 30, 2023, totaled \$129.5 million, an increase of \$14.7 million from prior year. The capital assets include land, buildings, improvements, machinery and equipment, parks, roads, traffic lights, and traffic signals. *(Readers desiring more detailed information on capital asset activity should refer to Note 7 of the Notes to the Basic Financial Statements.)*

Capital Assets Net of Depreciation
For Fiscal Years Ended June 30, 2023 and June 30, 2022
(In thousands)

	<i>Governmental</i>		<i>Business-type</i>		<i>Total</i>	
	<i>Activities</i>		<i>Activities</i>			
	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2022</u>
<i>Land</i>	\$ 8,465	\$ 8,465	\$ 500	\$ 500	\$ 8,965	\$ 8,965
<i>Buildings</i>	13,638	14,231	127	132	13,765	14,363
<i>Improvements</i>	20,682	20,500	28,415	29,792	49,097	50,292
<i>Construction in Progress</i>	13,997	4,669	21,050	14,313	35,047	18,982
<i>Equipment</i>	5,850	4,593	972	229	6,822	4,823
<i>Infrastructure</i>	12,345	13,919	2,507	2,632	14,852	16,551
<i>Leased Assets</i>	74	98	2	3	76	101
<i>Subscription Assets</i>	872	1,471	21	28	893	1,500
	<u>\$ 75,924</u>	<u>\$ 67,945</u>	<u>* \$ 53,594</u>	<u>\$ 47,630</u>	<u>\$ 128,648</u>	<u>\$ 113,975</u>

*Fiscal Year End 6/30/2022 was restated, see Note 7

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

- Continued IT software and hardware upgrades for enhanced cybersecurity
- Sewer Improvements at North Atlantic
- Continued Groundwater Treatment System improvements
- Continued street and sidewalk improvements
- Continued traffic signal upgrades at Garvey/Alhambra intersection
- Citywide cameras
- Monterey Pass Road Mainline Improvements
- Edison Trails Playground Equipment

Debt Administration

As of June 30, 2023, the City’s long-term debt decreased by \$5.9 million from the prior year at \$182.3 million to \$176.4 million was due primarily to the City’s Pension Obligation Bonds and Capital Leases. *(Please refer to number 8 of the Notes to the Basic Financial Statements for detailed information.)*

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

City of Monterey Park
Management Discussion and Analysis (Unaudited)(Continued)
For the Year Ended June 30, 2023

Long-term Debt
For Fiscal Years Ended June 30, 2023 and June 30, 2022
(In thousands)

	<i>Governmental</i>		<i>Business-type</i>		<i>Total</i>	
	<i>Activities</i>		<i>Activities</i>			
	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2022</u>
<i>Capital Leases</i>	\$ 4,242	\$ 4,969	\$ 6,646	\$ 7,310	\$ 10,888	\$ 12,279
<i>SGVMWD Loan</i>	-	-	4,000	4,000	4,000	4,000
<i>Lease Liability</i>	74	96	2	3	76	99
<i>Subscription Payable</i>	725	1,397	9	12	734	1,409
<i>Section 108 Loan</i>	-	539	-	-	-	539
<i>Pension Obligation Bonds</i>	105,185	109,267	5,085	5,282	110,270	114,549
<i>Sales Tax Revenue Bonds</i>	17,280	17,585	-	-	17,280	17,585
<i>Premium</i>	3,058	3,167	-	-	3,058	3,167
<i>Compensated Absences</i>	5,309	5,212	263	224	5,572	5,436
<i>Insurance Assessments</i>						
<i>Payable</i>	654	818	-	-	654	818
<i>Claims and Judgements</i>	23,896	22,443	-	-	23,896	22,443
	<u>\$ 160,423</u>	<u>\$ 165,493</u>	<u>\$ 16,005</u>	<u>\$ 16,831</u>	<u>\$ 176,428</u>	<u>\$ 182,324</u>

*Fiscal Year End 6.30.2022 figures were restated, see note 18

Economic Factors and Next Year's Budget

- The City's total assessed valuation is \$8.8 billion, up 8.6%, or \$560 million, from 2021-22.
- The fiscal year 2022-23 City Budget is balanced. The City is conservative in projecting future revenues. The City's spending plan follows the City Council's direction in maintaining excellent community service, enhancing organizational efficiency, and funding much needed infrastructure and capital improvements. The City will conclude labor negotiations with the remaining miscellaneous bargaining units. Any potential salary and benefit contract adjustments will be considered during the mid-year budget process.
- Steady household spending, despite historically low unemployment, has shielded the economy from recession, a unique situation even as inflation exceeded Federal Reserve targets and interest rates on loans and credit cards rose. In California, sales tax performance for fiscal year 2022-23 grew by 2.1%, but it lags far behind the double-digit growth seen during the pandemic recovery. Looking ahead, households face tight budgets, and various industries grapple with challenges like labor costs, inventory issues, and competition. Spending generating sales taxes is expected to dip slightly in fiscal year 2023-24, with limited expansion anticipated in the following year.
- On the November 8, 2022, voters adopted Measure MP which authorizes a ¾ cent transactions and use (sales) tax. The measure was adopted based upon a 58.14% voter approval. Businesses began to collect this tax April 1, 2023. It generated \$1.3 million in FY2022-2023.
- The Federal American Rescue Plan (ARPA) funds allocated to the City for COVID-19 pandemic recovery efforts continue to subsidize the General Fund.
- The Courtyard by Marriott transient occupancy tax (TOT) revenue is anticipated to continue to do well.
- The City will be completing a Proposition 218 water and sewer rate study in FY 2023-24.

City of Monterey Park
Management Discussion and Analysis (Unaudited)(Continued)
For the Year Ended June 30, 2023

Requests for Information

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

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Monterey Park
Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 70,588,584	\$ 23,178,607	\$ 93,767,191
Cash and investments with fiscal agent	19,298,152	-	19,298,152
Accounts receivable	6,471,758	5,187,167	11,658,925
Receivable from Successor Agency	137,342	-	137,342
Prepaid items	77,450	-	77,450
Interest receivable	260,449	170,807	431,256
Lease receivable - due within one year	298,353	-	298,353
Loans receivable	1,947,808	-	1,947,808
Internal balance	7,896,263	(7,896,263)	-
Total current assets	<u>106,976,159</u>	<u>20,640,318</u>	<u>127,616,477</u>
Noncurrent assets:			
Receivable from Successor Agency	758,967	-	758,967
Lease receivable - due in more than one year	916,522	-	916,522
Capital assets - nondepreciable	22,462,426	21,549,771	44,012,197
Capital assets - depreciable and amortization, net	53,461,512	32,044,321	85,505,833
Total capital assets	<u>75,923,938</u>	<u>53,594,092</u>	<u>129,518,030</u>
Total noncurrent assets	<u>77,599,427</u>	<u>53,594,092</u>	<u>131,193,519</u>
Total assets	<u>184,575,586</u>	<u>74,234,410</u>	<u>258,809,996</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	33,605,277	2,274,750	35,880,027
OPEB related	3,102,548	635,461	3,738,009
Total deferred outflows of resources	<u>36,707,825</u>	<u>2,910,211</u>	<u>39,618,036</u>

City of Monterey Park
Statement of Net Position (Continued)
June 30, 2023

	Governmental Activities	Primary Government Business-Type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 11,551,387	\$ 3,711,097	\$ 15,262,484
Accrued payroll and benefits	1,117,308	58,256	1,175,564
Retention payable	972,734	552,679	1,525,413
Deposits payable	390,571	472,032	862,603
Interest payable	306,745	25,892	332,637
Due to other governmental agencies	761,585	-	761,585
Unearned revenues	6,377,287	-	6,377,287
Long-term liabilities - due within one year	14,891,227	1,582,165	16,473,392
Total current liabilities	<u>36,368,844</u>	<u>6,402,121</u>	<u>42,770,965</u>
Noncurrent liabilities:			
Long-term liabilities - due in more than one year	145,532,395	14,423,057	159,955,452
Aggregate net pension liabilities	14,648,950	1,047,133	15,696,083
Net OPEB liabilities	18,076,998	3,702,517	21,779,515
Total noncurrent liabilities	<u>178,258,343</u>	<u>19,172,707</u>	<u>197,431,050</u>
Total liabilities	<u>214,627,187</u>	<u>25,574,828</u>	<u>240,202,015</u>
DEFERRED INFLOWS OF RESOURCES			
Lease-related items	1,378,304	-	1,378,304
Pension-related items	2,778,864	185,017	2,963,881
OPEB-related items	2,821,774	577,954	3,399,728
Total deferred inflows of resources	<u>6,978,942</u>	<u>762,971</u>	<u>7,741,913</u>
NET POSITION			
Net investment in capital assets	68,652,436	42,383,764	111,036,200
Restricted for:			
Grants	744,046	-	744,046
Retirement/pension	4,695,755	-	4,695,755
Housing	3,885,246	-	3,885,246
Public safety	1,711,079	-	1,711,079
Community development	204,355	-	204,355
Culture and recreation	1,114,503	-	1,114,503
Highways and streets	28,348,465	-	28,348,465
Debt service	564,038	-	564,038
Total restricted	<u>41,267,487</u>	<u>-</u>	<u>41,267,487</u>
Unrestricted (deficit)	<u>(110,242,641)</u>	<u>8,423,058</u>	<u>(101,819,583)</u>
Total net position (deficit)	<u>\$ (322,718)</u>	<u>\$ 50,806,822</u>	<u>\$ 50,484,104</u>

City of Monterey Park
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 13,258,409	\$ 2,656,843	\$ 111,978	\$ -
Public safety	40,064,832	2,993,687	8,721,706	24,412
Community development	7,570,239	510,301	447,363	-
Culture and recreation	4,436,619	3,009,094	574,207	9,750
Highway and streets	6,952,909	2,670,460	9,640,135	738,669
Health	292,969	-	180,226	-
Interest and fiscal charges	3,803,497	-	-	-
Total Governmental Activities	76,379,474	11,840,385	19,675,615	772,831
Business-Type Activities:				
Water utility	18,647,640	12,752,125	-	-
Refuse	7,797,114	7,041,047	-	-
Sewer	3,547,895	3,331,412	-	-
Total Business-Type Activities	29,992,649	23,124,584	-	-
Total Primary Government	\$ 106,372,123	\$ 34,964,969	\$ 19,675,615	\$ 772,831

City of Monterey Park
Statement of Activities (Continued)
For the Year Ended June 30, 2023

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Functions/Programs			
Governmental Activities:			
General government	\$ (10,489,588)	\$ -	\$ (10,489,588)
Public safety	(28,325,027)	-	(28,325,027)
Community development	(6,612,575)	-	(6,612,575)
Culture and recreation	(843,568)	-	(843,568)
Highway and streets	6,096,355	-	6,096,355
Health	(112,743)	-	(112,743)
Interest and fiscal charges	(3,803,497)	-	(3,803,497)
Total Governmental Activities	(44,090,643)	-	(44,090,643)
Business-Type Activities:			
Water utility	-	(5,895,515)	(5,895,515)
Refuse	-	(756,067)	(756,067)
Sewer	-	(216,483)	(216,483)
Total Business-Type Activities	-	(6,868,065)	(6,868,065)
Total Primary Government	(44,090,643)	(6,868,065)	(50,958,708)
General Revenues:			
Taxes:			
Property taxes	31,571,303	-	31,571,303
Special assessment	1,035,312	-	1,035,312
Sales taxes	11,640,655	-	11,640,655
Utility user taxes	3,799,736	-	3,799,736
Franchise taxes	1,230,330	-	1,230,330
Business license taxes	713,015	-	713,015
Transient occupancy taxes	2,653,156	-	2,653,156
Vehicle in-lieu taxes			
(Unrestricted, Intergovernmental)	62,585	-	62,585
Revenues from use of money and property	1,354,512	558,250	1,912,762
Other	1,182,587	-	1,182,587
Total General Revenues	55,243,191	558,250	55,801,441
Transfers	479,141	(479,141)	-
Changes in Net Position	11,631,689	(6,788,956)	4,842,733
Net Position (Deficit) - Beginning, as restated (Note 18)	(11,954,407)	57,595,778	45,641,371
Net Position (Deficit) - Ending	\$ (322,718)	\$ 50,806,822	\$ 50,484,104

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FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

**City of Monterey Park
Balance Sheet
Governmental Funds
June 30, 2023**

	Major Funds			
	General	Special Revenue Funds		
		Grants	Retirement/ Pension Liability	Housing
ASSETS				
Cash and investments	\$ 28,487,640	\$ 7,410,100	\$ 4,306,141	\$ 1,590,235
Cash and investments with fiscal agents	6,076	-	211,460	-
Receivables:				
Accounts	5,266,736	119,675	179,792	-
Interest	146,659	8,899	-	8,124
Loans and notes	-	761,585	-	1,186,223
Due from other funds	1,601,998	-	-	-
Lease receivable	1,214,875	-	-	-
Prepaid items	77,450	-	-	-
Receivable from Successor Agency	-	-	-	896,309
Total assets	\$ 36,801,434	\$ 8,300,259	\$ 4,697,393	\$ 3,680,891
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	4,089,660	344,802	1,638	-
Accrued payroll	1,034,158	31,524	-	-
Retention payable	553,573	4,977	-	-
Deposit payable	390,571	-	-	-
Unearned revenue	-	6,377,287	-	-
Due to other funds	-	30,913	-	-
Due to other governmental agencies	-	761,585	-	-
Total liabilities	6,067,962	7,551,088	1,638	-
Deferred inflows of resources:				
Related to leases	1,378,304	-	-	-
Unavailable revenues	901,947	5,125	-	-
Total deferred inflows of resources	2,280,251	5,125	-	-
Fund balances:				
Nonspendable	77,450	-	-	-
Restricted	-	744,046	4,695,755	3,680,891
Committed	10,226,927	-	-	-
Assigned	18,029,418	-	-	-
Unassigned (deficit)	119,426	-	-	-
Total fund balances	28,453,221	744,046	4,695,755	3,680,891
Total liabilities, deferred inflows of resources, and fund balances	\$ 36,801,434	\$ 8,300,259	\$ 4,697,393	\$ 3,680,891

**City of Monterey Park
Balance Sheet (Continued)
Governmental Funds
June 30, 2023**

	<u>Major Funds</u>		
	Capital Projects Street Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and investments	\$ -	\$ 19,295,086	\$ 61,089,202
Cash and investments with fiscal agents	18,515,956	564,038	19,297,530
Receivables:			
Accounts	-	890,053	6,456,256
Interest	-	96,767	260,449
Loans and notes	-	-	1,947,808
Due from other funds	-	-	1,601,998
Lease receivable	-	-	1,214,875
Prepaid items	-	-	77,450
Receivable from Successor Agency	-	-	896,309
Total assets	<u>\$ 18,515,956</u>	<u>\$ 20,845,944</u>	<u>\$ 92,841,877</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 5,220,187	\$ 561,639	\$ 10,217,926
Accrued payroll	-	24,109	1,089,791
Retention payable	368,705	45,479	972,734
Deposit payable	-	-	390,571
Unearned revenue	-	-	6,377,287
Due to other funds	779,347	387,510	1,197,770
Due to other governmental agencies	-	-	761,585
Total liabilities	<u>6,368,239</u>	<u>1,018,737</u>	<u>21,007,664</u>
Deferred inflows of resources:			
Related to leases	-	-	1,378,304
Unavailable revenues	-	-	907,072
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>2,285,376</u>
Fund balances:			
Nonspendable	-	-	77,450
Restricted	12,147,717	19,794,723	41,063,132
Committed	-	152,403	10,379,330
Assigned	-	-	18,029,418
Unassigned (deficit)	-	(119,919)	(493)
Total fund balances	<u>12,147,717</u>	<u>19,827,207</u>	<u>69,548,837</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 18,515,956</u>	<u>\$ 20,845,944</u>	<u>\$ 92,841,877</u>

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City of Monterey Park
Reconciliation of the Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Position
June 30, 2023

Total Fund Balances - Total Governmental Funds \$ 69,548,837

Amounts reported for governmental activities in the Statement of Net Position were reported differently because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet.

Nondepreciable, net of \$1,635,459 reported in the Internal Service Fund	\$ 20,826,967	
Depreciable/amortizable, net of \$1,377,602 reported in the Internal Service Fund	<u>52,083,910</u>	72,910,877

Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position:

Bonds payable	\$ (122,465,192)	
Premium on bonds payable	(3,057,713)	
Loans payable, net of \$(1,002,198) reported in Internal Service Fund	(3,239,735)	
Interest payable	(306,745)	
Lease liabilities, net of \$(24,525) reported in the Internal Service Funds	(49,805)	
Subscription liabilities, net of \$(122,953) reported in the Internal Service Funds	(601,833)	
Compensated absences, net of \$(151,791) reported in the Internal Service Funds	<u>(5,157,593)</u>	(134,878,616)

Net pension liabilities and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures and are not reported in the governmental fund financial statements:

Pension related deferred outflows of resources, net of \$1,338,089 reported in the Internal Service Funds	\$ 32,267,188	
Aggregate net pension liability, net of \$(615,960) reported in the Internal Service Funds	(14,032,990)	
Pension related deferred inflows of resources, net of \$(108,834) reported in the Internal Service Funds	<u>(2,670,030)</u>	15,564,168

Net OPEB liabilities and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures and are not reported in the governmental fund financial statements:

Deferred outflows of resources, net of \$(373,800) reported in the Internal Service Funds	\$ 2,728,748	
Net OPEB liability, net of \$(2,177,950) reported in the Internal Service Funds	(15,899,048)	
Deferred inflows of resources, net of \$(339,974) reported in the Internal Service Funds	<u>(2,481,800)</u>	(15,652,100)

Revenue reported as unavailable revenue in the governmental funds when it is not received soon enough after year-end to be considered available. The availability criteria does not apply to the Government-Wide Financial Statements and, therefore, the revenue is recognized when eligibility requirements are met and earned. 907,072

Internal Service Funds were used by management to charge the costs of certain activities, such as insurance and equipment replacement to individual funds. The assets and liabilities of the Internal Service Funds were included in the governmental activities in the Government-Wide Statement of Net Position, net of the portion of net deficit allocated to business-type activities of \$(7,896,263). (8,722,956)

Net Position (Deficit) of Governmental Activities \$ (322,718)

City of Monterey Park
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	Major Funds			
	General Fund	Special Revenue Funds		
		Grants	Retirement/ Pension Liability	Housing
Revenues:				
Taxes	\$ 42,160,583	\$ 165,270	\$ 8,797,182	\$ -
Intergovernmental	275,444	7,900,440	-	-
Charges for services	9,499,865	-	-	-
Licenses and permits	2,533,406	-	-	-
Fines and forfeitures	318,112	-	-	-
Investment income	1,006,690	126,283	176,742	36,007
Miscellaneous	635,492	58,360	145,152	-
Total revenues	56,429,592	8,250,353	9,119,076	36,007
Expenditures:				
Current:				
General government	9,479,899	2,086,352	558,784	-
Public safety	31,313,417	3,845,974	2,944,940	-
Community development	7,246,617	182,187	88,173	-
Culture and recreation	1,458,740	1,222,060	54,496	-
Highways and street	2,903,671	48,250	57,402	-
Health	-	-	-	-
Capital outlay	406,195	791,423	-	-
Debt service:				
Principal retirement	849,624	545,907	4,082,698	-
Interest and fiscal charges	88,925	6,696	3,032,004	-
Total expenditures	53,747,088	8,728,849	10,818,497	-
Revenues over (under) expenditures	2,682,504	(478,496)	(1,699,421)	36,007
Other financing sources (uses):				
Issuance of subscription liabilities	25,811	-	-	-
Transfers in	5,153,633	-	3,829,401	-
Transfers out	(8,328,041)	-	-	-
Total other financing sources (uses)	(3,148,597)	-	3,829,401	-
Net Change in Fund Balances	(466,093)	(478,496)	2,129,980	36,007
Fund balances:				
Beginning of year, as restated (Note 18)	28,919,314	1,222,542	2,565,775	3,644,884
End of year	\$ 28,453,221	\$ 744,046	\$ 4,695,755	\$ 3,680,891

City of Monterey Park
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2023

	Major Funds		Total Governmental Funds
	Capital Projects Street Fund	Nonmajor Governmental Funds	
Revenues:			
Taxes	\$ -	\$ 7,186,722	\$ 58,309,757
Intergovernmental	-	4,457,295	12,633,179
Charges for services	-	456,660	9,956,525
Licenses and permits	-	-	2,533,406
Fines and forfeitures	-	2,947	321,059
Investment income	-	1,015,410	2,361,132
Miscellaneous	-	-	839,004
Total revenues	-	13,119,034	86,954,062
Expenditures:			
Current:			
General government	-	6,949	12,131,984
Public safety	-	1,053,264	39,157,595
Community development	-	28,876	7,545,853
Culture and recreation	-	1,203,467	3,938,763
Highways and street	-	5,052,058	8,061,381
Health	-	292,969	292,969
Capital outlay	8,306,129	1,908,476	11,412,223
Debt service:			
Principal retirement	-	317,323	5,795,552
Interest and fiscal charges	-	749,087	3,876,712
Total expenditures	8,306,129	10,612,469	92,213,032
Revenues over (under) expenditures	(8,306,129)	2,506,565	(5,258,970)
Other financing sources (uses):			
Issuance of subscription liabilities	-	41,090	66,901
Transfers in	-	1,053,450	10,036,484
Transfers out	-	(1,229,302)	(9,557,343)
Total other financing sources (uses)	-	(134,762)	546,042
Net Change in Fund Balances	(8,306,129)	2,371,803	(4,712,928)
Fund balances:			
Beginning of year, as restated (Note 18)	20,453,846	17,455,404	74,261,765
End of year	\$ 12,147,717	\$ 19,827,207	\$ 69,548,837

City of Monterey Park
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds		\$ (4,712,928)
Governmental activities in the Statement of Activities were reported differently because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.		
Capital outlay, net of \$209,701 in the Internal Service Funds	\$ 14,179,923	
Depreciation and amortization, net of \$996,286 in the Internal Service Funds	(5,415,073)	8,764,850
Net change in revenues that was considered unavailable in the governmental funds. These items have been reported as revenue in the Statement of Activities.		577,960
Proceeds from the issuance of subscription liabilities is not a revenue in the Statement of Activities, but is reported as a liability on the Government-Wide Statement of Net Position.		(66,901)
Principal repayment on long-term debt is not an expense in the Statement of Activities, but is considered an expenditure in governmental funds.		
Bonds payable	\$ 887,074	
Loans payable, net of \$379,204 reported in the Internal Service Funds	4,387,698	
Lease liabilities, net of \$31,296 reported in the Internal Service Funds	18,656	
Subscription liabilities, net of \$236,957 reported in the Internal Service Funds	502,124	5,795,552
Interest accrued on long-term debt is reported in the Statement of Activities, but does not require the use of current financial resources. Therefore, accrued interest is not reported as an expenditure in governmental funds. This amount represents the change in accrued interest from the prior year.		5,793
Amortization of bond premium was recognized in interest expense on the Government-Wide Statement of Activities, but did not require the use of current financial resources. Therefore amortization of bond discount was not reported as an expenditure in the governmental funds.		109,204
Compensated absences were reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, compensated absences were not reported as expenditures in the governmental funds, net of \$(19,674) reported in the Internal Service Funds		(77,429)
Certain pension expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(1,339,109)
Certain other postemployment benefits expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		4,599,560
Internal Service Funds are used by management to charge the costs of certain activities, such as insurance and equipment replacement, to individual funds. The net revenue of the Internal Service Funds is reported in governmental activities. This amount excludes \$(579,296) charged to the business-type activities.		(2,024,863)
Change in Net Position of Governmental Activities		\$ 11,631,689

PROPRIETARY FUND FINANCIAL STATEMENTS

City of Monterey Park
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-Type Activities				Governmental
	Enterprise Funds				Activities
	Water Utility	Refuse	Sewer	Total	Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 15,955,496	\$ 434,502	\$ 6,788,609	\$ 23,178,607	\$ 9,499,382
Cash and investments with fiscal agent	-	-	-	-	622
Accounts receivable	3,886,440	878,626	422,101	5,187,167	15,502
Interest receivable	139,359	-	31,448	170,807	-
Total current assets	19,981,295	1,313,128	7,242,158	28,536,581	9,515,506
Noncurrent assets:					
Capital assets:					
Nondepreciable	19,769,174	-	1,780,597	21,549,771	1,635,459
Depreciable and amortizable, net	28,451,436	47,918	3,544,967	32,044,321	1,377,602
Total noncurrent assets	48,220,610	47,918	5,325,564	53,594,092	3,013,061
Total assets	68,201,905	1,361,046	12,567,722	82,130,673	12,528,567
DEFERRED OUTFLOWS OF RESOURCES					
Pension related	1,605,706	133,809	535,235	2,274,750	1,338,089
OPEB related	448,561	37,380	149,520	635,461	373,800
Total deferred outflows of resources	\$ 2,054,267	\$ 171,189	\$ 684,755	\$ 2,910,211	\$ 1,711,889

City of Monterey Park
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2023

	Business-Type Activities				Governmental Activities
	Enterprise Funds				Internal Service Funds
	Water Utility	Refuse	Sewer	Total	
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 3,627,325	\$ 6,255	\$ 77,517	\$ 3,711,097	\$ 1,333,461
Accrued liabilities	40,517	4,436	13,303	58,256	27,517
Retention payable	436,503	-	116,176	552,679	-
Interest payable	22,870	1,538	1,484	25,892	-
Deposit payable	472,032	-	-	472,032	-
Due to other funds	-	-	-	-	404,228
Loans payable, due within one year	1,127,507	-	-	1,127,507	391,393
Bonds payable, due within one year	139,914	30,635	29,568	200,117	-
Insurance assessment payable, due within one year	-	-	-	-	163,514
Leases liabilities, due within one year	649	-	-	649	12,488
Subscription liabilities, due within one year	2,914	-	-	2,914	79,856
Compensated absences, due within one year	192,633	16,165	42,180	250,978	144,982
Claims payable, due within one year	-	-	-	-	3,865,253
Total current liabilities	6,062,864	59,029	280,228	6,402,121	6,422,692
Noncurrent liabilities:					
Loans payable, due more than one year	9,518,803	-	-	9,518,803	610,805
Bonds payable, due more than one year	3,415,191	747,771	721,729	4,884,691	-
Insurance assessment payable, due more than one year	-	-	-	-	490,543
Leases liabilities, due more than one year	1,460	-	-	1,460	12,037
Subscription liabilities, due more than one year	6,316	-	-	6,316	43,097
Compensated absences, due more than one year	9,047	759	1,981	11,787	6,809
Claims payable, due more than one year	-	-	-	-	20,030,974
Net pension liability	739,153	61,596	246,384	1,047,133	615,960
Net OPEB liability	2,613,541	217,795	871,181	3,702,517	2,177,950
Total noncurrent liabilities	16,303,511	1,027,921	1,841,275	19,172,707	23,988,175
Total liabilities	22,366,375	1,086,950	2,121,503	25,574,828	30,410,867
DEFERRED INFLOW OF RESOURCES					
Pension related	130,601	10,883	43,533	185,017	108,834
OPEB related	407,968	33,997	135,989	577,954	339,974
Total deferred inflows of resources	538,569	44,880	179,522	762,971	448,808
NET POSITION					
Net investment in capital assets	37,126,458	47,918	5,209,388	42,383,764	1,863,385
Restricted	-	-	-	-	622
Unrestricted (deficit)	10,224,770	352,487	5,742,064	16,319,321	(18,483,226)
Total net position (deficit)	\$ 47,351,228	\$ 400,405	\$ 10,951,452	\$ 58,703,085	\$ (16,619,219)
Adjustment to reflect the consolidation of internal service funds activities to related enterprise funds	(6,829,215)	(949,337)	(117,711)	(7,896,263)	
Net position (deficit) of business-type activities	\$ 40,522,013	\$ (548,932)	\$ 10,833,741	\$ 50,806,822	

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City of Monterey Park
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities				Governmental Activities
	Enterprise Funds				Internal Service
	Water Utility	Refuse	Sewer	Total	
OPERATING REVENUES:					
Charges for services	\$ 12,585,699	\$ 7,041,047	\$ 3,331,412	\$ 22,958,158	\$ 14,813,970
Meter installations	166,426	-	-	166,426	-
Miscellaneous	-	-	-	-	166,095
Total operating revenues	<u>12,752,125</u>	<u>7,041,047</u>	<u>3,331,412</u>	<u>23,124,584</u>	<u>14,980,065</u>
OPERATING EXPENSES:					
Operation	11,860,266	7,070,660	2,065,827	20,996,753	-
Salaries and Benefits	3,526,785	364,486	1,083,798	4,975,069	5,339,240
General and administrative	1,155,284	303,284	32,694	1,491,262	-
Depreciation and amortization expense	1,692,004	10,400	247,865	1,950,269	996,286
Materials and supplies	-	-	-	-	2,590,242
Insurance and claims	-	-	-	-	8,616,674
Total operating expenses	<u>18,234,339</u>	<u>7,748,830</u>	<u>3,430,184</u>	<u>29,413,353</u>	<u>17,542,442</u>
OPERATING (LOSS)	<u>(5,482,214)</u>	<u>(707,783)</u>	<u>(98,772)</u>	<u>(6,288,769)</u>	<u>(2,562,377)</u>
NONOPERATING REVENUES (EXPENSES):					
Investment earnings	650,145	154	159,288	809,587	-
Interest expense	(243,663)	(3,873)	(3,801)	(251,337)	(41,782)
Total nonoperating income (loss)	<u>406,482</u>	<u>(3,719)</u>	<u>155,487</u>	<u>558,250</u>	<u>(41,782)</u>
NET INCOME (LOSS) BEFORE TRANSFERS	<u>(5,075,732)</u>	<u>(711,502)</u>	<u>56,715</u>	<u>(5,730,519)</u>	<u>(2,604,159)</u>
TRANSFERS:					
Transfers out	(330,177)	(34,012)	(114,952)	(479,141)	-
Total transfers	<u>(330,177)</u>	<u>(34,012)</u>	<u>(114,952)</u>	<u>(479,141)</u>	<u>-</u>
CHANGES IN NET POSITION	<u>(5,405,909)</u>	<u>(745,514)</u>	<u>(58,237)</u>	<u>(6,209,660)</u>	<u>(2,604,159)</u>
NET POSITION (DEFICIT):					
Beginning of the year, as restated (Note 18)	52,757,137	1,145,919	11,009,689	64,912,745	(14,015,060)
End of the year	<u>\$ 47,351,228</u>	<u>\$ 400,405</u>	<u>\$ 10,951,452</u>	<u>\$ 58,703,085</u>	<u>\$ (16,619,219)</u>
Change in Net Position	\$ (5,405,909)	\$ (745,514)	\$ (58,237)	\$ (6,209,660)	
Adjustment to Reflect the Consolidation of Internal Service Fund Activities to Related Enterprise Fund	<u>(413,301)</u>	<u>(48,284)</u>	<u>(117,711)</u>	<u>(579,296)</u>	
Changes in Net Position of Business-type Activities	<u>\$ (5,819,210)</u>	<u>\$ (793,798)</u>	<u>\$ (175,948)</u>	<u>\$ (6,788,956)</u>	

