



City of Monterey Park

California

Annual Comprehensive Financial Report Year Ended June 30, 2024



City of Monterey Park
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024
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MONTEREY PARK CITY OFFICIALS



CITY COUNCIL

Thomas Wong, Mayor
Vinh Ngo, Mayor Pro Tem

Jose Sanchez
Council Member

Yvonne Yiu
Council Member

Henry Lo
Council Member

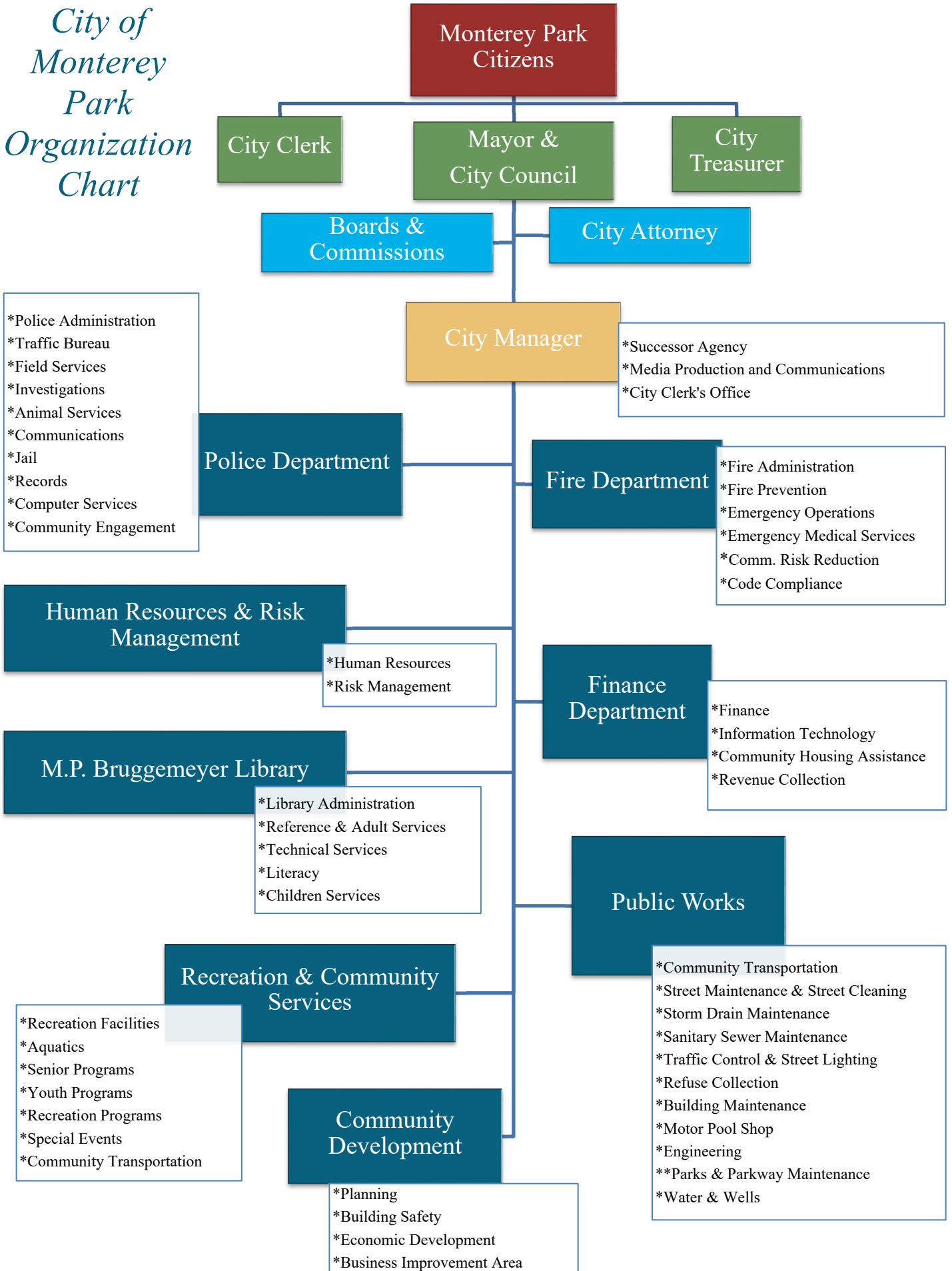
ELECTED OFFICIALS

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
Chris Thompson.....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

November 25, 2024

To the Honorable Mayor, Members of the City Council and the Residents 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, 2024.

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 ended June 30, 2024, 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 2023-24 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 59,288. Monterey Park is primarily a residential community, with 78% of its land zoned for single and multiple family housing. In 2024, the median sales price of detached single-family homes in Monterey Park was \$963,500. This median sales price was 4.96% higher the 2023 median sales price of \$918,000. The number of detached single-family home sales for 2024 (132 sales) was less than 2023 (205 sales), which is consistent with what is seen in most areas of California. This decline is due to high interest rates.

From a macro perspective, economic variables are contributing in the short term to households paying close attention to essential needs while limiting discretionary purchases. Stubborn interest rate levels (for mortgages, financed purchases, credits cards) are a key component. Inflation remains a factor, elevating the price of many necessary items. Surges in insurance and utility expenses also contribute to limited

discretionary spending, resulting in a soft outlook when closing out fiscal year 2023-24. Next year should see modest improvement across most tax generating groups. The Federal approach to the funds rate along with consumer confidence trends will influence future spending patterns.

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. In FY 2023-24, the City used 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 2023-24, the City continues to report on 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 2023-24 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, the hope is that they will generate 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 goals and priorities. The financial plan reflects the desired operational outcomes of each City department as they relate to the City's strategic goals and provide a clear direction for the City to move toward achieving the quality and desired community of the future as its further articulated in the City's General Plan.

FY 2023-2024 Strategic Plan

- Sustainability
- Housing
- Public Safety & Homelessness
- MPK Healing – Community support resulting from the shooting incident
- City Property/Facilities
- Public Communications
- Economic Development
- Civic Engagement

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 2023-24 Adopted Budget includes a conservative fiscal spending plan and reflects \$27 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 2023-24, which displayed significant financial impacts, included:

- Implemented an online California Public Records Request tracking portal to promote transparency and access to the public and improve efficiency in response time.
- Presented a revised Annual City Investment Policy to the City Council on September 06, 2023, and received the California Municipal Treasurers Association Investment Policy Certification.
- Diversified the City's Investment Portfolio by investing a portion of idle funds with Chandler Asset Management.
- Issued water revenue bonds for water infrastructure projects.
- Applied for and received \$1,359,916 in State of California Permanent Local Housing Allocation (PLHA) funds.
- Following the completion of the utility rate study and Prop. 218 process, implemented the new utility rates for water and sewer.
- Completed citywide user fee study and updated the Master Schedule of Fees to better reflect the true full cost of services and activities provided by all departments.
- The California Department of Housing and Community Development (HCD) certified the City's Housing Element (6th Cycle – 2021- 2029) making the City eligible for State grant funding and providing programs that will enhance housing opportunities for all. To date, the City has received \$1.3 million dollars as a direct result of this.
- Launched the development of a new 5-year Economic Development Strategic Plan, setting the course for the City's economic future.
- Police Department received a \$178,000 grant from the California Office of Traffic Safety to enhance safety in the community through DUI, Distracted Driving, Pedestrian and Bike Enforcement operations. The overall goal was to lower the number of both injury and fatal collisions.
- Police Department received a \$184,010.89 grant from the Department of California Highway Patrol-Cannabis Tax Fund Grant Program to enhance community safety through DUI enforcement

- operations, and purchase a 2024 Dodge Durango DUI Pursuit vehicle.
- Fire Department received \$3.5 million in local and federal grant funds for Fire Station 61 upgrades and the rebuilding of Fire Station 63.

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 2023-24 appropriations limit was \$109.5 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, 2024, the City's cash and investment balances, including amounts held by fiscal agent, were \$122 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, 2023. This was the 35th consecutive year the City received this award. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for the preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year. We believe the City's Fiscal Year 2023-24 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, 2023

Christopher P. Morill

Executive Director/CEO

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INDEPENDENT AUDITORS' REPORT

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

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, 2024, 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, 2024, 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.

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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 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
November 25, 2024

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City of Monterey Park
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2024

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, 2024, 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's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

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, Special Revenue Housing Fund, and Capital Projects Street Fund, which are reported as major funds. Information for the other 14 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, building maintenance 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's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

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 2023-24 net position increased by \$17.6 million from 2022-23, which is the net of the \$19.5 million increase in governmental activities and the \$1.9 million decrease in business-type activities. The \$19.5 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 \$1.9 million 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, 2024, the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$68.1 million, of which \$121.8 million was related to the net investment in capital assets, \$30.3 million was restricted for special revenues, and a negative \$84 million was unrestricted.
- At the 2023-24 year-end, the General Fund total fund balance was \$41.9 million, a \$13.4 million increase from the prior year. The increase was related to the new sale tax revenue from Measure MP and the outperforming on the investment markets compare to prior year.
- The City maintained the residential trash rates at the same level as 2022-23. 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, 2024, the City's combined assets (governmental and business-type activities) totaled \$290.2 million, up \$31.4 million from last year. The increase was primarily attributed to the completion and capitalization of capital projects totaling \$22.9 million. The City's total deferred outflow of resources decreased \$4.5 million, from \$39.6 million to \$35.1 million. The decrease was due to the City's pension plans. The City's liabilities totaled \$249.7 million, up \$9.5 million from last year. The City's total deferred inflow of resources decreased \$0.2 million, from \$7.7 million to \$7.5 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 \$68.1 million, up \$17.6 million from last year.

City of Monterey Park
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

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 \$121.8 million, is the City's investment in capital assets, including land, buildings, equipment, and infrastructure net of accumulated depreciation and related debt for acquiring these capital assets. Since the capital assets are used to provide services to citizens, they are not available to fund the City's day-to-day activities.

The City's restricted net position totaled \$30.3 million at June 30, 2024. 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, 2024, the City's total unrestricted net position was a negative \$84.0 million.

Statement of Net Position
For Fiscal Years Ended June 30, 2024 and June 30, 2023
(In thousands)

| | <i>Governmental</i> | | <i>Business-type</i> | | <i>Total</i> | |
|--------------------------------------|---------------------|------------------|----------------------|------------------|------------------|------------------|
| | <i>Activities</i> | | <i>Activities</i> | | | |
| | <u>6/30/2024</u> | <u>6/30/2023</u> | <u>6/30/2024</u> | <u>6/30/2023</u> | <u>6/30/2024</u> | <u>6/30/2023</u> |
| <i>Assets:</i> | | | | | | |
| <i>Current</i> | \$ 105,655 | \$ 106,976 | \$ 30,725 | \$ 20,640 | \$ 136,380 | \$ 127,616 |
| <i>Non Current</i> | | | | | | |
| <i>Capital Assets</i> | 93,728 | 75,924 | 58,699 | 53,594 | 152,427 | 129,518 |
| <i>Other</i> | 1,398 | 1,675 | - | - | 1,398 | 1,675 |
| <i>Total Assets:</i> | <u>200,780</u> | <u>184,575</u> | <u>89,424</u> | <u>74,234</u> | <u>290,205</u> | <u>258,810</u> |
| <i>Deferred Outflow of Resources</i> | <u>32,630</u> | <u>36,708</u> | <u>2,468</u> | <u>2,910</u> | <u>35,098</u> | <u>39,618</u> |
| <i>Liabilities:</i> | | | | | | |
| <i>Current</i> | 31,619 | 36,369 | 5,417 | 6,402 | 37,036 | 42,771 |
| <i>Long-Term</i> | 175,617 | 178,258 | 37,044 | 19,173 | 212,661 | 197,431 |
| <i>Total Liabilities</i> | <u>207,236</u> | <u>214,627</u> | <u>42,461</u> | <u>25,575</u> | <u>249,697</u> | <u>240,202</u> |
| <i>Deferred Inflow of Resources</i> | <u>6,976</u> | <u>6,979</u> | <u>550</u> | <u>763</u> | <u>7,526</u> | <u>7,742</u> |
| <i>Net Position:</i> | | | | | | |
| <i>Net Investment in Capital</i> | | | | | | |
| <i>Assets</i> | 72,982 | 68,652 | 48,793 | 42,384 | 121,775 | 111,036 |
| <i>Restricted</i> | 30,285 | 41,268 | 6 | - | 30,291 | 41,268 |
| <i>Unrestricted</i> | <u>(84,069)</u> | <u>(110,243)</u> | <u>83</u> | <u>8,423</u> | <u>(83,986)</u> | <u>(101,820)</u> |
| <i>Total Net Position</i> | <u>\$ 19,198</u> | <u>\$ (323)</u> | <u>\$ 48,882</u> | <u>\$ 50,807</u> | <u>\$ 68,080</u> | <u>\$ 50,484</u> |

City of Monterey Park
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

Statement of Activities
For Fiscal Years Ended June 30, 2024 and June 30, 2023
(In thousands)

| | <i>Governmental</i> | | <i>Business-type</i> | | <i>Total</i> | |
|--|---------------------|------------------|----------------------|------------------|-------------------|-------------------|
| | <i>Activities</i> | | <i>Activities</i> | | | |
| | <u>6/30/2024</u> | <u>6/30/2023</u> | <u>6/30/2024</u> | <u>6/30/2023</u> | <u>6/30/2024</u> | <u>6/30/2023</u> |
| Revenues | | | | | | |
| <i>Program Revenues:</i> | | | | | | |
| <i>Charges for Services</i> | \$ 15,032 | \$ 11,840 | \$ 26,638 | \$ 23,125 | \$ 41,670 | \$ 34,965 |
| <i>Operating Grants & Contributions</i> | 28,097 | 19,676 | - | - | 28,097 | 19,676 |
| <i>Capital Grants & Contributions</i> | 3,856 | 773 | - | - | 3,856 | 773 |
| <i>General Revenues:</i> | | | | | | |
| <i>Taxes</i> | 51,690 | 52,706 | - | - | 51,690 | 52,706 |
| <i>Revenues from Use of Money and Property</i> | 4,224 | 1,355 | (196) | 558 | 4,028 | 1,913 |
| <i>Other</i> | 1,734 | 1,183 | 108 | - | 1,841 | 1,183 |
| Total Revenues: | \$ 104,633 | \$ 87,532 | \$ 26,550 | \$ 23,683 | \$ 131,183 | \$ 111,215 |
| Expenses: | | | | | | |
| <i>General Government</i> | 13,124 | 13,258 | - | - | 13,124 | 13,258 |
| <i>Public Safety</i> | 51,063 | 40,065 | - | - | 51,063 | 40,065 |
| <i>Comm. Development</i> | 2,187 | 7,570 | - | - | 2,187 | 7,570 |
| <i>Culture & Recreation</i> | 6,516 | 4,437 | - | - | 6,516 | 4,437 |
| <i>Highway & Streets</i> | 8,663 | 6,953 | - | - | 8,663 | 6,953 |
| <i>Health</i> | 302 | 293 | - | - | 302 | 293 |
| <i>Interest & Fiscal Charges</i> | 3,639 | 3,803 | - | - | 3,639 | 3,803 |
| <i>Water/Refuse/Sewer</i> | - | - | 28,093 | 29,993 | 28,093 | 29,993 |
| Total Expenses: | \$ 85,494 | \$ 76,379 | \$ 28,093 | \$ 29,993 | \$ 113,587 | \$ 106,372 |
| <i>Transfers</i> | 382 | 479 | (382) | (479) | - | - |
| Changes in Net Position | 19,521 | 11,632 | (1,925) | (6,789) | 17,596 | 4,843 |
| <i>Net Position July 1</i> | (323) | (11,955) | 50,807 | 57,596 | 50,484 | 45,641 |
| Net Position June 30 | \$ 19,198 | \$ (323) | \$ 48,882 | \$ 50,807 | \$ 68,080 | \$ 50,483 |

Governmental Activities Financial Analysis

Overall governmental activities increased the City's net position by \$17.6 million. This change in net position was attributed from increased revenue totaling \$20 million, primarily due to increased operating and capital grant revenue \$9.6 million as well as a \$6.6 million increase in charges for services attributed in large part to approved water and sewer rate increases.