City of Monterey Park
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities				Governmental Activities
	Enterprise Funds				Internal Service Fund
	Water Utility	Refuse	Sewer	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers and users	\$ 13,537,828	\$ 6,944,311	\$ 3,307,670	\$ 23,789,809	\$ 14,980,065
Cash paid to suppliers for goods and services	(12,008,493)	(7,400,508)	(2,028,344)	(21,437,345)	(2,602,048)
Cash paid to employees for services	(2,021,301)	(220,373)	(754,762)	(2,996,436)	(3,132,052)
Cash paid for insurance claims	-	-	-	-	(6,972,616)
Net cash provided by (used in) operating activities	(491,966)	(676,570)	524,564	(643,972)	2,273,349
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Cash received from other funds	-	-	-	-	193,993
Principal paid on pension obligation bonds	(135,961)	(14,006)	(47,335)	(197,302)	-
Interest paid on pension obligation bonds	(194,216)	(20,006)	(24,083)	(238,305)	-
Net cash provided by (used in) noncapital financing activities	(330,177)	(34,012)	(71,418)	(435,607)	193,993
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of capital assets	(5,510,419)	(42,760)	(2,300,595)	(7,853,774)	(209,701)
Principal paid	(604,399)	(34,077)	(29,152)	(667,628)	(810,971)
Interest paid	(444,929)	(18)	(47,290)	(492,237)	(41,782)
Net cash (used in) capital and related financing activities	(6,559,747)	(76,855)	(2,377,037)	(9,013,639)	(1,062,454)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received	538,622	1,278	136,198	676,098	-
Net cash provided by investing activities	538,622	1,278	136,198	676,098	-
Net change in cash and cash equivalents	(6,843,268)	(786,159)	(1,787,693)	(9,417,120)	1,404,888
CASH AND CASH EQUIVALENTS:					
Beginning of year	22,798,764	1,220,661	8,576,302	32,595,727	8,095,116
End of year	<u>\$ 15,955,496</u>	<u>\$ 434,502</u>	<u>\$ 6,788,609</u>	<u>\$ 23,178,607</u>	<u>\$ 9,500,004</u>
CASH AND CASH EQUIVALENTS:					
Cash and investments	\$ 15,955,496	\$ 434,502	\$ 6,788,609	\$ 23,178,607	\$ 9,499,382
Cash and investments with fiscal agent	-	-	-	-	622
Total cash and cash equivalents	<u><u>\$ 15,955,496</u></u>	<u><u>\$ 434,502</u></u>	<u><u>\$ 6,788,609</u></u>	<u><u>\$ 23,178,607</u></u>	<u><u>\$ 9,500,004</u></u>

City of Monterey Park
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2023

	Enterprise Funds				Internal Service Fund
	Water Utility	Refuse	Refuse	Sewer	
Reconciliation of operating (loss) to net cash provided by (used in) operating activities:					
Operating (loss)	\$ (5,482,214)	\$ (707,783)	\$ (98,772)	(6,288,769)	\$ (2,562,377)
Adjustments to reconcile to net cash provided by					
Operating activities:					
Depreciation/Amortization	1,692,004	10,400	247,865	1,950,269	996,286
Changes in assets and liabilities:					
(Increase) decrease in accounts receivables	778,204	(96,736)	(23,742)	657,726	-
(Increase) decrease in deferred outflows - pension related	(1,377,681)	(112,168)	(461,734)	(1,951,583)	(1,276,992)
(Increase) decrease in deferred outflows - OPEB related	(249,534)	(22,440)	(82,822)	(354,796)	(296,697)
Increase (decrease) in accounts payable	1,007,057	(26,564)	70,177	1,050,670	1,178,731
Increase (decrease) in accrued liabilities	9,537	1,316	1,501	12,354	(4,975)
Increase (decrease) in deposits payable	7,499	-	-	7,499	-
Increase (decrease) in compensated absences	143,802	1,115	(106,209)	38,708	19,674
Increase (decrease) in claims payable	-	-	-	-	1,453,521
Increase (decrease) in net pension liability	4,208,727	390,884	1,364,760	5,964,371	1,545,596
Increase (decrease) in total OPEB liability	1,144,330	107,506	378,818	1,630,654	1,608,778
Increase (decrease) in deferred inflows - pension related	(2,307,105)	(220,473)	(742,232)	(3,269,810)	(544,326)
Increase (decrease) in deferred inflows - OPEB related	(66,592)	(1,627)	(23,046)	(91,265)	156,130
Net cash provided by (used in) operating activities	\$ (491,966)	\$ (676,570)	\$ 524,564	\$ (643,972)	\$ 2,273,349
NONCASH ITEMS:					
Acquisition of right to use lease assets	\$ -	\$ -	\$ -	\$ -	\$ (95,424)
Issuance of lease and subscription liabilities	\$ -	\$ -	\$ -	\$ -	\$ 95,424

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FIDUCIARY FUND FINANCIAL STATEMENTS

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City of Monterey Park
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2023

ASSETS	<u>Private-Purpose Trust Fund</u>
Current assets:	
Cash and investments	\$ 171,640
Cash and investments with fiscal agent	1,925,722
Total assets	<u>2,097,362</u>
 LIABILITIES	
Current liabilities:	
Accounts payable	52
Accrued liabilities	2,084
Interest payable	122,821
Advances from City of Monterey Park, due within one year	137,342
Long term debt, due within one year	2,231,391
Total current liabilities	<u>2,493,690</u>
 Noncurrent liabilities	
Advances from City of Monterey Park, due in more than one year	758,967
Long-term debt, due in more than one year	94,175,675
Total Noncurrent liabilities	<u>94,934,642</u>
 NET POSITION (DEFICIT)	
Restricted for:	
Successor Agency	<u>\$ (95,330,970)</u>

City of Monterey Park
Statement of Change in Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2023

	Private-Purpose Trust Fund
ADDITIONS	
Redevelopment property tax trust fund	\$ 2,547,790
Investment income	25,447
Total additions	2,573,237
DEDUCTIONS	
Administration	190,002
Interest expense and fiscal charges	5,894,715
Total deductions	6,084,717
CHANGE IN NET POSITION	(3,511,480)
NET POSITION (DEFICIT)	
Beginning of year	(91,819,490)
End of year	\$ (95,330,970)

NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Monterey Park
Index to the Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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City of Monterey Park
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For the Year Ended June 30, 2023

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City of Monterey Park
Notes to the Basic Financial Statements
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies

The basic financial statements of the City of Monterey Park, California, (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as applied to governmental agencies. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the City’s significant policies:

A. Description of the Reporting Entity

The City was incorporated May 29, 1916 under the general laws of the State of California and enjoys all the rights and privileges pertaining to General Law cities. The City is governed by an elected five-member City Council. As required by generally accepted accounting principles in the United States of America, the financial statements include the financial activities of the City (the primary government), the Monterey Park Public Financing Authority (the “Financing Authority”), and the Monterey Park Housing Authority (the “Housing Authority”). Although the Financing Authority and Housing Authority are legally separate from the City, they have been “blended” as though they are part of the City because the component units’ governing body are substantially the same as the City’s and there is a financial benefit or burden relationship between the City and the component units; management of the City has operational responsibilities for the component units; and/or the component units provide services entirely, or almost entirely, to the City or otherwise exclusively, or almost exclusively, benefits the City, even though they do not provide services directly to it.

Blended Component Units

The Monterey Park Public Financing Authority

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

The Monterey Park Housing Authority

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

B. Basis of Accounting and Measurement Focus

Government-Wide Financial Statements

The City Government–Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental and business-type activities for the City, the primary government, accompanied by a total column. Fiduciary activities of the City are not included in these statements.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Government-Wide Financial Statements (Continued)

Fiduciary activities of the City are not included in these statements.

These financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. However, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained in accordance with legal and managerial requirements.

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. An accompanying schedule is presented to reconcile and explain the differences between fund balance as presented in these statements to the net position presented in the Government-Wide Financial Statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

Revenues are recognized as soon as they are both “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 City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The City reports the following major governmental funds:

General Fund – This fund is used to account for resources traditionally associated with governments which are not required by law or sound financial management to be accounted for in another fund.

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

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

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

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

Proprietary Funds Financial Statements

Proprietary Funds Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major Proprietary Fund.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental and business-type activities in the Government-Wide Financial Statements. The City’s internal service funds include three individual funds which provide services directly to other City funds. These areas of service include Separation Benefits, General Liability, Workers’ Compensation, Shop, Information Technology, and Fringe Benefits.

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

The City reports the following major enterprise funds:

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

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

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

Additionally, the City reports the following proprietary fund types:

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 six internal service funds for separation benefits, general liability claims, workers' compensation claims, auto shop operations, technology development, and fringe benefits.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Fiduciary Net Position. The City maintains a fiduciary fund (private-purpose trust fund) for the Successor Agency to the former Community Development Agency. Private-purpose trust funds include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position. the private purpose trust funds are accounted for on the full accrual basis of accounting where the assets associated with the activity are controlled by the City and the assets are not derived 1) solely from the government's own-source revenues or 2) from government-mandated nonexchange transactions or voluntary nonexchange transactions.

C. Cash and Investments

The City pools its available cash for investment purposes. Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value.

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the financial statements, are categorized based upon the level of judgment associated with the inputs used to measure their fair value.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Cash and Investment (Continued)

The three levels of the fair value measurement hierarchy are described below:

Level 1 – Inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets and liabilities through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the assets and liabilities at the measurement date.

The statement of cash flows requires presentation of “cash and cash equivalents”. For this purpose, the City considers all proprietary fund pooled cash and investments as “cash and cash equivalents”, as such funds are available to the various funds as needed.

Certain disclosure requirements, if applicable, for Deposits and Investment Risks in the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentration of Credit Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

D. Accounts Receivable and Due from Other Governments

All accounts and due from other governments are shown net of any allowance for uncollectible accounts, if applicable, and estimated refunds due.

E. Loans and Notes Receivable

The accompanying financial statements reflect the recording of certain loans and notes receivable that represent loans made to various parties for homebuyer and rehabilitation loan programs. Where reasonably estimable, an allowance for doubtful accounts has been recorded to reflect management’s best estimate of probable losses associated with nonrepayment. An estimate of any additional potential losses associated with nonrepayment cannot be reasonably estimated at this time.

F. Prepaid Items

Prepaid items are payments made to vendors for services that will benefit periods beyond the fiscal year ended using consumption method.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

G. Leases

Lessor

The City is a lessor for leases of buildings and land and recognizes leases receivable and deferred inflows of resources in the financial statements. Variable payments based on future performance or usage of the underlying asset are not included in the measurement of the lease receivable.

At the commencement of a lease, the lease receivable is measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses the average of the LAIF rate and the incremental borrowing rate (IBR) provided by the City's financial institution for existing leases or the current rate at the time a new lease is executed.
- The lease term includes the noncancelable period of the lease plus any option periods that are likely to be exercised.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Lessee

The City has a policy to recognize a lease liability and a right-to-use asset (lease asset) in the financial statements with an initial, individual value of \$5,000 or more with a lease term greater than one year. Variable payments based on future performance or usage of the underlying assets are not included in the measurement of the lease liability.

At the commencement of a lease, the lease liability is measured at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

Lease assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service. Lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the State has determined is reasonably certain of being exercised. In this case, the lease asset is amortized over the useful life of the underlying asset.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

G. Leases (Continued)

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease, plus any option periods that are reasonably certain to be exercised.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise. The City monitors changes in circumstances that would require a remeasurement of a lease and will remeasure any lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported as right-to-use along with other capital assets and lease liabilities are reported as long-term liabilities on the statement of net position.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (roads, sidewalks, drainage systems, lighting systems, etc.), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. These assets are valued at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are valued at their acquisition value. Leased assets, which include equipment, follow the same capitalization thresholds as capital assets. Leased assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payments made to the lessor at or before the commencement of the lease term.

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

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

Buildings	40 to 50 years
Improvements	10 to 50 years
Equipment	5-20 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

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

H. Capital Assets (Continued)

Infrastructure:	
Roadway	25 years
Bridge	40 years
Sewer System	50 years
Streetlight	20 years
Traffic Signal	20 years

I. Subscription-Based Information Technology Arrangements (SBITAs)

The City has a policy to recognize a subscription liability and a right-to-use subscription asset (subscription asset) in the financial statements. The City recognizes subscription liabilities with an initial, individual value of \$5,000 or more with a subscription term greater than one year. Variable payments based on future performance of the City, usage of the underlying IT asset, or number of user seats are not included in the measurement of the subscription liability, rather, those variable payments are recognized as outflows of resources (expenses) in the period the obligation for those payments is incurred.

At the commencement of a SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made.

Subscription assets are recorded at the amount of the initial measurement of the subscription liabilities, less any payments made to the SBITA vendor before the commencement of the subscription term, and capitalizable initial implementation cost, less any incentives received from the SBITA vendor at or before the commencement of the subscription term.

- Preliminary Project Stage: Outlays are expensed as incurred.
- Initial Implementation Stage: Outlays are capitalized as an addition to the subscription asset.

Upon adoption, the City elected to exclude the capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage that were incurred prior to the implementation of this Statement in the measurement of subscription assets as of July 1, 2022.

Subscription assets are reported within capital assets and subscription liabilities are reported with long-term liabilities on the statement of net position. Subscription assets are amortized using the straight-line method over the shorter of the subscription term or the useful life of the underlying IT asset, unless the subscription contains a purchase option that the City has determined is reasonably certain of being exercised. In this case, the subscription asset is amortized over the useful life of the underlying IT asset.

Key estimates and judgments related to SBITA include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITA.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Subscription-Based Information Technology Arrangements (SBITAs) (Continued)

- The subscription term includes the noncancellable period of the SBITA. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

J. Deferred Outflows/Inflows of Resources

The statement of financial position reports separate sections for deferred outflows of resources and deferred inflows of resources, when applicable.

Deferred Outflows of Resources represent a consumption of net assets that applies to future periods. The City reports pension contribution after measurement date and deferred loss related to pension, OPEB, debt refunding in this category.

Deferred Inflows of Resources represent an acquisition of net assets that applies to future periods. The City reports unavailable revenues and deferred gain related to pension and OPEB in this category.

K. Unearned and Unavailable Revenue

Unearned revenue is reported for transactions for which revenue has not yet been earned. Typical transactions recorded as unearned revenues are prepaid charges for services.

In the governmental fund financial statements, unavailable revenue is reported when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting. The City reports unavailable revenue when an asset is reported in governmental fund financial statements but the revenue is not available.

L. Compensated Absences

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

M. Net Pension Liability

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

The following timeframes are used for pension reporting:

	CalPERS	MMRP
Valuation Date	June 30, 2021	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2023
Measurement Period	July 1, 2021 to June 30, 2022	July 1, 2022 to June 30, 2023

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

M. Net Pension Liability (Continued)

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

N. Other Postemployment Benefits Liability

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

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

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

O. Claims Payable

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, 2023 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.

P. Net Position

In the government-wide financial statements and proprietary fund financial statements, net position is classified as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation and amortization and related deferred charges on refunding, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those items, including retention payable, net of unspent debt proceeds.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

P. Net Position (Continued)

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Separate line items are used to distinguish among major categories of restrictions and are further displayed as expendable or nonexpendable based on the nature of the restriction.

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

When expenses are incurred for purposes for which both restricted and unrestricted components of net position are available, the City’s policy is to apply the restricted component of net position first, then the unrestricted component of net position as needed.

Q. Fund Balances

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

Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The City’s nonspendable fund balance represents prepaid items, and loans receivable unless the proceeds from the collection of those loans receivable is restricted, committed, or assigned.

Restricted fund balance encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

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

Assigned fund balance consists of funds that are set aside for specific purposes by the City’s highest level of decision-making authority or a body or official that has been given the authority to assign funds. The City Manager is authorized by the City Council by resolution to determine and define the amount of assigned fund balances.

Unassigned fund balance is the residual classification for the City’s fund balance and includes all spendable amounts not contained in the other classifications. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls. The General Fund is the only fund that reports a positive unassigned fund balance amount.

When expenditures are incurred for purposes where only unrestricted fund balances are available, the City uses the unrestricted resources in the following order, except for instances wherein an ordinance specifies the fund balance:

- Restricted
- Committed
- Assigned
- Unassigned

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

R. Property Taxes

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

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

S. Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosure. Accordingly actual results could differ from those estimates.

T. Implementation of New GASB Pronouncements

During fiscal year ended June 30, 2023, the City has implemented the following new GASB Pronouncements:

GASB Statement No. 96 In May 2020, GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements (GASB Statement No. 96), to provide guidance on the accounting and financial reporting for subscription based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset- -an intangible asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. See restatement at Note 18 for the implementation of GASB Statement No 96.

GASB Statement No. 99 - In April 2022, the GASB issued Statement No. 99, Omnibus 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The Statement is effective immediately for the requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63. The Statement is effective for fiscal year years beginning after June 15, 2022 for requirements related to leases, PPPs, and SBITAS. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2023.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Cash and Investments

The City maintains a cash and investment pool, which includes cash balances and authorized investments of all funds.

	Government-Wide Statement of Net Position			Statement of	Total
	Governmental Activities	Business-type Activities	Total	Fiduciary Net Position	
Cash and investments	\$ 70,588,584	\$ 23,178,607	\$ 93,767,191	\$ 171,640	\$ 93,938,831
Cash and investment with fiscal agent	19,298,152	-	19,298,152	1,925,722	21,223,874
Total cash and investments	<u>\$ 89,886,736</u>	<u>\$ 23,178,607</u>	<u>\$ 113,065,343</u>	<u>\$ 2,097,362</u>	<u>\$ 115,162,705</u>

Cash and investments at June 30, 2023 consisted of the following:

Cash and cash equivalents:	
Petty cash	\$ 28,550
Demand deposits with financial institutions	2,988,858
Time certificates of deposit	256,025
Total cash and cash equivalents	<u>3,273,433</u>
Investments:	
Local Agency Investment Fund	35,843,032
Negotiable Certificates of Deposit	7,380,544
Los Angeles County Treasury Pool	41,634,594
Money Market Mutual Fund	5,807,228
Investments with Fiscal Agent:	
Money Market Mutual Fund	21,223,874
Total investments	<u>111,889,272</u>
Total cash and investments	<u><u>\$ 115,162,705</u></u>

A. Demand Deposits

The carrying amount of the City's demand deposits were \$2,988,858 at June 30, 2023. Bank balances before reconciling items were \$4,533,598 at that date, the total amount of which was insured or collateralized with securities held by the pledging financial institutions in the City's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation ("FDIC"). The City has not waived the collateralization requirements.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Cash and Investments (Continued)

A. Demand Deposits (Continued)

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

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

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

The table below identifies the investment types that are authorized by the City's investment policy and the California Government Code. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligation	5 years	None	None
U.S. Government Sponsored Agency Securities	5 years	None	None
State Obligations - CA and Others	5 years	None	None
Collateralized Bank Deposits	5 years	None	None
Medium Term Notes issued by corporations	5 years	30%	"A" or better ranking by nationally recognized rating service; U.S. domiciled corporations or licensed depository
Local Agency Investment Fund (LAIF)	N/A	None	None
Negotiable Certificates of Deposit	5 years	30%	None
Los Angeles County Pooled Investment Fund	Maximum None	Maximum Percentage of 10% of LACPIF pool balance	Maximum Investment in One None
Banker's Acceptances	180 days	40% of portfolio (no more than 30% in any once commercial bank)	"A" or higher rating for issuer's debt within U.S. corporations and have assets in excess of \$500 million.
Commercial Paper	270 days	10%	None
Repurchase Agreement	Not allowable	Not allowable	Not allowable
Financial Futures & Financial option contracts	5 years	30%	None
Reverse Repurchase Agreements & Securities Lending Agreements	Not allowable	Not allowable	Not allowable
Mortgage Pass-Through Securities	5 years	20%	"A" or better ranking by nationally recognized rating service
Money Market Mutual Funds	5 years	20%	Highest ranking by not less than 2 largest rating services, have an SEC registered investment advisor with 5+ years experience, assets under management >\$500 million

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Cash and Investments (Continued)

C. Investments Authorized by Debt Agreement

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

D. Investment in Local Agency Investment Fund (LAIF)

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. As of June 30, 2023, the City had \$35,843,032 invested in LAIF. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. LAIF is reported at amortized cost, which approximates fair value.

E. Fair Value Measurements

At June 30, 2023, investments are reported at fair value. The following table presents the fair value measurement of investments on a recurring basis and the levels within GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2023:

Primary Government	Total	Level 2	Uncategorized
Negotiable Certificates of Deposit	\$ 7,380,544	\$ 7,380,544	\$ -
Local Agency Investment Fund	35,843,032	-	35,843,032
Los Angeles County Treasury Pool	41,634,594	-	41,634,594
Money Market Mutual Funds	27,031,102	-	27,031,102
Total Investments	\$ 111,889,272	\$ 7,380,544	\$ 104,508,728

F. 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. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is as follows:

Investment Type	Total	Remaining Maturity (in Months)		
		12 Months or less	25-36	More than 36 Months
Negotiable Certificates of Deposit	\$ 7,380,544	\$ 740,000	\$ 6,395,544	\$ 245,000
Local Agency Investment Fund	35,843,032	35,843,032	-	-
Los Angeles County Treasury Pool	41,634,594	41,634,594	-	-
Money Market Mutual Funds	27,031,102	27,031,102	-	-
Total	\$ 111,889,272	\$ 105,248,728	\$ 6,395,544	\$ 245,000

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Cash and Investments (Continued)

G. Disclosures Relating to 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. Presented below is the minimum rating required by (where applicable) the California Government Code, the City’s investment policy or debt agreements, and the actual rating by Standard & Poor’s as of year-end for each investment type.

Investment Type	Total	Minimum Legal Rating
Negotiable Certificates of Deposit	\$ 7,380,544	N/A
Local Agency Investment Fund	35,843,032	N/A
Los Angeles County Treasury Pool	41,634,594	N/A
Money Market Mutual Funds	27,031,102	AAA
Total	\$ 111,889,272	

H. Concentration of Credit Risk

The investment policy of the City contains no 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 (other than U.S. Treasury securities, mutual funds and external investment pools) that represent 5% or more of total City investments.

I. Custodial Credit Risk

The 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 deposits or will not be able to recover collateral securities that are in the possession of a third party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of the third party. At June 30, 2023, none of the City’s deposits or investments were exposed to custodial credit risk.

Note 3 – Loans Receivable

Loans receivables of the City as of June 30, 2023, were

Residential Rehabilitation (CDBG)	\$ 48,015
SERA Program	4,322
Pacific Housing Loan	267,295
Pacific Bridge Loan	441,953
First Time Home Buyer Program	41,695
Critical Maintenance (Housing)	42,771
Critical Maintenance (Grants)	1,278,923
Abajo del Sol Loan (Grants)	2,252,905
LINC Community Development (Housing)	2,537,498
LINC Community Development (Grants)	1,019,411
Low/Mod Housing Deferred Loans	1,186,222
Subtotal	9,121,010
Less: Allowance for uncollectible loans	(7,173,202)
Total Loans Receivable	\$ 1,947,808

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 3 – Loans Receivable (Continued)

Residential Rehabilitation – The City provided low interest financing for the rehabilitation of residential sites within the City through the Community Development Block Grant program. The amount of outstanding loan balance at June 30, 2023, is \$48,015 and has been recorded as notes receivable in the Special Revenue Grants Fund.

SERA Program – The City participated in the State Earthquake Rehabilitation Assistance (SERA) program to assist residents with the application and loan processes for residential repairs and rehabilitation following the October 1987 Whittier-Narrows earthquake. The outstanding balance of loans placed through the program is \$4,322 at June 30, 2023, and has been recorded as notes receivable in the Special Revenue Grants Fund with an offset of allowance for uncollectible notes in the fund level financial statement and in the government-wide statements.

Pacific Housing Loan – On July 21, 2004, the City entered into an agreement to provide a loan to Pacific Housing Development Corporation for the purpose of construction and renovation of an affordable housing facility for persons with developmental disabilities. The loan, funded in April 2005, consists of a permanent residual receipts loan in the amount of \$175,000 and a subordinated construction loan in the amount of \$225,000. The subordinated construction loan has been paid off by Pacific Housing in 2008-09. Other remaining amounts bear interest at the rate of 3% per annum until paid. The loan was funded by use of Federal HOME Program funds and is reported in the Special Revenue Grants Fund. At June 30, 2023, outstanding principal and interest are \$175,000 and \$92,295, respectively.

Pacific Bridge Loan – In 1995, the former Redevelopment Agency entered into a thirty- year loan agreement with Pacific Bridge Housing Corporation for the purpose of construction and renovation of a disabled adult affordable housing facility. In the agreement the former Redevelopment Agency agreed to loan to Pacific Bridge Housing Corporation up to the maximum sum of \$240,478 bearing interest at the rate of 3% per annum until paid. Principal and interest payments are due in annual installments commencing upon February 15 of the first full calendar year following the date of the initial occupancy of the facility and continuing annually thereafter on each successive February 15 through and including the date which is thirty (30) years after the Repayment Commencement Date. The amount of such annual installments payable by Borrower is based on the Annual Residential Receipt Installments as described in the agreement. During 1996-97, the loan was funded by the use of federal HOME Program funds, and is reported in the Special Revenue Grants Fund. At June 30, 2023, outstanding principal and interest are \$240,478 and \$201,475, respectively.

First Time Homebuyers – Beginning 1996-97, the City provided second mortgage loans through the First-Time Homebuyer Program to assist qualified first-time homebuyers to purchase residences. All second loans will be fixed at an interest rate of five percent (5%) and for a term of thirty (30) years. If the buyer retains the property for thirty (30) years, both principal and interest will be forgiven. The loans were transferred from the former Redevelopment Agency's Housing Capital Projects Fund to the City's Special Revenue Housing Fund on February 1, 2012 due to the dissolution of the former Redevelopment Agency. At June 30, 2023, \$41,695 is the amount of outstanding loan balances with an offset of allowance for uncollectible notes in the fund level financial statement and in the government-wide statements.

Critical Maintenance – Beginning in 1997-98, the City offered low interest rate loans through the Critical Maintenance Loan Program to assist low and moderate income homeowners for essential or emergency repairs. At June 30, 2023, the loans outstanding totaled \$1,321,694. Of this amount, \$42,771 is funded by the former Redevelopment Agency's Housing Capital Projects Fund and \$1,278,923 is funded by the Federal HOME Program Grants Fund. The outstanding loan balance of \$42,771 was transferred from the former Redevelopment Agency's Housing Set Aside Fund to the City's Special Revenue Housing Fund and has been reported as loans receivable. The outstanding balances were offset with allowance for uncollectible in the fund level financial statements and in the government-wide financial statements.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 3 – Loans Receivable (Continued)

Abajo del Sol – In 1998, the Housing Authority and the Abajo del Sol, Limited Partnership had entered into a housing development agreement. Under the agreement, the Authority provided to the Developer a \$1.2 million loan bearing interest at the rate of 5.1% per annum for the construction of 60 units of affordable housing for senior citizens. On or before March 15th of each year, the Borrower shall pay lender an amount equal to the applicable percentage of the Net Cash Flow attributable to the prior calendar year. The loan is funded by the Federal HOME Program Grants Fund. At June 30, 2023, outstanding principal and interest being recorded as notes receivable are \$1,187,344 and \$1,065,561, respectively, in the Special Revenue Grants Fund with an offset of allowance for uncollectible notes in the fund level financial statement and in the government-wide statements.

LINC Community Development – In 2015, the Monterey Park Successor Housing Agency and City entered into a housing development agreement with LINC Community Development Corporation (LINC). Under the agreement, the Monterey Park Successor Housing Agency sold 5 properties to the developer in exchange for a \$2,080,000 loan bearing compound interest at the rate of 2.41% per annum for 5 units of affordable rental housings. At June 30, 2023, outstanding principal and interest being recorded as notes receivable are \$2,080,000 and \$457,498, respectively, in the Housing Fund with an offset of allowance for uncollectible notes in the fund level financial statement and in the government-wide statements. The properties were purchased with former Redevelopment Agency’s Housing Set Aside fund. As a result, the loan was reported in the City’s Special Revenue Housing Fund and with an offset of allowance for uncollectible notes in the fund level financial statements and in the government-wide statements. As part of the development agreement, the City also sold one of the City’s parking lots to the LINC for development of a 6-unit affordable rental housing. The City also used the Federal HOME Program Grants Fund to provide construction loan bearing simple interest at the rate of 3% per annum. As of June 30, 2023, \$1,019,411 has been funded and is reported as loans receivables in the Special Revenue Grants Fund with an offset of allowance for uncollectible notes in the fund level financial statement and in the government-wide statements.

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

Year ending June 30,	Amount
2024-2029	\$ 500,000
2030-2034	450,000
2035-2039	236,222
Total	\$ 1,186,222

Note 4 – Leases Receivable

The City leases various types of property including land, and buildings. Leases receivable consist of agreements with other entities for the “right-to-use” the underlying assets at various locations owned by the City. The remaining terms of the agreements range from 1 to 38 years. The interest rates used calculated the net present value of the lease receivable ranged from 0.19% to 1.71%.

For the fiscal year ended June 30, 2023, the City recognized \$306,747 in lease revenue and \$17,931 in interest revenue, and the outstanding net present value of the lease receivable amount is \$1,214,875.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 4 – Leases Receivable (Continued)

At June 30, 2023, the required payments for these leases, including interest, are:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 298,353	\$ 15,165	\$ 313,518
2025	256,763	12,434	269,197
2026	145,081	9,930	155,011
2027	125,301	7,799	133,100
2028	75,193	3,557	78,750
2029 - 2033	35,407	25,597	61,004
2034 - 2038	43,537	22,348	65,885
2039 - 2043	48,682	18,422	67,104
2044 - 2048	52,977	14,128	67,105
2049 - 2053	57,650	9,455	67,105
2054 - 2058	62,735	4,370	67,105
2059	13,196	225	13,421
Total	\$ 1,214,875	\$ 143,430	\$ 1,358,305

Note 5 – Interfund Transactions

A. Due to/from Other Funds

The following is a summary of due to and due from other funds as of June 30, 2023:

Due From Other Funds	Due to Other Funds				Total
	Grant Funds	Street Capital Projects Fund	Internal Service Funds	Nonmajor Governmental Funds	
General Fund	\$ 30,913	\$ 779,347	\$ 404,228	\$ 387,510	\$ 1,601,998

The interfund balances resulted from borrowing of cash for temporary purposes. For Street Capital Project Fund, the drawdown from fiscal agent fund in subsequent year will pay back General Fund. For Nonmajor Gov Fund and Grant Fund, balances are expected to be reimbursed when received fund from Granting Agency. For Technology Internal Service Fund, City intends to balance fund by reallocating the expenditures.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 5 – Interfund Transactions (Continued)

B. Transfers

During the year ended June 30, 2023, the City had the following transfers:

Transfers In	Transfers Out					Total
	General Fund	Nonmajor Governmental Funds	Water Utility Enterprise Fund	Refuse Enterprise Fund	Sewer Enterprise Fund	
General Fund	\$ 5,153,633	\$ -	\$ -	\$ -	\$ -	\$ 5,153,633
Retirement	3,172,408	177,852	330,177	34,012	114,952	3,829,401
Nonmajor Governmental Funds	2,000	1,051,450	-	-	-	1,053,450
Total	<u>\$ 8,328,041</u>	<u>\$ 1,229,302</u>	<u>\$ 330,177</u>	<u>\$ 34,012</u>	<u>\$ 114,952</u>	<u>\$ 10,036,484</u>

General Fund support of certain capital projects, pension and OPEB contribution, and other administration of General Fund.

Other Governmental Funds transfers to the Retirement Fund to support fringe benefit costs.

Enterprise Funds transfers to the Retirement Fund to support fringe benefit costs.

Note 6 – Receivables From Successor Agency

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

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

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

The Receivable from Successor Agency balance at June 30, 2023, amounted to \$896,309. This loan will be paid back to the Special Revenue Housing Fund according to a specific formula through the Recognized Obligation Payment Schedule distribution per the State of California Department of Finance (“DOF”).

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Capital Assets

Governmental Activities

The following is a summary of changes in capital assets for the governmental activities for the year ended June 30, 2023:

	Balance July 1, 2022 (As restated)	Additions	Deletions	Transfers	Balance June 30, 2023
Capital assets, not being depreciated/amortized					
Land	\$ 8,465,051	\$ -	\$ -	\$ -	\$ 8,465,051
Construction in progress	4,668,763	11,816,303	-	(2,487,691)	13,997,375
Total capital assets not being depreciated/amortized	<u>13,133,814</u>	<u>11,816,303</u>	<u>-</u>	<u>(2,487,691)</u>	<u>22,462,426</u>
Capital assets, being depreciated					
Building and improvements	30,391,663	-	-	-	30,391,663
Improvement	28,501,442	-	-	1,084,166	29,585,608
Equipment and furniture	30,903,878	2,418,001	(124,609)	1,403,525	34,600,795
Infrastructure	39,271,505	-	-	-	39,271,505
Total capital assets being depreciated	<u>129,068,488</u>	<u>2,418,001</u>	<u>(124,609)</u>	<u>2,487,691</u>	<u>133,849,571</u>
Accumulated depreciation:					
Buildings	(16,160,927)	(592,933)	-	-	(16,753,860)
Improvements	(8,001,964)	(901,780)	-	-	(8,903,744)
Equipment	(26,310,405)	(2,564,513)	124,609	-	(28,750,309)
Infrastructure	(25,352,593)	(1,573,861)	-	-	(26,926,454)
Total accumulated depreciation	<u>(75,825,889)</u>	<u>(5,633,087)</u>	<u>124,609</u>	<u>-</u>	<u>(81,334,367)</u>
Total capital assets being depreciated, net	<u>53,242,599</u>	<u>(3,215,086)</u>	<u>-</u>	<u>2,487,691</u>	<u>52,515,204</u>
Right to use assets, being amortized					
Lease assets - machinery, equipment and vehicles	145,316	28,523	(37,686)	-	136,153
Subscription assets	1,471,256	126,797	-	-	1,598,053
Total right to use lease assets, being amortized	<u>1,616,572</u>	<u>155,320</u>	<u>(37,686)</u>	<u>-</u>	<u>1,734,206</u>
Accumulated amortization:					
Lease assets - machinery, equipment and vehicles	(47,312)	(52,381)	37,686	-	(62,007)
Subscription assets	-	(725,891)	-	-	(725,891)
Total accumulated amortization	<u>(47,312)</u>	<u>(778,272)</u>	<u>37,686</u>	<u>-</u>	<u>(787,898)</u>
Total right to use assets, being amortized, net	<u>1,569,260</u>	<u>(622,952)</u>	<u>-</u>	<u>-</u>	<u>946,308</u>
Total capital assets, net	<u>\$ 67,945,673</u>	<u>\$ 7,978,265</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,923,938</u>

Depreciation and amortization expense was charged to functions/programs of governmental activities for the year ended June 30, 2023 as follows:

General government	\$ 866,411
Public safety	2,382,632
Community services	54,151
Recreation	1,462,070
Highway and streets	649,809
Internal service	996,286
Total depreciation and amortization expense	<u>\$ 6,411,359</u>

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Capital Assets (Continued)

Business-Type Activities

The following is a summary of changes in capital assets for the business-type activities for the year ended June 30, 2023:

	Balance July 1, 2022 (As restated)	Additions	Deletions	Transfers	Balance June 30, 2023
Capital assets, not being depreciated/amortized					
Land	\$ 499,975	\$ -	\$ -	\$ -	\$ 499,975
Construction in progress	14,312,747	7,239,512	-	(502,463)	21,049,796
Total capital assets not being depreciated/amortized	<u>14,812,722</u>	<u>7,239,512</u>	<u>-</u>	<u>(502,463)</u>	<u>21,549,771</u>
Capital assets, being depreciated					
Building and improvements	285,050	-	-	-	285,050
Improvement	59,388,553	49,291	-	178,731	59,616,575
Equipment and furniture	3,690,041	626,098	-	323,732	4,639,871
Infrastructure	12,043,370	-	-	-	12,043,370
Total capital assets being depreciated	<u>75,407,014</u>	<u>675,389</u>	<u>-</u>	<u>502,463</u>	<u>76,584,866</u>
Accumulated depreciation:					
Buildings	(152,811)	(4,841)	-	-	(157,652)
Improvements	(29,597,019)	(1,604,914)	-	-	(31,201,933)
Equipment	(3,460,649)	(207,438)	-	-	(3,668,087)
Infrastructure	(9,411,105)	(125,190)	-	-	(9,536,295)
Total accumulated depreciation	<u>(42,621,584)</u>	<u>(1,942,383)</u>	<u>-</u>	<u>-</u>	<u>(44,563,967)</u>
Total capital assets being depreciated, net	<u>32,785,430</u>	<u>(1,266,994)</u>	<u>-</u>	<u>502,463</u>	<u>32,020,899</u>
Right to use assets, being amortized					
Lease assets - machinery, equipment and vehicles	3,537	-	(312)	-	3,225
Subscription assets	28,356	-	-	-	28,356
Total right to use lease assets, being amortized	<u>31,893</u>	<u>-</u>	<u>(312)</u>	<u>-</u>	<u>31,581</u>
Accumulated amortization:					
Lease assets - machinery, equipment and vehicles	(585)	(797)	312	-	(1,070)
Subscription assets	-	(7,089)	-	-	(7,089)
Total accumulated amortization	<u>(585)</u>	<u>(7,886)</u>	<u>312</u>	<u>-</u>	<u>(8,159)</u>
Total right to use assets, being amortized, net	<u>31,308</u>	<u>(7,886)</u>	<u>-</u>	<u>-</u>	<u>23,422</u>
Total capital assets, net	<u>\$ 47,629,460</u>	<u>\$ 5,964,632</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,594,092</u>

Depreciation and amortization expense was charged to the Enterprise funds as follows:

Water	\$ 1,692,004
Refuse	10,400
Sewer	<u>247,865</u>
Total depreciation and amortization expense	<u>\$ 1,950,269</u>

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Long-Term Liabilities

A. Governmental Activities

The following is a summary of changes in the City’s long-term liabilities for the fiscal year ended June 30, 2023:

	Balance			Balance June 30, 2023	Classification	
	July 1, 2022 (As restated)	Additions	Deletions		Due within One Year	Due in more than One Year
Public offering:						
2004 Taxable Pension Obligation Bonds	\$ 11,345,000	\$ -	\$ (425,000)	\$ 10,920,000	\$ 410,000	\$ 10,510,000
2021 Taxable Pension Obligation Bonds	97,922,890	-	(3,657,698)	94,265,192	3,709,883	90,555,309
2022 Sales Tax Revenue Bonds Premium	17,585,000 3,166,917	- -	(305,000) (109,204)	17,280,000 3,057,713	320,000 -	16,960,000 3,057,713
Total Public offerings	130,019,807	-	(4,496,902)	125,522,905	4,439,883	121,083,022
Direct borrowings:						
Financing purchase	4,969,211	-	(727,278)	4,241,933	756,473	3,485,460
HUD Section 108 Loan payable	539,000	-	(539,000)	-	-	-
Total direct borrowings:	5,508,211	-	(1,266,278)	4,241,933	756,473	3,485,460
Other long-term liabilities						
Lease liabilities	95,759	28,523	(49,952)	74,330	27,914	46,416
Subscription liabilities	1,396,966	66,901	(739,081)	724,786	566,987	157,799
Claims payable (Note 13)	22,442,706	5,089,000	(3,635,479)	23,896,227	3,865,253	20,030,974
Insurance assessment payable (Note 13)	817,571	-	(163,514)	654,057	163,514	490,543
Compensated absences	5,212,281	5,620,169	(5,523,066)	5,309,384	5,071,203	238,181
Total long-term liabilities	\$ 165,493,301	\$ 10,804,593	\$ (15,874,272)	\$ 160,423,622	\$ 14,891,227	\$ 145,532,395

2004 Taxable Pension Obligation Bonds

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

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

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

2004 Taxable Pension Obligation Bonds (Continued)

Optional Redemption: The bonds maturing on or before June 1, 2016 were not subject to optional redemption. The bonds maturing on June 1, 2024 and on June 1, 2034 are subject to optional redemption prior to maturity at the option of the Authority, in whole or in part on any date at a redemption price equal to the greater of (1) 100% of principal to be redeemed or (2) present value of the remaining debt service discounted at Treasury Rate plus 10.0 basis points for the 2024 Term Bonds or plus 12.5 basis points for the 2034 Term Bonds. Bonds will be selected for redemption on a pro rata basis for both the optional and mandatory sinking fund redemption. The outstanding balance of the 2004 Taxable Pension Obligation Bonds was \$10,920,000 at June 30, 2023.

The annual debt service requirements to maturity for the Refunding Lease Revenue Bonds 2013 Series are as follows:

Year ending June 30,	Principal	Interest	Total
2024	\$ 410,000	\$ 662,761	\$ 1,072,761
2025	795,000	638,588	1,433,588
2026	845,000	590,283	1,435,283
2027	895,000	538,941	1,433,941
2028	950,000	484,561	1,434,561
2029-2033	5,675,000	1,485,582	7,160,582
2034	1,350,000	82,026	1,432,026
Total	<u>\$ 10,920,000</u>	<u>\$ 4,482,742</u>	<u>\$ 15,402,742</u>

2021 Taxable Pension Obligation Bonds

On February 16, 2021, the City issued \$106,335,000 in Taxable Pension Obligation Bonds, 2021 Series A. These Bonds were issued to fund the unfunded liabilities of the City’s Miscellaneous and Safety Plans to the California Public Employees’ Retirement System (CALPERS). The City is contractually obligated to appropriate and make payments to CALPERS arising as a result of retirement benefits accruing to members of CALPERS. The City’s obligation includes, among others, the requirement to amortize the unfunded accrued actuarial liability over a multi-year period. On February 16, 2021, the City contributed \$105,545,217 (\$41,146,631 to the Miscellaneous Plan and \$64,398,586 to the Safety Plan) of the bond proceeds to CALPERS to fund a portion of the unfunded liability for the Miscellaneous and Safety Plans that provides retirement benefits to the City’s eligible employees. This transaction and future debt service requirements on the bonds are being shared between the City’s General Fund and enterprise funds.

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

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

2021 Taxable Pension Obligation Bonds (Continued)

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

The outstanding balance of the 2021 Taxable Pension Obligation Bonds was \$99,350,000 at June 30, 2023, of which \$94,265,192 is reported in governmental type activities and \$5,084,808 is reported in business-type activities.

Year Ending June 30,	Governmental Activities		Business-type Activities		Total		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2024	\$ 3,709,883	\$ 2,235,047	\$ 200,117	\$ 120,562	3,910,000	2,355,609	6,265,609
2025	3,392,029	2,211,823	182,971	119,309	3,575,000	2,331,132	5,906,132
2026	3,420,493	2,181,736	184,507	117,686	3,605,000	2,299,422	5,904,422
2027	3,458,446	2,144,555	186,554	115,681	3,645,000	2,260,236	5,905,236
2028	3,510,631	2,095,099	189,369	113,013	3,700,000	2,208,112	5,908,112
2029-2033	18,530,440	9,500,604	999,560	512,477	19,530,000	10,013,081	29,543,081
2034-2038	26,334,478	7,144,840	1,420,522	385,404	27,755,000	7,530,244	35,285,244
2039-2043	31,908,792	2,949,651	1,721,208	159,109	33,630,000	3,108,760	36,738,760
Total	<u>\$ 94,265,192</u>	<u>\$ 30,463,355</u>	<u>\$ 5,084,808</u>	<u>\$ 1,643,241</u>	<u>\$ 99,350,000</u>	<u>\$ 32,106,596</u>	<u>\$ 131,456,596</u>

2022 Sales Tax Revenue Bonds

On October 1, 2022, the Monterey Park Financing Authority issued \$17,750,000 Monterey Park Financing Authority Sales Tax Revenue Bonds. The proceeds were used to finance certain public capital improvements in the City, including, but not limited to, rehabilitating, constructing, enlarging, improving, and/or equipping City streets, sidewalks, gutters, curbs and ramps, streetlights, and street signs. Interest on the bonds is payable semi-annually each June 1 and December 1, beginning June 1, 2022. Principal matures each June 1 beginning 2022 and maturing in 2051. Interest rates on the bonds vary between 4.00% and 5.00%. The principal balance outstanding at June 30, 2023 was \$17,280,000.

Future debt service payments are as follows:

Year ending June 30,	Principal	Interest	Total
2024	\$ 320,000	\$ 731,200	\$ 1,051,200
2025	335,000	715,200	1,050,200
2026	350,000	698,450	1,048,450
2027	370,000	680,950	1,050,950
2028	385,000	662,450	1,047,450
2029-2033	2,240,000	3,003,250	5,243,250
2034-2038	2,810,000	2,439,800	5,249,800
2039-2043	3,410,000	1,831,800	5,241,800
2044-2048	4,145,000	1,093,400	5,238,400
2049-2051	2,915,000	236,200	3,151,200
Total	<u>\$ 17,280,000</u>	<u>\$ 12,092,700</u>	<u>\$ 29,372,700</u>

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Finance Purchase Loans

Siemens Loan

On September 23, 2014, the City and Siemens Public, Inc. entered into a finance-purchase agreement for an amount of \$10,511,901. The City used the monies for energy efficiency improvements throughout city parks, facilities and infrastructure. The term of the agreement is 15 years, commencing on September 23, 2014 through June 23, 2030, at an interest rate of 2.80%. Principal and interest payments are due quarterly in amounts ranging from \$140,217 to \$325,545 over the term of the agreement. The transactions are shared by the General Fund and the Water Utility Enterprise Fund. At June 30, 2023, the outstanding balance for the agreement was \$6,937,805 of which \$1,040,673 is reported in governmental type activities and \$5,897,132 is reported in business-type activities. The annual debt service requirements on the agreement are as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities		Total		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2024	\$ 114,071	\$ 27,948	\$ 646,403	\$ 158,372	\$ 760,474	\$ 186,320	\$ 946,794
2025	125,533	24,634	711,354	139,595	836,887	164,229	1,001,116
2026	135,754	21,013	769,269	119,072	905,023	140,085	1,045,108
2027	146,765	17,097	831,670	96,881	978,435	113,978	1,092,413
2028	158,389	12,866	897,540	72,907	1,055,929	85,773	1,141,702
2029-2030	360,161	11,595	2,040,896	65,732	2,401,057	77,327	2,478,384
Total	<u>\$ 1,040,673</u>	<u>\$ 115,153</u>	<u>\$ 5,897,132</u>	<u>\$ 652,559</u>	<u>\$ 6,937,805</u>	<u>\$ 767,712</u>	<u>\$ 7,705,517</u>

Motorola Loan

On March 16, 2021, the City and Motorola Solutions, Inc. entered into a finance-purchase agreement for police radios, dispatch consoles and station equipment in the amount of \$2,682,300. The term of the agreement is ten years through April 2, 2031, at an interest rate of 2.58%. Annual principal and interest payments of \$307,745 are due April 1st of each year commencing in 2022. At June 30, 2023, the outstanding balance for the agreement was \$2,199,063. The annual debt service requirements on the agreement are as follows:

Year ending June 30,	Principal	Interest	Total
2024	\$ 251,009	\$ 56,736	\$ 307,745
2025	257,485	50,260	307,745
2026	264,128	43,617	307,745
2027	270,942	36,802	307,744
2028	277,933	29,812	307,745
2029-2031	877,566	45,667	923,233
Total	<u>\$ 2,199,063</u>	<u>\$ 262,894</u>	<u>\$ 2,461,957</u>

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Finance Purchase Loans (Continued)

Fire Engine Loan

On September 28, 2018, the City and Banc of America Public Capital Corporation entered into a finance-purchase agreement for fire engine in the amount of \$2,618,000. The term of the agreement is 8 years at an interest rate of 4.0702%. Principal and interest payments totaling \$210,129 are due quarterly over the term of the agreement. At June 30, 2023, the outstanding balance for the agreement was \$1,002,197. The annual debt service requirements on the agreement are as follows:

Year ending June 30,	Principal	Interest	Total
2024	\$ 391,393	\$ 28,864	\$ 420,257
2025	403,974	16,283	420,257
2026	206,830	3,298	210,128
Total	<u>\$ 1,002,197</u>	<u>\$ 48,445</u>	<u>\$ 1,050,642</u>

HUD Section 108 Loan Program

In August 2002, the City participated in the U.S. Department of Housing and Urban Development (HUD) Section 108 Loan Guarantee Program and received note proceeds of \$6,500,000. The City uses the proceeds for the development of the Market Place project. The annual debt service payments are funded through the City's Community Development Block Grant funds. On May 28, 2015, the City participated in the HUD refinancing program and refinanced the Section 108 Loan for a fixed rate note (Series 2015 A Certificates). Interest payments are made semiannually on August 1 and February 1. Principal payments are made on August 1 of each year and continue until August 2022. The HUD Section 108 Loan was paid off in fiscal year 2023.

Lease Liabilities

The City has entered into leases for equipment and vehicle uses. The terms of the agreements are between 19 months and 60 months with a range of an implicit rate from 0.2108% to 4.3318%. Principal and interest to maturity are as follows:

Year ending June 30,	Principal	Interest	Total
2024	\$ 27,914	\$ 1,054	\$ 28,968
2025	26,512	524	27,036
2026	17,068	90	17,158
2027	2,836	6	2,842
Total	<u>\$ 74,330</u>	<u>\$ 1,674</u>	<u>\$ 76,004</u>

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Subscription Liabilities

The City has entered into subscriptions for information technology arrangements. The terms of the arrangements range from 24 to 78 months with an implicit rate of 3.00%. Principal and interest to maturity are as follows:

Year ending June 30,	Principal	Interest	Total
2024	\$ 566,987	\$ 13,930	\$ 580,917
2025	113,060	3,139	116,199
2026	44,739	758	45,497
Total	<u>\$ 724,786</u>	<u>\$ 17,827</u>	<u>\$ 742,613</u>

B. Business-Type Activities

The following is a summary of changes in long-term liabilities for business-type activities for the year ended June 30, 2023:

	Balance			Balance June 30, 2023	Classification	
	July 1, 2022 (As restated)	Additions	Deletions		Due within One Year	Due in more than One Year
Public offering:						
2021 Taxable Pension Obligation Bonds	\$ 5,282,110	\$ -	\$ (197,302)	\$ 5,084,808	\$ 200,117	\$ 4,884,691
Direct borrowings:						
Finance purchase loans	7,310,035	-	(663,725)	6,646,310	727,507	5,918,803
SGVMWD Loan	4,000,000	-	-	4,000,000	400,000	3,600,000
Total direct borrowings:	<u>11,310,035</u>	<u>-</u>	<u>(663,725)</u>	<u>10,646,310</u>	<u>1,127,507</u>	<u>9,518,803</u>
Lease liabilities	2,888	-	(779)	2,109	649	1,460
Subscription liabilities	12,354	-	(3,124)	9,230	2,914	6,316
Compensated absences	224,057	353,183	(314,475)	262,765	250,978	11,787
Total long-term liabilities	<u>\$ 16,831,444</u>	<u>\$ 353,183</u>	<u>\$ (1,179,405)</u>	<u>\$ 16,005,222</u>	<u>\$ 1,582,165</u>	<u>\$ 14,423,057</u>

La Loma Highland Loan

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

Year ending June 30,	Principal	Interest	Total
2024	\$ 81,104	\$ 28,841	\$ 109,945
2025	84,405	25,473	109,878
2026	87,841	21,968	109,809
2027	91,416	18,320	109,736
2028	95,136	14,524	109,660
2029-2031	309,276	19,216	328,492
Total	<u>\$ 749,178</u>	<u>\$ 128,342</u>	<u>\$ 877,520</u>

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

SGVMWD Loan

On March 1, 2021, the City and the San Gabriel Valley Municipal Water District entered into a loan agreement for an amount of \$4,000,000. The City used the monies to cover costs related to planning, design, construction and construction administration incurred by the City in financing projects for the benefit of the City. The term of the agreement is ten years commencing on the later of date the Notice of the Completion of the Project signed by the City or 90 days after the first disbursement of the Loan proceeds with no interest bearing. As of June 30, 2023, the projects are still in progress, and the outstanding balance of the loan was \$4,000,000.

Lease Liabilities

The City has entered into leases for equipment and vehicle uses. The terms of the agreements are between 19 months and 60 months with a range of an implicit rate from 0.2108% to 4.3318%. Principal and interest to maturity are as follows:

Year ending June 30,	Principal	Interest	Total
2024	\$ 649	\$ 1,054	\$ 1,703
2025	653	524	1,177
2026	657	90	747
2027	150	6	156
Total	<u>\$ 2,109</u>	<u>\$ 1,674</u>	<u>\$ 3,783</u>

Subscription Liabilities

The City has entered into subscriptions for information technology arrangements. The terms of the arrangements range from 24 to 78 months with a implicit rate of 3.00%. Principal and interest to maturity are as follows:

Year ending June 30,	Principal	Interest	Total
2024	\$ 2,914	\$ 210	\$ 3,124
2025	3,074	144	3,218
2026	3,242	74	3,316
Total	<u>\$ 9,230</u>	<u>\$ 428</u>	<u>\$ 9,658</u>

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Long-Term Liabilities (Continued)

C. Fiduciary Activities

The following is a summary of changes in the City’s long-term liabilities for fiduciary activities for the fiscal year ended June 30, 2023:

	Balance			Classification		
	July 01, 2022	Additions	Deletions	June 30, 2023	Due within One Year	Due in more than One Year
Public offering:						
Tax Allocation Refunding Bond - 2013A	\$ 6,025,000	\$ -	\$ (1,175,000)	\$ 4,850,000	\$ 1,165,000	\$ 3,685,000
Tax Allocation Refunding Bond - 2013B	3,840,000		(480,000)	3,360,000	505,000	2,855,000
Premium	440,774	-	(93,417)	347,357	-	347,357
Direct borrowings:						
SERAF Loan (Note 6)	1,033,651	-	(137,342)	896,309	137,342	758,967
Tax Increment deferred loan- Atlantic/Garvey Project	14,785,058	1,034,954	-	15,820,012	-	15,820,012
Tax Increment deferred loan- Merged Project	66,833,659	4,570,924	(561,108)	70,843,475	561,391	70,282,084
Low Mod Housing Payable	1,186,222	-	-	1,186,222	-	1,186,222
Total long-term liabilities	\$ 94,144,364	\$ 5,605,878	\$ (2,446,867)	\$ 97,303,375	\$ 2,368,733	\$ 94,934,642

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

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

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

The Bonds are secured by a first and prior lien on tax increment revenues, excluding any portion of revenues that are required to be deposited to the Rebate Fund. Annual principal and interest payments on the Bonds are expected to require less than 90% of net revenues. The amount of principal outstanding at June 30, 2023 is \$4,850,000. The net tax increment revenue is collected and withheld by the County of Los Angeles due to the dissolution of the former Redevelopment Agency.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Long-Term Liabilities (Continued)

C. Fiduciary Activities (Continued)

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

Year ending June 30,	Principal	Interest	Total
2024	\$ 1,165,000	\$ 184,256	\$ 1,349,256
2025	1,220,000	130,731	1,350,731
2026	1,210,000	80,619	1,290,619
2027	1,255,000	27,453	1,282,453
	<u>\$ 4,850,000</u>	<u>\$ 423,059</u>	<u>\$ 5,273,059</u>

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

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

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

The Bonds are secured by a first and prior lien on tax increment revenues, excluding any portion of revenues that are required to be deposited to the Rebate Fund. Annual principal and interest payments on the bonds are expected to require less than 90% of net revenues. The amount of principal outstanding at June 30, 2023 was \$3,360,000. The net tax increment revenue is collected and withheld by the County of Los Angeles due to the dissolution of the former Redevelopment Agency.

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

Year ending June 30,	Principal	Interest	Total
2024	\$ 505,000	\$ 142,456	\$ 647,456
2025	530,000	119,231	649,231
2026	545,000	97,050	642,050
2027	565,000	73,109	638,109
2028	595,000	45,875	640,875
2029	620,000	15,500	635,500
Total	<u>\$ 3,360,000</u>	<u>\$ 493,221</u>	<u>\$ 3,853,221</u>

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Long-Term Liabilities (Continued)

C. Fiduciary Activities (Continued)

Tax Increment Deferred Loan (Atlantic/Garvey Project)

On August 20, 1987, the former Redevelopment Agency entered into an agreement for reimbursement of tax increment funds with the County of Los Angeles (the County). In the Agreement, the County agreed to loan its portion of the tax increment revenues received from the amended area (88 Annex) to the former Redevelopment Agency at a 7% compound interest rate, beginning fiscal year 1989-90. The percentage distribution from the basic tax levy for the 88 Annex areas for the County and the former Redevelopment Agency is 43.7% and 56.3% respectively. The former Redevelopment Agency will commence repayment of this loan annually beginning with the fiscal year in which the former Redevelopment Agency’s share of tax increment revenues (excluding Housing Fund contributions) from the 88 Annex areas exceeds \$800,000. The outstanding balance of the Tax Increment Deferred Loan (Atlantic/Garvey Project) was \$15,820,012 at June 30, 2023.

The former Redevelopment Agency and the County Taxing Entities (the County of Los Angeles, the Los Angeles County Flood Control District, and the Los Angeles County Office of Education) entered into four agreements for reimbursement of the tax increment deferred amounts. In the Agreements, the County Taxing Entities agreed to loan their portions of the tax increment revenues received from the Southeast Project area, Freeway `99 Annex area, Central Commercial Project area, and Merged Monterey Pass Road area to the former Redevelopment Agency at specified interest rates ranging from 0% to 7%. The percentage distribution from the basic tax levy and the repayment schedule of the deferred loans are also based on a specified formula for each taxing entity. The outstanding balance of the Tax Increment Deferred Loan (Merged Project) was \$70,843,475 at June 30, 2023.

Low/Mod Housing Deferred Loans

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

Year ending June 30,	Principal
2024	\$ -
2025	100,000
2026	100,000
2027	100,000
2028	100,000
2029 - 2033	500,000
2034 - 2038	250,000
2039	36,222
Total	<u>\$ 1,186,222</u>

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Due To Other Governmental Agencies

In the Special Revenue Grants Fund, an amount equal to the total outstanding balance of the identified loans receivable for the CDBG Residential Rehabilitation Program in the amount of \$48,015, State Earthquake Rehabilitation Assistance (SERA) Program in the amount of \$4,322, the Pacific Housing Corporation loan in the amount of \$267,295, and the Pacific Bridge Loan in the amount of \$441,953, described in Note 3 at June 30, 2023, have been recorded as Due to Other Governmental Agencies. As these notes are repaid, the repayment proceeds must be returned to the applicable government agency.

Residential Rehabilitation (CDBG)	\$	48,015
SERA Program		4,322
Pacific Housing Loan		267,295
Pacific Bridge Loan		441,953
Total due to other governmental agencies	\$	761,585

Note 10 – Defined Benefit Pension Plans

California Public Employees’ Retirement System Plan

A. General Information about the Pension Plans

Plan Description

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

Benefit Provided

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

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

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

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – Defined Benefit Pension Plans (Continued)

California Public Employees’ Retirement System Plan (Continued)

A. General Information about the Pension Plans (Continued)

Benefit Provided (Continued)

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

An employee’s beneficiary may receive the basic death benefit if the employee dies while actively employed. The employee must be actively employed with the City to be eligible for this benefit. An employee’s survivor who is eligible for any other pre- retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee’s accumulated contributions, where interest is credited annually at the greater of 6% or the prevailing discount rate through the date of death, plus a lump sum in the amount of one month’s salary for each completed year of current service, up to a maximum of six months’ salary. For purposes of this benefit, one month’s salary is defined as the member’s average monthly full-time rate of compensation during the 12 months preceding death. Upon the death of a retiree, a one-time lump sum payment of \$5,000 will be made to the retiree’s designated survivor(s), or to the retiree’s estate.

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

Employees Covered by Benefit Terms

At June 30, 2021, the valuation date, the following employees were covered by the benefit terms:

	Miscellaneous	Safety
Active employees	177	120
Transferred and terminated employees	354	103
Retired Employees and Beneficiaries	359	261
Total	890	484

Contributions

Section 20814(C) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 2023, the employer contributions for the miscellaneous plan and the safety plan, were \$1,430,911 and \$2,647,296, respectively.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – Defined Benefit Pension Plans (Continued)

California Public Employees’ Retirement System Plan (Continued)

B. Net Pension Liability

The June 30, 2021 valuation was rolled forward to determine the June 30, 2022, measurement date total pension liability, based on following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS’ Membership Data for all Funds. .
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

¹ The mortality table was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

Change of Assumptions

Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

Long-term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds’ asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – Defined Benefit Pension Plans (Continued)

California Public Employees’ Retirement System Plan (Continued)

B. Net Pension Liability (Continued)

Long-term Expected Rate of Return (Continued)

The expected real rates of return by asset class are as follows:

Asset Class ¹	Assumed Asset Allocation	Real Return Years 1 - 10 ^{1,2}
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
	100.00%	

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – Defined Benefit Pension Plans (Continued)

California Public Employees’ Retirement System Plan (Continued)

C. Changes in the Net Pension Liability

The following tables show the changes in net pension liability for the City’s miscellaneous and safety plans recognized over the measurement period.