City of Monterey Park
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

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, 2024, the City's governmental funds reported a combined ending fund balance of \$73.3 million, an increase of \$3.8 million from the prior year. The fund balance categories of the governmental funds show \$31.5 million as restricted, \$10.8 million as committed, \$31.0 million as assigned, and \$0.1 million 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 Street Capital Projects Fund.

The General Fund is the main operating fund of the City, which accounts for the majority of the police, fire, recreation, parks maintenance, public works, library, community development, and general administrative services. General Fund revenues and transfers in for 2023-24 totaled \$70.2 million, an increase of \$8.6 million from 2022-23. The increase was primarily due to improved economic conditions and additional revenue received from a full year of voter-approved $\frac{3}{4}$ cent Measure MP sales tax. Total 2023-24 general fund expenditures and transfers out were \$56.7 million, reflecting a decrease of \$5.3 million from 2022-23. As of June 30, 2024, the total fund balance of the General Fund was \$41.9 million, an increase of \$13.4 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 2023-24 were \$9.8 million, up \$1.5 million from last year. Total 2023-2024 grant funded expenditures and transfers out were \$9.3 million, reflecting an increase of \$0.6 million from 2022-23. Total fund balance of the Special Revenue Grants Fund as of June 30, 2024 was \$1.2 million an increase of \$0.5 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 2023-24 were approximately \$13.2 million, an increase of \$0.3 million over 2022-23. Total expenditures for 2023-24 were \$11.3 million, up \$0.5 million from 2022-23. The increase in expenditures was due to an additional payment towards the Unfunded Accrued Liability (UAL). The total fund balance in the Retirement/Pension Liability Fund as of June 30, 2024 was \$6.6 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 2023-24 were \$63,228. There were no housing expenditures for 2023-24. As of June 30, 2024, 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 2023-24. Total expenditures for 2023-24 were \$11.6 million. As of June 30, 2024, the fund balance of the Capital Projects Street Fund was \$0.6 million.

City of Monterey Park
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

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 2023-24 were \$16.6 million, up \$2.4 million from 2022-23. Total expenditures and transfers out for 2023-24 were \$17 million, an increase of \$5.2 million over 2022-23. As of June 30, 2024, the fund balance of the Nonmajor Governmental Funds totaled \$19.3 million, down \$0.5 million from 2022-23.

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 2023-24 water operating revenues were \$14.7 million, up \$1.9 million from 2022-23. The increase in water revenues was primarily due to increased water rates. Water operating expenses were \$19.4 million, up \$1.2 million from 2022-23. The increase was primarily due to increased costs for water production and water treatment operations. The net position at June 30, 2024 for the Water Fund was \$41.9 million, down \$5.4 million from the previous year.

Refuse Fund revenues for 2023-24 were at \$7.6 million, up \$0.6 million from the previous year. Operating expenditures were \$8.0 million, up \$0.3 million from last year. The net position for the Refuse Fund was deficit \$0.1 million at June 30, 2024, a decrease of \$0.4 million from the prior year.

Sewer Fund revenues were \$4.4 million, up \$1.1 million from last year. Operating expenditures were \$3.1 million, down \$0.3 million from last year. The decrease was primarily due to less emergency repair costs. The net position for the Sewer Fund increased to \$12.5 million, an increase of \$1.5 million from the prior year.

General Fund Budgetary Highlights

The originally adopted General Fund expenditure budget for this fiscal year was \$59.1 million. The final amended budget of \$66.6 million reflecting City Council approved amendments throughout the year.

The budget amendments included additional funds for minimum wage mandates, service costs, and capital projects.

Overall, actual revenues in the General Fund were higher than the budgeted revenues. The increase was \$6.8 million. Primarily due to increased tax revenue and investment income coming in \$2.2 million and \$2.6 million higher than budgeted, respectively. Revenue from licenses and permits was higher than budgeted by \$183 thousand. Revenue from fines and forfeitures were higher by \$18 thousand. Actual expenditures in the General Fund were under budget in all the major categories with the following amounts by function: General government \$0.7 million, public safety \$1 million, community development \$0.6 million, culture and recreation \$0.1 million, public works \$0.3 million and capital outlay \$8 million. These were due to the City's cost control measures. Overall, actual expenditures were \$12.5 million less than budgeted. Most of the capital outlay budget that was not spent will be rolled over into the 2024-25 budget.

City of Monterey Park
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

Capital Asset Administration

The City's capital assets, net of accumulated depreciation and amortization, for its governmental and business-type activities as of June 30, 2024, totaled \$152.4 million, an increase of \$22.9 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, 2024 and June 30, 2023
(In thousands)

| | <i>Governmental</i> | | <i>Business-type</i> | | <i>Total</i> | |
|---------------------------------|---------------------|------------------|----------------------|------------------|-------------------|-------------------|
| | <i>Activities</i> | | <i>Activities</i> | | | |
| | <u>6/30/2024</u> | <u>6/30/2023</u> | <u>6/30/2024</u> | <u>6/30/2023</u> | <u>6/30/2024</u> | <u>6/30/2023</u> |
| <i>Land</i> | \$ 8,465 | \$ 8,465 | \$ 500 | \$ 500 | \$ 8,965 | \$ 8,965 |
| <i>Buildings</i> | 13,037 | 13,638 | 123 | 127 | 13,160 | 13,765 |
| <i>Improvements</i> | 48,035 | 20,682 | 53,946 | 28,415 | 101,981 | 49,097 |
| <i>Construction in Progress</i> | 585 | 13,997 | 601 | 21,050 | 1,186 | 35,047 |
| <i>Equipment</i> | 6,747 | 5,850 | 819 | 972 | 7,566 | 6,822 |
| <i>Infrastructure</i> | 16,548 | 12,345 | 2,695 | 2,507 | 19,243 | 14,852 |
| <i>Lease Assets</i> | 46 | 74 | 2 | 2 | 47 | 76 |
| <i>Subscription Assets</i> | 265 | 872 | 14 | 21 | 279 | 893 |
| | <u>\$ 93,727</u> | <u>\$ 75,924</u> | <u>\$ 58,699</u> | <u>\$ 53,594</u> | <u>\$ 152,427</u> | <u>\$ 129,518</u> |

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

- Continued IT software and hardware upgrades for enhanced cybersecurity
- Library Story Room improvements
- Barnes Park Amphitheater and Gym restroom upgrades
- Langley restroom upgrades
- Sequoia Park playground
- Garvey Ranch Park playground
- Bella Vista Park playground
- Highlands Park playground

Debt Administration

As of June 30, 2024, the City's long-term debt increased by \$11.2 million from the prior year at \$176.4 million to \$187.6 million which was due primarily to the issuance of Water Revenue Bonds. *(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's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

Long-term Debt
For Fiscal Years Ended June 30, 2024 and June 30, 2023
(In thousands)

| | <i>Governmental</i> | | <i>Business-type</i> | | <i>Total</i> | |
|---------------------------------|---------------------|-------------------|----------------------|------------------|-------------------|-------------------|
| | <i>Activities</i> | | <i>Activities</i> | | | |
| | <u>6/30/2024</u> | <u>6/30/2023</u> | <u>6/30/2024</u> | <u>6/30/2023</u> | <u>6/30/2024</u> | <u>6/30/2023</u> |
| <i>Capital Leases</i> | \$ 2,875 | \$ 4,242 | \$ 5,251 | \$ 6,646 | \$ 8,125 | \$ 10,888 |
| <i>SGVMWD Loan</i> | - | - | 4,000 | 4,000 | 4,000 | 4,000 |
| <i>Lease Liability</i> | 46 | 74 | 1 | 2 | 47 | 76 |
| <i>Subscription Payable</i> | 160 | 725 | 6 | 9 | 166 | 734 |
| <i>Pension Obligation Bonds</i> | 101,065 | 105,185 | 4,885 | 5,085 | 105,950 | 110,270 |
| <i>Sales Tax Revenue Bonds</i> | 16,960 | 17,280 | - | - | 16,960 | 17,280 |
| <i>Water Revenue Bonds</i> | - | - | 20,555 | - | 20,555 | - |
| <i>Premium</i> | 2,949 | 3,058 | 549 | - | 3,498 | 3,058 |
| <i>Compensated Absences</i> | 5,504 | 5,309 | 424 | 263 | 5,928 | 5,572 |
| <i>Insurance Assessments</i> | | | | | | |
| <i>Payable</i> | 491 | 654 | - | - | 491 | 654 |
| <i>Claims and Judgements</i> | 21,945 | 23,896 | - | - | 21,945 | 23,896 |
| | <u>\$ 151,995</u> | <u>\$ 160,423</u> | <u>\$ 35,670</u> | <u>\$ 16,005</u> | <u>\$ 187,665</u> | <u>\$ 176,428</u> |

Economic Factors and Next Year's Budget

- Economic variables, such as high interest rates for mortgages, financed purchases and credit cards as well as surges in insurance and utility expenses are contributing to households paying close attention to essential needs while limiting discretionary spending. In California, sales tax performance for fiscal year 2023-24 dipped for the first time since the pandemic closing out the fiscal year at -1.5%. Looking ahead, we should see modest improvement across most tax generating groups. Consumer confidence trends along with the Fed's approach to the funds rate will influence future spending patterns.
- In November 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 in April 2023. It generated \$9 million in FY2023-2024.
- The Federal American Rescue Plan (ARPA) funds allocated to the City for COVID-19 pandemic recovery efforts continue to subsidize the General Fund.
- The City completed a Proposition 218 water and sewer rate study in FY 2023-24 and implemented rate increases in early 2024.
- The City's total assessed valuation is \$9.3 billion, up 5.5%, or \$500 million, from 2023-24.
- The fiscal year 2024-25 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 begin labor negotiations with the all bargaining units. Any potential salary and benefit contract adjustments will be considered during the fiscal year 2025-26 budget process.

City of Monterey Park
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

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, 2024

| | Primary Government | | |
|---|----------------------------|-----------------------------|--------------------|
| | Governmental Activities | Business-Type Activities | Total |
| ASSETS | | | |
| Current assets: | | | |
| Cash and investments | \$ 86,326,494 | \$ 9,959,758 | \$ 96,286,252 |
| Restricted cash | - | 20,797,811 | 20,797,811 |
| Cash and investments with fiscal agent | 2,761,562 | 5,739 | 2,767,301 |
| Accounts receivable | 8,276,153 | 5,241,103 | 13,517,256 |
| Receivable from Successor Agency | 137,342 | - | 137,342 |
| Prepaid items | - | 76,906 | 76,906 |
| Interest receivable | 448,285 | 122,813 | 571,098 |
| Lease receivable - due within one year | 317,874 | - | 317,874 |
| Loans receivable | 1,907,969 | - | 1,907,969 |
| Internal balance | 5,478,844 | (5,478,844) | - |
| Total current assets | <u>105,654,523</u> | <u>30,725,286</u> | <u>136,379,809</u> |
| Noncurrent assets: | | | |
| Receivable from Successor Agency | 621,624 | - | 621,624 |
| Lease receivable - due in more than one year | 722,773 | - | 722,773 |
| Net pension assets | 54,060 | - | 54,060 |
| Capital assets - nondepreciable | 9,050,097 | 1,100,870 | 10,150,967 |
| Capital assets - depreciable and amortizable, net | 84,677,416 | 57,598,514 | 142,275,930 |
| Total capital assets | <u>93,727,513</u> | <u>58,699,384</u> | <u>152,426,897</u> |
| Total noncurrent assets | <u>95,125,970</u> | <u>58,699,384</u> | <u>153,825,354</u> |
| Total assets | <u>200,780,493</u> | <u>89,424,670</u> | <u>290,205,163</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension related | 28,982,620 | 2,065,646 | 31,048,266 |
| OPEB related | 3,647,263 | 402,552 | 4,049,815 |
| Total deferred outflows of resources | <u>32,629,883</u> | <u>2,468,198</u> | <u>35,098,081</u> |

City of Monterey Park
Statement of Net Position (Continued)
June 30, 2024

| | Governmental Activities | Primary Government Business-Type Activities | Total |
|---|----------------------------|---|----------------------|
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 9,925,194 | \$ 2,143,650 | \$ 12,068,844 |
| Accrued payroll and benefits | 1,442,588 | 92,373 | 1,534,961 |
| Retention payable | 2,553 | 341,691 | 344,244 |
| Deposits payable | 668,539 | 449,770 | 1,118,309 |
| Interest payable | 323,227 | 123,201 | 446,428 |
| Due to other governmental agencies | 721,747 | - | 721,747 |
| Unearned revenues | 4,892,034 | - | 4,892,034 |
| Long-term liabilities - due within one year | 13,643,571 | 2,266,561 | 15,910,132 |
| Total current liabilities | <u>31,619,453</u> | <u>5,417,246</u> | <u>37,036,699</u> |
| Noncurrent liabilities: | | | |
| Long-term liabilities - due in more than one year | 138,351,180 | 33,404,981 | 171,756,161 |
| Net pension liabilities | 20,438,943 | 1,781,459 | 22,220,402 |
| Net OPEB liabilities | 16,826,994 | 1,857,211 | 18,684,205 |
| Total noncurrent liabilities | <u>175,617,117</u> | <u>37,043,651</u> | <u>212,660,768</u> |
| Total liabilities | <u>207,236,570</u> | <u>42,460,897</u> | <u>249,697,467</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Lease related | 1,284,282 | - | 1,284,282 |
| Pension related | 856,634 | 16,698 | 873,332 |
| OPEB related | 4,834,601 | 533,598 | 5,368,199 |
| Total deferred inflows of resources | <u>6,975,517</u> | <u>550,296</u> | <u>7,525,813</u> |
| NET POSITION | | | |
| Net investment in capital assets | 72,981,980 | 48,792,581 | 121,774,561 |
| Restricted for: | | | |
| Grants | 1,255,350 | - | 1,255,350 |
| Retirement/pension | 7,010,003 | - | 7,010,003 |
| Housing | 3,806,326 | - | 3,806,326 |
| Public safety | 2,280,449 | - | 2,280,449 |
| Public work | 222,540 | - | 222,540 |
| Transit | 9,557,539 | - | 9,557,539 |
| Community development | 226,310 | - | 226,310 |
| Culture and recreation | 1,150,135 | - | 1,150,135 |
| Highways and streets | 4,776,314 | - | 4,776,314 |
| Debt service | - | 5,739 | 5,739 |
| Total restricted | <u>30,284,966</u> | <u>5,739</u> | <u>30,290,705</u> |
| Unrestricted (deficit) | <u>(84,068,657)</u> | <u>83,355</u> | <u>(83,985,302)</u> |
| Total net position (deficit) | <u>\$ 19,198,289</u> | <u>\$ 48,881,675</u> | <u>\$ 68,079,964</u> |

City of Monterey Park
Statement of Activities
For the Year Ended June 30, 2024

| Functions/Programs | Program Revenues | | | |
|---------------------------------------|-----------------------|----------------------|------------------------------------|----------------------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental Activities: | | | | |
| General government | \$ 13,124,012 | \$ 3,267,346 | \$ 7,979,941 | \$ - |
| Public safety | 51,063,141 | 4,012,748 | 5,062,694 | 1,575,186 |
| Community development | 2,186,674 | 1,244,363 | 3,174,553 | 4,354 |
| Culture and recreation | 6,516,147 | 3,296,911 | 1,655,221 | 290,441 |
| Highway and streets | 8,663,436 | 3,210,447 | 10,224,452 | 1,985,719 |
| Health | 301,655 | - | - | - |
| Interest and fiscal charges | 3,638,579 | - | - | - |
| Total Governmental Activities | 85,493,644 | 15,031,815 | 28,096,861 | 3,855,700 |
| Business-Type Activities: | | | | |
| Water utility | 17,958,431 | 14,658,624 | - | - |
| Refuse | 7,635,023 | 7,584,290 | - | - |
| Sewer | 2,499,924 | 4,394,766 | - | - |
| Total Business-Type Activities | 28,093,378 | 26,637,680 | - | - |
| Total Primary Government | \$ 113,587,022 | \$ 41,669,495 | \$ 28,096,861 | \$ 3,855,700 |