	Miscellaneous Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2021 (Valuation Date)	\$ 153,625,934	\$ 173,704,489	\$ (20,078,555)
Changes Recognized for the Measurement Period:			
Service Cost	2,277,310	-	2,277,310
Interest on the total pension liability	10,590,605	-	10,590,605
Changes of benefit terms	-	-	-
Changes of assumptions	4,675,002	-	4,675,002
Difference between expected and actual experience	(1,948,123)	-	(1,948,123)
Plan to plan resource movement	-	-	-
Contributions from the employer	-	1,281,326	(1,281,326)
Contributions from employees	-	1,068,666	(1,068,666)
Net investment income	-	(12,885,155)	12,885,155
Benefit payments, including refunds of employee contributions	(8,008,871)	(8,008,871)	-
Administrative expenses	-	(108,208)	108,208
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes during July 1, 2021 to June 30, 2022	<u>7,585,923</u>	<u>(18,652,242)</u>	<u>26,238,165</u>
Balance at June 30, 2022 (Measurement Date)	<u>\$ 161,211,857</u>	<u>\$ 155,052,247</u>	<u>\$ 6,159,610</u>

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – Defined Benefit Pension Plans (Continued)

California Public Employees’ Retirement System Plan (Continued)

C. Changes in the Net Pension Liability (Continued)

	Safety		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2021 (Valuation Date)	\$ 240,619,835	\$ 272,121,603	\$ (31,501,768)
Changes Recognized for the Measurement Period:			
Service Cost	4,273,500	-	4,273,500
Interest on the total pension liability	16,606,680	-	16,606,680
Changes of benefit terms	-	-	-
Changes of assumptions	6,196,586	-	6,196,586
Difference between expected and actual experience	(2,515,151)	-	(2,515,151)
Plan to plan resource movement	-	-	-
Contributions from the employer	-	2,584,424	(2,584,424)
Contributions from employees	-	1,804,252	(1,804,252)
Net investment income	-	(20,264,806)	20,264,806
Benefit payments, including refunds of employee contributions	(11,523,017)	(11,523,017)	-
Administrative expenses	-	(169,516)	169,516
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes during July 1, 2021 to June 30, 2022	13,038,598	(27,568,663)	40,607,261
Balance at June 30, 2022 (Measurement Date)	<u>\$ 253,658,433</u>	<u>\$ 244,552,940</u>	<u>\$ 9,105,493</u>

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

The following presents the net pension liability of the City for all Plans, calculated using the discount rate for each Plan, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate	Current Discount	Discount Rate
	- 1% (5.9%)	Rate (6.9%)	+ 1% (7.9%)
Miscellaneous Plan	\$ 27,218,134	\$ 6,159,610	\$ (11,216,859)
Safety Plan	\$ 43,682,176	\$ 9,105,493	\$ (19,251,003)

Pension Plans Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – Defined Benefit Pension Plans (Continued)

California Public Employees’ Retirement System Plan (Continued)

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2023, the City recognized pension expense of \$2,605,499 and \$3,131,548, for the Miscellaneous and Safety plan, respectively. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the pension plan from the following sources:

Miscellaneous Plan		
	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	\$ 1,430,911	\$ -
Changes of assumptions	2,448,811	-
Difference between expected and actual experience	-	(1,088,337)
Net difference between projected and actual earning on pension plan investments	9,501,153	-
Total	\$ 13,380,875	\$ (1,088,337)
Safety Plan		
	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	\$ 2,647,296	\$ -
Changes of assumptions	4,059,832	-
Difference between expected and actual experience	-	(1,875,544)
Net difference between projected and actual earnings on pension plan investments	15,160,824	-
Total	\$ 21,867,952	\$ (1,875,544)

The amounts above are net of outflows and inflows recognized in the 2021-2022 measurement period expense. The expected average remaining service lifetime (“EARSL”) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). The EARSL for the Miscellaneous Plan and Safety Plan for the 2021-22 measurement period is 2.1, and 2.9 years, which was obtained by dividing the total service years of 1,891 and 1,411 (the sum of remaining service lifetimes of the active employees) by 890 and 484 (the total number of participants: active, inactive, and retired), respectively.

The \$1,430,911 and \$2,647,296 for the Miscellaneous and Safety Plans, respectively, reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension plan will be recognized as pension expense as follows:

Measurement Period Ending June 30	Deferred Outflows/(Inflows) of Resources	
	Miscellaneous Plan	Safety Plan
	2023	\$ 2,951,763
2024	1,761,577	3,781,061
2025	1,217,546	1,960,083
2026	4,930,741	7,757,049
2027	-	-
Thereafter	-	-
	\$ 10,861,627	\$ 17,345,112

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – Defined Benefit Pension Plans (Continued)

Massachusetts Mutual Retirement Plan - Defined Benefit Plan

E. General Information about the Pension Plans

Plan Description

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

Benefits Provided

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

Employee Covered by Benefit Terms

MMRP is a closed plan. As of the measurement date, June 30, 2023, there are 33 individuals in the plan, 32 inactive receiving benefits and inactive not receiving benefits, all of whom are no longer employed by the City or are currently participating in PERS. The City's payroll for employees covered by the MMRP was zero for the measurement period July 1, 2022 to June 30, 2023.

Contributions

MMRP is a contributory plan deriving funds from employer contributions and earnings from investments. Employer contributions were based upon the actuarial methods and assumptions. For the current year, the City did not make contributions to the MMRP.

F. Net Pension Liability

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2023, the total pension liability was determined by rolling forward the June 30, 2021 total pension liability to June 30, 2023, based on actual benefit payments.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – Defined Benefit Pension Plans (Continued)

Massachusetts Mutual Retirement Plan - Defined Benefit Plan (Continued)

F. Net Pension Liability (Continued)

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

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

Contribution Policy	City contributes full ADC
Actuarial Assumptions:	
Discount Rate	3.65% at June 30, 2023 based on the Bond Buyer 20-bond Index at 6/30/23 3.54% at June 30, 2022 based on the Bond Buyer 20-bond Index at 6/30/22
Long-Term Expected Rate of Return on Assets	3.00% at June 30, 2023 (55% confidence level) 3.00% at June 30, 2022 (55% confidence level)
Municipal Bond Rate	3.65% at June 30, 2023 (Bond Buyer 20 Index) 3.54% at June 30, 2022 (Bond Buyer 20 Index)
General Inflation	2.50% annually
Investment Rate of Return	7.65%
Mortality	CalPERS 1997-2015 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021
Cost of Living Adjustment/PPPA	2.00%
Asset Fair Market Value	Fair value factor of 89.274% as of 6/30/2023 supplied by the City

Long-term Expected Rate of Return

The expected real rates of return by asset class and by geometric means are as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
Fixed Income	95.4%*	0.78%
Global Equity	0.90%	4.56%
REITs	0.10%	3.91%
Cash	3.60%	-0.50%
	<u>4.60%</u>	

Assumed Long-Term Rate of Inflation: 2.5%

Expected Long-Term Net Rate of Return, Rounded: 3.25%

Discount Rate used in the 6/30/2021 valuation 3.00%
(55% confidence level)

*Includes 1.4% “other invested assets” in Empower General Investment Account.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – Defined Benefit Pension Plans (Continued)

Massachusetts Mutual Retirement Plan - Defined Benefit Plan (Continued)

G. Changes in the Net Pension Liability

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

	Empower Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2022	\$ 4,361,041	\$ 3,988,776	\$ 372,265
Changes Recognized for the Measurement Period:			
Service Cost	-	-	-
Interest on the total pension liability	147,660	-	147,660
Changes of benefit terms	-	-	-
Changes of assumptions	(32,713)	-	(32,713)
Difference between expected and actual experience	-	-	-
Plan to plan resource movement	-	-	-
Contributions from the employer	-	-	-
Contributions from employees	-	-	-
Net investment income	-	66,372	(66,372)
Benefit payments, including refunds of employee contributions	(379,706)	(379,706)	-
Administrative expenses	-	(10,140)	10,140
Net Changes during July 1, 2022 to June 30, 2023	<u>(264,759)</u>	<u>(323,474)</u>	<u>58,715</u>
Balance at June 30, 2023 (Measurement Date)	<u>\$ 4,096,282</u>	<u>\$ 3,665,302</u>	<u>\$ 430,980</u>

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

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 3.65%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65%) or 1 percentage point higher (4.65%) than the current rate:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate	Current Discount	Discount Rate
	- 1% (2.65%)	Rate (3.65%)	+ 1% (4.65%)
Net Pension Liability	\$ 749,599	\$ 430,980	\$ 156,655

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – Defined Benefit Pension Plans (Continued)

Massachusetts Mutual Retirement Plan - Defined Benefit Plan (Continued)

H. Pension Expense and Deferred Outflows/Deferred Inflows of Resources Related to Pensions

For the measurement period ending June 30, 2023, the City incurred a pension expense/(income) of \$163,995 for MMRP. As of measurement date of June 30, 2023, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

Empower plan	Deferred outflows of Resources	Deferred inflows of Resources
Net difference between projected and actual earning on pension plan investments	\$ 631,200	\$ -

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

Measurement Period Ending June 30	Deferred Outflows/(Inflows) of Resources
2024	\$ 171,268
2025	216,268
2026	234,268
2027	9,396
2028	-
Thereafter	-
	\$ 631,200

Note 11 – Defined Contribution Pension Plans - Monterey Park Part-Time Retirement Plan

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

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investments of the contributions. Part-time, non benefited, nonpersable employees of the City must participate in the plan. During the year ended June 30, 2023, 108 part-time employees participated in the plan. All contributions to the plan vest immediately. An employee who leaves the City is entitled to all contributions, including contributions made by the City, and earnings applied to the individual's account through the date of separation, less legally required income tax withholding. Participants that become full-time employees and enter the CalPERS retirement plan will have the amount in their individual accounts transferred from this plan into a Section 457, Deferred Compensation Plan, subject to all the rules governing Section 457 plans, including substantial penalties for withdrawal prior to the age of normal retirement. Contribution levels into the deferred compensation plan were established by City Council resolution at 4% and 3.5% for the City and non benefited, nonpersable part-time employees, respectively. During the year, the City contributed \$31,818 to the plan.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Other Postemployment Healthcare Plan

A. Plan Description

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

Members are eligible for the following benefits:

	<u>General</u>	<u>Management</u>	<u>Safety</u>
Benefit Types Provided	Medical Only	Medical Only	Medical Only
Duration of Benefits	Lifetime	Lifetime	Lifetime
Minimum Age	50	50	50
Dependent Coverage	Yes	Yes	Yes
Required Years of Service	5 Years	5 Years	5 Years
City Contribution %	100%	100%	100%
City Cap:			
Calendar Year 2021	\$340-\$435 per mont	\$355-\$1,375	\$346-\$650
Calendar Year 2022	\$340-\$435 per mont	\$355-\$1,375	\$346-\$650

Employees Covered

At the measurement date of June 30, 2022, the following current and former employees were covered by the benefit terms under the plan:

Active plan members	236
Inactivies entitled to but not yet receiving benefits	60
Retirees	236
Total	532

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Other Postemployment Healthcare Plan (Continued)

A. Plan Description (Continued)

Contributions

The contribution requirements are established and amended by the City. Employer contributions are determined through an annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. For the current year, the City’s contributions to the plan included \$1,000,000 to the irrevocable CERBT, an implied subsidy of \$304,000, \$17,344 in administrative expenses, and \$1,286,464 in cash benefit payments, resulting in total contributions of \$2,607,808. The contributions to the OPEB plan are generally made from the general fund.

B. Total OPEB Liability

For the measurement period ended June 30, 2022, the City’s total OPEB liability was determined in a June 30, 2021 actuarial accounting valuation. A summary of the principal assumptions and methods used to determine the net OPEB liability is shown below.

Actuarial Assumptions

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

Actuarial Valuation Date	June 30, 2021
Contribution Policy	Pre-funded through CERBT with the Strategy 1 asset allocation
Discount Rate and Long-Term Expected Rate of Return on Assets	6.25% at June 30, 2022 and June 30, 2021 Expected City contributions projected to keep sufficient plan assets to pay all benefits from trust
Inflation	2.5% annually
Salary Increase	Aggregate - 2.75% annually, Merit - CalPERS 2000-2019 Experience Study
Mortality, Retirement, Termination, and Disability	CalPERS 2000-2019 Experience Study
Mortality Improvement Scale	Mortality projected fully generational with Scale MP-2021
Medical Trend	Non-Medicare - 6.50% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare (Kaiser) - 4.60% for 2023, decreasing to an ultimate rate of 3.75% in 2076
PEMHCA Minimum Increases	4.00% annually
Cap Increases	All except Executive Management, CM and Elected Officials: 0% until the end of current MOU, 5% every 3 years thereafter Executive Management, CM and Elected Officials: 5% per year
Participation at Retirement	Tier 1: 90% PEMHCA Minimum Only: 80%

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Other Postemployment Healthcare Plan (Continued)

B. Total OPEB Liability (Continued)

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

Asset Class ¹	Target Allocation CERBT- Strategy 1	Expected Real Rate of Return
Global Equity	49.00%	4.56%
Fixed Income	23.00%	1.56%
TIPS	5.00%	-0.08%
Commodities	3.00%	1.22%
REITs	20.00%	4.06%
	100.00%	

Assumed Long-Term Rate of Inflation: 2.5%

Expected Long-Term Net Rate of Return, Rounded: 6.25%

Discount Rate

The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that the City's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

C. Changes in total OPEB Liability

The change in net OPEB liability are as follows:

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2021	\$ 32,884,222	\$ 13,189,701	\$ 19,694,521
Changes Recognized for the Measurement Period:			
Service Cost	757,555	-	757,555
Interest on the total OPEB liability	2,050,988	-	2,050,988
Contributions from the employer	-	2,667,920	(2,667,920)
Net investment income	-	(1,924,920)	1,924,920
Administrative expenses	-	(19,451)	19,451
Benefit payments	(1,651,920)	(1,651,920)	-
Net Changes during July 1, 2021 to June 30, 2022	1,156,623	(928,371)	2,084,994
Balance at June 30, 2022 (Measurement Date)	\$ 34,040,845	\$ 12,261,330	\$ 21,779,515

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Other Postemployment Healthcare Plan (Continued)

C. Changes in total OPEB Liability (Continued)

Change of Assumptions

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

Change of Benefit Terms

There were no changes of benefit terms.

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

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

Discount Rate		
Discount Rate - 1% (5.25%)	Current Discount Rate (6.25%)	Discount Rate + 1% (7.25%)
\$ 26,392,956	\$ 21,779,515	\$ 17,995,425

The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher) than the current healthcare cost trend rates:

Healthcare Trend Rate		
-1% Decrease	Current Rates	1% Increase
\$ 19,722,148	\$ 21,779,515	\$ 24,014,143

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

For the year ended June 30, 2023, the City recognized OPEB expense of \$661,053. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
Difference between expected and actual experience	\$ -	\$ (2,903,624)
Changes of assumptions	-	(496,104)
Net difference between projected and actual earnings on plan investments	1,130,201	-
Employer contributions made subsequent to the measurement date	2,607,808	-
Total	\$ 3,738,009	\$ (3,399,728)

The expected average remaining service lifetime (“EARSL”) for OPEB for the 2021-22 measurement period is 3,146.1 years, which was obtained by the average of the EARSL of 6.1 years times 530 covered participants.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Other Postemployment Healthcare Plan (Continued)

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

\$2,607,808 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30	Deferred Outflows/ (Inflows) of Resources
2024	\$ (1,299,320)
2025	(861,732)
2026	(257,163)
2027	148,688
	\$ (2,269,527)

Note 13 – Risk Management

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

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

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

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

On November 17, 2016, the ICRMA Board approved an assessment on the member cities to fund deficits in its Liability Program for the fiscal years ended 2004, and 2012 through 2015. The City’s share of this assessment was determined to be \$1,635,143 and is due and payable in equal installments of \$163,514 over the next ten years. This insurance assessment liability is recorded in the General Liability Internal Service Fund. At June 30, 2023, the assessment liability balance was \$654,057.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 13 – Risk Management (Continued)

There have been no significant changes in insurance coverage as compared to last year and the City has not experienced settlements in excess of insurance coverage during the past three fiscal years. Estimates for liabilities have been accrued in the Workers' Compensation and General Liability Internal Service Funds. These funds also include an estimate for incurred but not reported claims. At June 30, 2023, total estimated General Liability and Workers' Compensation claims payable were \$9,386,265 and \$14,509,962, respectively.

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

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

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2021	\$ 18,372,816	2,468,732	\$ (892,894)	\$ 19,948,654
2022	19,948,653	2,953,233	(459,180)	22,442,706
2023	22,442,706	5,089,000	(3,635,479)	23,896,227

Note 14 – Stewardship, Compliance and Accountability

A. Deficit Fund Balance/Net Position

At June 30, 2023, the following funds had a fund balances (deficit) or unrestricted net position (deficit):

<u>Fund</u>	<u>Fund Type</u>	<u>Deficit</u>
Law Enforcement/Fire/Medic DIF Special Revenue	Special Revenue Fund	\$ (79,933)
Bike Route Special Revenue	Special Revenue Fund	(5,547)
Highway Safety Special Revenue	Special Revenue Fund	(34,439)
General Liability Fund	Internal Service Fund	(7,892,296)
Workers' Compensation	Internal Service Fund	(9,504,522)
Shop	Internal Service Fund	(327,398)
Successor Agency Private-Purpose Trust	Fiduciary Fund	(95,330,970)

City management intends to eliminate the deficit of the special revenue funds with future receipts and/or transfers from the General Fund, and City management believes the present cash position of the Internal Service Funds are adequate to meet current needs. The deficit of Fiduciary Fund is expected to be eliminated with future payments from the Redevelopment Property Tax Trust Fund to the Successor Agency for its long-term debt.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 14 – Stewardship, Compliance and Accountability (Continued)

B. Excess of Expenditures over Appropriations

Total expenditures exceeded budgeted appropriations in the following funds:

Funds	Final Appropriations	Expenditures	Excess
General Fund:	\$ 49,043,007	\$ 53,747,088	\$ (4,704,081)
Street Capital Projects Fund	1,811,919	8,306,129	(6,494,210)
Nonmajor governmental funds:			
Special Revenue Funds:			
Measure W	407,081	754,308	(347,227)
Maintenance District 93-1 Fund	989,903	1,148,133	(158,230)
Public Safety Augmentation Fund	814,800	850,000	(35,200)
Debt Service Fund:			
Debt Service Sales Tax Bond Fund	305,000	1,053,451	(748,451)

Note 15 – Net Investment in Capital Assets

Net investment in capital assets at June 30, 2023 consisted of the following:

	Governmental Activities	Business-Type Activities
Net investment in capital assets:		
Capital assets, net	\$ 75,923,938	\$ 53,594,092
Unspent 2022 sales tax revenue bonds - bond proceeds	19,079,994	-
Retention payable	(972,734)	(552,679)
Long-term debt:		
2022 Sales tax revenue bonds	(17,280,000)	-
SGVMWD loan	-	(4,000,000)
Premium	(3,057,713)	-
Finance purchase loans	(4,241,933)	(6,646,310)
Lease liabilities	(74,330)	(2,109)
Subscription liabilities	(724,786)	(9,230)
Total net investment in capital assets	<u>\$ 68,652,436</u>	<u>\$ 42,383,764</u>

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 16 – Classification of Fund Balances

General Fund Committed Catastrophic-Event – The City’s General Fund balance committed for emergency contingencies has been set by resolution and is for specific uses listed as the declaration of a state or federal state of emergency or a local emergency as defined in Monterey Park Municipal Code Section 2.52.020. A state of emergency is the existence of conditions of disasters which may result in property damage, death and/or injuries to the community. An emergency may also result from natural events that did not result in a request for state or federal assistance.

	Special Revenue Funds				Street Capital Projects Funds	Nonmajor Governmental Funds	Total
	General Fund	Grants Fund	Retirement/ Pension Fund	Housing Fund			
Nonspendable:							
Prepaid items	\$ 77,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,450
	<u>77,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,450</u>
Restricted:							
Housing	-	-	-	3,680,891	-	-	3,680,891
Grants:		744,046					744,046
Highways and streets	-	-	-	-	12,147,717	-	12,147,717
Retirement	-	-	4,695,755	-	-	-	4,695,755
OPA Proposition A	-	-	-	-	-	3,820,312	3,820,312
State Gas Tax	-	-	-	-	-	1,405,703	1,405,703
Measure W	-	-	-	-	-	243,894	243,894
Proposition C	-	-	-	-	-	3,103,272	3,103,272
Air Quality Improvement	-	-	-	-	-	426,337	426,337
Asset forfeiture	-	-	-	-	-	760,215	760,215
Park Facilities	-	-	-	-	-	870,609	870,609
Business Improvement Area #1	-	-	-	-	-	204,355	204,355
Maintenance District 93-1	-	-	-	-	-	138,195	138,195
Public Safety Augmentation	-	-	-	-	-	950,864	950,864
Measure R	-	-	-	-	-	1,080,832	1,080,832
Circulation Dev Impact Fee	-	-	-	-	-	332,588	332,588
SB1-RMRA	-	-	-	-	-	2,566,729	2,566,729
Measure M	-	-	-	-	-	3,274,262	3,274,262
SB2 Planning	-	-	-	-	-	52,518	52,518
Capital projects	-	-	-	-	-	564,038	564,038
Subtotal	<u>-</u>	<u>744,046</u>	<u>4,695,755</u>	<u>3,680,891</u>	<u>12,147,717</u>	<u>19,794,723</u>	<u>41,063,132</u>
Committed:							
Catastrophic event	5,340,000	-	-	-	-	-	5,340,000
Working capital	3,000,000	-	-	-	-	-	3,000,000
Economic development	1,886,927	-	-	-	-	-	1,886,927
CERCLA Liability	-	-	-	-	-	152,403	152,403
Total committed	<u>10,226,927</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,403</u>	<u>10,379,330</u>
Assigned:							
City capital improvements	18,029,418	-	-	-	-	-	18,029,418
Subtotal	<u>18,029,418</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,029,418</u>
Unassigned (deficit)	119,426	-	-	-	-	(119,919)	(493)
Total	<u>\$ 28,453,221</u>	<u>\$ 744,046</u>	<u>\$ 4,695,755</u>	<u>\$ 3,680,891</u>	<u>\$ 12,147,717</u>	<u>\$ 19,827,207</u>	<u>\$ 69,548,837</u>

General Fund Committed Catastrophic-Event – The City’s General Fund balance committed for emergency contingencies has been set by resolution and is for specific uses listed as the declaration of a state or federal state of emergency or a local emergency as defined in Monterey Park Municipal Code Section 2.52.020. A state of emergency is the existence of conditions of disasters which may result in property damage, death and/or injuries to the community. An emergency may also result from natural events that did not result in a request for state or federal assistance.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 17 – Commitments and Contingencies

A. Commitments

The City has active projects as of June 30, 2023. At year-end, the City’s commitments with contractors for these projects are as follows:

Projects	Commitments
Streets	\$ 4,108,421
Community	1,007,293
Sewer	380,953
Water	7,052,758
Library	25,380
	\$ 12,574,805

B. Contingencies

The City is a defendant in a number of lawsuits that have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty. In the opinion of the City Attorney, these actions when finally adjudicated will not have material adverse effect on the financial position of the City.

Note 18 – Prior Period Adjustments/Restatements

The City made following prior period adjustments and restatements as of July 1, 2022:

	Governmental Activities	Business-type Activities	Total
Net position, at July 1, 2022, as previously reported	\$ (11,235,092)	\$ 55,557,083	\$ 44,321,991
Reclassification of OPEB	(1,210,777)	1,210,777	-
Adjust pension related balances	1,319,567	-	1,319,567
Reclassification of Pension	(827,918)	827,918	-
GASB 96 implementation	45,764	-	45,764
Adjust lease receivable beginning balance	(45,951)	-	(45,951)
Net position at July 1, 2022, as restated	\$ (11,954,407)	\$ 57,595,778	\$ 45,641,371

The beginning fund balance at July 1, 2022 of the General Fund was restated as follows:

Fund balance, as previously reported, at July 1, 2022	\$ 28,965,265
To adjust beginning balance of lease receivable	(45,951)
Fund balance at July 1, 2022, as restated	\$ 28,919,314

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 18 – Prior Period Adjustments/Restatements (Continued)

The beginning fund balance at July 1, 2022 of the Housing Special Revenue Fund was restated as follows:

Fund balance, as previously reported, at July 1, 2022	\$ 2,458,662
Reverse the beginning of unavailable revenue related to loans receivable	<u>1,186,222</u>
Fund balance at July 1, 2022, as restated	<u><u>\$ 3,644,884</u></u>

The beginning net positions at July 1, 2022 of the proprietary funds were restated as follows:

	Enterprise Funds				Internal Service Funds
	Water Utility	Refuse	Sewer	Total	
Net position, as previously reported, at July 1, 2022	\$ 51,234,116	\$ 861,412	\$ 10,778,522	\$ 62,874,050	\$ (13,676,720)
To reallocate the deferred outflow pension related	106,855	(4,867)	47,854	149,842	61,097
To reallocate the deferred outflow OPEB related	(106,387)	(35,522)	3,792	(138,117)	77,103
To reallocate the pension liabilities fund balance	1,625,885	(74,047)	728,135	2,279,973	929,636
To reallocate the OPEB liabilities fund balance	785,340	262,220	(27,990)	1,019,570	(569,172)
To reallocate the deferred inflow pension related	(1,142,339)	52,025	(511,583)	(1,601,897)	(653,160)
To reallocate the deferred inflow OPEB related	<u>253,667</u>	<u>84,698</u>	<u>(9,041)</u>	<u>329,324</u>	<u>(183,844)</u>
Net position at July 1, 2022, as restated	<u><u>\$ 52,757,137</u></u>	<u><u>\$ 1,145,919</u></u>	<u><u>\$ 11,009,689</u></u>	<u><u>\$ 64,912,745</u></u>	<u><u>\$ (14,015,060)</u></u>

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**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

City of Monterey Park
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net Pension Liability and Related Ratios
California Public Employees' Retirement System ("CalPERS") – Miscellaneous Plan
Last Ten Measurement Periods
For the Year Ended June 30, 2023

Fiscal Year Ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Measurement period	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total pension liability					
Service cost	\$ 2,277,310	\$ 2,148,048	\$ 2,180,399	\$ 2,265,594	\$ 2,094,764
Interest	10,590,605	10,443,716	10,151,939	9,748,249	9,247,324
Changes of benefit terms	-	-	-	-	-
Changes of assumptions	4,675,002	-	-	-	(692,460)
Differences between expected and actual experience	(1,948,123)	(746,806)	602,063	2,073,497	(117,357)
Benefit payments, including refunds of employee contributions	(8,008,871)	(7,915,523)	(7,061,615)	(6,792,973)	(6,197,134)
Net change in total pension liability	7,585,923	3,929,435	5,872,786	7,294,367	4,335,137
Total pension liability - beginning	153,625,934	149,696,499	143,823,713	136,529,346	132,194,209
Total pension liability - ending (a)	\$ 161,211,857	\$ 153,625,934	\$ 149,696,499	\$ 143,823,713	\$ 136,529,346
Pension fiduciary net position					
Contributions - employer	\$ 1,281,326	\$ 45,650,016	\$ 4,961,827	\$ 4,364,979	\$ 4,603,513
Contributions - employee	1,068,666	878,774	919,290	1,139,478	866,540
Net plan to plan resource movement	-	-	-	-	(229)
Net investment income	(12,885,155)	27,613,258	5,122,746	6,457,617	7,707,169
Benefit payments, including refunds of employee contributions	(8,008,871)	(7,915,523)	(7,061,615)	(6,792,973)	(6,197,134)
Other Miscellaneous income/(expense)	(108,208)	(107,471)	-	229	(271,552)
Other	-	-	-	-	-
Net change in plan fiduciary net position	(18,652,242)	66,119,054	3,942,248	5,169,330	6,708,307
Plan fiduciary net position - beginning	173,704,489	107,585,435	103,643,187	98,473,857	91,765,550
Plan fiduciary net position - ending (b)	\$ 155,052,247	\$ 173,704,489	\$ 107,585,435	\$ 103,643,187	\$ 98,473,857
Plan net pension liability - ending (a) - (b)	\$ 6,159,610	\$ (20,078,555)	\$ 42,111,064	\$ 40,180,526	\$ 38,055,489
Plan fiduciary net position as a percentage of the total pension liability	96.18%	113.07%	71.87%	72.06%	72.13%
Covered payroll	\$ 11,648,645	\$ 12,309,728	\$ 12,120,063	\$ 11,984,909	\$ 11,235,594
Net pension liability as a percentage of covered payroll	52.88%	-163.11%	347.45%	335.26%	338.70%

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

Notes to Schedule:

Changes of Benefit Terms: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

City of Monterey Park
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)
California Public Employees' Retirement System ("CalPERS") – Miscellaneous Plan
Last Ten Measurement Periods
For the Year Ended June 30, 2023

Fiscal Year Ended	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement period	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total pension liability				
Service cost	\$ 2,228,391	\$ 2,069,087	\$ 1,980,088	\$ 1,910,429
Interest	8,924,469	8,653,522	8,290,095	7,992,845
Changes of benefit terms	-	-	-	-
Changes of assumptions	7,347,650	-	(2,040,465)	-
Differences between expected and actual experience	(1,360,108)	(944,621)	(1,849,112)	-
Benefit payments, including refunds of employee contributions	(5,324,401)	(4,855,567)	(4,383,243)	(4,121,783)
Net change in total pension liability	11,816,001	4,922,421	1,997,363	5,781,491
Total pension liability - beginning	120,378,208	115,455,787	113,458,424	107,676,933
Total pension liability - ending (a)	\$ 132,194,209	\$ 120,378,208	\$ 115,455,787	\$ 113,458,424
Pension fiduciary net position				
Contributions - employer	\$ 3,511,958	\$ 3,019,357	\$ 2,466,015	\$ 2,203,100
Contributions - employee	907,755	917,401	940,132	838,784
Net plan to plan resource movement	-	-	-	-
Net investment income	9,429,350	385,286	1,789,792	12,387,447
Benefit payments, including refunds of employee contributions	(5,324,401)	(4,855,567)	(4,383,243)	(4,121,783)
Other Miscellaneous income/(expense)	-	-	-	-
Other	-	-	-	-
Net change in plan fiduciary net position	8,524,662	(533,523)	812,696	11,307,548
Plan fiduciary net position - beginning	83,240,888	83,774,411	82,961,715	71,654,167
Plan fiduciary net position - ending (b)	\$ 91,765,550	\$ 83,240,888	\$ 83,774,411	\$ 82,961,715
Plan net pension liability - ending (a) - (b)	\$ 40,428,659	\$ 37,137,320	\$ 31,681,376	\$ 30,496,709
Plan fiduciary net position as a percentage of the total pension liability	69.42%	69.15%	72.56%	73.12%
Covered payroll	\$ 11,745,064	\$ 11,966,954	\$ 11,412,611	\$ 10,708,680
Net pension liability as a percentage of covered payroll	344.22%	310.33%	277.60%	284.78%

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

Notes to Schedule:

Changes of Benefit Terms: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

City of Monterey Park
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)
California Public Employees' Retirement System ("CalPERS") – Safety Plan
Last Ten Measurement Periods
For the Year Ended June 30, 2023

Fiscal Year Ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Measurement period	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total pension liability				
Service cost	\$ 4,273,500	\$ 3,628,780	\$ 3,826,239	\$ 3,799,004
Interest	16,606,680	16,292,437	15,722,454	15,282,800
Changes of benefit terms	-	-	-	-
Changes of assumptions	6,196,586	-	-	-
Differences between expected and actual experience	(2,515,151)	(986,638)	(2,916,658)	2,807,034
Benefit payments, including refunds of employee contributions	(11,523,017)	(10,706,492)	(10,276,568)	(9,782,967)
Net change in total pension liability	13,038,598	8,228,087	6,355,467	12,105,871
Total pension liability - beginning	240,619,835	232,391,748	226,036,281	213,930,410
Total pension liability - ending (a)	\$ 253,658,433	\$ 240,619,835	\$ 232,391,748	\$ 226,036,281
Pension fiduciary net position				
Contributions - employer	\$ 2,584,424	\$ 71,158,474	\$ 6,084,397	\$ 5,484,667
Contributions - employee	1,804,252	1,701,579	1,483,430	1,282,715
Net plan to plan resource movement	-	-	-	-
Net investment income	(20,264,806)	43,136,498	7,842,379	10,011,998
Benefit payments, including refunds of employee contributions	(11,523,017)	(10,706,492)	(10,276,568)	(9,782,967)
Other Miscellaneous income/(expense)	(169,516)	(166,821)	-	361
Other	-	-	-	-
Net change in plan fiduciary net position	(27,568,663)	105,123,238	5,133,638	6,996,774
Plan fiduciary net position - beginning	272,121,603	166,998,365	161,864,727	154,867,953
Plan fiduciary net position - ending (b)	\$ 244,552,940	\$ 272,121,603	\$ 166,998,365	\$ 161,864,727
Plan net pension liability - ending (a) - (b)	\$ 9,105,493	\$ (31,501,768)	\$ 65,393,383	\$ 64,171,554
Plan fiduciary net position as a percentage of the total pension liability	96.41%	113.09%	71.86%	71.61%
Covered payroll	\$ 14,016,071	\$ 12,831,613	\$ 13,434,829	\$ 13,251,294
Net pension liability as a percentage of covered payroll	64.96%	-245.50%	486.75%	484.27%

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

Notes to Schedule:

Changes of Benefit Terms: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

City of Monterey Park
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)
California Public Employees' Retirement System ("CalPERS") – Safety Plan
Last Ten Measurement Periods
For the Year Ended June 30, 2023

Fiscal Year Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement period	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total pension liability					
Service cost	\$ 3,527,711	\$ 3,386,209	\$ 2,947,888	\$ 2,923,036	\$ 3,003,645
Interest	14,480,120	13,751,245	13,417,480	12,911,065	12,482,279
Changes of benefit terms	-	-	-	-	-
Changes of assumptions	(449,040)	11,578,272	-	(3,224,562)	-
Differences between expected and actual experience	2,778,709	(2,485,932)	(950,812)	(1,936,767)	-
Benefit payments, including refunds of employee contributions	(9,665,441)	(9,022,216)	(8,465,095)	(8,086,742)	(7,798,383)
Net change in total pension liability	10,672,059	17,207,578	6,949,461	2,586,030	7,687,541
Total pension liability - beginning	203,258,351	186,050,773	179,101,312	176,515,282	168,827,741
Total pension liability - ending (a)	\$ 213,930,410	\$ 203,258,351	\$ 186,050,773	\$ 179,101,312	\$ 176,515,282
Pension fiduciary net position					
Contributions - employer	\$ 4,724,661	\$ 4,231,618	\$ 3,647,109	\$ 3,220,567	\$ 2,924,318
Contributions - employee	1,224,504	1,181,754	1,075,386	1,046,298	1,022,948
Net plan to plan resource movement	(361)	-	-	-	-
Net investment income	12,034,298	15,034,493	609,810	2,899,581	21,032,695
Benefit payments, including refunds of employee contributions	(9,665,441)	(9,022,216)	(8,465,095)	(8,086,742)	(7,798,383)
Other Miscellaneous income/(expense)	(434,958)	-	-	-	-
Other	-	-	-	-	-
Net change in plan fiduciary net position	7,882,703	11,425,649	(3,132,790)	(920,296)	17,181,578
Plan fiduciary net position - beginning	146,985,250	135,559,601	138,692,391	139,612,687	122,431,109
Plan fiduciary net position - ending (b)	\$ 154,867,953	\$ 146,985,250	\$ 135,559,601	\$ 138,692,391	\$ 139,612,687
Plan net pension liability - ending (a) - (b)	\$ 59,062,457	\$ 56,273,101	\$ 50,491,172	\$ 40,408,921	\$ 36,902,595
Plan fiduciary net position as a percentage of the total pension liability	72.39%	72.31%	72.86%	77.44%	79.09%
Covered payroll	\$ 12,387,062	\$ 11,847,348	\$ 11,565,157	\$ 11,541,643	\$ 11,410,291
Net pension liability as a percentage of covered payroll	476.81%	474.98%	436.58%	350.11%	323.42%

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

Notes to Schedule:

Changes of Benefit Terms: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

City of Monterey Park
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)
Massachusetts Mutual Retirement Plan ("MMRP")
Last Ten Measurement Periods
For the Year Ended June 30, 2023

Fiscal Year Ended/Measurement Period Ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Total pension liability				
Service cost	\$ -	\$ -	\$ -	\$ -
Interest	147,660	224,352	232,000	247,000
Differences between expected and actual experience	-	(882,892)	-	48,000
Changes of assumptions	(32,713)	233,562	-	(19,000)
Benefit payments, including refunds of employee contributions	(379,706)	(398,781)	(501,000)	(597,000)
Net change in total pension liability	(264,759)	(823,759)	(269,000)	(321,000)
Total pension liability - beginning	4,361,241	5,185,000	5,454,000	5,775,000
Total pension liability - ending (a)	\$ 4,096,482	\$ 4,361,241	\$ 5,185,000	\$ 5,454,000
Pension fiduciary net position				
Contributions - employer	\$ -	\$ -	\$ 605,000	\$ 1,200,000
Net investment income	66,572	(896,110)	323,000	447,000
Benefit payments, including refunds of employee contributions	(379,706)	(398,781)	(501,000)	(597,000)
Administrative Expense	(10,140)	(15,333)	(17,000)	(17,000)
Net change in plan fiduciary net position	(323,274)	(1,310,224)	410,000	1,033,000
Plan fiduciary net position - beginning	3,988,776	5,299,000	4,889,000	3,856,000
Plan fiduciary net position - ending (b)	\$ 3,665,502	\$ 3,988,776	\$ 5,299,000	\$ 4,889,000
Plan net pension liability (asset) - ending (a) - (b)	\$ 430,980	\$ 372,465	\$ (114,000)	\$ 565,000
Plan fiduciary net position as a percentage of the total pension liability	89.48%	91.46%	102.20%	89.64%
Covered payroll	\$ -	\$ -	\$ -	\$ -
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A

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

Notes to Schedule:

Benefit Changes: None.

Changes of Assumptions: For 2022, Discount rate was updated based on municipal bond rate. For 2020, mortality improvement scale was updated to Scale MP-18. For 2019, there were none. For 2018, the discount rate is changed from 4.75% to 4.5%, inflation from 3% to 2.75%, and mortality is based on CalPERS 1997-2015 experience study. For 2017 and 2016, there were none. For 2015, the discount rate was 4.75%; inflation 3% and mortality was per CalPERS 1997-2011 experience study.

City of Monterey Park
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)
Massachusetts Mutual Retirement Plan ("MMRP")
Last Ten Measurement Periods
For the Year Ended June 30, 2023

Fiscal Year Ended/Measurement Period Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Total pension liability					
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	263,000	269,000	287,000	305,004	321,000
Differences between expected and actual experience	-	170,000	-	-	(53,000)
Changes of assumptions	-	377,000	-	-	76,000
Benefit payments, including refunds of employee contributions	(641,000)	(659,004)	(666,000)	(691,000)	(702,000)
Net change in total pension liability	(378,000)	156,996	(379,000)	(385,996)	(358,000)
Total pension liability - beginning	6,153,000	5,996,004	6,375,004	6,761,000	7,119,000
Total pension liability - ending (a)	\$ 5,775,000	\$ 6,153,000	\$ 5,996,004	\$ 6,375,004	\$ 6,761,000
Pension fiduciary net position					
Contributions - employer	\$ 1,000,000	\$ 950,000	\$ 950,000	\$ 950,000	\$ 950,000
Net investment income	269,000	(98,000)	53,000	(12,000)	57,000
Benefit payments, including refunds of employee contributions	(641,000)	(659,000)	(666,000)	(691,000)	(702,000)
Administrative Expense	(16,000)	(18,000)	(15,000)	(14,000)	(16,000)
Net change in plan fiduciary net position	612,000	175,000	322,000	233,000	289,000
Plan fiduciary net position - beginning	3,244,000	3,069,000	2,747,000	2,514,000	2,225,000
Plan fiduciary net position - ending (b)	\$ 3,856,000	\$ 3,244,000	\$ 3,069,000	\$ 2,747,000	\$ 2,514,000
Plan net pension liability (asset) - ending (a) - (b)	\$ 1,919,000	\$ 2,909,000	\$ 2,927,004	\$ 3,628,004	\$ 4,247,000
Plan fiduciary net position as a percentage of the total pension liability	66.77%	52.72%	51.18%	43.09%	37.18%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

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

Notes to Schedule:

Benefit Changes: None.

Changes of Assumptions: For 2022, Discount rate was updated based on municipal bond rate. For 2020, mortality improvement scale was updated to Scale MP-18. For 2019, there were none. For 2018, the discount rate is changed from 4.75% to 4.5%, inflation from 3% to 2.75%, and mortality is based on CalPERS 1997-2015 experience study. For 2017 and 2016, there were none. For 2015, the discount rate was 4.75%; inflation 3% and mortality was per CalPERS 1997-2011 experience study.

City of Monterey Park
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pension
California Public Employees' Retirement System ("CalPERS") – Miscellaneous Plan
Last Ten Fiscal Years
For the Year Ended June 30, 2023

Fiscal Year Ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Contractually Required Contribution (Actuarially Determined)	\$ 1,430,911	\$ 1,281,326	\$ 4,502,361	\$ 4,199,483	\$ 3,761,279
Contributions in relation to the actuarially determined contribution	(1,430,911)	(1,281,326)	(45,648,992)	(4,961,827)	(4,364,979)
Contribution deficiency (excess)	\$ -	\$ -	\$ (41,146,631)	\$ (762,344)	\$ (603,700)
Covered payroll	\$ 11,968,983	\$ 11,648,645	\$ 12,309,728	\$ 12,120,063	\$ 12,119,366
Contributions as a percentage of covered payroll	11.96%	11.00%	370.84%	40.94%	36.02%

Notes to Schedule:

Valuation Date	6/30/2020
Methods and Assumptions Used to Determine Contribution Rates:	
Actuarial cost method	Actuarial Cost Method
Amortization method	For details, see June 30, 2020 Funding Valuation Report.
Asset valuation method	Fair Value of Assets.
Inflation	2.50%
Salary increases	Varies by entry age and service
Payroll Growth	2.75%
Investment rate of return	7.00% net of pension plan investment and administrative expenses; includes inflation.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

City of Monterey Park
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pension (Continued)
California Public Employees' Retirement System ("CalPERS") – Miscellaneous Plan
Last Ten Fiscal Years
For the Year Ended June 30, 2023

Fiscal Year Ended	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually Required Contribution (Actuarially Determined)	\$ 3,320,513	\$ 3,241,958	\$ 2,779,357	\$ 2,466,015	\$ 2,203,100
Contributions in relation to the actuarially determined contribution	<u>(4,603,513)</u>	<u>(3,511,958)</u>	<u>(3,019,357)</u>	<u>(2,466,015)</u>	<u>(2,203,100)</u>
Contribution deficiency (excess)	<u>\$ (1,283,000)</u>	<u>\$ (270,000)</u>	<u>\$ (240,000)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 11,235,594	\$ 11,745,064	\$ 11,966,945	\$ 11,412,611	\$ 10,708,680
Contributions as a percentage of covered payroll	40.97%	29.90%	25.23%	21.61%	20.57%

City of Monterey Park
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pension (Continued)
California Public Employees' Retirement System ("CalPERS") – Safety Plan
Last Ten Fiscal Years
For the Year Ended June 30, 2023

Fiscal Year Ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Contractually Required Contribution (Actuarially Determined)	\$ 2,647,296	\$ 2,582,210	\$ 6,744,705	\$ 6,084,397	\$ 5,484,667
Contributions in relation to the actuarially determined contribution	(2,647,296)	(2,582,210)	(71,143,291)	(6,084,397)	(5,484,667)
Contribution deficiency (excess)	\$ -	\$ -	\$ (64,398,586)	\$ -	\$ -
Covered payroll	\$ 14,401,513	\$ 14,016,071	\$ 12,831,613	\$ 13,434,829	\$ 13,402,257
Contributions as a percentage of covered payroll	18.38%	18.42%	554.44%	45.29%	40.92%

Notes to Schedule:

Valuation Date	June 30, 2020
Methods and Assumptions Used to Determine Contribution Rates:	
Actuarial cost method	Actuarial Cost Method
Amortization method	For details, see June 30, 2020 Funding Valuation Report.
Asset valuation method	Fair Value of Assets.
Inflation	2.50%
Salary increases	Varies by entry age and service
Payroll Growth	2.75%
Investment rate of return	7.00% net of pension plan investment and administrative expenses; includes inflation.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

City of Monterey Park
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pension (Continued)
California Public Employees' Retirement System ("CalPERS") – Safety Plan
Last Ten Fiscal Years
For the Year Ended June 30, 2023

Fiscal Year Ended	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually Required Contribution (Actuarially Determined)	\$ 4,724,661	\$ 4,231,618	\$ 3,647,109	\$ 3,220,567	\$ 2,924,318
Contributions in relation to the actuarially determined contribution	<u>(4,724,661)</u>	<u>(4,231,618)</u>	<u>(3,647,109)</u>	<u>(3,220,567)</u>	<u>(2,924,318)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 12,387,062	\$ 11,847,348	\$ 11,596,274	\$ 11,541,643	\$ 11,410,291
Contributions as a percentage of covered payroll	38.14%	35.72%	31.45%	27.90%	25.63%

City of Monterey Park
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pension (Continued)
Massachusetts Mutual Retirement Plan ("MMRP")
Last Ten Fiscal Years
For the Year Ended June 30, 2023

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Actuarially Determined Contribution	\$ -	\$ 64,000	\$ 605,000	\$ 994,000
Contributions in relation to the actuarially determined contribution	-	-	(605,000)	(1,200,000)
Contribution deficiency (excess)	\$ -	\$ 64,000	\$ -	\$ (206,000)
Covered payroll	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A

Notes to Schedule:

Valuation Date	June 30, 2021
Methods and Assumptions Used to Determine Contribution Rates:	
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Asset valuation method	Market value investment gains and losses spreading over 5-year rolling period Not less than 80% nor more than 120% of market value
Discount Rate	3.00%
General Inflation	2.50%
Mortality	Mortality projected fully generational with Scale MP-2021

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

City of Monterey Park
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pension (Continued)
Massachusetts Mutual Retirement Plan ("MMRP")
Last Ten Fiscal Years
For the Year Ended June 30, 2023

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

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City of Monterey Park
Required Supplementary Information (Unaudited)
Schedule of Changes in Net OPEB Liability and Related Ratios
Last Ten Measurement Periods¹
For the Year Ended June 30, 2023

Fiscal Year Ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement period	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability:						
Service cost	\$ 757,555	\$ 847,594	\$ 822,907	\$ 1,014,890	\$ 985,000	\$ 956,000
Interest	2,050,988	2,288,889	2,199,290	2,418,231	2,307,000	2,204,000
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	(2,184,649)	-	(5,065,175)	-	-
Changes of assumptions	-	(257,475)	-	(1,135,595)	-	-
Benefit payments, including refunds of employee contributions	(1,651,920)	(1,744,000)	(1,695,000)	(1,628,685)	(1,580,000)	(1,653,000)
Net change in total OPEB liability	1,156,623	(1,049,641)	1,327,197	(4,396,334)	1,712,000	1,507,000
Total OPEB liability - beginning	32,884,222	33,933,863	32,606,666	37,003,000	35,291,000	33,784,000
Total OPEB liability - ending (a)	\$ 34,040,845	\$ 32,884,222	\$ 33,933,863	\$ 32,606,666	\$ 37,003,000	\$ 35,291,000
OPEB fiduciary net position						
Contributions - employer	\$ 2,667,920	\$ 2,760,000	\$ 2,710,000	\$ 2,694,599	\$ 2,565,000	\$ 2,703,000
Contributions - employee	-	-	-	-	-	-
Net investment income	(1,924,920)	2,703,454	318,876	468,237	491,000	475,000
Benefit payments, including refunds of employee contributions	(1,651,920)	(1,744,000)	(1,695,000)	(1,628,685)	(1,580,000)	(1,653,000)
Administrative expense	(19,451)	(19,765)	(19,470)	(17,545)	(10,000)	(2,000)
Net change in plan fiduciary net position	(928,371)	3,699,689	1,314,406	1,516,606	1,466,000	1,523,000
Plan fiduciary net position - beginning	13,189,701	9,490,012	8,175,606	6,659,000	5,193,000	3,670,000
Plan fiduciary net position - ending (b)	\$ 12,261,330	\$ 13,189,701	\$ 9,490,012	\$ 8,175,606	\$ 6,659,000	\$ 5,193,000
Plan net OPEB liability - ending (a) - (b)	\$ 21,779,515	\$ 19,694,521	\$ 24,443,851	\$ 24,431,060	\$ 30,344,000	\$ 30,098,000
Plan fiduciary net position as a percentage of the total OPEB liability	36.02%	40.11%	27.97%	25.07%	18.00%	14.71%
Covered-Employee Payroll	\$ 25,472,326	\$ 25,378,000	\$ 25,791,000	\$ 29,951,647	\$ 28,530,000	\$ 27,659,000
Plan's Net OPEB Liability as a Percentage of Covered-Employee Payroll	85.50%	77.60%	94.78%	81.57%	106.36%	108.82%

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

Notes to Schedule:

Benefit Changes: None

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

City of Monterey Park
Required Supplementary Information (Unaudited)
Schedule of Contributions - OPEB
Last Ten Fiscal Years¹
For the Year Ended June 30, 2023

Fiscal Year	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially Determined Contribution	\$ 2,215,000	\$ 2,539,000	\$ 2,487,000	\$ 2,999,000	\$ 2,925,000	\$ 2,855,000
Contributions in relation to the actuarially determined contribution	(2,607,808)	(2,667,920)	(2,760,000)	(2,710,000)	(2,694,599)	(2,565,000)
Contribution deficiency (excess)	<u>\$ (392,808)</u>	<u>\$ (128,920)</u>	<u>\$ (273,000)</u>	<u>\$ 289,000</u>	<u>\$ 230,401</u>	<u>\$ 290,000</u>
Covered-Employee Payroll	\$ 27,159,893	\$ 25,472,326	\$ 25,378,000	\$ 25,791,000	\$ 29,951,647	\$ 28,530,000
Contributions as a Percentage of Covered-Employee Payroll	<u>9.60%</u>	<u>10.47%</u>	<u>10.88%</u>	<u>10.51%</u>	<u>9.00%</u>	<u>8.99%</u>

Notes to Schedule:

Valuation Date	June 30, 2021
Methods and Assumptions Used to Determine Contribution Rates:	
Actuarial cost method	Entry Age Normal, Level % of pay
Amortization method	Level % of pay
Amortization Period	21-year fixed period for 2022/23
Asset valuation method	Investment gains and losses spread over 5-year rolling period
Discount Rate	6.25%
General Inflation	2.50%
Medical Trend	Non-Medicare - 6.50% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare (Kaiser) - 4.45% for 2023, decreasing to an ultimate rate of 3.75% in 2076
Mortality	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021

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

City of Monterey Park
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenue:				
Taxes	\$ 37,082,701	\$ 37,082,701	\$ 42,160,583	\$ 5,077,882
Intergovernmental	175,000	175,000	275,444	100,444
Charges for services	8,822,524	8,822,524	9,499,865	677,341
Licenses and permits	2,423,736	2,423,736	2,533,406	109,670
Fines and forfeitures	375,000	375,000	318,112	(56,888)
Investment income	1,070,135	1,070,135	1,006,690	(63,445)
Miscellaneous	575,000	575,000	635,492	60,492
Total revenues	50,524,096	50,524,096	56,429,592	5,905,496
Expenditures:				
Current:				
General government	9,191,554	9,786,973	9,479,899	307,074
Public safety	30,732,217	30,865,942	31,313,417	(447,475)
Community development	1,804,670	2,218,535	7,246,617	(5,028,082)
Culture and recreation	1,562,263	1,600,202	1,458,740	141,462
Public works	2,720,397	3,179,235	2,903,671	275,564
Capital outlay	-	642,302	406,195	236,107
Debt service:				
Principal retirement	348,071	586,612	849,624	(263,012)
Interest and fiscal charges	94,003	163,206	88,925	74,281
Total expenditures	46,453,175	49,043,007	53,747,088	(4,704,081)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,070,921	1,481,089	2,682,504	1,201,415
Other financing sources (uses):				
Insurance of subscription liabilities	-	-	25,811	25,811
Transfers in	-	-	5,153,633	5,153,633
Transfers out	(3,172,408)	(3,172,408)	(8,328,041)	(5,155,633)
Total other financing sources (uses)	(3,172,408)	(3,172,408)	(3,148,597)	(2,000)
NET CHANGE IN FUND BALANCE	\$ 898,513	\$ (1,691,319)	(466,093)	\$ 1,199,415
Fund balance:				
Beginning of year			28,919,314	
End of year			<u>\$ 28,453,221</u>	

City of Monterey Park
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
Grants Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenue:				
Taxes	\$ 153,807	\$ 153,807	\$ 165,270	\$ 11,463
Intergovernmental	8,803,695	8,886,408	7,900,440	(985,968)
Investment income	40,000	40,000	126,283	86,283
Miscellaneous	-	-	58,360	58,360
Total revenues	<u>8,997,502</u>	<u>9,080,215</u>	<u>8,250,353</u>	<u>(829,862)</u>
Expenditures:				
Current:				
General government	1,158,355	2,834,853	2,086,352	748,501
Public safety	1,659,758	4,577,074	3,845,974	731,100
Community development	300,000	432,340	182,187	250,153
Culture and recreation	1,262,649	1,189,485	1,222,060	(32,575)
Public works	23,778	117,579	48,250	69,329
Capital outlay	1,629,528	3,206,108	791,423	2,414,685
Debt service:				
Principal retirement	539,000	-	545,907	(545,907)
Interest and fiscal charges	6,603	-	6,696	(6,696)
Total expenditures	<u>6,579,671</u>	<u>12,357,439</u>	<u>8,728,849</u>	<u>3,628,590</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,417,831</u>	<u>\$ (3,277,224)</u>	<u>(478,496)</u>	<u>\$ 2,798,728</u>
Fund balance:				
Beginning of year			<u>1,222,542</u>	
End of year			<u>\$ 744,046</u>	

City of Monterey Park
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
Retirement/Pension Liability Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenue:				
Taxes	\$ 9,471,370	\$ 9,471,370	\$ 8,797,182	\$ (674,188)
Investment income	1,000	1,000	176,742	175,742
Miscellaneous	-	-	145,152	145,152
Total revenues	<u>9,472,370</u>	<u>9,472,370</u>	<u>9,119,076</u>	<u>(353,294)</u>
Expenditures:				
Current:				
General government	673,594	791,544	558,784	232,760
Public safety	2,862,798	2,862,798	2,944,940	(82,142)
Community development	130,959	130,959	88,173	42,786
Culture and recreation	64,453	64,453	54,496	9,957
Public works	66,236	66,236	57,402	8,834
Debt service:				
Principal retirement	4,542,819	4,542,819	4,082,698	460,121
Interest and fiscal charges	2,794,602	2,794,602	3,032,004	(237,402)
Total expenditures	<u>11,135,461</u>	<u>11,253,411</u>	<u>10,818,497</u>	<u>434,914</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,663,091)</u>	<u>(1,781,041)</u>	<u>(1,699,421)</u>	<u>81,620</u>
Other financing sources:				
Transfers in	4,000,000	4,000,000	3,829,401	(170,599)
Total other financing sources	<u>4,000,000</u>	<u>4,000,000</u>	<u>3,829,401</u>	<u>(170,599)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,336,909</u>	<u>\$ 2,218,959</u>	2,129,980	<u>\$ (88,979)</u>
Fund balance:				
Beginning of year			<u>2,565,775</u>	
End of year			<u>\$ 4,695,755</u>	

City of Monterey Park
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
Housing Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenue:				
Investment income	\$ -	\$ -	\$ 36,007	\$ 36,007
Total revenues	<u>-</u>	<u>-</u>	<u>36,007</u>	<u>36,007</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	36,007	<u>\$ 36,007</u>
Fund balance:				
Beginning of Year			<u>3,644,884</u>	
End of Year			<u>\$ 3,680,891</u>	

City of Monterey Park
Required Supplementary Information
Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2023

Budget and Budgetary Accounting

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

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

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

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

Under Article XIII-B of the California Constitution (The Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations, and if certain proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or refunded to the taxpayers through revised tax rate or revised fee schedules. For the fiscal year ended June 30, 2023, based on calculations by City Management, proceeds of taxes did not exceed the appropriations limit.

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SUPPLEMENTARY INFORMATION

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City of Monterey Park
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Street Capital Projects Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Expenditures:				
Captial outlay	\$ 1,231,004	\$ 1,811,919	\$ 8,306,129	\$ (6,494,210)
Total expenditures	1,231,004	1,811,919	8,306,129	(6,494,210)
 NET CHANGE IN FUND BALANCE	\$ (1,231,004)	\$ (1,811,919)	(8,306,129)	\$ (6,494,210)
 FUND BALANCE:				
Beginning of Year			20,453,846	
End of Year			\$ 12,147,717	

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

SB1 - RMRA Fund - used to account for the City's 1/2-cent per gallon gas tax began on November 2017 and new vehicle registration taxes began January 2018. The funds are to address basic road maintenance, rehabilitation and critical safety needs on the local street and road system.

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

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

Measure B Fund - accounts for the City's share of an annual special parcel tax approved by the electorate in November 2002 to provide funding for emergency medical services.

Highway Safety Improvement Fund – accounts for expenditures financed by the State of California Highway Safety Improvement Program, funds for roadway safety improvements.

Bike Routes Fund - accounts for expenditures financed by the State of California Transportation Development Act, Article 3, funds for bike routes and pedestrian facilities improvements.

DEBT SERVICE FUND

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

City of Monterey Park
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

Special Revenue Funds

	Proposition A	Gas Tax	Measure W	Proposition C
ASSETS				
Cash and investments	\$ 4,172,705	\$ 1,332,348	\$ 261,541	\$ 3,089,040
Cash and investments with fiscal agents	-	-	-	-
Receivables:				
Accounts	-	133,960	-	-
Interest	20,993	6,807	1,336	15,275
Total assets	\$ 4,193,698	\$ 1,473,115	\$ 262,877	\$ 3,104,315
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	363,816	61,307	15,260	-
Accrued payroll	9,570	6,105	-	1,043
Retention payable	-	-	3,723	-
Due to other funds	-	-	-	-
Total liabilities	373,386	67,412	18,983	1,043
Fund balances:				
Restricted	3,820,312	1,405,703	243,894	3,103,272
Committed	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	3,820,312	1,405,703	243,894	3,103,272
Total liabilities and fund balances	\$ 4,193,698	\$ 1,473,115	\$ 262,877	\$ 3,104,315

(Continued)

City of Monterey Park
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Air Quality Improvement	Asset Forfeiture	Parks/Library/ Facilities DIF	Business Improvement Area #1
ASSETS				
Cash and investments	\$ 424,170	\$ 756,366	\$ 866,183	\$ 205,092
Cash and investments with fiscal agents	-	-	-	-
Receivables:				
Accounts	-	-	-	-
Interest	2,167	3,849	4,426	1,048
Total assets	\$ 426,337	\$ 760,215	\$ 870,609	\$ 206,140
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	-	-	-	1,785
Accrued payroll	-	-	-	-
Retention payable	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	-	-	-	1,785
Fund balances:				
Restricted	426,337	760,215	870,609	204,355
Committed	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	426,337	760,215	870,609	204,355
Total liabilities and fund balances	\$ 426,337	\$ 760,215	\$ 870,609	\$ 206,140

(Continued)

City of Monterey Park
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Maintenance	Law Enforcement/ Fire/Medic	Public Safety	Measure R
	District 93-1	DIF	Augmentation	
ASSETS				
Cash and investments	\$ 139,307	\$ -	\$ 782,962	\$ 1,153,003
Cash and investments with fiscal agents	-	-	-	-
Receivables:				
Accounts	18,116	-	163,902	-
Interest	712	-	4,000	5,510
Total assets	\$ 158,135	\$ -	\$ 950,864	\$ 1,158,513
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	16,742	-	-	43,435
Accrued payroll	3,198	-	-	4,193
Retention payable	-	-	-	30,053
Due to other funds	-	79,933	-	-
Total liabilities	19,940	79,933	-	77,681
Fund balances:				
Restricted	138,195	-	950,864	1,080,832
Committed	-	-	-	-
Unassigned (deficit)	-	(79,933)	-	-
Total fund balances	138,195	(79,933)	950,864	1,080,832
Total liabilities and fund balances	\$ 158,135	\$ -	\$ 950,864	\$ 1,158,513

(Continued)

City of Monterey Park
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

Special Revenue Funds

	Circulation DIF	CERCLA Liability	SB1 - RMRA	Measure M
ASSETS				
Cash and investments	\$ 330,897	\$ 136,157	\$ 2,357,026	\$ 3,258,046
Cash and investments with fiscal agents	-	-	-	-
Receivables:				
Accounts	-	15,550	238,775	-
Interest	1,691	696	12,041	16,216
Total assets	\$ 332,588	\$ 152,403	\$ 2,607,842	\$ 3,274,262
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	-	-	41,113	-
Accrued payroll	-	-	-	-
Retention payable	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	-	-	41,113	-
Fund balances:				
Restricted	332,588	-	2,566,729	3,274,262
Committed	-	152,403	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	332,588	152,403	2,566,729	3,274,262
Total liabilities and fund balances	\$ 332,588	\$ 152,403	\$ 2,607,842	\$ 3,274,262

(Continued)

City of Monterey Park
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

Special Revenue Funds

	SB - 2 Planning Grant	Measure B	Bike Route	Highway Safety Improvement
ASSETS				
Cash and investments	\$ 360	\$ -	\$ 2,865	\$ 27,018
Cash and investments with fiscal agents	-	-	-	-
Receivables:				
Accounts	310,000	-	9,750	-
Interest	-	-	-	-
Total assets	<u>\$ 310,360</u>	<u>\$ -</u>	<u>\$ 12,615</u>	<u>\$ 27,018</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	-	-	2,865	15,316
Accrued payroll	-	-	-	-
Retention payable	-	-	-	11,703
Due to other funds	257,842	-	15,297	34,438
Total liabilities	<u>257,842</u>	<u>-</u>	<u>18,162</u>	<u>61,457</u>
Fund balances:				
Restricted	52,518	-	-	-
Committed	-	-	-	-
Unassigned (deficit)	-	-	(5,547)	(34,439)
Total fund balances	<u>52,518</u>	<u>-</u>	<u>(5,547)</u>	<u>(34,439)</u>
Total liabilities and fund balances	<u>\$ 310,360</u>	<u>\$ -</u>	<u>\$ 12,615</u>	<u>\$ 27,018</u>