City of Monterey Park
Statement of Activities (Continued)
For the Year Ended June 30, 2024

| | Net (Expense) Revenue and Changes in Net Position | | |
|--|---|-----------------------------|----------------------|
| | Governmental Activities | Business-Type Activities | Total |
| Functions/Programs | | | |
| Governmental Activities: | | | |
| General government | \$ (1,876,725) | \$ - | \$ (1,876,725) |
| Public safety | (40,412,513) | - | (40,412,513) |
| Community development | 2,236,596 | - | 2,236,596 |
| Culture and recreation | (1,273,574) | - | (1,273,574) |
| Highway and streets | 6,757,182 | - | 6,757,182 |
| Health | (301,655) | - | (301,655) |
| Interest and fiscal charges | (3,638,579) | - | (3,638,579) |
| Total Governmental Activities | (38,509,268) | - | (38,509,268) |
| Business-Type Activities: | | | |
| Water utility | - | (3,299,807) | (3,299,807) |
| Refuse | - | (50,733) | (50,733) |
| Sewer | - | 1,894,842 | 1,894,842 |
| Total Business-Type Activities | - | (1,455,698) | (1,455,698) |
| Total Primary Government | (38,509,268) | (1,455,698) | (39,964,966) |
| General Revenues: | | | |
| Taxes: | | | |
| Property taxes | 23,785,927 | - | 23,785,927 |
| Sales taxes | 18,577,911 | - | 18,577,911 |
| Utility user taxes | 3,780,890 | - | 3,780,890 |
| Franchise taxes | 1,284,606 | - | 1,284,606 |
| Business license taxes | 862,074 | - | 862,074 |
| Transient occupancy taxes | 3,324,068 | - | 3,324,068 |
| Vehicle in-lieu taxes (Unrestricted, Intergovernmental) | 75,418 | - | 75,418 |
| Revenues (expense) from use of money and property | 4,224,086 | (195,511) | 4,028,575 |
| Other | 1,733,523 | 107,834 | 1,841,357 |
| Total General Revenues | 57,648,503 | (87,677) | 57,560,826 |
| Transfers | 381,772 | (381,772) | - |
| Changes in Net Position | 19,521,007 | (1,925,147) | 17,595,860 |
| Net Position (Deficit) - Beginning | (322,718) | 50,806,822 | 50,484,104 |
| Net Position - Ending | \$ 19,198,289 | \$ 48,881,675 | \$ 68,079,964 |

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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, 2024

| | Major Funds | | | |
|--|----------------------|-----------------------|----------------------------------|---------------------|
| | General | Special Revenue Funds | | |
| | | Grants | Retirement/ Pension Liability | Housing |
| ASSETS | | | | |
| Cash and investments | \$ 45,444,949 | \$ 4,218,771 | \$ 5,800,286 | \$ 1,792,252 |
| Cash and investments with fiscal agents | - | - | 514,868 | - |
| Receivables: | | | | |
| Accounts | 4,086,378 | 2,132,167 | 245,753 | - |
| Interest | 350,472 | 21,459 | - | 6,679 |
| Loans and notes | - | 721,747 | - | 1,186,222 |
| Due from other funds | 1,668,773 | - | - | - |
| Lease receivable | 1,040,647 | - | - | - |
| Advance to Successor Agency | - | - | - | 758,966 |
| Total assets | \$ 52,591,219 | \$ 7,094,144 | \$ 6,560,907 | \$ 3,744,119 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued liabilities | 7,350,973 | 247,377 | 1,577 | - |
| Accrued payroll | 1,302,925 | 58,264 | - | - |
| Retention payable | 2,553 | - | - | - |
| Deposit payable | 668,539 | - | - | - |
| Unearned revenue | 80,628 | 4,811,406 | - | - |
| Due to other funds | - | - | - | - |
| Due to other governmental agencies | - | 721,747 | - | - |
| Total liabilities | 9,405,618 | 5,838,794 | 1,577 | - |
| Deferred inflows of resources: | | | | |
| Related to leases | 1,284,282 | - | - | - |
| Unavailable revenues | 9,539 | 24,652 | - | - |
| Total deferred inflows of resources | 1,293,821 | 24,652 | - | - |
| Fund balances: | | | | |
| Restricted | - | 1,230,698 | 6,559,330 | 3,744,119 |
| Committed | 10,726,927 | - | - | - |
| Assigned | 31,029,418 | - | - | - |
| Unassigned (deficit) | 135,435 | - | - | - |
| Total fund balances | 41,891,780 | 1,230,698 | 6,559,330 | 3,744,119 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 52,591,219 | \$ 7,094,144 | \$ 6,560,907 | \$ 3,744,119 |

**City of Monterey Park
Balance Sheet (Continued)
Governmental Funds
June 30, 2024**

| | Major Funds | Nonmajor Governmental Funds | Total Governmental Funds |
|--|--------------------------------|-----------------------------------|--------------------------------|
| | Street Capital Project Fund | | |
| ASSETS | | | |
| Cash and investments | \$ - | \$ 18,620,895 | \$ 75,877,153 |
| Cash and investments with fiscal agents | 1,152,260 | 1,094,434 | 2,761,562 |
| Receivables: | | | |
| Accounts | - | 1,796,353 | 8,260,651 |
| Interest | - | 69,675 | 448,285 |
| Loans and notes | - | - | 1,907,969 |
| Due from other funds | - | - | 1,668,773 |
| Lease receivable | - | - | 1,040,647 |
| Receivable from Successor Agency | - | - | 758,966 |
| Total assets | \$ 1,152,260 | \$ 21,581,357 | \$ 92,724,006 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable and accrued liabilities | \$ 489,913 | \$ 1,346,084 | \$ 9,435,924 |
| Accrued payroll | - | 30,937 | 1,392,126 |
| Retention payable | - | - | 2,553 |
| Deposit payable | - | - | 668,539 |
| Unearned revenue | - | - | 4,892,034 |
| Due to other funds | 88,550 | 849,892 | 938,442 |
| Due to other governmental agencies | - | - | 721,747 |
| Total liabilities | 578,463 | 2,226,913 | 18,051,365 |
| Deferred inflows of resources: | | | |
| Related to leases | - | - | 1,284,282 |
| Unavailable revenues | - | 5,547 | 39,738 |
| Total deferred inflows of resources | - | 5,547 | 1,324,020 |
| Fund balances: | | | |
| Restricted | 573,797 | 19,369,928 | 31,477,872 |
| Committed | - | 32,094 | 10,759,021 |
| Assigned | - | - | 31,029,418 |
| Unassigned (deficit) | - | (53,125) | 82,310 |
| Total fund balances | 573,797 | 19,348,897 | 73,348,621 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 1,152,260 | \$ 21,581,357 | \$ 92,724,006 |

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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, 2024

Total Fund Balances - Total Governmental Funds \$ 73,348,621

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 | \$ 9,050,097 | |
| Depreciable/amortizable, net of \$2,309,260 reported in the Internal Service Fund | 82,368,156 | 91,418,253 |

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 | \$ (118,025,309) | |
| Premium on bonds payable | (2,948,509) | |
| Loans payable | (2,874,656) | |
| Interest payable | (323,227) | |
| Lease liabilities, net of \$(12,821) reported in the Internal Service Funds | (33,595) | |
| Subscription liabilities, net of \$(44,640) reported in the Internal Service Funds | (115,453) | |
| Compensated absences, net of \$(340,754) reported in the Internal Service Funds | (5,162,904) | (129,483,653) |

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 \$1,032,822 reported in the Internal Service Funds | \$ 27,949,798 | |
| Aggregate net pension liability, net of \$(890,730) reported in the Internal Service Funds | (19,494,153) | |
| Pension related deferred inflows of resources, net of \$(8,350) reported in the Internal Service Funds | (848,284) | 7,607,361 |

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 \$160,778 reported in the Internal Service Funds | \$ 3,486,485 | |
| Net OPEB liability, net of \$(741,762) reported in the Internal Service Funds | (16,085,232) | |
| Deferred inflows of resources, net of \$(213,117) reported in the Internal Service Funds | (4,621,484) | (17,220,231) |

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. 39,738

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 \$(5,478,844). (6,511,800)

| | | |
|--|-----------|-------------------|
| Net Position of Governmental Activities | \$ | 19,198,289 |
|--|-----------|-------------------|

City of Monterey Park
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

| | Major Funds | | | |
|---|----------------------|-----------------------|----------------------------------|---------------------|
| | General Fund | Special Revenue Funds | | |
| | | Grants | Retirement/ Pension Liability | Housing |
| Revenues: | | | | |
| Taxes | \$ 50,828,820 | \$ - | \$ 9,370,224 | \$ - |
| Intergovernmental | 303,877 | 9,476,004 | - | - |
| Charges for services | 11,076,787 | - | - | - |
| Licenses and permits | 2,851,271 | - | - | - |
| Fines and forfeitures | 393,258 | - | - | - |
| Investment income | 4,169,871 | 178,866 | 297,439 | 63,228 |
| Miscellaneous | 555,892 | 97,880 | 330,780 | - |
| Total revenues | 70,179,776 | 9,752,750 | 9,998,443 | 63,228 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 11,199,611 | 564,766 | 467,419 | - |
| Public safety | 35,070,462 | 3,227,511 | 3,581,014 | - |
| Community development | 1,650,973 | 113,121 | 87,380 | - |
| Culture and recreation | 1,941,703 | 1,351,159 | 80,169 | - |
| Highways and street | 2,547,888 | 69,201 | 70,415 | - |
| Health | - | - | - | - |
| Capital outlay | 740,392 | 3,939,149 | - | - |
| Debt service: | | | | |
| Principal retirement | 850,645 | 6,861 | 4,119,883 | - |
| Interest and fiscal charges | 84,684 | - | 2,897,808 | - |
| Total expenditures | 54,086,358 | 9,271,768 | 11,304,088 | - |
| Revenues over (under) expenditures | 16,093,418 | 480,982 | (1,305,645) | 63,228 |
| Other financing sources (uses): | | | | |
| Insurance of subscription liabilities | 3,481 | - | - | - |
| Transfers in | - | 55,518 | 3,169,220 | - |
| Transfers out | (2,658,340) | (49,848) | - | - |
| Total other financing sources (uses) | (2,654,859) | 5,670 | 3,169,220 | - |
| Net Change in Fund Balances | 13,438,559 | 486,652 | 1,863,575 | 63,228 |
| Fund balances: | | | | |
| Beginning of year | 28,453,221 | 744,046 | 4,695,755 | 3,680,891 |
| End of year | <u>\$ 41,891,780</u> | <u>\$ 1,230,698</u> | <u>\$ 6,559,330</u> | <u>\$ 3,744,119</u> |

City of Monterey Park
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2024

| | Major Funds | Nonmajor Governmental Funds | Total Governmental Funds |
|---|--------------------------------|-----------------------------------|--------------------------------|
| | Street Capital Project Fund | | |
| Revenues: | | | |
| Taxes | \$ - | \$ 3,600,947 | \$ 63,799,991 |
| Intergovernmental | - | 9,104,964 | 18,884,845 |
| Charges for services | - | 1,002,343 | 12,079,130 |
| Licenses and permits | - | - | 2,851,271 |
| Fines and forfeitures | - | 575,328 | 968,586 |
| Investment income | - | 1,222,434 | 5,931,838 |
| Miscellaneous | - | - | 984,552 |
| Total revenues | - | 15,506,016 | 105,500,213 |
| Expenditures: | | | |
| Current: | | | |
| General government | - | 492 | 12,232,288 |
| Public safety | - | 1,068,506 | 42,947,493 |
| Community development | - | 43,358 | 1,894,832 |
| Culture and recreation | - | 1,339,468 | 4,712,499 |
| Highways and street | - | 5,832,259 | 8,519,763 |
| Health | - | 301,655 | 301,655 |
| Capital outlay | 11,573,920 | 6,196,965 | 22,450,426 |
| Debt service: | | | |
| Principal retirement | - | 333,645 | 5,311,034 |
| Interest and fiscal charges | - | 733,200 | 3,715,692 |
| Total expenditures | 11,573,920 | 15,849,548 | 102,085,682 |
| Revenues over (under) expenditures | (11,573,920) | (343,532) | 3,414,531 |
| Other financing sources (uses): | | | |
| Insurance of subscription liabilities | - | - | 3,481 |
| Transfers in | - | 1,051,200 | 4,275,938 |
| Transfers out | - | (1,185,978) | (3,894,166) |
| Total other financing sources (uses) | - | (134,778) | 385,253 |
| Net Change in Fund Balances | (11,573,920) | (478,310) | 3,799,784 |
| Fund balances: | | | |
| Beginning of year | 12,147,717 | 19,827,207 | 69,548,837 |
| End of year | <u>\$ 573,797</u> | <u>\$ 19,348,897</u> | <u>\$ 73,348,621</u> |

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, 2024

| | | |
|--|-----------|-------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ | 3,799,784 |
| 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 \$59,065 in the Internal Service Funds | \$ | 22,590,471 |
| Depreciation and amortization, net of \$762,886 in the Internal Service Funds | | (4,083,095) |
| | | 18,507,376 |
| Net change in revenues that was considered unavailable in the governmental funds. These items have been reported as revenue in the Statement of Activities. | | (867,334) |
| 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. | | (3,481) |
| Principal repayment on long-term debt is not an expense in the Statement of Activities, but instead, is considered an expenditure in governmental funds. | | |
| Bonds payable | \$ | 4,439,883 |
| Loans payable, net of \$1,002,198 reported in the Internal Service Funds | | 365,079 |
| Lease liabilities, net of \$11,704 reported in the Internal Service Funds | | 16,210 |
| Subscription liabilities, net of \$78,312 reported in the Internal Service Funds | | 489,861 |
| | | 5,311,033 |
| 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. | | (16,482) |
| 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 \$(188,963) reported in the Internal Service Funds | | (5,311) |
| 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. | | (7,956,807) |
| 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. | | (1,568,131) |
| 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 \$2,417,419 charged to the business-type activities. | | 2,211,156 |
| Change in Net Position of Governmental Activities | \$ | 19,521,007 |

PROPRIETARY FUND FINANCIAL STATEMENTS

City of Monterey Park
Statement of Net Position
Proprietary Funds
June 30, 2024

| | Business-Type Activities | | | | Governmental |
|---|--------------------------|-------------------|-------------------|---------------------|---------------------------|
| | Enterprise Funds | | | | Activities |
| | Water Utility | Refuse | Sewer | Total | Internal Service Funds |
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and investments | \$ 2,607,993 | \$ 219,867 | \$ 7,131,898 | \$ 9,959,758 | \$ 10,449,341 |
| Restricted cash | 20,797,811 | - | - | 20,797,811 | - |
| Cash and investments with fiscal agent | 5,739 | - | - | 5,739 | - |
| Accounts receivable | 3,229,823 | 1,182,341 | 828,939 | 5,241,103 | 15,502 |
| Interest receivable | 93,758 | 819 | 28,236 | 122,813 | - |
| Prepaid items | 76,906 | - | - | 76,906 | - |
| Total current assets | 26,812,030 | 1,403,027 | 7,989,073 | 36,204,130 | 10,464,843 |
| Noncurrent assets: | | | | | |
| Capital assets: | | | | | |
| Nondepreciable | 321,087 | - | 779,783 | 1,100,870 | - |
| Depreciable and amortizable, net | 52,656,409 | 38,600 | 4,903,505 | 57,598,514 | 2,309,260 |
| Total noncurrent assets | 52,977,496 | 38,600 | 5,683,288 | 58,699,384 | 2,309,260 |
| Total assets | 79,789,526 | 1,441,627 | 13,672,361 | 94,903,514 | 12,774,103 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Pension related | 1,491,855 | 114,758 | 459,033 | 2,065,646 | 1,032,822 |
| OPEB related | 284,702 | 30,374 | 87,476 | 402,552 | 160,778 |
| Total deferred outflows of resources | \$ 1,776,557 | \$ 145,132 | \$ 546,509 | \$ 2,468,198 | \$ 1,193,600 |