City of Monterey Park
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	Debt Service	
	Fund	Total Nonmajor Governmental Funds
	Sales Tax Bond	
ASSETS		
Cash and investments	\$ -	\$ 19,295,086
Cash and investments with fiscal agents	564,038	564,038
Receivables:		
Accounts	-	890,053
Interest	-	96,767
Total assets	<u>\$ 564,038</u>	<u>\$ 20,845,944</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued liabilities	-	561,639
Accrued payroll	-	24,109
Retention payable	-	45,479
Due to other funds	-	387,510
Total liabilities	<u>-</u>	<u>1,018,737</u>
Fund balances:		
Restricted	564,038	19,794,723
Committed	-	152,403
Unassigned (deficit)	-	(119,919)
Total fund balances	<u>564,038</u>	<u>19,827,207</u>
Total liabilities and fund balances	<u>\$ 564,038</u>	<u>\$ 20,845,944</u>

City of Monterey Park
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

Special Revenue Funds

	Proposition A	Gas Tax	Measure W	Proposition C
Revenues:				
Taxes	\$ 1,587,070	\$ 1,530,670	\$ -	\$ -
Intergovernmental	-	-	738,669	1,316,429
Charges for services	484	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	95,472	30,514	6,573	71,082
Total revenues	1,683,026	1,561,184	745,242	1,387,511
Expenditures:				
Current:				
General government	1,727	4,673	74	-
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and recreation	594,498	-	-	-
Highways and street	1,222,132	1,232,474	651,573	782,466
Health	-	-	-	-
Capital outlay	100,487	-	102,661	28,550
Debt service:				
Principal retirement	12,323	-	-	-
Interest and fiscal charges	636	-	-	-
Total expenditures	1,931,803	1,237,147	754,308	811,016
Revenues over (under) expenditures	(248,777)	324,037	(9,066)	576,495
Other financing sources (uses):				
Issurance of subscription liabilities	41,090	-	-	-
Transfers in	-	-	-	-
Transfers out	(59,858)	(56,495)	(3,211)	(250,288)
Total other financing sources (uses)	(18,768)	(56,495)	(3,211)	(250,288)
Net Change in Fund Balances	(267,545)	267,542	(12,277)	326,207
Fund balances:				
Beginning of year	4,087,857	1,138,161	256,171	2,777,065
End of year	\$ 3,820,312	\$ 1,405,703	\$ 243,894	\$ 3,103,272

(Continued)

City of Monterey Park
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds			
	Air Quality Improvement	Asset Forfeiture	Parks/Library/ Facilities DIF	Business Improvement Area #1
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	79,255	-	-	35,467
Charges for services	-	-	206,464	-
Fines and forfeitures	-	2,947	-	-
Investment income	9,738	17,766	19,487	4,634
Total revenues	88,993	20,713	225,951	40,101
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	40,175	52,584	-	-
Community development	-	-	-	23,477
Culture and recreation	-	-	-	-
Highways and street	448	-	-	-
Health	-	-	-	-
Capital outlay	-	1,705	6,332	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	40,623	54,289	6,332	23,477
Revenues over (under) expenditures	48,370	(33,576)	219,619	16,624
Other financing sources (uses):				
Issurance of subscription liabilities	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net Change in Fund Balances	48,370	(33,576)	219,619	16,624
Fund balances:				
Beginning of year	377,967	793,791	650,990	187,731
End of year	\$ 426,337	\$ 760,215	\$ 870,609	\$ 204,355

(Continued)

City of Monterey Park
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

Special Revenue Funds

	Maintenance District 93-1	Law Enforcement/ Fire/Medic DIF	Public Safety Augmentation	Measure R
Revenues:				
Taxes	\$ 1,035,312	\$ -	\$ 930,083	\$ 987,037
Intergovernmental	-	-	-	4,363
Charges for services	-	48,001	-	-
Fines and forfeitures	-	-	-	-
Investment income	2,529	345	24,065	28,553
Total revenues	1,037,841	48,346	954,148	1,019,953
Expenditures:				
Current:				
General government	-	-	-	475
Public safety	-	-	850,000	-
Community development	-	-	-	-
Culture and recreation	417,437	-	-	191,532
Highways and street	730,696	-	-	422,165
Health	-	-	-	-
Capital outlay	-	-	-	437,825
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	1,148,133	-	850,000	1,051,997
Revenues over (under) expenditures	(110,292)	48,346	104,148	(32,044)
Other financing sources (uses):				
Insurance of subscription liabilities	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(19,673)	-	-	(430,715)
Total other financing sources (uses)	(19,673)	-	-	(430,715)
Net Change in Fund Balances	(129,965)	48,346	104,148	(462,759)
Fund balances:				
Beginning of year	268,160	(128,279)	846,716	1,543,591
End of year	<u>\$ 138,195</u>	<u>\$ (79,933)</u>	<u>\$ 950,864</u>	<u>\$ 1,080,832</u>

(Continued)

City of Monterey Park
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

Special Revenue Funds

	Circulation DIF	CERCLA Liability	SB1 -RMRA	Measure M
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 1,116,550
Intergovernmental	-	164,920	1,362,640	-
Charges for services	201,711	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	7,337	3,643	58,617	73,351
Total revenues	209,048	168,563	1,421,257	1,189,901
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and recreation	-	-	-	-
Highways and street	-	-	-	10,104
Health	-	292,969	-	-
Capital outlay	-	-	854,662	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	292,969	854,662	10,104
Revenues over (under) expenditures	209,048	(124,406)	566,595	1,179,797
Other financing sources (uses):				
Issurance of subscription liabilities	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	(409,062)
Total other financing sources (uses)	-	-	-	(409,062)
Net Change in Fund Balances	209,048	(124,406)	566,595	770,735
Fund balances:				
Beginning of year	123,540	276,809	2,000,134	2,503,527
End of year	\$ 332,588	\$ 152,403	\$ 2,566,729	\$ 3,274,262

City of Monterey Park
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

Special Revenue Funds

	SB2 - Planning Grant	Measure B	Bike Route	Highway Safety Improvement
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	310,000	110,505	9,750	325,297
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	1,221
Total revenues	310,000	110,505	9,750	326,518
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	110,505	-	-
Community development	5,399	-	-	-
Culture and recreation	-	-	-	-
Highways and street	-	-	-	-
Health	-	-	-	-
Capital outlay	-	-	15,297	360,957
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	5,399	110,505	15,297	360,957
Revenues over (under) expenditures	304,601	-	(5,547)	(34,439)
Other financing sources (uses):				
Issurance of subscription liabilities	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net Change in Fund Balances	304,601	-	(5,547)	(34,439)
Fund balances:				
Beginning of year	(252,083)	-	-	-
End of year	\$ 52,518	\$ -	\$ (5,547)	\$ (34,439)

(Continued)

City of Monterey Park
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Debt Service Fund	Total Nonmajor Governmental Funds
	Sales Tax Bond	
Revenues:		
Taxes	\$ -	\$ 7,186,722
Intergovernmental	-	4,457,295
Charges for services	-	456,660
Fines and forfeitures	-	2,947
Investment income	560,483	1,015,410
Total revenues	560,483	13,119,034
Expenditures:		
Current:		
General government	-	6,949
Public safety	-	1,053,264
Community development	-	28,876
Culture and recreation	-	1,203,467
Highways and street	-	5,052,058
Health	-	292,969
Capital outlay	-	1,908,476
Debt service:		
Principal retirement	305,000	317,323
Interest and fiscal charges	748,451	749,087
Total expenditures	1,053,451	10,612,469
Revenues over (under) expenditures	(492,968)	2,506,565
Other financing sources (uses):		
Issurance of subscription liabilities	-	41,090
Transfers in	1,053,450	1,053,450
Transfers out	-	(1,229,302)
Total other financing sources (uses)	1,053,450	(134,762)
Net Change in Fund Balances	560,482	2,371,803
Fund balances:		
Beginning of year	3,556	17,455,404
End of year	\$ 564,038	\$ 19,827,207

(Concluded)

City of Monterey Park
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Proposition A Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,473,078	\$ 1,473,078	\$ 1,587,070	\$ 113,992
Intergovernmental	106,000	106,000	-	(106,000)
Charges for services	-	-	484	484
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	1,000	1,000	95,472	94,472
Total Revenues	<u>1,580,078</u>	<u>1,580,078</u>	<u>1,683,026</u>	<u>102,948</u>
Expenditures:				
Current:				
General government	1,727	1,727	1,727	-
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and recreation	686,111	775,128	594,498	180,630
Highway and streets	1,304,974	2,003,232	1,222,132	781,100
Capital outlay	-	-	100,487	(100,487)
Debt service:				
Principal retirement	-	-	12,323	(12,323)
Interest and fiscal charges	-	-	636	(636)
Total Expenditures	<u>1,992,812</u>	<u>2,780,087</u>	<u>1,931,803</u>	<u>848,284</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>(412,734)</u>	<u>(1,200,009)</u>	<u>(248,777)</u>	<u>951,232</u>
Other Financing Sources (Uses):				
Insurance of subscription liabilities	-	-	41,090	41,090
Transfers out	(59,858)	(59,858)	(59,858)	-
Total Other Financing Sources (Uses)	<u>(59,858)</u>	<u>(59,858)</u>	<u>(18,768)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (472,592)</u>	<u>\$ (1,259,867)</u>	<u>(267,545)</u>	<u>\$ 992,322</u>
FUND BALANCE:				
Beginning of Year			<u>4,087,857</u>	
End of Year			<u>\$ 3,820,312</u>	

City of Monterey Park
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Gas Tax Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,559,056	\$ 1,559,056	\$ 1,530,670	\$ (28,386)
Investment income	500	500	30,514	30,014
Total Revenues	<u>1,559,556</u>	<u>1,559,556</u>	<u>1,561,184</u>	<u>1,628</u>
Expenditures:				
Current:				
General government	1,794	1,794	4,673	(2,879)
Public works	1,454,346	1,463,505	1,232,474	231,031
Total Expenditures	<u>1,456,140</u>	<u>1,465,299</u>	<u>1,237,147</u>	<u>228,152</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>103,416</u>	<u>94,257</u>	<u>324,037</u>	<u>229,780</u>
Other Financing (Uses):				
Transfers out	(56,495)	(56,495)	(56,495)	-
Total Other Financing (Uses)	<u>(56,495)</u>	<u>(56,495)</u>	<u>(56,495)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 46,921</u>	<u>\$ 37,762</u>	267,542	<u>\$ 229,780</u>
FUND BALANCE:				
Beginning of Year			<u>1,138,161</u>	
End of Year			<u>\$ 1,405,703</u>	

City of Monterey Park
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure W Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 740,000	\$ 740,000	\$ 738,669	\$ (1,331)
Investment income	-	-	6,573	6,573
Total Revenues	<u>740,000</u>	<u>740,000</u>	<u>745,242</u>	<u>5,242</u>
Expenditures:				
Current:				
General government	73	73	74	(1)
Public works	117,008	104,758	651,573	(546,815)
Capital outlay	90,000	302,250	102,661	199,589
Total Expenditures	<u>207,081</u>	<u>407,081</u>	<u>754,308</u>	<u>(347,227)</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>532,919</u>	<u>332,919</u>	<u>(9,066)</u>	<u>(341,985)</u>
Other Financing (Uses):				
Transfers out	(3,211)	(3,211)	(3,211)	-
Total Other Financing (Uses)	<u>(3,211)</u>	<u>(3,211)</u>	<u>(3,211)</u>	-
NET CHANGE IN FUND BALANCE	<u>\$ 529,708</u>	<u>\$ 329,708</u>	<u>(12,277)</u>	<u>\$ (341,985)</u>
FUND BALANCE:				
Beginning of Year			<u>256,171</u>	
End of Year			<u>\$ 243,894</u>	

City of Monterey Park
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Proposition C Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,221,879	\$ 1,221,879	\$ 1,316,429	\$ 94,550
Investment income	1,500	1,500	71,082	69,582
Total Revenues	<u>1,223,379</u>	<u>1,223,379</u>	<u>1,387,511</u>	<u>164,132</u>
Expenditures:				
Current:				
Public works	937,039	1,321,480	782,466	539,014
Capital outlay	-	-	28,550	(28,550)
Total Expenditures	<u>937,039</u>	<u>1,321,480</u>	<u>811,016</u>	<u>510,464</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>286,340</u>	<u>(98,101)</u>	<u>576,495</u>	<u>674,596</u>
Other Financing (Uses):				
Transfers out	(14,472)	(14,472)	(250,288)	(235,816)
Total Other Financing (Uses)	<u>(14,472)</u>	<u>(14,472)</u>	<u>(250,288)</u>	<u>(235,816)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 271,868</u>	<u>\$ (112,573)</u>	326,207	<u>\$ 438,780</u>
FUND BALANCE:				
Beginning of Year			<u>2,777,065</u>	
End of Year			<u>\$ 3,103,272</u>	

City of Monterey Park
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Air Quality Improvement Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 80,000	\$ 80,000	\$ 79,255	\$ (745)
Investment income	100	100	9,738	9,638
Total Revenues	<u>80,100</u>	<u>80,100</u>	<u>88,993</u>	<u>8,893</u>
Expenditures:				
Current:				
Public safety	55,205	55,205	40,175	15,030
Public works	448	448	448	-
Total Expenditures	<u>55,653</u>	<u>55,653</u>	<u>40,623</u>	<u>15,030</u>
NET CHANGE IN FUND BALANCE	<u>\$ 24,447</u>	<u>\$ 24,447</u>	48,370	<u>\$ 23,923</u>
FUND BALANCE:				
Beginning of Year			<u>377,967</u>	
End of Year			<u>\$ 426,337</u>	

City of Monterey Park
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Asset Foreiture Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 20,000	\$ 20,000	\$ 2,947	\$ (17,053)
Investment income	-	-	17,766	17,766
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>20,713</u>	<u>713</u>
Expenditures:				
Current:				
Public safety	57,244	63,149	52,584	10,565
Capital outlay	-	-	1,705	(1,705)
Total Expenditures	<u>57,244</u>	<u>63,149</u>	<u>54,289</u>	<u>8,860</u>
NET CHANGE IN FUND BALANCE	<u>\$ (37,244)</u>	<u>\$ (43,149)</u>	<u>(33,576)</u>	<u>\$ 9,573</u>
FUND BALANCE:				
Beginning of Year			<u>793,791</u>	
End of Year			<u>\$ 760,215</u>	

City of Monterey Park
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Parks/Library/Facilities Dif Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 164,310	\$ 164,310	\$ 206,464	\$ 42,154
Investment income	-	-	19,487	19,487
Total Revenues	<u>164,310</u>	<u>164,310</u>	<u>225,951</u>	<u>61,641</u>
Expenditures:				
Capital outlay	<u>230,000</u>	<u>230,000</u>	<u>6,332</u>	<u>223,668</u>
Total Expenditures	<u>230,000</u>	<u>230,000</u>	<u>6,332</u>	<u>223,668</u>
NET CHANGE IN FUND BALANCE	<u>\$ (65,690)</u>	<u>\$ (65,690)</u>	219,619	<u>\$ 285,309</u>
FUND BALANCE:				
Beginning of Year			<u>650,990</u>	
End of Year			<u>\$ 870,609</u>	

City of Monterey Park
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Business Improvement Area #1 Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 75,000	\$ 75,000	\$ 35,467	\$ (39,533)
Investment income	-	-	4,634	4,634
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>40,101</u>	<u>(34,899)</u>
Expenditures:				
Current:				
Community development	<u>89,539</u>	<u>89,539</u>	<u>23,477</u>	<u>66,062</u>
Total Expenditures	<u>89,539</u>	<u>89,539</u>	<u>23,477</u>	<u>66,062</u>
NET CHANGE IN FUND BALANCE	<u>\$ (14,539)</u>	<u>\$ (14,539)</u>	16,624	<u>\$ 31,163</u>
FUND BALANCE:				
Beginning of Year			<u>187,731</u>	
End of Year			<u>\$ 204,355</u>	

City of Monterey Park
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Maintenance District 93-1 Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,026,920	\$ 1,026,920	\$ 1,035,312	\$ 8,392
Investment income	-	-	2,529	2,529
Total Revenues	<u>1,026,920</u>	<u>1,026,920</u>	<u>1,037,841</u>	<u>10,921</u>
Expenditures:				
Current:				
Culture and recreation	457,530	457,545	417,437	40,108
Public works	532,358	532,358	730,696	(198,338)
Total Expenditures	<u>989,888</u>	<u>989,903</u>	<u>1,148,133</u>	<u>(158,230)</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>37,032</u>	<u>37,017</u>	<u>(110,292)</u>	<u>(147,309)</u>
Other Financing (Uses):				
Transfers out	(19,673)	(19,673)	(19,673)	-
Total Other Financing (Uses)	<u>(19,673)</u>	<u>(19,673)</u>	<u>(19,673)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 17,359</u>	<u>\$ 17,344</u>	(129,965)	<u>\$ (147,309)</u>
FUND BALANCE:				
Beginning of Year			<u>268,160</u>	
End of Year			<u>\$ 138,195</u>	

City of Monterey Park
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Law Enforcement/Fire/Medic DIF Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 215,000	\$ 215,000	\$ 48,001	\$ (166,999)
Investment income	100	100	345	245
Total Revenues	<u>215,100</u>	<u>215,100</u>	<u>48,346</u>	<u>(166,754)</u>
Expenditures:				
Current:				
Public safety	85,799	85,799	-	85,799
Total Expenditures	<u>85,799</u>	<u>85,799</u>	<u>-</u>	<u>85,799</u>
NET CHANGE IN FUND BALANCE	<u>\$ 129,301</u>	<u>\$ 129,301</u>	48,346	<u>\$ (80,955)</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>(128,279)</u>	
End of year			<u>\$ (79,933)</u>	

City of Monterey Park
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Public Safety Augmentation Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 790,000	\$ 790,000	\$ 930,083	\$ 140,083
Investment income	-	-	24,065	24,065
Total Revenues	<u>790,000</u>	<u>790,000</u>	<u>954,148</u>	<u>164,148</u>
Expenditures:				
Current:				
Public safety	814,800	814,800	850,000	(35,200)
Total Expenditures	<u>814,800</u>	<u>814,800</u>	<u>850,000</u>	<u>(35,200)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (24,800)</u>	<u>\$ (24,800)</u>	104,148	<u>\$ 128,948</u>
FUND BALANCE:				
Beginning of Year			<u>846,716</u>	
End of Year			<u>\$ 950,864</u>	

City of Monterey Park
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure R Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 916,410	\$ 916,410	\$ 987,037	\$ 70,627
Intergovernmental	-	-	4,363	4,363
Investment income	1,000	1,000	28,553	27,553
Total Revenues	<u>917,410</u>	<u>917,410</u>	<u>1,019,953</u>	<u>102,543</u>
Expenditures:				
Current:				
General government	474	474	475	(1)
Culture and recreation	123,007	123,007	191,532	(68,525)
Public works	543,157	578,482	422,165	156,317
Capital outlay	-	4,082,495	437,825	3,644,670
Total Expenditures	<u>666,638</u>	<u>4,784,458</u>	<u>1,051,997</u>	<u>3,732,461</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>250,772</u>	<u>(3,867,048)</u>	<u>(32,044)</u>	<u>3,835,004</u>
Other Financing (Uses):				
Transfers out	(22,898)	(22,898)	(430,715)	(407,817)
Total Other Financing (Uses)	<u>(22,898)</u>	<u>(22,898)</u>	<u>(430,715)</u>	<u>(407,817)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 227,874</u>	<u>\$ (3,889,946)</u>	<u>(462,759)</u>	<u>\$ 3,427,187</u>
FUND BALANCE:				
Beginning of year			<u>1,543,591</u>	
End of year			<u>\$ 1,080,832</u>	

City of Monterey Park
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Circulation DIF Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 100,000	\$ 100,000	\$ 201,711	\$ 101,711
Investment income	-	-	7,337	7,337
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>209,048</u>	<u>109,048</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>100,000</u>	<u>100,000</u>	<u>209,048</u>	<u>109,048</u>
NET CHANGE IN FUND BALANCE	<u>\$ 100,000</u>	<u>\$ 100,000</u>	209,048	<u>\$ 109,048</u>
FUND BALANCE:				
Beginning of year			<u>123,540</u>	
End of year			<u>\$ 332,588</u>	

City of Monterey Park
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
CERCLA Liability Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 138,384	\$ 138,384	\$ 164,920	\$ 26,536
Investment income	100	100	3,643	3,543
Total Revenues	<u>138,484</u>	<u>138,484</u>	<u>168,563</u>	<u>30,079</u>
Expenditures:				
Health	<u>292,969</u>	<u>292,969</u>	<u>292,969</u>	<u>-</u>
Total Expenditures	<u>292,969</u>	<u>292,969</u>	<u>292,969</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (154,485)</u>	<u>\$ (154,485)</u>	(124,406)	<u>\$ 30,079</u>
FUND BALANCE:				
Beginning of year			<u>276,809</u>	
End of year			<u>\$ 152,403</u>	

City of Monterey Park
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
SB1 - RMRA Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,250,621	\$ 1,250,621	\$ 1,362,640	\$ 112,019
Investment income	1,500	1,500	58,617	57,117
Total Revenues	<u>1,252,121</u>	<u>1,252,121</u>	<u>1,421,257</u>	<u>169,136</u>
Expenditures:				
Capital outlay	-	1,252,121	854,662	397,459
Total Expenditures	<u>-</u>	<u>1,252,121</u>	<u>854,662</u>	<u>397,459</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,252,121</u>	<u>\$ -</u>	566,595	<u>\$ 566,595</u>
FUND BALANCE:				
Beginning of year			<u>2,000,134</u>	
End of year			<u>\$ 2,566,729</u>	

City of Monterey Park
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure M Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,038,598	\$ 6,841,603	\$ 1,116,550	\$ (5,725,053)
Investment income	-	-	73,351	73,351
Total Revenues	<u>1,038,598</u>	<u>6,841,603</u>	<u>1,189,901</u>	<u>(5,651,702)</u>
Expenditures:				
Current:				
Public works	10,106	10,106	10,104	2
Total Expenditures	<u>10,106</u>	<u>10,106</u>	<u>10,104</u>	<u>2</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>1,028,492</u>	<u>6,831,497</u>	<u>1,179,797</u>	<u>(5,651,700)</u>
Other Financing Sources:				
Transfers out	(1,245)	(1,245)	(409,062)	(407,817)
Total Other Financing Sources	<u>(1,245)</u>	<u>(1,245)</u>	<u>(409,062)</u>	<u>(407,817)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,027,247</u>	<u>\$ 6,830,252</u>	770,735	<u>\$ (6,059,517)</u>
FUND BALANCE:				
Beginning of year			<u>2,503,527</u>	
End of year			<u>\$ 3,274,262</u>	

City of Monterey Park
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
SB2 - Planning Grant Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 310,000	\$ 310,000
Total Revenues	-	-	310,000	310,000
Expenditures:				
Current:				
Community development	39,434	39,434	5,399	34,035
Total Expenditures	39,434	39,434	5,399	34,035
NET CHANGE IN FUND BALANCE	\$ (39,434)	\$ (39,434)	304,601	\$ 344,035
FUND BALANCE (DEFICIT):				
Beginning of year			(252,083)	
End of year			<u>\$ 52,518</u>	

City of Monterey Park
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure B Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 110,601	\$ 110,601	\$ 110,505	\$ (96)
Total Revenues	<u>110,601</u>	<u>110,601</u>	<u>110,505</u>	<u>(96)</u>
Expenditures:				
Current:				
Public safety	110,601	110,601	110,505	96
Total Expenditures	<u>110,601</u>	<u>110,601</u>	<u>110,505</u>	<u>96</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE:				
Beginning of year			-	
End of year			<u>\$ -</u>	

City of Monterey Park
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Bike Route Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 9,750	\$ 9,750
Total revenues	<u>-</u>	<u>-</u>	<u>9,750</u>	<u>9,750</u>
Expenditures:				
Capital outlay	-	174,946	15,297	159,649
Total expenditures	<u>-</u>	<u>174,946</u>	<u>15,297</u>	<u>159,649</u>
Revenues over (under) expenditures	<u>-</u>	<u>(174,946)</u>	<u>(5,547)</u>	<u>169,399</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ (174,946)</u>	<u>(5,547)</u>	<u>\$ 169,399</u>
Fund balances (deficit):				
Beginning of year			-	
End of year			<u>\$ (5,547)</u>	

City of Monterey Park
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Highway Safety Improvement Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 325,297	\$ 325,297
Investment income	-	-	1,221	1,221
Total revenues	<u>-</u>	<u>-</u>	<u>326,518</u>	<u>326,518</u>
Expenditures:				
Capital outlay	-	537,200	360,957	176,243
Total expenditures	<u>-</u>	<u>537,200</u>	<u>360,957</u>	<u>176,243</u>
Revenues over (under) expenditures	<u>-</u>	<u>(537,200)</u>	<u>(34,439)</u>	<u>502,761</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ (537,200)</u>	<u>(34,439)</u>	<u>\$ 502,761</u>
Fund balances (deficit):				
Beginning of year			<u>-</u>	
End of year			<u>\$ (34,439)</u>	

City of Monterey Park
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Sales Tax Bond Debt Service Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 560,483	\$ 560,483
Total Revenues	-	-	560,483	560,483
Expenditures:				
Debt service:				
Principal retirement	305,000	305,000	305,000	-
Interest and fiscal charges	-	-	748,451	(748,451)
Total Expenditures	305,000	305,000	1,053,451	(748,451)
REVENUE OVER (UNDER) EXPENDITURES	(305,000)	(305,000)	(492,968)	(187,968)
Other Financing Sources:				
Transfers in	-	-	1,053,450	1,053,450
Total Other Financing Sources	-	-	1,053,450	1,053,450
NET CHANGE IN FUND BALANCE	\$ (305,000)	\$ (305,000)	560,482	\$ 865,482
FUND BALANCE:				
Beginning of year			3,556	
End of year			<u>\$ 564,038</u>	

INTERNAL SERVICE FUNDS

These funds account for goods or services provided to other departments of the City where the intent of the City is that the costs of these goods or services are to be recovered through interdepartmental charges at the time that the goods are delivered or the services rendered to those departments.

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

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

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

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

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

Fringe Benefits - This fund is used for City paid benefits which are charged. Examples include medical, dental, disability, unemployment, life insurance and retirement including PERS. These benefit costs are allocated to the funds based on budget for three quarters and then reconciled to actual in the fourth quarter.

City of Monterey Park
Combining Statement of Net Position
Internal Service Funds
June 30, 2023

	Separation Benefits	General Liability	Workers' Compensation	Shop
ASSETS				
Current assets:				
Cash and investments	\$ 316,752	\$ 2,670,734	\$ 5,208,223	\$ 303,673
Cash and investments with fiscal agent	-	-	-	622
Accounts receivable	-	15,502	-	-
Total current assets	316,752	2,686,236	5,208,223	304,295
Noncurrent assets:				
Capital assets:				
Nondepreciable	-	-	-	-
Depreciable/amortizable, net	-	-	-	1,044,511
Total capital assets	-	-	-	1,044,511
Total noncurrent assets	-	-	-	1,044,511
Total assets	316,752	2,686,236	5,208,223	1,348,806
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	267,618	267,618	133,809	401,426
Other postemployment benefits related	74,760	74,760	37,380	112,140
Total deferred outflows of resources	342,378	342,378	171,189	513,566
LIABILITIES				
Current Liabilities:				
Accounts payable	-	190,957	23,586	105,296
Accrued payroll	2,604	4,811	2,326	10,060
Due to other funds	-	-	-	-
Insurance assessment payable, due within one year	-	163,514	-	-
Lease liabilities, due within one year	-	-	-	12,488
Suscription liabilities, due within one year	-	-	-	-
Loan payable, due within one year	-	-	-	391,393
Compensated absences, due within one year	-	34,649	22,722	71,517
Claims payable, due within one year	-	1,405,745	2,459,508	-
Total current liabilities	2,604	1,799,676	2,508,142	590,754
Noncurrent liabilities:				
Insurance assessment payable, due in more than one year	-	490,543	-	-
Lease liabilities, due in more than one year	-	-	-	12,037
Suscription liabilities, due in more than one year	-	-	-	-
Loan payable, due in more than one year	-	-	-	610,805
Compensated absences, due in more than one year	-	1,627	1,067	3,359
Claims payable, due in more than one year	-	7,980,520	12,050,454	-
Net pension liability	123,192	123,192	61,596	184,788
Net OPEB liability	435,590	435,590	217,795	653,385
Total noncurrent liabilities	558,782	9,031,472	12,330,912	1,464,374
Total liabilities	561,386	10,831,148	14,839,054	2,055,128
DEFERRED INFLOW OF RESOURCES				
Pension related	21,767	21,767	10,883	32,650
Other postemployment benefits related	67,995	67,995	33,997	101,992
	89,762	89,762	44,880	134,642
NET POSITION:				
Net investment in capital assets	-	-	-	17,788
Restricted	-	-	-	622
Unrestricted (deficit)	7,982	(7,892,296)	(9,504,522)	(345,808)
Total net position (deficit)	\$ 7,982	\$ (7,892,296)	\$ (9,504,522)	\$ (327,398)

(Continued)

City of Monterey Park
Combining Statement of Net Position (Continued)
Internal Service Funds
June 30, 2023

	Technology	Fringe Benefits	Total
ASSETS			
Current assets:			
Cash and investments	\$ -	1,000,000	\$ 9,499,382
Cash and investments with fiscal agent	-	-	622
Accounts receivable	-	-	15,502
Total current assets	-	1,000,000	9,515,506
Noncurrent assets:			
Capital assets:			
Nondepreciable	1,635,459	-	1,635,459
Depreciable/amortizable, net	333,091	-	1,377,602
Total capital assets	1,968,550	-	3,013,061
Total noncurrent assets	1,968,550	-	3,013,061
Total assets	1,968,550	1,000,000	12,528,567
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	267,618	-	1,338,089
Other postemployment benefits related	74,760	-	373,800
Total deferred outflows of resources	342,378	-	1,711,889
LIABILITIES			
Current Liabilities:			
Accounts payable	13,622	1,000,000	1,333,461
Accrued payroll	7,716	-	27,517
Due to other funds	404,228	-	404,228
Insurance assessment payable, due within one year	-	-	163,514
Lease Liabilities, due within one year	-	-	12,488
Suscription liabilities, due within one year	79,856	-	79,856
Loan payable, due within one year	-	-	391,393
Compensated absences, due within one year	16,094	-	144,982
Claims payable, due within one year	-	-	3,865,253
Total current liabilities	521,516	1,000,000	6,422,692
Noncurrent liabilities:			
Insurance assessment payable, due in more than one year	-	-	490,543
Lease liabilities, due in more than one year	-	-	12,037
Suscription liabilities, due in more than one year	43,097	-	43,097
Loan payable, due in more than one year	-	-	610,805
Compensated absences, due in more than one year	756	-	6,809
Claims payable, due in more than one year	-	-	20,030,974
Net pension liability	123,192	-	615,960
Net OPEB liability	435,590	-	2,177,950
Total noncurrent liabilities	602,635	-	23,988,175
Total liabilities	1,124,151	1,000,000	30,410,867
DEFERRED INFLOW OF RESOURCES			
Pension related	21,767	-	108,834
Other postemployment benefits related	67,995	-	339,974
	89,762	-	448,808
NET POSITION:			
Net investment in capital assets	1,845,597	-	1,863,385
Restricted	-	-	622
Unrestricted (deficit)	(748,582)	-	(18,483,226)
Total net position (deficit)	\$ 1,097,015	\$ -	\$ (16,619,219)