City of Monterey Park
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2024

| | Business-Type Activities | | | | Governmental |
|--|--------------------------|---------------------|----------------------|----------------------|---------------------------|
| | Enterprise Funds | | | | Activities |
| | Water Utility | Refuse | Sewer | Total | Internal Service Funds |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | \$ 1,572,064 | \$ 545,565 | \$ 26,021 | \$ 2,143,650 | \$ 489,270 |
| Accrued liabilities | 64,458 | 6,708 | 21,207 | 92,373 | 50,462 |
| Retention payable | 316,221 | - | 25,470 | 341,691 | - |
| Interest payable | 120,210 | 1,522 | 1,469 | 123,201 | - |
| Deposit payable | 449,770 | - | - | 449,770 | - |
| Due to other funds | - | - | - | - | 730,331 |
| Loans payable, due within one year | 1,111,354 | - | - | 1,111,354 | - |
| Bonds payable, due within one year | 697,926 | 28,010 | 27,035 | 752,971 | - |
| Insurance assessment payable, due within one year | - | - | - | - | 163,514 |
| Leases liabilities, due within one year | 654 | - | - | 654 | 10,201 |
| Subscription liabilities, due within one year | 3,074 | - | - | 3,074 | 22,097 |
| Compensated absences, due within one year | 329,185 | 21,586 | 47,737 | 398,508 | 320,322 |
| Claims payable, due within one year | - | - | - | - | 3,260,664 |
| Total current liabilities | 4,664,916 | 603,391 | 148,939 | 5,417,246 | 5,046,861 |
| Noncurrent liabilities: | | | | | |
| Loans payable, due more than one year | 8,139,374 | - | - | 8,139,374 | - |
| Bonds payable, due more than one year | 23,821,684 | 719,761 | 694,694 | 25,236,139 | - |
| Insurance assessment payable, due more than one year | - | - | - | - | 327,029 |
| Leases liabilities, due more than one year | 806 | - | - | 806 | 2,620 |
| Subscription liabilities, due more than one year | 3,242 | - | - | 3,242 | 22,543 |
| Compensated absences, due more than one year | 20,998 | 1,377 | 3,045 | 25,420 | 20,432 |
| Claims payable, due more than one year | - | - | - | - | 18,684,903 |
| Net pension liability | 1,286,609 | 98,970 | 395,880 | 1,781,459 | 890,730 |
| Net OPEB liability | 1,313,500 | 140,132 | 403,579 | 1,857,211 | 741,762 |
| Total noncurrent liabilities | 34,586,213 | 960,240 | 1,497,198 | 37,043,651 | 20,690,019 |
| Total liabilities | 39,251,129 | 1,563,631 | 1,646,137 | 42,460,897 | 25,736,880 |
| DEFERRED INFLOW OF RESOURCES | | | | | |
| Pension related | 12,059 | 928 | 3,711 | 16,698 | 8,350 |
| OPEB related | 377,384 | 40,261 | 115,953 | 533,598 | 213,117 |
| Total deferred inflows of resources | 389,443 | 41,189 | 119,664 | 550,296 | 221,467 |
| NET POSITION | | | | | |
| Net investment in capital assets | 43,096,163 | 38,600 | 5,657,818 | 48,792,581 | 2,251,799 |
| Restricted | 5,739 | - | - | 5,739 | - |
| Unrestricted (deficit) | (1,176,391) | (56,661) | 6,795,251 | 5,562,199 | (14,242,443) |
| Total net position (deficit) | \$ 41,925,511 | \$ (18,061) | \$ 12,453,069 | \$ 54,360,519 | \$ (11,990,644) |
| Adjustment to reflect the consolidation of internal service funds activities to related enterprise funds | (5,346,737) | (619,647) | 487,540 | (5,478,844) | |
| Net position (deficit) of business-type activities | \$ 36,578,774 | \$ (637,708) | \$ 12,940,609 | \$ 48,881,675 | |

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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, 2024

| | Business-Type Activities | | | | Governmental Activities |
|--|--------------------------|--------------------|----------------------|-----------------------|----------------------------|
| | Enterprise Funds | | | | Internal Service |
| | Water Utility | Refuse | Sewer | Total | |
| OPERATING REVENUES: | | | | | |
| Charges for services | \$ 14,607,329 | \$ 7,584,290 | \$ 4,394,766 | \$ 26,586,385 | \$ 21,696,513 |
| Meter installations | 51,295 | - | - | 51,295 | - |
| Miscellaneous | 69,539 | - | 38,295 | 107,834 | 168,126 |
| Total operating revenues | <u>14,728,163</u> | <u>7,584,290</u> | <u>4,433,061</u> | <u>26,745,514</u> | <u>21,864,639</u> |
| OPERATING EXPENSES: | | | | | |
| Operation | 14,089,682 | 7,355,743 | 2,232,451 | 23,677,876 | - |
| Salaries and Benefits | 2,612,462 | 274,705 | 541,592 | 3,428,759 | 6,485,394 |
| General and administrative | 1,023,247 | 324,948 | 85,345 | 1,433,540 | - |
| Depreciation and amortization expense | 1,715,468 | 9,317 | 245,787 | 1,970,572 | 762,866 |
| Materials and supplies | 50 | - | - | 50 | 4,784,532 |
| Insurance and claims | - | - | - | - | 5,187,664 |
| Total operating expenses | <u>19,440,909</u> | <u>7,964,713</u> | <u>3,105,175</u> | <u>30,510,797</u> | <u>17,220,456</u> |
| OPERATING INCOME (LOSS) | <u>(4,712,746)</u> | <u>(380,423)</u> | <u>1,327,886</u> | <u>(3,765,283)</u> | <u>4,644,183</u> |
| NONOPERATING REVENUES (EXPENSES): | | | | | |
| Investment earnings | 351,238 | 14,269 | 273,102 | 638,609 | - |
| Interest expense | (797,882) | (18,440) | (17,798) | (834,120) | (15,608) |
| Total nonoperating income (loss) | <u>(446,644)</u> | <u>(4,171)</u> | <u>255,304</u> | <u>(195,511)</u> | <u>(15,608)</u> |
| NET INCOME (LOSS) BEFORE TRANSFERS | <u>(5,159,390)</u> | <u>(384,594)</u> | <u>1,583,190</u> | <u>(3,960,794)</u> | <u>4,628,575</u> |
| TRANSFERS: | | | | | |
| Transfers out | (266,327) | (33,872) | (81,573) | (381,772) | - |
| Total transfers | <u>(266,327)</u> | <u>(33,872)</u> | <u>(81,573)</u> | <u>(381,772)</u> | <u>-</u> |
| CHANGES IN NET POSITION | <u>(5,425,717)</u> | <u>(418,466)</u> | <u>1,501,617</u> | <u>(4,342,566)</u> | <u>4,628,575</u> |
| NET POSITION (DEFICIT): | | | | | |
| Beginning of the year | 47,351,228 | 400,405 | 10,951,452 | 58,703,085 | (16,619,219) |
| End of the year | <u>\$ 41,925,511</u> | <u>\$ (18,061)</u> | <u>\$ 12,453,069</u> | <u>\$ 54,360,519</u> | <u>\$ (11,990,644)</u> |
| Change in Net Position | \$ (5,425,717) | \$ (418,466) | \$ 1,501,617 | \$ (4,342,566) | |
| Adjustment to Reflect the Consolidation of Internal Service Fund Activities to Related Enterprise Fund | <u>1,482,478</u> | <u>329,690</u> | <u>605,251</u> | <u>2,417,419</u> | |
| Changes in Net Position of Business-type Activities | <u>\$ (3,943,239)</u> | <u>\$ (88,776)</u> | <u>\$ 2,106,868</u> | <u>\$ (1,925,147)</u> | |

City of Monterey Park
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

| | Business-Type Activities | | | | Governmental |
|--|-----------------------------|--------------------------|----------------------------|-----------------------------|-----------------------------|
| | Enterprise Funds | | | | Activities |
| | Water Utility | Refuse | Sewer | Total | Internal Service Fund |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Cash received from customers and users | \$ 15,362,518 | \$ 7,280,575 | \$ 4,026,223 | \$ 26,669,316 | \$ 21,864,639 |
| Cash paid to suppliers for goods and services | (17,245,147) | (7,141,381) | (2,369,292) | (26,755,820) | (4,446,068) |
| Cash paid to employees for services | (3,064,019) | (284,317) | (766,785) | (4,115,121) | (8,143,956) |
| Cash paid for insurance claims | - | - | - | - | (7,320,979) |
| Net cash provided by (used in) operating activities | (4,946,648) | (145,123) | 890,146 | (4,201,625) | 1,953,636 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | | |
| Cash received from other funds | - | - | - | - | 326,103 |
| Cash pay to other funds | (266,327) | (33,872) | (81,573) | (381,772) | - |
| Principal paid on pension obligation bonds | (139,914) | (30,635) | (29,568) | (200,117) | - |
| Interest paid on pension obligation bonds | (84,293) | (18,456) | (17,813) | (120,562) | - |
| Net cash provided by (used in) noncapital financing activities | (490,534) | (82,963) | (128,954) | (702,451) | 326,103 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | | |
| Acquisition of capital assets | (6,592,636) | - | (694,217) | (7,286,853) | (59,065) |
| Proceeds from the issuance of new bond | 21,105,949 | - | - | 21,105,949 | - |
| Principal paid | (1,399,145) | - | - | (1,399,145) | (1,255,729) |
| Interest paid | (617,779) | - | - | (617,779) | (15,608) |
| Net cash provided by (used in) capital and related financing activities | 12,496,389 | - | (694,217) | 11,802,172 | (1,330,402) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | | |
| Interest received | 396,840 | 13,451 | 276,314 | 686,605 | - |
| Net cash provided by investing activities | 396,840 | 13,451 | 276,314 | 686,605 | - |
| Net change in cash and cash equivalents | 7,456,047 | (214,635) | 343,289 | 7,584,701 | 949,337 |
| CASH AND CASH EQUIVALENTS: | | | | | |
| Beginning of year | 15,955,496 | 434,502 | 6,788,609 | 23,178,607 | 9,500,004 |
| End of year | <u>\$ 23,411,543</u> | <u>\$ 219,867</u> | <u>\$ 7,131,898</u> | <u>\$ 30,763,308</u> | <u>\$ 10,449,341</u> |
| CASH AND CASH EQUIVALENTS: | | | | | |
| Cash and investments | \$ 2,607,993 | \$ 219,867 | \$ 7,131,898 | \$ 9,959,758 | \$ 10,449,341 |
| Restricted cash | 20,797,811 | - | - | 20,797,811 | - |
| Cash and investments with fiscal agent | 5,739 | - | - | 5,739 | - |
| Total cash and cash equivalents | <u>\$ 23,411,543</u> | <u>\$ 219,867</u> | <u>\$ 7,131,898</u> | <u>\$ 30,763,308</u> | <u>\$ 10,449,341</u> |

City of Monterey Park
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2024

| | Enterprise Funds | | | | Internal Service Fund |
|---|-----------------------|---------------------|-------------------|-----------------------|--------------------------|
| | Water Utility | Refuse | Refuse | Sewer | |
| Reconciliation of operating (loss) to net cash provided by (used in) operating activities: | | | | | |
| Operating income (loss) | \$ (4,712,746) | \$ (380,423) | \$ 1,327,886 | (3,765,283) | \$ 4,644,183 |
| Adjustments to reconcile to net cash provided by (used in) operating activities: | | | | | |
| Depreciation/Amortization | 1,715,468 | 9,317 | 245,787 | 1,970,572 | 762,866 |
| Changes in assets and liabilities: | | | | | |
| (Increase) decrease in accounts receivables | 656,617 | (303,715) | (406,838) | (53,936) | - |
| (Increase) decrease in deferred outflows - pension related | 113,851 | 19,051 | 76,202 | 209,104 | 305,267 |
| (Increase) decrease in deferred outflows - OPEB related | 163,859 | 7,006 | 62,044 | 232,909 | 213,022 |
| Increase (decrease) in accounts payable | (2,055,262) | 539,310 | (51,496) | (1,567,448) | 155,809 |
| Increase (decrease) in accrued liabilities | 23,941 | 2,272 | 7,904 | 34,117 | (977,055) |
| Increase (decrease) in deposits payable | (22,262) | - | - | (22,262) | - |
| Increase (decrease) in compensated absences | 148,503 | 6,039 | 6,621 | 161,163 | 188,963 |
| Increase (decrease) in claims payable | - | - | - | - | (1,950,660) |
| Increase (decrease) in net pension liability | 547,456 | 37,374 | 149,496 | 734,326 | 274,770 |
| Increase (decrease) in total OPEB liability | (1,300,041) | (77,663) | (467,602) | (1,845,306) | (1,436,188) |
| Increase (decrease) in deferred inflows - pension related | (118,542) | (9,955) | (39,822) | (168,319) | (100,484) |
| Increase (decrease) in deferred inflows - OPEB related | (30,584) | 6,264 | (20,036) | (44,356) | (126,857) |
| Net cash provided by (used in) operating activities | \$ (4,946,648) | \$ (145,123) | \$ 890,146 | \$ (4,201,625) | \$ 1,953,636 |

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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, 2024

| | Private-Purpose Trust Fund |
|--|-------------------------------|
| ASSETS | |
| Current assets: | |
| Cash and investments | \$ 169,504 |
| Cash and investments with fiscal agent | 2,012,756 |
| Accounts receivable | 3,054 |
| Total assets | 2,185,314 |
| LIABILITIES | |
| Current liabilities: | |
| Accrued liabilities | 3,055 |
| Interest payable | 94,987 |
| Advances from City of Monterey Park, due within one year | 137,342 |
| Long term debt, due within one year | 2,466,946 |
| Total current liabilities | 2,702,330 |
| Noncurrent liabilities | |
| Advances from City of Monterey Park, due in more than one year | 621,624 |
| Long-term debt, due in more than one year | 97,594,715 |
| Total noncurrent liabilities | 98,216,339 |
| NET POSITION (DEFICIT) | |
| Restricted for Successor Agency | \$ (98,733,355) |

City of Monterey Park
Statement of Change in Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2024

| | Private-Purpose Trust Fund |
|---------------------------------------|-------------------------------|
| ADDITIONS | |
| Redevelopment property tax trust fund | \$ 2,925,697 |
| Investment income | 48,785 |
| Total additions | 2,974,482 |
| DEDUCTIONS | |
| Administration | 192,000 |
| Interest expense and fiscal charges | 6,184,867 |
| Total deductions | 6,376,867 |
| CHANGE IN NET POSITION | (3,402,385) |
| NET POSITION (DEFICIT) | |
| Beginning of year | (95,330,970) |
| End of year | \$ (98,733,355) |

NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Monterey Park
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For the Year Ended June 30, 2024

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City of Monterey Park
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City of Monterey Park
Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

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.

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, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Government-Wide Financial Statements (Continued)

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 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, 2024

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.

Street Capital Project 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 seven individual funds which provide services directly to other City funds.

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, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Proprietary Funds Financial Statements (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 and amortization) 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 seven internal service funds for separation benefits, general liability claims, workers' compensation claims, auto shop operations, technology development, fringe benefits, and building maintenance.

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, 2024

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, 2024

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, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

G. Leases (Continued)

Lessee (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. Lease assets, which include equipment, follow the same capitalization thresholds as capital assets. 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.

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, 2024

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, 2024

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. General Fund and special revenue funds are typically used to liquidate pension liabilities for governmental funds.

The following timeframes are used for pension reporting:

| | CalPERS | MMRP |
|--------------------|-------------------------------|-------------------------------|
| Valuation Date | June 30, 2022 | June 30, 2023 |
| Measurement Date | June 30, 2023 | June 30, 2024 |
| Measurement Period | July 1, 2022 to June 30, 2023 | July 1, 2023 to June 30, 2024 |

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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. For the year end June 30, 2024, the City recognized aggregated pension expense of \$14,060,710.

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. General Fund and special revenue funds are typically used to liquidate OPEB liabilities for governmental funds.