(Concluded)

City of Monterey Park
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2023

	Separation Benefits	General Liability	Workers' Compensation	Shop
OPERATING REVENUES:				
Charges for services	1,045,994	5,037,813	3,608,842	3,117,678
Miscellaneous	-	1,206	164,889	-
Total operating revenues	1,045,994	5,039,019	3,773,731	3,117,678
OPERATING EXPENSES:				
Salaries and Benefits	1,684,803	592,499	368,510	1,099,687
Materials and supplies	-	15,389	4,253	2,076,287
Insurance and claims	-	4,891,292	3,725,382	-
Depreciation and amortization	-	-	-	746,615
Total operating expenses	1,684,803	5,499,180	4,098,145	3,922,589
OPERATING (LOSS)	(638,809)	(460,161)	(324,414)	(804,911)
NONOPERATING EXPENSES:				
Interest expense	-	-	-	(41,782)
Total nonoperating expense	-	-	-	(41,782)
CHANGES IN NET POSITION	(638,809)	(460,161)	(324,414)	(846,693)
NET POSITION (DEFICIT):				
Beginning of year, as restated (Note 18)	646,791	(7,432,135)	(9,180,108)	519,295
End of year	<u>\$ 7,982</u>	<u>\$ (7,892,296)</u>	<u>\$ (9,504,522)</u>	<u>\$ (327,398)</u>

(Continued)

City of Monterey Park
Combining Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Internal Service Funds
For the Year Ended June 30, 2023

	Technology	Fringe Benefits	Total
OPERATING REVENUES:			
Charges for services	1,003,643	1,000,000	\$ 14,813,970
Miscellaneous	-	-	166,095
Total operating revenues	1,003,643	1,000,000	14,980,065
OPERATING EXPENSES:			
Salaries and Benefits	593,741	1,000,000	5,339,240
Materials and supplies	494,313	-	2,590,242
Insurance and claims	-	-	8,616,674
Depreciation and amortization	249,671	-	996,286
Total operating expenses	1,337,725	1,000,000	17,542,442
OPERATING (LOSS)	(334,082)	-	(2,562,377)
NONOPERATING EXPENSES:			
Interest expense	-	-	(41,782)
Total nonoperating expense	-	-	(41,782)
CHANGES IN NET POSITION	(334,082)	-	(2,520,595)
NET POSITION:			
Beginning of year, as restated (Note 18)	1,431,097	-	(14,015,060)
End of year	<u>\$ 1,097,015</u>	<u>\$ -</u>	<u>\$ (16,619,219)</u>

(Concluded)

City of Monterey Park
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2023

	Separation Benefits	General Liability	Workers' Compensation	Shop
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 1,045,994	\$ 5,039,019	\$ 3,773,731	\$ 3,117,678
Cash paid to suppliers for goods and services	-	(15,389)	(14,805)	(2,062,690)
Cash paid to employees for services	(1,462,274)	(329,371)	(251,923)	(718,188)
Cash paid for insurance claims	-	(3,859,510)	(3,113,106)	-
Net cash provided by (used in) operating activities	(416,280)	834,749	393,897	336,800
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash received other funds	-	-	-	-
Net cash provided by noncapital financing activities	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	-	-	-	(128,482)
Principal paid	-	(163,514)	-	(410,500)
Interest paid	-	-	-	(41,782)
Net cash (used in) capital and related financing activities	-	(163,514)	-	(580,764)
Net change in cash and cash equivalents	(416,280)	671,235	393,897	(243,964)
CASH AND CASH EQUIVALENTS:				
Beginning of year	733,032	1,999,499	4,814,326	548,259
End of year	<u>\$ 316,752</u>	<u>\$ 2,670,734</u>	<u>\$ 5,208,223</u>	<u>\$ 304,295</u>
CASH AND CASH EQUIVALENTS:				
Cash and investments	\$ 316,752	\$ 2,670,734	\$ 5,208,223	\$ 303,673
Cash and investments with fiscal agent	-	-	-	622
Total cash and cash equivalents	<u>\$ 316,752</u>	<u>\$ 2,670,734</u>	<u>\$ 5,208,223</u>	<u>\$ 304,295</u>
Reconciliation of Operating (Loss) to Net Cash Provided by (used in) Operating Activities:				
Operating (loss)	\$ (638,809)	\$ (460,161)	\$ (324,414)	\$ (804,911)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	-	-	-	746,615
Change in assets and liabilities:				
(Increase) decrease in deferred outflows -pension related	(264,715)	(260,756)	(129,982)	(360,783)
(Increase) decrease in deferred outflows - OPEB related	(64,622)	(63,021)	(30,443)	(76,657)
Increase (decrease) in accounts payable	-	190,537	(10,552)	13,597
Increase (decrease) in accrued liabilities	(10,803)	1,118	(1,788)	3,542
Increase (decrease) in compensated absences	-	20,838	4,958	5,205
Increase (decrease) in claims payable	-	841,245	612,276	-
Increase (decrease) in net pension liability	167,365	227,600	119,824	803,207
Increase (decrease) in total OPEB liability	360,751	348,934	166,589	391,448
Increase (decrease) in deferred inflows - pension related	(9,269)	(51,590)	(30,028)	(401,849)
Increase (decrease) in deferred inflows - OPEB related	43,822	40,005	17,457	17,386
Net cash provided by (used in) operating activities	<u>\$ (416,280)</u>	<u>\$ 834,749</u>	<u>\$ 393,897</u>	<u>\$ 336,800</u>
NONCASH ITEMS:				
Acquisition of right to use lease assets	\$ -	\$ -	\$ -	\$ (28,523)
Issuance of lease and subscription liabilities	\$ -	\$ -	\$ -	\$ 28,523

City of Monterey Park
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2023

	Technology	Fringe Benefits	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers and users	\$ 1,003,643	\$ 1,000,000	\$ 14,980,065
Cash paid to suppliers for goods and services	(509,164)	-	(2,602,048)
Cash paid to employees for services	(370,296)	-	(3,132,052)
Cash paid for insurance claims	-	-	(6,972,616)
Net cash provided by (used in) operating activities	124,183	1,000,000	2,273,349
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Cash received other funds	193,993	-	193,993
Net cash provided by noncapital financing activities	193,993	-	193,993
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(81,219)	-	(209,701)
Principal paid	(236,957)	-	(810,971)
Interest paid	-	-	(41,782)
Net cash (used in) capital and related financing activities	(318,176)	-	(1,062,454)
Net change in cash and cash equivalents	-	1,000,000	1,404,888
CASH AND CASH EQUIVALENTS:			
Beginning of year	-	-	8,095,116
End of year	<u>\$ -</u>	<u>\$ 1,000,000</u>	<u>\$ 9,500,004</u>
CASH AND CASH EQUIVALENTS:			
Cash and investments	\$ -	\$ 1,000,000	\$ 9,499,382
Cash and investments with fiscal agent	-	-	622
Total cash and cash equivalents	<u>\$ -</u>	<u>\$ 1,000,000</u>	<u>\$ 9,500,004</u>
Reconciliation of Operating (Loss) to Net Cash Provided by (used in) Operating Activities:			
Operating (loss)	\$ (334,082)	\$ -	\$ (2,562,377)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	249,671	-	996,286
Change in assets and liabilities:			
(Increase) decrease in deferred outflows -pension related	(260,756)	-	(1,276,992)
(Increase) decrease in deferred outflows - OPEB related	(61,954)	-	(296,697)
Increase (decrease) in accounts payable	(14,851)	1,000,000	1,178,731
Increase (decrease) in accrued liabilities	2,956	-	(4,975)
Increase (decrease) in compensated absences	(11,327)	-	19,674
Increase (decrease) in claims payable	-	-	1,453,521
Increase (decrease) in net pension liability	227,600	-	1,545,596
Increase (decrease) in total OPEB liability	341,056	-	1,608,778
Increase (decrease) in deferred inflows - pension related	(51,590)	-	(544,326)
Increase (decrease) in deferred inflows - OPEB related	37,460	-	156,130
Net cash provided by (used in) operating activities	<u>\$ 124,183</u>	<u>\$ 1,000,000</u>	<u>\$ 2,273,349</u>
NONCASH ITEMS:			
Acquisition of right to use lease assets	<u>\$ (66,901)</u>	<u>\$ -</u>	<u>\$ (95,424)</u>
Issuance of lease and subscription liabilities	<u>\$ 66,901</u>	<u>\$ -</u>	<u>\$ 95,424</u>

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STATISTICAL SECTION
(Unaudited)

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STATISTICAL SECTION

For the Year Ended June 30, 2023

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City of Monterey Park
Net Position by Components
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year				
	2013/14	2014/15	2015/16	2016/17	2017/18
Governmental Activities:					
Net investment in capital assets	\$ 50,805,697	\$ 46,057,423	\$ 47,995,442	\$ 49,245,097	\$ 51,940,625
Restricted	18,330,529	20,198,282	22,221,698	20,689,401	22,583,024
Unrestricted	11,318,896	(79,297,776)	(68,990,541)	(63,742,375)	(85,102,541)
Total governmental activities net position	<u>\$ 80,455,122</u>	<u>\$ (13,042,071)</u>	<u>\$ 1,226,599</u>	<u>\$ 6,192,123</u>	<u>\$ (10,578,892)</u>
Business-Type Activities:					
Net investment in capital assets	\$ 20,020,776	\$ 15,083,212	\$ 23,132,584	\$ 27,583,180	\$ 32,224,486
Restricted	-	-	514,518	-	-
Unrestricted	26,197,066	24,186,095	18,629,778	19,078,479	18,182,441
Total business-type activities net position	<u>\$ 46,217,842</u>	<u>\$ 39,269,307</u>	<u>\$ 42,276,880</u>	<u>\$ 46,661,659</u>	<u>\$ 50,406,927</u>
Primary Government:					
Net investment in capital assets	\$ 70,826,473	\$ 61,140,635	\$ 71,128,006	\$ 76,828,277	\$ 84,165,111
Restricted	18,330,529	20,198,282	22,736,216	20,689,401	22,583,024
Unrestricted	37,515,962	(55,111,681)	(50,360,763)	(44,663,896)	(66,920,100)
Total primary government net position	<u>\$ 126,672,964</u>	<u>\$ 26,227,236</u>	<u>\$ 43,503,459</u>	<u>\$ 52,853,782</u>	<u>\$ 39,828,035</u>

Source: City of Monterey Park Management Services Department

City of Monterey Park
Net Position by Components (Continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year				
	2018/19	2019/20	2020/21	2021/22	2022/23
Governmental Activities:					
Net investment in capital assets	\$ 54,422,220	\$ 50,393,059	\$ 53,107,029	\$ 60,290,327	\$ 68,652,436
Restricted	28,308,812	28,524,906	22,377,681	52,852,580	41,267,487
Unrestricted	<u>(94,444,814)</u>	<u>(99,160,818)</u>	<u>(97,899,017)</u>	<u>(124,096,720)</u>	<u>(110,242,641)</u>
Total governmental activities net position	<u>\$ (11,713,782)</u>	<u>\$ (20,242,853)</u>	<u>\$ (22,414,307)</u>	<u>\$ (10,953,813)</u>	<u>\$ (322,718)</u>
Business-Type Activities:					
Net investment in capital assets	\$ 32,343,708	\$ 31,922,658	\$ 32,466,443	\$ 35,740,792	\$ 42,383,764
Restricted	-	-	-	2,637,265	-
Unrestricted	<u>22,623,485</u>	<u>23,894,813</u>	<u>22,403,284</u>	<u>16,933,113</u>	<u>8,423,058</u>
Total business-type activities net position	<u>\$ 54,967,193</u>	<u>\$ 55,817,471</u>	<u>\$ 54,869,727</u>	<u>\$ 55,311,170</u>	<u>\$ 50,806,822</u>
Primary Government:					
Net investment in capital assets	\$ 86,765,928	\$ 82,315,717	\$ 85,573,472	\$ 96,031,119	\$ 111,036,200
Restricted	28,308,812	28,524,906	22,377,681	55,489,845	41,267,487
Unrestricted	<u>(71,821,329)</u>	<u>(75,266,005)</u>	<u>(75,495,733)</u>	<u>(107,163,607)</u>	<u>(101,819,583)</u>
Total primary government net position	<u>\$ 43,253,411</u>	<u>\$ 35,574,618</u>	<u>\$ 32,455,420</u>	<u>\$ 44,357,357</u>	<u>\$ 50,484,104</u>

Source: City of Monterey Park Management Services Department

City of Monterey Park
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year				
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Expenses:					
Governmental activities:					
General government	\$ 4,050,482	\$ 4,610,081	\$ 3,771,179	\$ 4,935,827	\$ 13,276,893
Public safety	27,352,152	26,907,556	27,479,974	30,527,993	35,442,619
Community development	2,343,881	7,049,958	2,456,567	2,368,605	2,536,781
Culture and recreation	6,277,461	8,665,230	7,151,089	7,383,391	8,037,936
Highway and streets	6,434,924	5,512,170	6,223,450	5,555,218	5,856,197
Health	120,000	488,697	116,629	250,000	160,000
Interest and fiscal charges	1,207,716	1,269,034	990,315	993,823	940,605
Total governmental activities expenses	<u>47,786,616</u>	<u>54,502,726</u>	<u>48,189,203</u>	<u>52,014,857</u>	<u>66,251,032</u>
Business-type activities:					
Water	11,775,078	12,906,852	11,962,698	13,197,497	11,978,551
Refuse	6,985,344	6,657,089	7,562,168	7,648,908	6,364,504
Sewer	221,078	522,245	1,117,677	1,332,184	2,120,013
Total business-type activities expenses	<u>18,981,500</u>	<u>20,086,186</u>	<u>20,642,543</u>	<u>22,178,589</u>	<u>20,463,068</u>
Total primary government expenses	<u>66,768,116</u>	<u>74,588,912</u>	<u>68,831,746</u>	<u>74,193,446</u>	<u>86,714,100</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	907,537	1,005,102	1,157,100	1,216,968	1,290,795
Public safety	3,076,644	2,956,084	3,766,713	2,665,634	4,239,502
Community development	1,442,835	2,023,271	2,607,075	3,660,518	3,364,687
Culture and recreation	690,289	1,320,369	1,289,483	1,327,230	1,956,845
Highway and Streets	400,382	1,462,323	1,403,282	1,688,010	1,382,500
Operating grants and contributions	1,516,481	7,963,721	7,953,884	6,928,332	8,281,863
Capital grants and contributions	627,628	557,625	502,276	1,134,757	159,994
Total government activities program revenues	<u>8,661,796</u>	<u>17,288,495</u>	<u>18,779,813</u>	<u>18,621,449</u>	<u>20,676,186</u>
Business-type activities:					
Charges for services:					
Water	10,747,045	11,452,592	12,323,342	13,439,676	14,213,398
Refuse	6,028,436	6,371,405	6,954,603	7,124,768	6,760,312
Sewer	287,548	1,714,098	2,673,585	2,843,412	3,164,108
Capital grants and contributions	169,783	98,776	97,507	1,916,453	2,341,781
Total business-type activities revenues	<u>17,232,812</u>	<u>19,636,871</u>	<u>22,049,037</u>	<u>25,324,309</u>	<u>26,479,599</u>
Total primary government revenues	<u>\$ 25,894,608</u>	<u>\$ 36,925,366</u>	<u>\$ 40,828,850</u>	<u>\$ 43,945,758</u>	<u>\$ 47,155,785</u>

Source: City of Monterey Park Management Services Department

City of Monterey Park
Changes in Net Position (Continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year				
	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Expenses:					
Governmental activities:					
General government	\$ 8,675,180	\$ 7,024,897	\$ 16,862,932	\$ 4,997,877	\$ 13,258,409
Public safety	41,058,210	46,448,518	41,432,208	32,974,783	40,064,832
Community development	2,555,488	385,629	500,831	7,545,425	7,570,239
Culture and recreation	8,394,326	8,194,387	7,367,933	7,250,027	4,436,619
Highway and streets	6,778,639	7,592,489	6,349,422	5,300,505	6,952,909
Health	150,000	137,500	187,500	234,375	292,969
Interest and fiscal charges	931,970	923,137	1,533,531	3,435,272	3,803,497
Total governmental activities expenses	<u>68,543,813</u>	<u>70,706,557</u>	<u>74,234,357</u>	<u>61,738,264</u>	<u>76,379,474</u>
Business-type activities:					
Water	15,975,908	16,130,638	16,900,021	15,173,088	18,647,640
Refuse	6,782,261	6,643,796	7,102,416	6,773,649	7,797,114
Sewer	1,925,498	2,066,260	2,826,252	2,386,431	3,547,895
Total business-type activities expenses	<u>24,683,667</u>	<u>24,840,693</u>	<u>26,828,689</u>	<u>24,333,168</u>	<u>29,992,649</u>
Total primary government expenses	<u>93,227,480</u>	<u>95,547,250</u>	<u>101,063,046</u>	<u>86,071,432</u>	<u>106,372,123</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	1,951,847	1,418,515	1,430,819	2,369,083	2,656,843
Public safety	3,263,720	3,123,842	2,765,703	2,792,022	2,993,687
Community development	2,828,385	1,591,515	1,894,660	2,722,923	510,301
Culture and recreation	1,012,436	747,940	230,570	485,573	3,009,094
Highway and Streets	1,341,088	1,523,872	2,410,818	3,661,000	2,670,460
Operating grants and contributions	12,119,613	9,349,191	12,199,854	14,675,500	19,675,615
Capital grants and contributions	1,209,222	279,624	-	-	772,831
Total government activities program revenues	<u>23,726,311</u>	<u>18,034,499</u>	<u>20,932,424</u>	<u>26,706,101</u>	<u>32,288,831</u>
Business-type activities:					
Charges for services:					
Water	15,251,324	13,791,440	16,087,723	14,231,262	12,752,125
Refuse	6,674,188	6,722,940	6,905,547	6,843,084	7,041,047
Sewer	3,546,475	3,158,607	3,273,154	3,252,413	3,331,412
Capital grants and contributions	1,362,136	149,262	93,503	880,892	-
Total business-type activities revenues	<u>26,834,123</u>	<u>23,822,249</u>	<u>26,359,927</u>	<u>25,207,651</u>	<u>23,124,584</u>
Total primary government revenues	<u>\$ 50,560,434</u>	<u>\$ 41,856,748</u>	<u>\$ 47,292,351</u>	<u>\$ 51,913,752</u>	<u>\$ 55,413,415</u>

Source: City of Monterey Park Management Services Department

City of Monterey Park
Changes in Net Position (Continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year				
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Net (expense)/revenue:					
Governmental activities:	\$ (39,124,820)	\$ (37,214,231)	\$ (29,409,390)	\$ (33,393,408)	\$ (45,574,846)
Business-type activities:	(1,748,688)	(449,315)	1,406,494	3,145,720	6,016,531
Total primary government revenues	<u>\$ (40,873,508)</u>	<u>\$ (37,663,546)</u>	<u>\$ (28,002,896)</u>	<u>\$ (30,247,688)</u>	<u>\$ (39,558,315)</u>
General revenues and other					
Changes in net position:					
Governmental activities:					
Taxes:					
Property Taxes	\$ 19,794,165	\$ 22,600,233	\$ 22,235,616	\$ 23,154,960	\$ 24,306,944
Sales Taxes	4,942,821	5,245,208	6,427,211	6,517,491	5,341,854
Vehicle In-lieu Taxes	27,588	26,649	25,041	27,482	32,428
Utility User Taxes	3,202,264	3,257,450	3,212,890	3,212,912	2,964,825
Franchise Taxes	970,212	1,028,025	992,615	938,802	966,346
Business License Taxes	974,816	1,340,197	1,052,086	1,244,295	1,146,838
Transient Occupancy Taxes	1,049,070	1,158,767	1,248,578	1,261,777	1,163,775
Other Taxes/Special Accessment	7,282,605	346,203	285,845	269,734	585,106
Revenues from use of money and property	872,174	929,648	1,155,649	701,151	1,689,011
Other	731,679	1,153,382	1,403,883	1,030,348	1,736,642
Transfers	18,000	-	-	-	-
Total general revenues and transfers	<u>39,865,394</u>	<u>37,085,762</u>	<u>38,039,414</u>	<u>38,358,952</u>	<u>39,933,769</u>
Extraordinary item	-	-	5,638,626	-	-
Business-type activities:					
Revenues from use of money and property	-	-	-	105	-
Other	1,897,638	2,192	1,601,079	1,238,954	1,053,244
Gain/(Loss) on sale of property	4,840	1,258,626	-	-	-
Transfers	(18,000)	18,485	-	-	-
Total business-type activities	<u>1,884,478</u>	<u>1,279,303</u>	<u>1,601,079</u>	<u>1,239,059</u>	<u>1,053,244</u>
Total primary government	<u>41,749,872</u>	<u>38,365,065</u>	<u>39,640,493</u>	<u>39,598,011</u>	<u>40,987,013</u>
Changes in net position					
Governmental activities	740,574	(128,469)	14,268,650	4,965,544	(5,641,077)
Business-type activities	135,790	829,988	3,007,573	4,384,779	7,069,775
Total primary government	<u>\$ 876,364</u>	<u>\$ 701,519</u>	<u>\$ 17,276,223</u>	<u>\$ 9,350,323</u>	<u>\$ 1,428,698</u>

Source: City of Monterey Park Management Services Department

City of Monterey Park
Changes in Net Position (Continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year				
	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Net (expense)/revenue:					
Governmental activities:	\$ (44,817,502)	\$ (52,672,058)	\$ (53,301,933)	\$ (35,313,442)	\$ (44,090,643)
Business-type activities:	2,150,457	(1,018,444)	(468,762)	1,120,396	(6,868,065)
Total primary government revenues	<u>\$ (42,667,046)</u>	<u>\$ (53,690,502)</u>	<u>\$ (53,770,695)</u>	<u>\$ (34,193,046)</u>	<u>\$ (50,958,708)</u>
General revenues and other					
Changes in net position:					
Governmental activities:					
Taxes:					
Property Taxes	\$ 25,904,561	\$ 27,133,836	\$ 29,942,243	\$ 29,676,242	\$ 31,571,303
Sales Taxes	7,156,102	6,923,739	9,063,297	9,294,060	11,640,655
Vehicle In-lieu Taxes	29,876	48,934	44,545	69,754	62,585
Utility User Taxes	3,107,983	2,846,105	2,931,943	3,278,449	3,799,736
Franchise Taxes	973,084	982,837	1,011,131	1,067,908	1,230,330
Business License Taxes	1,140,840	985,158	721,601	661,415	713,015
Transient Occupancy Taxes	1,064,049	847,272	953,200	2,098,921	2,653,156
Other Taxes/Special Accessment	158,828	171,413	220,485	284,927	1,035,042
Revenues from use of money and property	2,413,637	2,096,340	395,918	(1,858,601)	1,354,512
Other	1,733,652	1,565,830	1,339,319	1,445,282	1,182,587
Transfers	-	541,523	533,787	474,300	479,411
Total general revenues and transfers	<u>43,682,612</u>	<u>44,142,987</u>	<u>47,157,469</u>	<u>46,492,657</u>	<u>55,722,332</u>
Extraordinary item	-	-	-	-	-
Business-type activities:					
Revenues from use of money and property	-	562,859	53,395	41,256	558,250
Other	2,409,810	2,260,426	1,410	4	-
Gain/(Loss) on sale of property	-	-	-	-	-
Transfers	-	(541,523)	(533,787)	-	(479,141)
Total business-type activities	<u>2,409,810</u>	<u>2,281,762</u>	<u>(478,982)</u>	<u>41,260</u>	<u>79,109</u>
Total primary government	<u>46,092,422</u>	<u>46,424,749</u>	<u>46,678,487</u>	<u>46,533,917</u>	<u>55,801,441</u>
Changes in net position					
Governmental activities	(1,134,890)	(8,529,071)	(6,144,464)	11,460,494	11,631,689
Business-type activities	4,560,267	1,263,318	(947,744)	915,743	(6,788,956)
Total primary government	<u>\$ 3,425,377</u>	<u>\$ (7,265,753)</u>	<u>\$ (7,092,208)</u>	<u>\$ 12,376,237</u>	<u>\$ 4,842,733</u>

Source: City of Monterey Park Management Services Department

City of Monterey Park
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year				
	2013/14	2014/15	2015/16	2016/17	2017/18
General Fund:					
Nonspendable	\$ -	\$ 741,556	\$ 741,556	\$ 816,495	\$ 74,939
Restricted	-	-	78,799	-	-
Committed	7,173,519	7,173,519	10,979,027	10,826,927	10,826,927
Assigned	9,321,463	10,095,120	12,052,503	14,414,724	15,064,826
Unassigned	3,554,425	3,556,499	4,554,426	4,144,661	3,994,828
Total general fund	<u>\$ 20,049,407</u>	<u>\$ 21,566,694</u>	<u>\$ 28,406,311</u>	<u>\$ 30,202,807</u>	<u>\$ 29,961,520</u>
All other governmental funds:					
Nonspendable	\$ 1,989,686	\$ 1,921,015	\$ -	\$ -	\$ -
Restricted	17,449,555	19,872,630	21,597,574	21,426,308	22,145,598
Committed	1,496,211	699,188	584,570	472,919	437,426
Assigned	-	-	-	-	-
Unassigned	-	(931,973)	(168,139)	(1,369,489)	-
Total all other governmental funds	<u>\$ 20,935,452</u>	<u>\$ 21,560,860</u>	<u>\$ 22,014,005</u>	<u>\$ 20,529,738</u>	<u>\$ 22,583,024</u>
Total for Governmental Funds:	<u>\$ 40,984,859</u>	<u>\$ 43,127,554</u>	<u>\$ 50,420,316</u>	<u>\$ 50,732,545</u>	<u>\$ 52,544,544</u>

Source: City of Monterey Park Management Services Department

City of Monterey Park
Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year				
	2018/19	2019/20	2020/21	2021/22	2022/23
General Fund:					
Nonspendable	\$ 75,778	\$ 78,802	\$ 72,590	\$ 82,310	\$ 77,450
Restricted	-	-			
Committed	7,226,927	7,226,927	9,226,927	9,726,927	10,226,927
Assigned	20,147,039	19,365,589	21,418,237	19,156,028	18,029,418
Unassigned	5,105,667	5,838,129	4,419,338	-	119,426
Total general fund	<u>\$ 32,555,411</u>	<u>\$ 32,509,447</u>	<u>\$ 35,137,092</u>	<u>\$ 28,965,265</u>	<u>\$ 28,453,221</u>
All other governmental funds:					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	26,088,353	26,887,421	20,468,071	44,755,797	41,063,132
Committed	417,741	418,383	367,752	276,809	152,403
Assigned	-	-	-		
Unassigned	-	(72,645)	(58,728)	(380,362)	(119,919)
Total all other governmental funds	<u>\$ 26,506,094</u>	<u>\$ 27,233,159</u>	<u>\$ 20,777,095</u>	<u>\$ 44,652,244</u>	<u>\$ 41,095,616</u>
Total for Governmental Funds:	<u>\$ 59,061,505</u>	<u>\$ 59,742,606</u>	<u>\$ 55,914,187</u>	<u>\$ 73,617,509</u>	<u>\$ 69,548,837</u>

Source: City of Monterey Park Management Services Department

City of Monterey Park
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year				
	2013/14	2014/15	2015/16	2016/17	2017/18
Revenues:					
Taxes	\$ 38,059,146	\$ 41,748,001	\$ 41,158,303	\$ 37,078,002	\$ 36,662,530
Licenses and permits	848,949	775,135	2,428,895	2,913,671	2,729,412
Intergovernmental revenues	2,035,035	3,072,957	3,203,752	6,664,547	8,945,319
Charges for services	4,922,983	5,521,035	6,110,829	6,721,667	8,417,372
Revenues from use of money & property/Investment income	943,369	919,998	1,207,629	694,820	1,727,784
Fines and forfeitures	931,718	1,043,704	1,295,647	605,957	680,133
Other	767,790	1,180,868	1,414,172	1,074,799	1,756,785
Total revenues	48,508,990	54,261,698	56,819,227	55,753,463	60,919,335
Expenditures					
Current:					
General government	3,859,127	4,609,650	5,744,019	5,844,104	7,146,292
Public safety	25,647,992	27,076,488	28,396,653	29,258,673	30,235,225
Community development	2,345,099	3,015,194	2,261,895	2,392,374	2,497,952
Culture and recreation	5,587,721	6,738,804	6,464,589	6,634,294	6,981,663
Highways and streets	5,672,512	4,938,939	5,103,275	4,780,221	4,812,085
Health	120,000	488,697		250,000	160,000
Capital outlay	2,957,442	4,855,050	4,594,721	3,415,464	4,413,196
Debt service:					
Principal	1,229,166	1,255,802	1,291,263	1,370,156	1,416,257
Interest and fiscal charges	1,217,331	1,279,276	1,058,676	995,948	944,666
Total expenditures	48,636,390	54,257,900	54,915,091	54,941,234	58,607,336
Excess (deficiency) of revenues over (under) expenditures	(127,400)	3,798	1,904,136	812,229	2,311,999
Other financing sources (uses):					
Transfers in	943,350	1,380,000	2,327,332	2,246,686	2,225,885
Transfers out	(903,905)	(1,380,000)	(2,577,332)	(2,746,686)	(2,725,885)
Capital Lease					
Proceeds from sale of property	16,750	562,114	-	-	-
Issue of long term debt	-	1,576,783	-	-	-
Total other financing Sources (uses)	56,195	2,138,897	(250,000)	(500,000)	(500,000)
Net change in fund balances before Extraordinary Item	\$ (71,205)	\$ 2,142,695	\$ 1,654,136	\$ 312,229	\$ 1,811,999
Extraordinary Items	-	-	5,638,626	-	-
Net change in fund balances	\$ (71,205)	\$ 2,142,695	\$ 7,292,762	\$ 312,229	\$ 1,811,999
Debt services as a percentage of noncapital expenditures ⁽¹⁾	5.36%	5.13%	4.67%	4.59%	4.36%

Notes:

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

Source: City of Monterey Park Management Services Department

City of Monterey Park
Changes in Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year				
	2018/19	2019/20	2020/21	2021/22	2022/23
Revenues:					
Taxes	\$ 39,864,511	\$ 40,160,022	\$ 45,232,837	\$ 46,856,891	\$ 58,309,757
Licenses and permits	3,038,847	1,837,426	1,849,831	2,153,956	2,533,406
Intergovernmental revenues	11,577,229	9,385,537	11,430,832	13,698,421	12,633,179
Charges for services	7,161,652	6,057,607	6,458,077	9,723,880	9,956,525
Revenues from use of money & property/Investment income	2,701,145	2,329,927	518,793	(1,734,973)	2,361,132
Fines and forfeitures	1,623,039	587,059	446,741	595,615	321,059
Other	1,741,046	1,566,488	1,622,030	1,715,830	839,004
Total revenues	67,707,469	61,924,066	67,559,141	73,009,620	86,954,062
Expenditures					
Current:					
General government	6,136,588	6,898,124	115,631,413	8,127,513	12,131,984
Public safety	34,708,110	35,762,037	37,642,012	33,805,125	39,157,595
Community development	2,563,517	316,097	430,627	7,424,848	7,545,853
Culture and recreation	7,383,682	7,034,788	6,618,326	6,260,135	3,938,763
Highways and streets	5,347,037	6,627,295	5,621,649	5,893,763	8,061,381
Health	150,000	137,500	187,500	234,375	292,969
Capital outlay	2,927,407	3,111,577	9,655,402	6,696,125	11,412,223
Debt service:					
Principal	1,079,149	1,115,754	1,154,028	4,165,346	5,795,552
Interest and fiscal charges	895,018	853,417	809,641	3,949,977	3,876,712
Total expenditures	61,190,508	61,856,589	177,750,598	76,557,207	92,213,032
Excess (deficiency) of revenues over (under) expenditures	6,516,961	67,477	(110,191,457)	(3,547,587)	(5,258,970)
Other financing sources (uses):					
Transfers in	3,003,264	4,319,658	4,488,195	4,146,091	10,036,484
Transfers out	(3,003,264)	(3,706,035)	(4,929,208)	(3,583,991)	(9,557,343)
Capital Lease			2,682,300		
Proceeds from sale of property	-	-	-	-	-
Issue of long term debt	-	-	100,892,026	21,026,121	66,901
Total other financing Sources (uses)	-	613,623	103,133,313	21,588,221	546,042
Net change in fund balances before Extraordinary Item	\$ 6,516,961	\$ 681,100	\$ (7,058,144)	\$ 18,040,634	\$ (4,712,928)
Extraordinary Items	-	-	-	-	-
Net change in fund balances	\$ 6,516,961	\$ 681,100	\$ (7,058,144)	\$ 18,040,634	\$ (4,712,928)
Debt services as a percentage of noncapital expenditures ⁽¹⁾	3.39%	3.35%	1.17%	11.62%	11.97%

Notes:

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

Source: City of Monterey Park Management Services Department

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City of Monterey Park
Assessed Value of Taxable Property ⁽¹⁾
Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property	Tax-Exempt Property⁽²⁾	Total Taxable Assessed Value	Total Direct Tax Rate⁽³⁾⁽⁴⁾
2013/14	4,589,336,142	1,037,976,948	156,760,121	268,842,451	33,537,437	6,052,915,662	0.24388
2014/15	4,819,968,671	1,058,583,010	160,416,355	276,605,994	29,479,877	6,315,574,030	0.24412
2015/16	5,057,044,107	1,093,431,570	164,909,195	276,512,462	29,538,778	6,591,897,334	0.24437
2016/17	5,307,806,812	1,140,647,311	173,217,543	312,397,210	28,011,283	6,934,068,876	0.24460
2017/18	5,602,078,820	1,173,225,228	186,112,221	308,114,143	27,269,372	7,269,530,412	0.24384
2018/19	5,900,997,427	1,246,669,672	202,037,631	301,345,786	27,122,190	7,651,050,516	0.24490
2019/20	6,154,110,366	1,385,210,969	214,058,031	335,807,643	27,122,190	8,089,187,009	0.24507
2020/21	6,452,593,484	1,442,805,214	225,355,790	362,258,108	27,122,190	8,483,012,596	0.24526
2021/22	6,696,922,280	1,485,031,636	236,761,070	352,907,188	27,122,190	8,771,622,174	0.24540
2022/23	7,069,923,565	1,575,607,923	257,317,476	357,318,569	27,122,190	9,260,167,533	0.24561

Notes:

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

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

City of Monterey Park
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate per \$100 of taxable value)

Agency	Fiscal Year				
	2013/14	2014/15	2015/16	2016/17	2017/18
Basic Levy ⁽¹⁾	1.00000	1.00000	1.00000	1.00000	1.00000
City Direct Rates:					
Monterey Park - General Obligation Bonds	0.09117	0.09117	0.09117	0.09117	0.09117
Total Direct Rates	<u>1.09117</u>	<u>1.09117</u>	<u>1.09117</u>	<u>1.09117</u>	<u>1.09117</u>
Overlapping Rates:					
Alhambra Unified School District	0.04906	0.04985	0.04926	0.03615	0.05786
Garvey School District	0.05978	0.05947	0.05874	0.06067	0.08332
Garvey-Alhambra	0.04914	0.04522	0.04538	0.05303	0.09319
Los Angeles Community College District	0.04454	0.04017	0.03575	0.03596	0.04599
Los Angeles Unified School District	0.14644	0.14688	0.12971	0.13110	0.12219
Metropolitan Water District	0.01800	0.01800	0.01800	0.02300	0.03000
Montebello Unified School District	0.09457	0.08750	0.08715	0.14705	0.13514
Monterey Park GO Debt	0.09117	0.09117	0.09117	0.09117	0.09117
Total Overlapping Rates	<u>0.55270</u>	<u>0.53826</u>	<u>0.51516</u>	<u>0.57813</u>	<u>0.65886</u>
Total Direct & Overlapping ⁽²⁾ Tax Rates	<u>1.64387</u>	<u>1.62943</u>	<u>1.60633</u>	<u>1.66930</u>	<u>1.75003</u>
City's Share of 1% Levy Per Prop 13 ⁽³⁾	0.15778	0.15778	0.15778	0.15778	0.15778
General Obligation Debt Rate	0.09117	0.09117	0.09117	0.09117	0.09117
Redevelopment Rate ⁽⁴⁾	0.00000	0.00000	0.00000	0.00000	0.00000
Total Direct Rate ⁽⁵⁾	0.24388	0.24412	0.24437	0.24460	0.24384

Notes:

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

Sources: 1. HDL Coren & Cone

2. County of Los Angeles Department of Auditor-Controller

City of Monterey Park
Direct and Overlapping Property Tax Rates (Continued)
Last Ten Fiscal Years
(Rate per \$100 of taxable value)

Agency	Fiscal Year				
	2018/19	2019/20	2020/21	2021/22	2022/23
Basic Levy ⁽¹⁾	1.00000	1.00000	1.00000	1.00000	1.00000
City Direct Rates:					
Monterey Park - General Obligation Bonds	0.09117	0.09117	0.09117	0.09117	0.09117
Total Direct Rates	<u>1.09117</u>	<u>1.09117</u>	<u>1.09117</u>	<u>1.09117</u>	<u>1.09117</u>
Overlapping Rates:					
Alhambra Unified School District	0.05404	0.04501	0.04509	0.04405	0.05131
Garvey School District	0.08705	0.08623	0.08425	0.08837	0.08566
Garvey-Alhambra	0.08800	0.07055	0.07360	0.05726	0.05737
Los Angeles Community College District	0.04621	0.02717	0.04016	0.04376	0.02488
Los Angeles Unified School District	0.12323	0.12552	0.13993	0.11323	0.12107
Metropolitan Water District	0.03000	0.03000	0.03000	0.03000	0.03000
Montebello Unified School District	0.13921	0.09306	0.09706	0.09031	0.12770
Monterey Park GO Debt	0.09117	0.09117	0.09117	0.09117	0.09117
Total Overlapping Rates	<u>0.65891</u>	<u>0.56871</u>	<u>0.60126</u>	<u>0.55815</u>	<u>0.58916</u>
Total Direct & Overlapping ⁽²⁾ Tax Rates	<u>1.75008</u>	<u>1.65988</u>	<u>1.69243</u>	<u>1.64932</u>	<u>1.68033</u>
City's Share of 1% Levy Per Prop 13 ⁽³⁾	0.15778	0.15778	0.15778	0.15778	0.15778
General Obligation Debt Rate	0.09117	0.09117	0.09117	0.09117	0.09117
Redevelopment Rate ⁽⁴⁾	0.00000	0.00000	0.00000	0.00000	0.00000
Total Direct Rate ⁽⁵⁾	0.24490	0.24507	0.24526	0.24540	0.24561

Notes:

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

Sources: 1. HDL Coren & Cone

2. County of Los Angeles Department of Auditor-Controller

**City of Monterey Park
Principal Property Taxpayers
(Current Year and Nine Years Ago)**

Taxpayers	2022/23	
	Taxable Assessed Valuation	Percent of Total City Taxable Assessed Valuation
ATLANTIC TIMES SQUARE X LLC	\$ 154,452,227	1.67%
MPRP TRACT 3 LLC	137,081,423	1.48%
OMNINET LACC LLC ET AL	88,596,320	0.96%
ETHAN CAPITAL LLC	88,457,430	0.96%
UNION BANK	58,489,342	0.63%
GARFIELD CALMED INVESTMENT LP	57,148,047	0.62%
ATLANTIC SQUARE LLC	51,952,123	0.56%
BRE CALIFORNIA SATURN LLC	41,815,881	0.45%
MAR CENTER LLC ET AL	39,050,027	0.42%
EMERALD HILLS LLC	36,737,814	0.40%
	<u>\$ 753,780,634</u>	<u>8.14%</u>
Total City Assessed Value	<u>\$ 9,260,167,533</u>	

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

**City of Monterey park
Principal Property Taxpayers (Continued)
(Current Year and Nine Years Ago)**

	2013/14	
Taxpayers	Taxable Assessed Valuation	Percent of Total City Taxable Assessed Valuation
ATLANTIC TIMES SQUARE II LLC	\$ 147,783,899	2.44%
LOS ANGELES CORPORATE CENTER LLC	67,160,000	1.11%
UNION BANK	62,699,589	1.04%
GARFIELD CALMED INVESTMENT LP	53,591,924	0.89%
1977 SATURN LLC	46,900,000	0.77%
GMS FIVE LLC	44,770,795	0.74%
EMERALD HILLS LLC	31,385,792	0.52%
MPM PARTNERS LLC	26,453,380	0.44%
CARE 1ST HEALTH PLAN INC	23,851,970	0.39%
REAL ESTATE INVESTORS 1984 1 ET AL	21,000,000	0.35%
	\$ 525,597,349	8.68%
Total City Assessed Value	\$ 6,052,915,662	

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

**City of Monterey Park
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year	Original Levy			1% - CY PER BOOK			
	Taxes Levied for the Fiscal Year			Collected within the Fiscal Year of Levy			
	1%	D.S.	Amount	1%	D.S.	Amount	Percentage of Levy
2013/14	7,634,155	4,523,042	12,157,197	7,425,568	4,437,271	11,862,839	97.58%
2014/15	8,065,770	4,540,488	12,606,259	7,796,253	4,443,105	12,239,358	97.09%
2015/16	8,455,052	4,956,680	13,411,732	8,163,466	4,837,739	13,001,205	96.94%
2016/17	8,824,332	5,182,017	14,006,349	8,497,606	5,046,043	13,543,649	96.70%
2017/18	9,279,439	5,447,199	14,726,639	8,918,736	5,290,647	14,209,382	96.49%
2018/19	9,729,981	5,745,652	15,475,634	9,348,499	5,629,544	14,978,043	96.78%
2019/20	10,218,301	5,990,008	16,208,309	9,742,395	5,844,063	15,586,458	96.16%
2020/21	10,722,859	6,244,037	16,966,896	10,230,502	6,088,919	16,319,421	96.18%
2021/22	10,954,338	6,470,729	17,425,067	10,109,659	6,194,802	16,304,462	93.57%
2022/23	11,569,892	6,799,424	18,369,316	11,037,821	6,607,287	17,645,108	96.06%

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

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

Source: 1 City of Monterey Park Finance Department
2 County of Los Angeles Tax Assessor

**City of Monterey Park
Property Tax Levies and Collections (Continued)
Last Ten Fiscal Years**

Fiscal Year	1% - PY PER BOOK			Total Collections to Date			
	Collections in Subsequent Years			1%	D.S.	Amount	Percentage of Levy ⁽¹⁾
	1%	D.S.	Amount				
2013/14	273,471	95,500	368,971	7,699,039	4,532,770	12,231,809	101%
2014/15	143,686	77,728	221,414	7,939,938	4,520,833	12,460,772	99%
2015/16	196,898	120,616	317,514	8,360,364	4,958,355	13,318,719	99%
2016/17	265,175	110,404	375,579	8,762,781	5,156,448	13,919,228	99%
2017/18	109,223	150,134	259,357	9,027,959	5,440,781	14,468,740	98%
2018/19	196,298	130,331	326,629	9,544,797	5,759,875	15,304,672	99%
2019/20	456,762	107,931	564,692	10,199,157	5,951,993	16,151,150	100%
2020/21	285,221	126,640	411,860	10,515,722	6,215,559	16,731,281	99%
2021/22	357,825	139,127	496,952	10,467,484	6,333,929	16,801,414	96%
2022/23	309,212	121,454	430,666	11,347,033	6,728,741	18,075,774	98%

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

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

Source: 1 City of Monterey Park Finance Department
2 County of Los Angeles Tax Assessor

City of Monterey Park
Outstanding Debt by Type
Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Governmental Activities							Total Governmental Activities
	Pension Obligation Bonds	Street Bonds	HUD Section 108 Loans	Library Special Tax Revenue Note	Finance Purchase Loans	Lease Liabilities	Subscription Liabilities	
2013/14	14,890		3,873	1,409	988	-	-	21,160
2014/15	14,425		3,538	1,077	2,442	-	-	21,482
2015/16	13,970		3,182	731	2,307	-	-	20,190
2016/17	13,520		2,804	373	2,123	-	-	18,820
2017/18	13,075		2,403	-	1,926	-	-	17,404
2018/19	12,635		1,977	-	4,162	-	-	18,774
2019/20	12,200		1,526	-	3,587	-	-	17,313
2020/21	112,662		1,047	-	5,669	-	-	119,378
2021/22	109,268	20,752	539	-	4,969	96	1,397	137,021
2022/23	105,185	20,338	-	-	4,242	74	725	130,564

Notes:

- (1) Percentage of Personal Income was based on data from Los Angeles County State of California Employment Department.
- (2) Debt per capita data was based on the number of population within the City of Monterey Park.
- (3) Start from FY17/18, personal income data for California

Source: 1. HDL Coren & Cone
2. City of Monterey Park Finance Department

City of Monterey Park
Outstanding Debt by Type (Continued)
Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Business-Type Activity				Total Primary Government	⁽¹⁾ Percentage of Personal Income	Population	⁽²⁾ Debt Per Capita
	Loans	Pension Obligation Bonds	Lease Liabilities	Subscription Liabilities				
2013/14	4,392	-	-	-	25,552	0.01%	61,777	414
2014/15	12,747	-	-	-	34,229	0.01%	61,805	554
2015/16	12,127	-	-	-	32,317	0.01%	61,346	527
2016/17	10,567	-	-	-	29,387	0.00%	61,606	477
2017/18	9,809	-	-	-	27,213	1.08% (3)	62,240	437
2018/19	9,167	-	-	-	27,941	1.10%	61,828	452
2019/20	8,466	-	-	-	25,779	0.92%	60,734	424
2020/21	7,915	5,443	-	-	132,736	4.42%	60,380	2,198
2021/22	11,310	5,282	3	12	153,628	5.09%	60,207	2,552
2022/23	10,646	5,085	2	9	146,306	N/A	59,288	2,468

Notes:

- (1) Percentage of Personal Income was based on data from Los Angeles County State of California Employment Department.
- (2) Debt per capita data was based on the number of population within the City of Monterey Park.
- (3) Start from FY17/18, personal income data for California

Source: 1. HDL Coren & Cone
2. City of Monterey Park Finance Department

City of Monterey Park
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years
(In Thousands, except Per Capita)

Fiscal Year	Pension Obligation Bonds ⁽¹⁾	Actual Taxable Value of Property	Percent of Actual Taxable Value of Property ⁽²⁾	Population	Net Bonded Debt Per Capita
2013/14	14,890	6,052,916	0.25%	61,777	241
2014/15	14,425	6,315,574	0.23%	61,805	233
2015/16	13,970	6,591,897	0.21%	61,346	228
2016/17	13,520	6,934,069	0.19%	61,606	219
2017/18	13,075	7,269,530	0.18%	62,240	210
2018/19	12,635	7,651,050	0.17%	61,828	204
2019/20	12,200	8,089,187	0.15%	60,734	201
2020/21	118,105	8,483,013	1.39%	60,380	1,956
2021/22	114,550	8,771,622	1.31%	60,207	1,903
2022/23	110,270	9,260,168	1.19%	59,288	1,860

Note:

- (1) The City has Pension Obligation bonds and does not have any other General Obligation Bonds.
- (2) Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

Source: 1 City of Monterey Park Finance Department

City of Monterey Park
Direct and Overlapping Debt
As of June 30, 2023

	Total Debt	% Applicable To City (1)	City's Share of Debt
<u>OVERLAPPING TAX AND ASSESSMENT DEBT</u>			
Metropolitan Water District	19,215,000	0.015	2,882
Los Angeles Community College District	4,500,730,000	0.864	38,886,307
Alhambra Unified School District	67,504,695	32.134	21,691,959
Alhambra Unified School District School Facilities Improvement District No.	188,784,708	32.965	29,267,879
Alhambra Unified School District (former Elementary School District)	12,098,640	32.965	3,988,317
Los Angeles Unified School District	10,704,725,000	0.033	3,532,559
Montebello Unified School District	248,196,585	9.151	22,712,469
Garvey School District	56,673,063	29.354	16,635,811
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 136,718,183
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT</u>			
Los Angeles County General Fund Obligations	2,601,551,282	0.489	12,721,586
Los Angeles County Superintendent of Schools Certificates of Participation	3,403,487	0.489	16,643
Los Angeles Unified School District General Fund Obligations	97,870,000	0.033	32,297
Montebello Unified School District General Fund Obligations	4,615,000	9.151	422,319
City of Monterey Park Pension Obligation Bonds	110,270,000	100.000	110,270,000
Los Angeles County Sanitation District No. 2 Authority	776,732	11.921	92,594
Los Angeles County Sanitation District No. 15 Authority	795,080	0.224	1,781
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 123,557,220
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency)</u>	8,210,000	100.000	\$ 8,210,000
TOTAL DIRECT DEBT			\$ 110,270,000
TOTAL OVERLAPPING DEBT			\$ 158,215,403
COMBINED TOTAL DEBT			\$ 268,485,403 (2)

Notes:

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2022-23 Assessed Valuation

Total Direct Debt (\$110,270,000)	1.19%
Total Overlapping Tax and Assessment Debt	1.48%
Combined Total Debt	2.90%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$1,928,244,213)

Overlapping Tax Increment Debt	0.43%
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Source: HDL Coren & Cone

**City of Monterey Park
Legal Debt Margin Information
Last Ten Fiscal Years
(In Thousands)**

	Fiscal Year				
	2013/14	2014/15	2015/16	2016/17	2017/18
Assessed valuation	6,052,916	6,315,574	6,591,897	6,934,068	7,269,530
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	907,937	947,336	988,785	1,040,110	1,090,430
Total net debt applicable to limit: Pension obligation bonds	<u>14,890</u>	<u>14,425</u>	<u>13,970</u>	<u>13,520</u>	<u>13,075</u>
Legal debt margin	<u>\$ 893,047</u>	<u>\$ 932,911</u>	<u>\$ 974,815</u>	<u>\$ 1,026,590</u>	<u>\$ 1,077,355</u>
Total debt applicable to the limit as a percentage of debt limit	1.64%	1.52%	1.41%	1.30%	1.20%

Note: In accordance with California Government Code Section 436 exceed 15 percent of total assessed valuation.

Sources: 1. City of Monterey Park Finance Department
2. HDL Coren & Cone
3. County of Los Angeles Department of Auditor-Controller

**City of Monterey Park
Legal Debt Margin Information (Continued)
Last Ten Fiscal Years
(In Thousands)**

	Fiscal Year				
	2018/19	2019/20	2020/21	2021/22	2022/23
Assessed valuation	7,651,050	8,089,187	8,483,013	8,771,622	9,260,168
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	1,147,657	1,213,378	1,272,452	1,315,743	1,389,025
Total net debt applicable to limit: Pension obligation bonds	<u>12,635</u>	<u>12,200</u>	<u>118,105</u>	<u>114,550</u>	<u>110,270</u>
Legal debt margin	<u>\$ 1,135,022</u>	<u>\$ 1,201,178</u>	<u>\$ 1,154,347</u>	<u>\$ 1,201,193</u>	<u>\$ 1,278,755</u>
Total debt applicable to the limit as a percentage of debt limit	1.10%	1.01%	9.28%	8.71%	7.94%

Note: In accordance with California Government Code Section 436 exceed 15 percent of total assessed valuation.

Sources: 1. City of Monterey Park Finance Department
2. HDL Coren & Cone
3. County of Los Angeles Department of Auditor-Controller

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**City of Monterey Park
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2013/14	61,777	499,767,889	49,400	6.5%
2014/15	61,805	544,324,900	53,521	5.2%
2015/16	61,346	563,907,868	55,624	5.2%
2016/17	61,606	593,741,110	58,419	4.5%
2017/18 ⁽¹⁾	62,240	2,514,503	63,720	3.9%
2018/19	61,828	2,544,235	64,513	4.1%
2019/20	60,734	2,790,524	70,647	9.6%
2020/21	60,380	3,006,184	76,614	13.3%
2021/22	60,207	3,018,471	77,339	5.4%
2022/23	59,288	N/A	N/A	4.9%

Note:

Note:

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

Sources:

1. U.S. Bureau of Economic Analysis
2. HDL Coren & Cone
3. California Employment Development Department

**City of Monterey Park
Principal Employers
(Current Year and Nine Years Ago)**

Employers	2022/23	
	Number of Employees	Percentage of Total Employment ⁽¹⁾
GARFIELD MEDICAL CENTER	1,019	0.021%
SOUTHERN CALIFORNIA GAS COMPANY	445	0.009%
COSTCO WHOLESALE #1318	425	0.009%
MONTEREY PARK HOSPITAL	345	0.007%
HOME DEPOT #2304	214	0.005%
RALPHS GROCERY CO (2 LOCATIONS)	194	0.004%
REMITCO L L C	158	0.003%
CARMICHAEL INTERNATIONAL SERVICE	151	0.003%
BEHAVIOR RESPITE IN ACTION INC	132	0.003%
HERITAGE MANOR HEALTHCARE	132	0.003%
CAMINO REAL CHEVROLET	113	0.002%
MONTEREY PARK CONVALESCENT HOSPITAL INC	110	0.002%
LA COLONIAL TORTILLA PRODUCTS INC	86	0.002%
NETWORK MEDICAL MANAGEMENT INC	80	0.002%
GREAT WALL SUPERMARKET	78	0.002%

Note:

(1) Percentage of total employment is calculated based on Los Angeles County's total employment annual force of 4,739,900 in 2022 and 4,471,400 in 2013.

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

**City of Monterey Park
Principal Employers (Continued)
(Current Year and Nine Years Ago)**

Employers	2013/14	
	Number of Employees	Percentage of Total Employment ⁽¹⁾
GARFIELD MEDICAL CENTER	976	0.022%
CARE 1ST HEALTH PLAN	541	0.012%
SOUTHERN CALIFORNIA GAS COMPANY	387	0.009%
SYNER MED INC	356	0.008%
MONTEREY PARK HOSPITAL	320	0.007%
REMITCO LLC	187	0.004%
RALPHS GROCERY (2 LOCATIONS)	171	0.004%
24 HOUR FITNESS #867	143	0.003%
CHINESE DAILY NEWS	142	0.003%
CALIFORNIA PSYCHCARE INC	103	0.002%
CAMINO REAL CHEVROLET	100	0.002%
MONTEREY PARK CONVALESCENT	92	0.002%
SOUTHERN CALIFORNIA EDISON	90	0.002%
HERITAGE MANOR HEALTHCARE	90	0.002%
LA COLONIAL TORTILLA PRODUCTS INC	85	0.002%

Note:

(1) Percentage of total employment is calculated based on Los Angeles County's total employment annual force of 4,739,900 in 2022 and 4,471,400 in 2013.

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

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**City of Monterey Park
City Employees by Function
Last Ten Fiscal Years**

Function	Fiscal Year									
	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23
General Government	32	31	32	33	33	35	38	40	55	57
Public Safety										
Police	114	114	116	119	119	122	122	124	124	126
Fire	58	58	58	59	61	61	66	66	64	64
Public Works	70	69	71	71	71	71	80	83	74	74
Culture and Recreation										
Library	25	26	26	26	26	26	25	25	19	24
Recreation/Community Services	36	37	37	37	37	37	36	38	37	37
Community/Economic Development ⁽¹⁾	13	14	14	15	17	17	0	0	0	0
Total	347	348	352	359	364	368	367	376	373	382

Note: Numbers represent Full-Time-Equivalent positions.

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

Source: City of Monterey Park Annual Adopted Budget

**City of Monterey Park
Operating Indicators by Function
Last Ten Fiscal Years**

	2013/14	Fiscal Year 2014/15	2015/16	2016/17	2017/18
Police:					
Number of service calls	51,735	54,568	54,183	53,646	54,696
Response time priority I (emergency) (minutes/seconds)	4:28	3:56	4:49	4:46	4:22
Fire:					
Number of emergency calls	4,538	4,605	4,985	5,047	5,121
Inspections	2,955	2,424	5,139	3,523	3,523
Public works:					
Street resurfacing (miles)	0.48	0.16	2.12	2.71	2.80
Parks and recreation:					
Hours of recreation classes	640	640	650	600	922
Number of facility rentals / Number of hours of facility rentals ⁽¹⁾	167	165	175	1,197	1,230
Water:					
Meters changed and upgrades ⁽²⁾	329	10,994	98	112	8
Water turn-ons and turn-offs	2,412	2,412	2,682	2,440	2,440
Average daily consumption (thousand of gallons)	8,000	8,000	8,000	8,000	8,000

Note:

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

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

Sources: 1. City of Monterey Park Annual Budget

2. City of Monterey Park Finance, Fire, Public Works, Recreation Departments

City of Monterey Park
Operating Indicators by Function (Continued)
Last Ten Fiscal Years

	2018/19	Fiscal Year 2019/20	2020/21	2021/22	2022/23
Police:					
Number of service calls	53,534	50,153	49,154	49,899	52,152
Response time priority I (emergency) (minutes/seconds)	4:02	3:59	3:32	3:59	4:05
Fire:					
Number of emergency calls	4,355	4,251	4,979	5,266	5,535
Inspections	2,922	3,200	2,356	1,776	3,972
Public works:					
Street resurfacing (miles)	0	2.79	0	9.39	12.39
Parks and recreation:					
Hours of recreation classes	960	640	95	441	441
Number of facility rentals / Number of hours of facility rentals ⁽¹⁾	2,816	640	0	264	720
Water:					
Meters changed and upgrades ⁽²⁾	5	7	2	3	2
Water turn-ons and turn-offs	2,080	3,471	1,078	1,866	2,000
Average daily consumption (thousand of gallons)	8,000	8,000	8,000	8,000	8,000

Note:

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

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

Sources: 1. City of Monterey Park Annual Budget

2. City of Monterey Park Finance, Fire, Public Works, Recreation Departments

City of Monterey Park
Capital Assets Statistics by Function
Last Ten Fiscal Years

	Fiscal Year				
	2013/14	2014/15	2015/16	2016/17	2017/18
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	3	3	3	3	3
Public works:					
Streets (miles)	119	119	119	119	119
Streetlights	3,359	3,359	3,359	3,359	3,359
Traffic signals	75	75	75	75	75
Parks and recreation:					
Parks	14	14	14	14	14
Community centers					
Water:					
Water mains (miles)	134	134	134	134	134
Maximum Actual Daily Pumped (thousands of gallons)	11,510	9,680	7,200	6,800	7,000
Wastewater:					
Sanitary sewers (miles)	126	126	126	126	126
Storm sewers (miles)	12.43	12.43	12.43	12.43	12.43

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

City of Monterey Park
Capital Assets Statistics by Function (Continued)
Last Ten Fiscal Years

	Fiscal Year				
	2018/19	2019/20	2020/21	2021/22	2022/23
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	3	3	3	3	3
Public works:					
Streets (miles)	119	119	119	119	119
Streetlights	3,359	3,359	3,359	3,359	3,359
Traffic signals	75	75	75	75	75
Parks and recreation:					
Parks	14	14	14	14	14
Community centers					
Water:					
Water mains (miles)	134	134	134	134	134
Maximum Actual Daily Pumped (thousands of gallons)	6,700	6,700	6,800	6,300	6,000
Wastewater:					
Sanitary sewers (miles)	126	126	126	126	126
Storm sewers (miles)	12.43	12.43	12.43	12.43	12.43

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

City of Monterey Park
Water Sold by Type of Customer
Last Ten Fiscal Years
(in millions of gallons)

	Fiscal Year									
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Type of Customers:										
Residential	1,956.0	1,965.9	1,564.2	1,555.6	1,571.6	1,524.5	1,557.1	1,734.8	1,552.1	1,847.2
Commercial	671.8	709.0	594.0	618.0	610.0	579.5	530.4	507.0	507.8	603.9
Institutional	11.1	-	4.4	6.0	6.0	5.1	5.3	5.9	5.8	5.8
Government	13.6	10.6	37.3	45.7	98.5	48.8	48.8	67.6	56.5	60.3
Total	2,652.5	2,685.5	2,199.9	2,225.3	2,286.1	2,157.9	2,141.6	2,315.3	2,122.2	2,517.2

Source: City of Monterey Park Public Works Department

**City of Monterey Park
Water Rates
Last Ten Fiscal Years**

Fiscal Year	Monthly Base Rate	Rate per 1,000 Gallons
2013/14	12.63	2.21
2014/15	14.50	2.39
2015/16	15.95	2.49
2016/17	17.55	2.89
2017/18	19.30	3.02
2018/19	21.25	3.15
2019/20	19.20	3.01
2020/21	19.20	3.01
2021/22	19.20	3.01
2022/23	19.20	3.01

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

Source: City of Monterey Park Finance Department

**City of Monterey Park
Top Ten Water Customers
(Current Year and Four Years Ago)**

Water Customer	2022/23		2018/2019	
	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues
Garfield Estates	\$ 110,056	0.68%	\$ 60,024	0.33%
Continental Homes	96,621	0.60%	-	0.00%
Atlantic Times Square II, LLC	88,498	0.55%	155,091	0.86%
Garfield Medical Ctr	86,285	0.54%	76,941	0.42%
MP 3600 LLC	79,139	0.49%	-	0.00%
Aespace America Inc	73,102	0.45%	111,915	0.62%
Atlantic Times Square II, LLC	68,308	0.43%	104,822	0.58%
Moon Valley Nursery of CA, Inc	53,302	0.33%	62,256	0.34%
Mtry Pk Intrcm Hosp	48,952	0.30%	51,016	0.28%
Atlantic Times Square II, LLC	38,412	0.24%	-	0.00%
	<u>\$ 742,675</u>	<u>4.62%</u>	<u>\$ 622,065</u>	<u>3.43%</u>

Source: City of Monterey Park Finance Department