The following timeframes are reported OPEB reporting:

| | |
|--------------------|-------------------------------|
| Valuation Date | June 30, 2023 |
| Measurement Date | June 30, 2023 |
| Measurement Period | July 1, 2022 to June 30, 2023 |

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, 2024 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, 2024

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, 2024

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, 2024, the City has implemented the following new GASB Pronouncements:

GASB Statement No. 100 – In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

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 | |
|---------------------------------------|---|-----------------------------|----------------|---------------------------|----------------|
| | Governmental Activities | Business-type Activities | Total | Fiduciary Net Position | Total |
| Cash and investments | \$ 86,326,494 | \$ 9,959,758 | \$ 96,286,252 | \$ 169,504 | \$ 96,455,756 |
| Restricted cash | - | 20,797,811 | 20,797,811 | - | 20,797,811 |
| Cash and investment with fiscal agent | 2,761,562 | 5,739 | 2,767,301 | 2,012,756 | 4,780,057 |
| Total cash and investments | \$ 89,088,056 | \$ 30,763,308 | \$ 119,851,364 | \$ 2,182,260 | \$ 122,033,624 |

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Cash and Investments (Continued)

Cash and investments at June 30, 2024 consisted of the following:

| | |
|---|-----------------------|
| Cash and cash equivalents: | |
| Petty cash | \$ 28,250 |
| Demand deposits with financial institutions | 25,197,464 |
| Time certificates of deposit | 268,414 |
| Total cash and cash equivalents | 25,494,128 |
| Investments: | |
| Local Agency Investment Fund | 34,870,946 |
| Negotiable Certificates of Deposit | 7,334,477 |
| Los Angeles County Treasury Pool | 24,448,777 |
| Money Market Mutual Fund | 29,190 |
| Investment securities | 25,076,049 |
| Investments with Fiscal Agent: | |
| Money Market Mutual Fund | 4,780,057 |
| Total investments | 96,539,496 |
| Total cash and investments | \$ 122,033,624 |

A. Demand Deposits

The carrying amount of the City’s demand deposits were \$25,197,464 at June 30, 2024. Bank balances before reconciling items were \$27,003,151 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.

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.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Cash and Investments (Continued)

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 |
| | Maximum | Maximum Percentage of | Maximum Investment in One |
| Los Angeles County Pooled Investment Fund | None | 10% of LACPIF pool balance | 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 |

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, 2024, the City had \$34,870,946 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.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Cash and Investments (Continued)

E. Fair Value Measurements

At June 30, 2024, 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, 2024:

| Primary Government | Total | Level 1 | Level 2 | Uncategorized |
|---|----------------------|----------------------|----------------------|----------------------|
| Investment: | | | | |
| Negotiable Certificates of Deposit | \$ 7,334,477 | \$ - | \$ 7,334,477 | \$ - |
| Local Agency Investment Fund | 34,870,946 | - | - | 34,870,946 |
| Los Angeles County Treasury Pool | 24,448,777 | - | - | 24,448,777 |
| Commercial Paper | 511,742 | - | - | 511,742 |
| US Treasury Bond/Note | 10,686,760 | 10,686,760 | - | - |
| Federal Agency Mortgage-Backed Security | 1,983,917 | - | 1,983,917 | - |
| Federal Agency Bond/Note | 3,598,392 | - | 3,598,392 | - |
| Asset-Backed Security | 2,654,299 | - | 2,654,299 | - |
| Corporate Note | 5,640,939 | - | 5,640,939 | - |
| Investment with Fiscal Agent: | | | | |
| Money Market Mutual Funds | 4,809,247 | - | - | 4,809,247 |
| Total Investments | \$ 96,539,496 | \$ 10,686,760 | \$ 21,212,024 | \$ 64,640,712 |

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 | 1 to 2 Years | 2 to 3 Years | More than 3 years |
| Investment: | | | | | |
| Negotiable Certificates of Deposit | \$ 7,334,477 | \$ 7,334,477 | \$ - | \$ - | \$ - |
| Local Agency Investment Fund | 34,870,946 | 34,870,946 | - | - | - |
| Los Angeles County Treasury Pool | 24,448,777 | 24,448,777 | - | - | - |
| Commercial Paper | 511,742 | 511,742 | - | - | - |
| US Treasury Bond/Note | 10,686,760 | 5,434,112 | 1,977,968 | 1,695,492 | 1,579,188 |
| Federal Agency Mortgage-Backed Security | 1,983,917 | - | - | 497,921 | 1,485,996 |
| Federal Agency Bond/Note | 3,598,392 | 497,950 | 898,757 | 1,800,005 | 401,680 |
| Asset-Backed Security | 2,654,299 | - | 245,501 | 548,203 | 1,860,595 |
| Corporate Note | 5,640,939 | 1,491,250 | 3,505,885 | 643,804 | - |
| Investment with Fiscal Agent: | | | | | |
| Money Market Mutual Funds | 4,809,247 | 4,809,247 | - | - | - |
| Total | \$ 96,539,496 | \$ 79,398,501 | \$ 6,628,111 | \$ 5,185,425 | \$ 5,327,459 |

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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 | Actual Rating | | | |
|---|----------------------|-------------------------|---------------------|----------------------|---------------------|----------------------|
| | | | AAA | AA-/AA+ | A/A-/A+ | N/A |
| Investment: | | | | | | |
| Negotiable Certificates of Deposit | \$ 7,334,477 | N/A | \$ - | \$ - | \$ - | \$ 7,334,477 |
| Local Agency Investment Fund | 34,870,946 | N/A | - | - | - | 34,870,946 |
| Los Angeles County Treasury Pool | 24,448,777 | N/A | - | - | - | 24,448,777 |
| Commercial Paper | 511,742 | A-1 | - | - | 511,742 | - |
| US Treasury Bond/Note | 10,686,760 | A | - | 7,919,229 | 2,767,531 | - |
| Federal Agency Mortgage-Backed Security | 1,983,917 | AA | 332,479 | 1,651,438 | - | - |
| Federal Agency Bond/Note | 3,598,392 | A | - | 3,598,392 | - | - |
| Asset-Backed Security | 2,654,299 | AA | 2,654,299 | - | - | - |
| Corporate Note | 5,640,939 | A | - | 581,803 | 5,059,136 | - |
| Investment with Fiscal Agent: | | | | | | |
| Money Market Mutual Funds | 4,809,247 | AAA | 4,809,247 | - | - | - |
| Total | \$ 96,539,496 | | \$ 7,796,025 | \$ 13,750,862 | \$ 8,338,409 | \$ 66,654,200 |

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, 2024, none of the City’s deposits or investments were exposed to custodial credit risk.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Loans Receivable

Loans receivables of the City as of June 30, 2024, were:

| | | |
|---|----|-------------|
| Pacific Housing Loan | \$ | 272,560 |
| Pacific Bridge Loan | | 449,187 |
| First Time Home Buyer Program | | 32,381 |
| Critical Maintenance (Housing) | | 42,771 |
| Critical Maintenance (Grants) | | 1,420,901 |
| Abajo del Sol Loan (Grants) | | 2,280,440 |
| LINC Community Development (Housing) | | 2,599,189 |
| LINC Community Development (Grants) | | 1,044,525 |
| Low/Mod Housing Deferred Loans | | 1,186,222 |
| Subtotal | | 9,328,176 |
| Less: Allowance for uncollectible loans | | (7,420,207) |
| Total Loans Receivable | \$ | 1,907,969 |

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, 2024, outstanding principal and interest are \$175,000 and \$97,560, 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, 2024, outstanding principal and interest are \$240,478 and \$208,709, 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, 2024, \$32,381 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.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Loans Receivable (Continued)

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, 2024, the loans outstanding totaled \$1,463,672. Of this amount, \$42,771 is funded by the former Redevelopment Agency’s Housing Capital Projects Fund and \$1,420,901 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.

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, 2024, outstanding principal and interest being recorded as notes receivable are \$1,187,344 and \$1,093,096, 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, 2024, outstanding principal and interest being recorded as notes receivable are \$2,080,000 and \$519,189, 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, 2024, \$1,044,525 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 |
|-------------------------|---------------------|
| 2025-2029 | \$ 500,000 |
| 2030-2034 | 450,000 |
| 2035-2039 | 236,222 |
| Total | <u>\$ 1,186,222</u> |

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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 35 years. The interest rates used calculated the net present value of the lease receivable ranged from 0.31% to 3.72%.

For the fiscal year ended June 30, 2024, the City recognized \$261,551 in lease revenue and \$19,148 in interest revenue, and the outstanding net present value of the lease receivable amount is \$1,040,647.

At June 30, 2024, the required payments for these leases, including interest, are:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|---------------------|-------------------|---------------------|
| 2025 | \$ 317,874 | \$ 15,392 | \$ 333,266 |
| 2026 | 208,096 | 10,983 | 219,079 |
| 2027 | 125,301 | 7,799 | 133,100 |
| 2028 | 75,193 | 3,557 | 78,750 |
| 2029 | 6,844 | 5,357 | 12,201 |
| 2030 - 2034 | 36,011 | 24,993 | 61,004 |
| 2035 - 2039 | 45,499 | 21,605 | 67,104 |
| 2040 - 2044 | 49,513 | 17,592 | 67,105 |
| 2045 - 2049 | 53,880 | 13,225 | 67,105 |
| 2050 - 2054 | 58,632 | 8,472 | 67,104 |
| 2055 - 2059 | 63,804 | 3,300 | 67,104 |
| Total | \$ 1,040,647 | \$ 132,275 | \$ 1,172,922 |

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, 2024:

| Due From Other Funds | Due To Other Funds | | | Total |
|----------------------|--------------------------------|---------------------------|--------------------------------|--------------|
| | Street Capital Project Fund | Internal Service Funds | Nonmajor Governmental Funds | |
| General Fund | \$ 88,550 | \$ 730,331 | \$ 849,892 | \$ 1,668,773 |

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 governmental funds, balances are expected to be reimbursed when received fund from Grantor. For 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, 2024

Note 5 – Interfund Transactions (Continued)

B. Transfers

During the year ended June 30, 2024, the City had the following transfers:

| Transfers In | Transfers Out | | | | | | Total |
|-----------------------------|---------------------|------------------|-----------------------------|-------------------------------|------------------------|-----------------------|---------------------|
| | General Fund | Grant Funds | Nonmajor Governmental Funds | Water Utility Enterprise Fund | Refuse Enterprise Fund | Sewer Enterprise Fund | |
| Grant Fund | \$ 5,670 | \$ 49,848 | \$ - | \$ - | \$ - | \$ - | \$ 55,518 |
| Retirement | 2,609,596 | - | 177,852 | 266,327 | 33,872 | 81,573 | 3,169,220 |
| Nonmajor Governmental Funds | 43,074 | - | 1,008,126 | - | - | - | 1,051,200 |
| Total | <u>\$ 2,658,340</u> | <u>\$ 49,848</u> | <u>\$ 1,185,978</u> | <u>\$ 266,327</u> | <u>\$ 33,872</u> | <u>\$ 81,573</u> | <u>\$ 4,275,938</u> |

General Fund transfer to retirement and nonmajor governmental funds to support of certain capital projects, and pension and OPEB contribution.

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, 2024, amounted to \$758,966. 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, 2024

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, 2024:

| | Balance July 1, 2023 | Additions | Deletions | Transfers | Balance June 30, 2024 |
|--|-------------------------|----------------------|--------------------|---------------------|--------------------------|
| Capital assets, not being depreciated/amortized | | | | | |
| Land | \$ 8,465,051 | \$ - | \$ - | \$ - | \$ 8,465,051 |
| Construction in progress | 13,997,375 | 22,226,898 | - | (35,639,227) | 585,046 |
| Total capital assets not being depreciated/amortized | <u>22,462,426</u> | <u>22,226,898</u> | <u>-</u> | <u>(35,639,227)</u> | <u>9,050,097</u> |
| Capital assets, being depreciated | | | | | |
| Building and improvements | 30,391,663 | - | - | - | 30,391,663 |
| Improvement | 29,585,608 | - | - | 28,494,761 | 58,080,369 |
| Equipment and furniture | 34,600,795 | 419,157 | (1,127,290) | 2,650,327 | 36,542,989 |
| Infrastructure | 39,271,505 | - | - | 4,494,139 | 43,765,644 |
| Total capital assets being depreciated | <u>133,849,571</u> | <u>419,157</u> | <u>(1,127,290)</u> | <u>35,639,227</u> | <u>168,780,665</u> |
| Accumulated depreciation: | | | | | |
| Buildings | (16,753,860) | (600,589) | - | - | (17,354,449) |
| Improvements | (8,903,744) | (1,141,912) | - | - | (10,045,656) |
| Equipment | (28,750,309) | (2,173,277) | 1,127,290 | - | (29,796,296) |
| Infrastructure | (26,926,454) | (290,927) | - | - | (27,217,381) |
| Total accumulated depreciation | <u>(81,334,367)</u> | <u>(4,206,705)</u> | <u>1,127,290</u> | <u>-</u> | <u>(84,413,782)</u> |
| Total capital assets being depreciated, net | <u>52,515,204</u> | <u>(3,787,548)</u> | <u>-</u> | <u>35,639,227</u> | <u>84,366,883</u> |
| Right to use assets, being amortized | | | | | |
| Lease assets - machinery, equipment and vehicles | 136,153 | - | (28,918) | - | 107,235 |
| Subscription assets | 1,598,053 | 3,481 | (825,414) | - | 776,120 |
| Total right to use lease assets, being amortized | <u>1,734,206</u> | <u>3,481</u> | <u>(854,332)</u> | <u>-</u> | <u>883,355</u> |
| Accumulated amortization: | | | | | |
| Lease assets - machinery, equipment and vehicles | (62,007) | (28,422) | 28,918 | - | (61,511) |
| Subscription assets | (725,891) | (610,834) | 825,414 | - | (511,311) |
| Total accumulated amortization | <u>(787,898)</u> | <u>(639,256)</u> | <u>854,332</u> | <u>-</u> | <u>(572,822)</u> |
| Total right to use assets, being amortized, net | <u>946,308</u> | <u>(635,775)</u> | <u>-</u> | <u>-</u> | <u>310,533</u> |
| Total capital assets, net | <u>\$ 75,923,938</u> | <u>\$ 17,803,575</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 93,727,513</u> |

Depreciation and amortization expense was charged to functions/programs of governmental activities for the year ended June 30, 2024 as follows:

| | |
|--|---------------------|
| General government | \$ 845,439 |
| Public safety | 1,766,218 |
| Community services | 35,848 |
| Recreation | 778,389 |
| Highway and streets | 657,201 |
| Internal service | 762,866 |
| Total depreciation and amortization expense | <u>\$ 4,845,961</u> |

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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, 2024:

| | Balance July 1, 2023 | Additions | Deletions | Transfers | Balance June 30, 2024 |
|--|-------------------------|---------------------|------------------|---------------------|--------------------------|
| Capital assets, not being depreciated/amortized | | | | | |
| Land | \$ 499,975 | \$ - | \$ - | \$ - | \$ 499,975 |
| Construction in progress | 21,049,796 | 7,008,248 | - | (27,457,149) | 600,895 |
| Total capital assets not being depreciated/amortized | <u>21,549,771</u> | <u>7,008,248</u> | <u>-</u> | <u>(27,457,149)</u> | <u>1,100,870</u> |
| Capital assets, being depreciated | | | | | |
| Building and improvements | 285,050 | - | - | - | 285,050 |
| Improvement | 59,616,575 | - | - | 27,161,936 | 86,778,511 |
| Equipment and furniture | 4,639,871 | 67,616 | (126,829) | - | 4,580,658 |
| Infrastructure | 12,043,370 | - | - | 295,213 | 12,338,583 |
| Total capital assets being depreciated | <u>76,584,866</u> | <u>67,616</u> | <u>(126,829)</u> | <u>27,457,149</u> | <u>103,982,802</u> |
| Accumulated depreciation: | | | | | |
| Buildings | (157,652) | (4,838) | - | - | (162,490) |
| Improvements | (31,201,933) | (1,630,115) | - | - | (32,832,048) |
| Equipment | (3,668,087) | (220,339) | 126,829 | - | (3,761,597) |
| Infrastructure | (9,536,295) | (107,547) | - | - | (9,643,842) |
| Total accumulated depreciation | <u>(44,563,967)</u> | <u>(1,962,839)</u> | <u>126,829</u> | <u>-</u> | <u>(46,399,977)</u> |
| Total capital assets being depreciated, net | <u>32,020,899</u> | <u>(1,895,223)</u> | <u>-</u> | <u>27,457,149</u> | <u>57,582,825</u> |
| Right to use assets, being amortized | | | | | |
| Lease assets - machinery, equipment and vehicles | 3,225 | - | - | - | 3,225 |
| Subscription assets | 28,356 | - | - | - | 28,356 |
| Total right to use lease assets, being amortized | <u>31,581</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>31,581</u> |
| Accumulated amortization: | | | | | |
| Lease assets - machinery, equipment and vehicles | (1,070) | (644) | - | - | (1,714) |
| Subscription assets | (7,089) | (7,089) | - | - | (14,178) |
| Total accumulated amortization | <u>(8,159)</u> | <u>(7,733)</u> | <u>-</u> | <u>-</u> | <u>(15,892)</u> |
| Total right to use assets, being amortized, net | <u>23,422</u> | <u>(7,733)</u> | <u>-</u> | <u>-</u> | <u>15,689</u> |
| Total capital assets, net | <u>\$ 53,594,092</u> | <u>\$ 5,105,292</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 58,699,384</u> |

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

| | |
|--|---------------------|
| Water | \$ 1,715,468 |
| Refuse | 9,317 |
| Sewer | 245,787 |
| Total depreciation and amortization expense | <u>\$ 1,970,572</u> |

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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, 2024:

| | Balance July 1, 2023 | Additions | Deletions | Balance June 30, 2024 | Classification | |
|--|-------------------------|------------------|---------------------|--------------------------|------------------------|------------------------------|
| | | | | | Due within One Year | Due in more than One Year |
| Public offering: | | | | | | |
| 2004 Taxable Pension | | | | | | |
| Obligation Bonds | 10,920,000 | - | (410,000) | 10,510,000 | 795,000 | 9,715,000 |
| 2021 Taxable Pension | | | | | | |
| Obligation Bonds | 94,265,192 | - | (3,709,883) | 90,555,309 | 3,392,029 | 87,163,280 |
| 2022 Sales Tax Revenue Bonds | 17,280,000 | - | (320,000) | 16,960,000 | 335,000 | 16,625,000 |
| Premium | 3,057,713 | - | (109,204) | 2,948,509 | - | 2,948,509 |
| Total Public offerings | 125,522,905 | - | (4,549,087) | 120,973,818 | 4,522,029 | 116,451,789 |
| Direct borrowings: | | | | | | |
| Financing purchase | 4,241,933 | - | (1,367,277) | 2,874,656 | 383,018 | 2,491,638 |
| Total direct borrowings: | 4,241,933 | - | (1,367,277) | 2,874,656 | 383,018 | 2,491,638 |
| Other long-term liabilities | | | | | | |
| Lease liabilities | 74,330 | - | (27,914) | 46,416 | 26,512 | 19,904 |
| Subscription liabilities | 724,786 | 3,481 | (568,174) | 160,093 | 114,193 | 45,900 |
| Claims payable (Note 13) | 23,896,227 | 1,914,593 | (3,865,253) | 21,945,567 | 3,260,664 | 18,684,903 |
| Insurance assessment payable (Note 13) | 654,057 | - | (163,514) | 490,543 | 163,514 | 327,029 |
| Compensated absences | 5,309,384 | 6,512,944 | (6,318,670) | 5,503,658 | 5,173,641 | 330,017 |
| Total long-term liabilities | 160,423,622 | 8,431,018 | (16,859,889) | 151,994,751 | 13,643,571 | 138,351,180 |

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, 2024

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 \$10,510,000 at June 30, 2024.

The annual debt service requirements to maturity for the 2004 Taxable Pension Obligation Bonds are as follows:

| Year ending June 30, | Principal | Interest | Total |
|-------------------------|----------------------|---------------------|----------------------|
| 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 | 5,675,000 | 1,485,582 | 7,160,582 |
| 2030-2034 | 1,350,000 | 82,026 | 1,432,026 |
| Total | <u>\$ 10,510,000</u> | <u>\$ 3,819,981</u> | <u>\$ 14,329,981</u> |

2021 Taxable Pension Obligation Bonds

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

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

Optional Redemption: The bonds maturing on or before June 1, 2032 may be redeemed at the option of the City from any source of funds on any date on or after June 1, 2031 in whole or in part at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date of redemption, without premium.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

2021 Taxable Pension Obligation Bonds (Continued)

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 \$95,440,000 at June 30, 2024, of which \$90,555,309 is reported in governmental type activities and \$4,884,691 is reported in business-type activities.

| Year Ending June 30, | Governmental Activities | | Business-type Activities | | Total | | |
|-------------------------|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|-----------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | Total |
| 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 | 3,567,560 | 2,037,876 | 192,440 | 109,926 | 3,760,000 | 2,147,802 | 5,907,802 |
| 2030-2034 | 18,905,223 | 9,130,580 | 1,019,777 | 492,517 | 19,925,000 | 9,623,097 | 29,548,097 |
| 2035-2039 | 28,398,160 | 6,440,952 | 1,531,840 | 347,435 | 29,930,000 | 6,788,387 | 36,718,387 |
| 2040-2043 | 25,902,767 | 1,985,687 | 1,397,233 | 107,111 | 27,300,000 | 2,092,798 | 29,392,798 |
| Total | <u>\$ 90,555,309</u> | <u>\$ 28,228,308</u> | <u>\$ 4,884,691</u> | <u>\$ 1,522,678</u> | <u>\$ 95,440,000</u> | <u>\$ 29,750,986</u> | <u>\$ 125,190,986</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, 2024 was \$16,960,000.

Future debt service payments are as follows:

| Year ending June 30, | Principal | Interest | Total |
|-------------------------|----------------------|----------------------|----------------------|
| 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 | 405,000 | 643,200 | 1,048,200 |
| 2030-2034 | 2,355,000 | 2,891,250 | 5,246,250 |
| 2035-2039 | 2,920,000 | 2,327,400 | 5,247,400 |
| 2040-2044 | 3,545,000 | 1,695,400 | 5,240,400 |
| 2045-2049 | 4,315,000 | 927,600 | 5,242,600 |
| 2050-2051 | 1,980,000 | 119,600 | 2,099,600 |
| Total | <u>\$ 16,960,000</u> | <u>\$ 11,361,500</u> | <u>\$ 28,321,500</u> |

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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, 2024, the outstanding balance for the agreement was \$6,177,330 of which \$926,602 is reported in governmental type activities and \$5,250,728 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 |
| 2025 | \$ 125,533 | \$ 24,634 | \$ 711,354 | \$ 139,595 | \$ 836,887 | \$ 164,229 | \$ 1,001,116 |
| 2026 | 135,753 | 21,013 | 769,269 | 119,072 | 905,022 | 140,085 | 1,045,107 |
| 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 | 170,778 | 8,302 | 967,745 | 47,043 | 1,138,523 | 55,345 | 1,193,868 |
| 2030 | 189,384 | 3,293 | 1,073,150 | 18,689 | 1,262,534 | 21,982 | 1,284,516 |
| Total | <u>\$ 926,602</u> | <u>\$ 87,205</u> | <u>\$ 5,250,728</u> | <u>\$ 494,187</u> | <u>\$ 6,177,330</u> | <u>\$ 581,392</u> | <u>\$ 6,758,722</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, 2024~~2024~~, the outstanding balance for the agreement was \$1,948,054. The annual debt service requirements on the agreement are as follows:

| Year ending June 30, | Principal | Interest | Total |
|-------------------------|---------------------|-------------------|---------------------|
| 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 | 285,103 | 22,641 | 307,744 |
| 2030-2031 | 592,463 | 23,026 | 615,489 |
| Total | <u>\$ 1,948,054</u> | <u>\$ 206,158</u> | <u>\$ 2,154,212</u> |

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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. The Fire Engine Loan was paid off in fiscal year 2024.

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 |
|-------------------------|------------------|---------------|------------------|
| 2025 | \$ 26,512 | \$ 524 | \$ 27,036 |
| 2026 | 17,068 | 90 | 17,158 |
| 2027 | 2,836 | 6 | 2,842 |
| Total | <u>\$ 46,416</u> | <u>\$ 620</u> | <u>\$ 47,036</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 an implicit rate of 3.00%. Principal and interest to maturity are as follows:

| Year ending June 30, | Principal | Interest | Total |
|-------------------------|-------------------|-----------------|-------------------|
| 2025 | \$ 114,193 | \$ 3,193 | \$ 117,386 |
| 2026 | 45,900 | 785 | 46,685 |
| Total | <u>\$ 160,093</u> | <u>\$ 3,978</u> | <u>\$ 164,071</u> |

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Long-Term Liabilities (Continued)

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, 2024:

| | Balance | | | Balance June 30, 2024 | Classification | |
|--|----------------------|----------------------|-----------------------|--------------------------|------------------------|------------------------------|
| | July 1, 2023 | Additions | Deletions | | Due within One Year | Due in more than One Year |
| Public offering: | | | | | | |
| 2021 Taxable Pension Obligation Bonds | \$ 5,084,808 | \$ - | \$ (200,117) | \$ 4,884,691 | \$ 182,971 | \$ 4,701,720 |
| Water Revenue Bonds, Series 2024 | - | 20,555,000 | - | 20,555,000 | 570,000 | 19,985,000 |
| Premium | - | 550,949 | (1,530) | 549,419 | - | 549,419 |
| Total public offering: | <u>5,084,808</u> | <u>21,105,949</u> | <u>(201,647)</u> | <u>25,989,110</u> | <u>752,971</u> | <u>25,236,139</u> |
| Direct borrowings: | | | | | | |
| Finance purchase loans | 6,646,310 | - | (1,395,582) | 5,250,728 | 711,354 | 4,539,374 |
| SGVMWD Loan | 4,000,000 | - | - | 4,000,000 | 400,000 | 3,600,000 |
| Total direct borrowings: | <u>10,646,310</u> | <u>-</u> | <u>(1,395,582)</u> | <u>9,250,728</u> | <u>1,111,354</u> | <u>8,139,374</u> |
| Lease liabilities | 2,109 | - | (649) | 1,460 | 654 | 806 |
| Subscription liabilities | 9,230 | - | (2,914) | 6,316 | 3,074 | 3,242 |
| Compensated absences | 262,765 | 561,819 | (400,656) | 423,928 | 398,508 | 25,420 |
| Total long-term liabilities | <u>\$ 16,005,222</u> | <u>\$ 21,667,768</u> | <u>\$ (2,001,448)</u> | <u>\$ 35,671,542</u> | <u>\$ 2,266,561</u> | <u>\$ 33,404,981</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 La Loma Highland loan was paid off in fiscal year 2024.

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. The related projects are completed in March 2024, and the outstanding balance of the loan was \$4,000,000. Principal to maturity are as follows:

| Year ending June 30, | Principal |
|-------------------------|---------------------|
| 2025 | \$ 400,000 |
| 2026 | 400,000 |
| 2027 | 400,000 |
| 2028 | 400,000 |
| 2029 | 400,000 |
| 2030-2034 | 2,000,000 |
| Total | <u>\$ 4,000,000</u> |

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

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 |
|-------------------------|-----------------|---------------|-----------------|
| 2025 | \$ 654 | \$ 524 | \$ 1,178 |
| 2026 | 657 | 90 | 747 |
| 2027 | 149 | 6 | 155 |
| Total | <u>\$ 1,460</u> | <u>\$ 620</u> | <u>\$ 2,080</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 |
|-------------------------|-----------------|---------------|-----------------|
| 2025 | \$ 3,074 | \$ 144 | \$ 3,218 |
| 2026 | 3,242 | 74 | 3,316 |
| Total | <u>\$ 6,316</u> | <u>\$ 218</u> | <u>\$ 6,534</u> |

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, 2024:

| | Balance | | | Balance June 30, 2024 | Classification | |
|---|----------------------|---------------------|-----------------------|--------------------------|------------------------|------------------------------|
| | July 01, 2023 | Additions | Deletions | | Due within One Year | Due in more than One Year |
| Public offering: | | | | | | |
| Tax Allocation Refunding Bond - 2013A | \$ 4,850,000 | \$ - | \$ (1,165,000) | \$ 3,685,000 | \$ 1,220,000 | 2,465,000.00 |
| Tax Allocation Refunding Bond - 2013B | 3,360,000 | | (505,000) | 2,855,000 | 530,000 | 2,325,000.00 |
| Premium | 347,357 | | (93,417) | 253,940 | - | 253,940.00 |
| Direct borrowings: | | | | | | |
| SERAF Loan (Note 6) | 896,309 | | (137,343) | 758,966 | 137,342 | 621,624.00 |
| Tax Increment deferred loan- Atlantic/Garvey Project | 15,820,012 | 1,107,401 | - | 16,927,413 | - | 16,927,413.00 |
| Tax Increment deferred loan- Merged Project | 70,843,475 | 4,872,002 | (561,391) | 75,154,086 | 616,946 | 74,537,140.00 |
| Low Mod Housing Payable | 1,186,222 | - | - | 1,186,222 | 100,000 | 1,086,222.00 |
| Total long-term liabilities | <u>\$ 97,303,375</u> | <u>\$ 5,979,403</u> | <u>\$ (2,462,151)</u> | <u>\$ 100,820,627</u> | <u>\$ 2,604,288</u> | <u>\$ 98,216,339</u> |

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.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Long-Term Liabilities (Continued)

C. Fiduciary Activities (Continued)

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

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

The Bonds are secured by a first and prior lien on tax increment revenues, excluding any portion of revenues that are required to be deposited to the Rebate Fund. Annual principal and interest payments on the Bonds are expected to require less than 90% of net revenues. The amount of principal outstanding at June 30, 2024 is \$3,685,000. The net tax increment revenue is collected and withheld by the County of Los Angeles due to the dissolution of the former Redevelopment Agency. 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 |
|-------------------------|---------------------|-------------------|---------------------|
| 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>\$ 3,685,000</u> | <u>\$ 238,803</u> | <u>\$ 3,923,803</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, 2024 was \$2,855,000. The net tax increment revenue is collected and withheld by the County of Los Angeles due to the dissolution of the former Redevelopment Agency. 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 |
|-------------------------|---------------------|-------------------|---------------------|
| 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>\$ 2,855,000</u> | <u>\$ 350,765</u> | <u>\$ 3,205,765</u> |

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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 \$16,927,413 at June 30, 2024.

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 \$75,154,086 at June 30, 2024.

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 |
|-------------------------|---------------------|
| 2025 | \$ 100,000 |
| 2026 | 100,000 |
| 2027 | 100,000 |
| 2028 | 100,000 |
| 2029 | 100,000 |
| 2030-2034 | 450,000 |
| 2035-2039 | 236,222 |
| Total | <u>\$ 1,186,222</u> |

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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 Pacific Housing Corporation loan in the amount of \$272,560, and the Pacific Bridge Loan in the amount of \$449,187, described in Note 3 at June 30, 2024, 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.

| | | |
|---|-----------|-----------------------|
| Pacific Housing Loan | \$ | 272,560 |
| Pacific Bridge Loan | | 449,187 |
| Total due to other governmental agencies | \$ | <u>721,747</u> |

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 PEPRSA Safety member becomes eligible for Service Retirement upon attainment of age 55 with at least 5 years of credited service. PEPRSA 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 PEPRSA 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 PEPRSA 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, 2024

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, 2022, the valuation date, the following employees were covered by the benefit terms:

| | Miscellaneous | Safety |
|--------------------------------------|----------------------|---------------|
| Active employees | 168 | 121 |
| Transferred and terminated employees | 382 | 102 |
| Retired Employees and Beneficiaries | 366 | 262 |
| Total | 916 | 485 |

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, 2024, the employer contributions for the miscellaneous plan and the safety plan, were \$1,675,337 and \$3,173,600, respectively.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 10 – Defined Benefit Pension Plans (Continued)

California Public Employees’ Retirement System Plan (Continued)

B. Net Pension Liability

The June 30, 2022 valuation was rolled forward to determine the June 30, 2023, measurement date total pension liability, based on following actuarial methods and assumptions:

| Actuarial Cost Method | Entry Age Actual Cost Method |
|-----------------------------------|--|
| 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

There was no change in assumptions in 2023.

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, 2024

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 |
|----------------------------------|-----------------------------|
| Global Equity - Cap-weighted | 30.00% |
| Global Equity - Non-cap-weighted | 12.00% |
| Private Equity | 13.00% |
| Treasury | 5.00% |
| Mortgage-backed Securities | 5.00% |
| Investment Grade Corporates | 10.00% |
| High Yield | 5.00% |
| Emerging Market Debt | 5.00% |
| Private Debt | 5.00% |
| Real Assets | 15.00% |
| Leverage | -5.00% |
| | 100.00% |

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, 2024

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 (c) = (a) - (b) |
| Balance at June 30, 2022 (Valuation Date) | \$ 161,211,857 | \$ 155,052,247 | \$ 6,159,610 |
| Changes Recognized for the Measurement Period: | | | |
| Service Cost | 2,183,668 | - | 2,183,668 |
| Interest on the total pension liability | 11,045,245 | - | 11,045,245 |
| Changes of benefit terms | 235,939 | - | 235,939 |
| Changes of assumptions | - | - | - |
| Difference between expected and actual experience | 1,799,505 | - | 1,799,505 |
| Plan to plan resource movement | - | - | - |
| Contributions from the employer | - | 1,431,213 | (1,431,213) |
| Contributions from employees | - | 867,801 | (867,801) |
| Net investment income | - | 9,341,983 | (9,341,983) |
| Benefit payments, including refunds of employee contributions | (8,526,263) | (8,526,263) | - |
| Administrative expenses | - | (114,018) | 114,018 |
| Other Miscellaneous Income/(Expense) | - | - | - |
| Net Changes during July 1, 2022 to June 30, 2023 | <u>6,738,094</u> | <u>3,000,716</u> | <u>3,737,378</u> |
| Balance at June 30, 2023 (Measurement Date) | <u>\$ 167,949,951</u> | <u>\$ 158,052,963</u> | <u>\$ 9,896,988</u> |

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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 (c) = (a) - (b) |
| Balance at June 30, 2022 (Valuation Date) | \$ 253,658,433 | \$ 244,552,940 | \$ 9,105,493 |
| Changes Recognized for the Measurement Period: | | | |
| Service Cost | 4,490,164 | - | 4,490,164 |
| Interest on the total pension liability | 17,281,068 | - | 17,281,068 |
| Changes of benefit terms | 150,684 | - | 150,684 |
| Changes of assumptions | - | - | - |
| Difference between expected and actual experience | 475,381 | - | 475,381 |
| Plan to plan resource movement | - | - | - |
| Contributions from the employer | - | 2,647,296 | (2,647,296) |
| Contributions from employees | - | 1,875,875 | (1,875,875) |
| Net investment income | - | 14,836,038 | (14,836,038) |
| Benefit payments, including refunds of employee contributions | (12,158,628) | (12,158,628) | - |
| Administrative expenses | - | (179,833) | 179,833 |
| Other Miscellaneous Income/(Expense) | - | - | - |
| Net Changes during July 1, 2022 to June 30, 2023 | 10,238,669 | 7,020,748 | 3,217,921 |
| Balance at June 30, 2023 (Measurement Date) | \$ 263,897,102 | \$ 251,573,688 | \$ 12,323,414 |

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 - 1% (5.9%) | Current Discount Rate (6.9%) | Discount Rate + 1% (7.9%) |
| | Miscellaneous Plan | \$ 31,640,787 | \$ 9,896,988 |
| Safety Plan | \$ 47,993,902 | \$ 12,323,414 | \$ (16,951,031) |

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, 2024

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, 2024, the City recognized pension expense of \$6,322,508 and \$7,988,655, for the Miscellaneous and Safety plan, respectively. At June 30, 2024, 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 | \$ 1,675,337 | \$ - |
| Changes of assumptions | 222,620 | - |
| Difference between expected and actual experience | 899,752 | (92,767) |
| Net difference between projected and actual earning on pension plan investments | 8,678,105 | - |
| Total | \$ 11,475,814 | \$ (92,767) |
| Safety Plan | | |
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Contribution made after the measurement date | \$ 3,173,600 | \$ - |
| Changes of assumptions | 1,923,078 | - |
| Difference between expected and actual experience | 311,457 | (780,565) |
| Net difference between projected and actual earnings on pension plan investments | 13,767,704 | - |
| Total | \$ 19,175,839 | \$ (780,565) |

The amounts above are net of outflows and inflows recognized in the 2022-2023 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 2022-2023 measurement period is 2.0, and 2.9 years, which was obtained by dividing the total service years of 1,796 and 1,407 (the sum of remaining service lifetimes of the active employees) by 916 and 485 (the total number of participants: active, inactive, and retired), respectively.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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 (Continued)

The \$1,675,337 and \$3,173,600 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, 2025. 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 | Safety |
| | Plan | Plan |
| 2024 | \$ 2,885,852 | \$ 4,297,991 |
| 2025 | 1,442,069 | 2,460,622 |
| 2026 | 5,155,264 | 8,110,055 |
| 2027 | 224,525 | 353,006 |
| 2028 | - | - |
| Thereafter | - | - |
| | \$ 9,707,710 | \$ 15,221,674 |

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, 2024, there are 30 individuals in the plan, 29 inactive receiving benefits and 1 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, 2023 to June 30, 2024.

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.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 10 – Defined Benefit Pension Plans (Continued)

Massachusetts Mutual Retirement Plan - Defined Benefit Plan (Continued)

F. Net Pension Liability

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2024, the total pension liability was determined by rolling forward the June 30, 2023 total pension liability to June 30, 2024, based on actual benefit payments.

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

| | |
|---|--|
| Contribution Policy | City contributes full ADC |
| Actuarial Assumptions: | |
| Discount Rate | 3.93% at June 30, 2024 based on the Bond Buyer 20-bond Index at 6/30/24 3.65% at June 30, 2023 based on the Bond Buyer 20-bond Index at 6/30/23 |
| Long-Term Expected Rate of Return on Assets | 3.00% at June 30, 2024 (55% confidence level) 3.00% at June 30, 2023 (55% confidence level) |
| Municipal Bond Rate | 3.93% at June 30, 2024 (Bond Buyer 20 Index) 3.65% at June 30, 2023 (Bond Buyer 20 Index) |
| General Inflation | 2.50% annually |
| Mortality | CalPERS 2000-2019 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 90.528% as of 6/30/2024 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:

| Asset Class | Target Allocation | Expected Real Rate of Return |
|------------------|-------------------|------------------------------|
| Fixed Income | 97.2%** | 0.78% |
| Global Equity ** | n/a | 4.56% |
| REITs | 0.10% | 3.91% |
| Cash | 2.70% | -0.50% |
| | <u>100.00%</u> | |

** Includes 9.4% “other invested assets” in Empower General Investment Account, which includes Global Equity.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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, 2023 | \$ 4,096,282 | \$ 3,665,302 | \$ 430,980 |
| Changes Recognized for the Measurement Period: | | | |
| Service Cost | - | - | - |
| Interest on the total pension liability | 143,128 | - | 143,128 |
| Changes of benefit terms | - | - | - |
| Changes of assumptions | (89,043) | - | (89,043) |
| Difference between expected and actual experience | (366,919) | - | (366,919) |
| Plan to plan resource movement | - | - | - |
| Contributions from the employer | - | - | - |
| Contributions from employees | - | - | - |
| Net investment income | - | 183,067 | (183,067) |
| Benefit payments, including refunds of employee contributions | (349,894) | (349,894) | - |
| Administrative expenses | - | (10,861) | 10,861 |
| Net Changes during July 1, 2023 to June 30, 2024 | (662,728) | (177,688) | (485,040) |
| Balance at June 30, 2024 (Measurement Date) | <u>\$ 3,433,554</u> | <u>\$ 3,487,614</u> | <u>\$ (54,060)</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 3.93%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.93%) or 1 percentage point higher (4.93%) than the current rate:

| | Plan's Net Pension Liability/(Asset) | | |
|-----------------------|--------------------------------------|------------------|---------------|
| | Discount Rate | Current Discount | Discount Rate |
| | - 1% (2.93%) | Rate (3.93%) | + 1% (4.93%) |
| Net Pension Liability | \$ 219,154 | \$ (54,060) | \$ (289,883) |

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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, 2024, the City incurred a pension expense/(income) of \$(250,453) for MMRP. As of measurement date of June 30, 2024, 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 | \$ 396,613 | \$ - |
| Total | \$ 396,613 | \$ - |

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 |
|--|---|
| 2025 | \$ 200,438 |
| 2026 | 218,438 |
| 2027 | (6,434) |
| 2028 | (15,829) |
| 2029 | - |
| Thereafter | - |
| | \$ 396,613 |

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, 2024, 119 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.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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

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 \$43,031 to the plan.

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% |

Employees Covered

At the measurement date of June 30, 2024, the following current and former employees were covered by the benefit terms under the plan:

| | |
|---|-----|
| Active plan members | 283 |
| Inactivities entitled to but not yet receiving benefits | 65 |
| Retirees | 240 |
| Total | 588 |

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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 \$323,000, \$18,354 in administrative expenses, and \$1,368,483 in cash benefit payments, resulting in total contributions of \$2,709,837. The contributions to the OPEB plan are generally made from the general fund.

B. Total OPEB Liability

For the measurement period ended June 30, 2023, the City’s total OPEB liability was determined in a June 30, 2023 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, 2023 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, 2023 |
| 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, 2023 and June 30, 2022 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 - 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Non-Kaiser) - 7.5% for 2025, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Kaiser) - 6.25% for 2025, decreasing to an ultimate rate of 3.45% in 2076 |
| PEMHCA Minimum Increases | 3.50% 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: 60% |

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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% |
| | <u>100.00%</u> | |

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, 2022 | \$ 34,040,845 | \$ 12,261,330 | \$ 21,779,515 |
| Changes Recognized for the Measurement Period: | | | |
| Service Cost | 778,388 | - | 778,388 |
| Interest on the total OPEB liability | 2,126,500 | - | 2,126,500 |
| Changes of benefit terms | - | - | - |
| Difference between expected and actual experience | (4,152,538) | - | (4,152,538) |
| Changes of assumptions | 526,668 | - | 526,668 |
| Contributions from the employer | - | 1,607,808 | (1,607,808) |
| Net investment income | - | 787,426 | (787,426) |
| Administrative expenses | - | (20,906) | 20,906 |
| Benefit payments | (1,590,464) | (1,590,464) | - |
| Net Changes during July 1, 2022 to June 30, 2023 | <u>(2,311,446)</u> | <u>783,864</u> | <u>(3,095,310)</u> |
| Balance at June 30, 2023 (Measurement Date) | <u>\$ 31,729,399</u> | <u>\$ 13,045,194</u> | <u>\$ 18,684,205</u> |

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 12 – Other Postemployment Healthcare Plan (Continued)

C. Changes in total OPEB Liability (Continued)

Change of Assumptions

The medical trend, PEMHCA minimum trend and PEMHCA minimum participation were updated.

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%) |
| \$ 22,636,671 | \$ 18,684,205 | \$ 15,399,629 |

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 |
| \$ 17,238,621 | \$ 18,684,205 | \$ 20,259,901 |

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

For the year ended June 30, 2024, the City recognized OPEB expense of \$271,193. At June 30, 2024, 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 | \$ - | \$ (5,117,793) |
| Changes of assumptions | 441,722 | (250,406) |
| Net difference between projected and actual earnings on plan investments | 898,256 | - |
| Employer contributions made subsequent to the measurement date | 2,709,837 | - |
| Total | \$ 4,049,815 | \$ (5,368,199) |

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 12 – Other Postemployment Healthcare Plan (Continued)

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

The expected average remaining service lifetime (“EARSL”) for OPEB for the 2022-23 measurement period is 3,424.8 years, which was obtained by the average of the EARSL of 6.4 years times 538 covered participants.

\$2,709,837 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, 2025. 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 |
|------------------------|--|
| 2025 | \$ (1,450,790) |
| 2026 | (846,222) |
| 2027 | (440,371) |
| 2028 | (589,058) |
| 2029 | (584,818) |
| Thereafter | (116,962) |
| | \$ (4,028,221) |

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 \$1,000,000 of each General Liability and Auto Liability claim and is a member of the Public Risk Innovation, Solutions and Management (PRISM) for coverage up to \$25 million per occurrence. The City also purchases commercial insurance for other risks of loss, including property loss, emergency vehicle physical damage, cyber liability and special events. The comprehensive general liability insurance includes monetary damages for personal liability, property damage and public officials’ errors and omissions. Deposits made to the PRISM are based on losses incurred by the insured, and rebates are possible if the losses are minimal.

On November 17, 2016, the Independent Cities Risk Management Authority (“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, 2024, the assessment liability balance was \$490,543.

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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, 2024, total estimated General Liability and Workers' Compensation claims payable were \$7,888,749 and \$14,056,818, 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:

| Year ended June 30, | Beginning of Fiscal Year Liability | Current Year Claims and Changes in Estimates | Claim Payments | Balance at Fiscal Year End |
|------------------------|--|---|-------------------|----------------------------------|
| 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 |
| 2024 | 23,896,227 | 1,914,593 | (3,865,253) | 21,945,567 |

Note 14 – Stewardship, Compliance and Accountability

A. Deficit Fund Balance/Net Position

At June 30, 2024, the following funds had a fund balance (deficit) or unrestricted net position (deficit):

| Fund | Fund Type | Deficit |
|---|-----------------------|--------------|
| Maintenance District 93-1 Special Revenue | Special Revenue Fund | \$ (47,578) |
| Bike Route Special Revenue | Special Revenue Fund | (5,547) |
| Refuse Fund | Enterprise Fund | (18,061) |
| General Liability Fund | Internal Service Fund | (4,532,002) |
| Workers' Compensation | Internal Service Fund | (8,363,705) |
| Shop | Internal Service Fund | (150,719) |
| Successor Agency Private-Purpose Trust | Fiduciary Fund | (98,733,355) |

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, 2024

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 |
|----------------------------------|-------------------------|--------------|-------------|
| Nonmajor governmental funds: | | | |
| Special Revenue Funds: | | | |
| Proposition A | \$ 3,255,083 | \$ 3,312,615 | \$ (57,532) |
| Maintenance District 93-1 Fund | 1,159,591 | 1,204,354 | (44,763) |
| Sales Tax Bond Debt Service Fund | 1,051,200 | 1,053,200 | (2,000) |

Note 15 – Net Investment in Capital Assets

Net investment in capital assets at June 30, 2024 consisted of the following:

| | Governmental Activities | Business-Type Activities |
|--|----------------------------|-----------------------------|
| Net investment in capital assets: | | |
| Capital assets, net | \$ 93,727,513 | \$ 58,699,384 |
| Unspent 2022 sales tax revenue bonds - bond proceeds | 2,246,694 | - |
| Unspent 2023 sales tax revenue bonds - bond proceeds | - | 20,797,811 |
| Retention payable | (2,553) | (341,691) |
| Long-term debt: | | |
| 2022 Sales tax revenue bonds | (16,960,000) | - |
| Water revenue bonds, series 2024 | - | (20,555,000) |
| SGVMWD loan | - | (4,000,000) |
| Premium | (2,948,509) | (549,419) |
| Finance purchase loans | (2,874,656) | (5,250,728) |
| Lease liabilities | (46,416) | (1,460) |
| Subscription liabilities | (160,093) | (6,316) |
| Total net investment in capital assets | <u>\$ 72,981,980</u> | <u>\$ 48,792,581</u> |

City of Monterey Park
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 16 – Classification of Fund Balances

At June 30, 2024, fund balances are classified in the governmental funds as follows:

| | Special Revenue Funds | | | | Street Capital Projects Funds | Nonmajor Governmental Funds | Total |
|---------------------------------------|-----------------------|--------------|-----------------------------|--------------|----------------------------------|-----------------------------------|---------------|
| | General Fund | Grants Fund | Retirement/ Pension Fund | Housing Fund | | | |
| Restricted: | | | | | | | |
| Housing | \$ - | \$ - | \$ - | \$ 3,744,119 | \$ - | \$ - | \$ 3,744,119 |
| Grants: | | 1,230,698 | - | - | - | - | 1,230,698 |
| Retirement | - | - | 6,559,330 | - | - | - | 6,559,330 |
| OPA Proposition A | - | - | - | - | - | 2,150,407 | 2,150,407 |
| State Gas Tax | - | - | - | - | - | 519,249 | 519,249 |
| Measure W | - | - | - | - | - | 222,540 | 222,540 |
| Proposition C | - | - | - | - | - | 2,766,266 | 2,766,266 |
| Air Quality Improvement | - | - | - | - | - | 473,798 | 473,798 |
| Asset forfeiture | - | - | - | - | - | 1,277,633 | 1,277,633 |
| Park Facilities | - | - | - | - | - | 1,150,135 | 1,150,135 |
| Business Improvement Area #1 | - | - | - | - | - | 226,310 | 226,310 |
| Public Safety Augmentation | - | - | - | - | - | 1,002,816 | 1,002,816 |
| Measure R | - | - | - | - | - | 722,151 | 722,151 |
| Circulation Dev Impact Fee | - | - | - | - | - | 648,982 | 648,982 |
| SB1-RMRA | - | - | - | - | - | 2,840,316 | 2,840,316 |
| Measure M | - | - | - | - | - | 4,167,068 | 4,167,068 |
| SB2 Planning | - | - | - | - | - | 62,207 | 62,207 |
| Highway safety improvement | - | - | - | - | - | 45,616 | 45,616 |
| Capital projects-unspent bond proceed | - | - | - | - | 573,797 | 1,094,434 | 1,668,231 |
| Subtotal | - | 1,230,698 | 6,559,330 | 3,744,119 | 573,797 | 19,369,928 | 31,477,872 |
| Committed: | | | | | | | |
| Catastrophic event | 5,840,000 | - | - | - | - | - | 5,840,000 |
| Working capital | 3,000,000 | - | - | - | - | - | 3,000,000 |
| Economic development | 1,886,927 | - | - | - | - | - | 1,886,927 |
| CERCLA Liability | - | - | - | - | - | 32,094 | 32,094 |
| Total committed | 10,726,927 | - | - | - | - | 32,094 | 10,759,021 |
| Assigned: | | | | | | | |
| City capital improvements | 31,029,418 | - | - | - | - | - | 31,029,418 |
| Subtotal | 31,029,418 | - | - | - | - | - | 31,029,418 |
| Unassigned (deficit) | 135,435 | - | - | - | - | (53,125) | 82,310 |
| Total | \$ 41,891,780 | \$ 1,230,698 | \$ 6,559,330 | \$ 3,744,119 | \$ 573,797 | \$ 19,348,897 | \$ 73,348,621 |

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, 2024

Note 17 – Commitments and Contingencies

A. Commitments

The City has active projects as of June 30, 2024. At year-end, the City’s commitments with contractors for these projects are as follows:

| <u>Projects</u> | <u>Commitments</u> |
|-----------------|---------------------|
| Streets | \$ 552,230 |
| Community | 178,979 |
| Sewer | 316,476 |
| Water | 261,813 |
| | <u>\$ 1,309,498</u> |

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.

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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, 2024

| Fiscal Year Ended | June 30, 2024 | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 |
|---|-----------------------|-----------------------|------------------------|-----------------------|-----------------------|
| Measurement period | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 |
| Total pension liability | | | | | |
| Service cost | \$ 2,183,668 | \$ 2,277,310 | \$ 2,148,048 | \$ 2,180,399 | \$ 2,265,594 |
| Interest | 11,045,245 | 10,590,605 | 10,443,716 | 10,151,939 | 9,748,249 |
| Changes of benefit terms | 235,939 | - | - | - | - |
| Changes of assumptions | - | 4,675,002 | - | - | - |
| Differences between expected and actual experience | 1,799,505 | (1,948,123) | (746,806) | 602,063 | 2,073,497 |
| Benefit payments, including refunds of employee contributions | (8,526,263) | (8,008,871) | (7,915,523) | (7,061,615) | (6,792,973) |
| Net change in total pension liability | 6,738,094 | 7,585,923 | 3,929,435 | 5,872,786 | 7,294,367 |
| Total pension liability - beginning | 161,211,857 | 153,625,934 | 149,696,499 | 143,823,713 | 136,529,346 |
| Total pension liability - ending (a) | \$ 167,949,951 | \$ 161,211,857 | \$ 153,625,934 | \$ 149,696,499 | \$ 143,823,713 |
| Pension fiduciary net position | | | | | |
| Contributions - employer | \$ 1,431,213 | \$ 1,281,326 | \$ 45,650,016 | \$ 4,961,827 | \$ 4,364,979 |
| Contributions - employee | 867,801 | 1,068,666 | 878,774 | 919,290 | 1,139,478 |
| Net plan to plan resource movement | - | - | - | - | - |
| Net investment income | 9,341,983 | (12,885,155) | 27,613,258 | 5,122,746 | 6,457,617 |
| Benefit payments, including refunds of employee contributions | (8,526,263) | (8,008,871) | (7,915,523) | (7,061,615) | (6,792,973) |
| Other Miscellaneous income/(expense) | (114,018) | (108,208) | (107,471) | - | 229 |
| Net change in plan fiduciary net position | 3,000,716 | (18,652,242) | 66,119,054 | 3,942,248 | 5,169,330 |
| Plan fiduciary net position - beginning | 155,052,247 | 173,704,489 | 107,585,435 | 103,643,187 | 98,473,857 |
| Plan fiduciary net position - ending (b) | \$ 158,052,963 | \$ 155,052,247 | \$ 173,704,489 | \$ 107,585,435 | \$ 103,643,187 |
| Plan net pension liability - ending (a) - (b) | \$ 9,896,988 | \$ 6,159,610 | \$ (20,078,555) | \$ 42,111,064 | \$ 40,180,526 |
| Plan fiduciary net position as a percentage of the total pension liability | 94.11% | 96.18% | 113.07% | 71.87% | 72.06% |
| Covered payroll¹ | \$ 11,198,295 | \$ 11,648,645 | \$ 12,309,728 | \$ 12,120,063 | \$ 11,984,909 |
| Net pension liability as a percentage of covered payroll | 88.38% | 52.88% | -163.11% | 347.45% | 335.26% |

¹Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended in 2022 and 2023; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2014 through 2017.

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.

In 2022, SB 1168 increased the standard retiree lump sum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

Changes of Assumptions: There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 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. In addition, demographic assumptions and the price inflation 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 June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 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, 2024

| 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 | \$ 2,094,764 | \$ 2,228,391 | \$ 2,069,087 | \$ 1,980,088 | \$ 1,910,429 |
| Interest | 9,247,324 | 8,924,469 | 8,653,522 | 8,290,095 | 7,992,845 |
| Changes of benefit terms | - | - | - | - | - |
| Changes of assumptions | (692,460) | 7,347,650 | - | (2,040,465) | - |
| Differences between expected and actual experience | (117,357) | (1,360,108) | (944,621) | (1,849,112) | - |
| Benefit payments, including refunds of employee contributions | (6,197,134) | (5,324,401) | (4,855,567) | (4,383,243) | (4,121,783) |
| Net change in total pension liability | 4,335,137 | 11,816,001 | 4,922,421 | 1,997,363 | 5,781,491 |
| Total pension liability - beginning | 132,194,209 | 120,378,208 | 115,455,787 | 113,458,424 | 107,676,933 |
| Total pension liability - ending (a) | \$ 136,529,346 | \$ 132,194,209 | \$ 120,378,208 | \$ 115,455,787 | \$ 113,458,424 |
| Pension fiduciary net position | | | | | |
| Contributions - employer | \$ 4,603,513 | \$ 3,511,958 | \$ 3,019,357 | \$ 2,466,015 | \$ 2,203,100 |
| Contributions - employee | 866,540 | 907,755 | 917,401 | 940,132 | 838,784 |
| Net plan to plan resource movement | (229) | - | - | - | - |
| Net investment income | 7,707,169 | 9,429,350 | 385,286 | 1,789,792 | 12,387,447 |
| Benefit payments, including refunds of employee contributions | (6,197,134) | (5,324,401) | (4,855,567) | (4,383,243) | (4,121,783) |
| Other Miscellaneous income/(expense) | (271,552) | - | - | - | - |
| Net change in plan fiduciary net position | 6,708,307 | 8,524,662 | (533,523) | 812,696 | 11,307,548 |
| Plan fiduciary net position - beginning | 91,765,550 | 83,240,888 | 83,774,411 | 82,961,715 | 71,654,167 |
| Plan fiduciary net position - ending (b) | \$ 98,473,857 | \$ 91,765,550 | \$ 83,240,888 | \$ 83,774,411 | \$ 82,961,715 |
| Plan net pension liability - ending (a) - (b) | \$ 38,055,489 | \$ 40,428,659 | \$ 37,137,320 | \$ 31,681,376 | \$ 30,496,709 |
| Plan fiduciary net position as a percentage of the total pension liability | 72.13% | 69.42% | 69.15% | 72.56% | 73.12% |
| Covered payroll¹ | \$ 11,235,594 | \$ 11,745,064 | \$ 11,966,954 | \$ 11,412,611 | \$ 10,708,680 |
| Net pension liability as a percentage of covered payroll | 338.70% | 344.22% | 310.33% | 277.60% | 284.78% |

¹Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended in 2022 and 2023; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2014 through 2017.

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.

In 2022, SB 1168 increased the standard retiree lump sum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

Changes of Assumptions: There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 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. In addition, demographic assumptions and the price inflation 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 June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 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, 2024

| Fiscal Year Ended | June 30, 2024 | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 |
|---|-----------------------|-----------------------|------------------------|-----------------------|-----------------------|
| Measurement period | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 |
| Total pension liability | | | | | |
| Service cost | \$ 4,490,164 | \$ 4,273,500 | \$ 3,628,780 | \$ 3,826,239 | \$ 3,799,004 |
| Interest | 17,281,068 | 16,606,680 | 16,292,437 | 15,722,454 | 15,282,800 |
| Changes of benefit terms | 150,684 | - | - | - | - |
| Changes of assumptions | - | 6,196,586 | - | - | - |
| Differences between expected and actual experience | 475,381 | (2,515,151) | (986,638) | (2,916,658) | 2,807,034 |
| Benefit payments, including refunds of employee contributions | (12,158,628) | (11,523,017) | (10,706,492) | (10,276,568) | (9,782,967) |
| Net change in total pension liability | 10,238,669 | 13,038,598 | 8,228,087 | 6,355,467 | 12,105,871 |
| Total pension liability - beginning | 253,658,433 | 240,619,835 | 232,391,748 | 226,036,281 | 213,930,410 |
| Total pension liability - ending (a) | \$ 263,897,102 | \$ 253,658,433 | \$ 240,619,835 | \$ 232,391,748 | \$ 226,036,281 |
| Pension fiduciary net position | | | | | |
| Contributions - employer | \$ 2,647,296 | \$ 2,584,424 | \$ 71,158,474 | \$ 6,084,397 | \$ 5,484,667 |
| Contributions - employee | 1,875,875 | 1,804,252 | 1,701,579 | 1,483,430 | 1,282,715 |
| Net plan to plan resource movement | - | - | - | - | - |
| Net investment income | 14,836,038 | (20,264,806) | 43,136,498 | 7,842,379 | 10,011,998 |
| Benefit payments, including refunds of employee contributions | (12,158,628) | (11,523,017) | (10,706,492) | (10,276,568) | (9,782,967) |
| Other Miscellaneous income/(expense) | (179,833) | (169,516) | (166,821) | - | 361 |
| Net change in plan fiduciary net position | 7,020,748 | (27,568,663) | 105,123,238 | 5,133,638 | 6,996,774 |
| Plan fiduciary net position - beginning | 244,552,940 | 272,121,603 | 166,998,365 | 161,864,727 | 154,867,953 |
| Plan fiduciary net position - ending (b) | \$ 251,573,688 | \$ 244,552,940 | \$ 272,121,603 | \$ 166,998,365 | \$ 161,864,727 |
| Plan net pension liability - ending (a) - (b) | \$ 12,323,414 | \$ 9,105,493 | \$ (31,501,768) | \$ 65,393,383 | \$ 64,171,554 |
| Plan fiduciary net position as a percentage of the total pension liability | 95.33% | 96.41% | 113.09% | 71.86% | 71.61% |
| Covered payroll¹ | \$ 14,678,535 | \$ 14,016,071 | \$ 12,831,613 | \$ 13,434,829 | \$ 13,251,294 |
| Net pension liability as a percentage of covered payroll | 83.96% | 64.96% | -245.50% | 486.75% | 484.27% |

¹Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended in 2022 and 2023; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2014 through 2017.

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.

In 2022, SB 1168 increased the standard retiree lump sum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

Changes of Assumptions: There were no assumption changes in 2023. 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, 2024

| 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) | - | - | - | - |
| 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 payroll¹ | \$ 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% |

¹Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended in 2022 and 2023; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2014 through 2017.

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.

In 2022, SB 1168 increased the standard retiree lump sum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

Changes of Assumptions: There were no assumption changes in 2023. 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, 2024

| Fiscal Year Ended/Measurement Period Ended | June 30, 2024 | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total pension liability | | | | | |
| Service cost | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest | 143,128 | 147,660 | 224,352 | 232,000 | 247,000 |
| Differences between expected and actual experience | (366,919) | - | (882,892) | - | 48,000 |
| Changes of assumptions | (89,043) | (32,713) | 233,562 | - | (19,000) |
| Benefit payments, including refunds of employee contributions | (349,894) | (379,706) | (398,781) | (501,000) | (597,000) |
| Net change in total pension liability | (662,728) | (264,759) | (823,759) | (269,000) | (321,000) |
| Total pension liability - beginning | 4,096,482 | 4,361,241 | 5,185,000 | 5,454,000 | 5,775,000 |
| Total pension liability - ending (a) | \$ 3,433,754 | \$ 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 | 183,067 | 66,572 | (896,110) | 323,000 | 447,000 |
| Benefit payments, including refunds of employee contributions | (349,894) | (379,706) | (398,781) | (501,000) | (597,000) |
| Administrative Expense | (10,861) | (10,140) | (15,333) | (17,000) | (17,000) |
| Net change in plan fiduciary net position | (177,688) | (323,274) | (1,310,224) | 410,000 | 1,033,000 |
| Plan fiduciary net position - beginning | 3,665,502 | 3,988,776 | 5,299,000 | 4,889,000 | 3,856,000 |
| Plan fiduciary net position - ending (b) | \$ 3,487,814 | \$ 3,665,502 | \$ 3,988,776 | \$ 5,299,000 | \$ 4,889,000 |
| Plan net pension liability (asset) - ending (a) - (b) | \$ (54,060) | \$ 430,980 | \$ 372,465 | \$ (114,000) | \$ 565,000 |
| Plan fiduciary net position as a percentage of the total pension liability | 101.57% | 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 | N/A |

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, 2024

| 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 |

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, 2024

| Fiscal Year Ended | June 30, 2024 | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 |
|--|---------------|---------------|---------------|-----------------|---------------|
| Contractually Required Contribution (Actuarially Determined) | \$ 1,675,337 | \$ 1,431,213 | \$ 1,281,326 | \$ 4,502,361 | \$ 4,199,483 |
| Contributions in relation to the actuarially determined contribution | (1,675,337) | (1,431,213) | (1,281,326) | (45,648,992) | (4,961,827) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ (41,146,631) | \$ (762,344) |
| Covered payroll | \$ 11,511,847 | \$ 11,198,295 | \$ 11,648,645 | \$ 12,309,728 | \$ 12,120,063 |
| Contributions as a percentage of covered payroll | 14.55% | 12.78% | 11.00% | 370.84% | 40.94% |

Notes to Schedule:

| | |
|---|---|
| Valuation Date | June 30, 2021 |
| Methods and Assumptions Used to Determine Contribution Rates: | |
| Actuarial cost method | Actuarial Cost Method |
| Amortization method | For details, see June 30, 2021 Funding Valuation Report. |
| Asset valuation method | Fair Value of Assets. |
| Inflation | 2.30% |
| Salary increases | Varies by entry age and service |
| Payroll Growth | 2.80% |
| Investment rate of return | 6.80% net of pension plan investment and administrative expenses; includes inflation. |
| Retirement age | The probabilities of retirement are based on the 2021 CalPERS Experience Study |
| Mortality | The probabilities of mortality are based on the 2021 CalPERS Experience Study. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 80% of Scale MP-2020 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, 2024

| Fiscal Year Ended | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
|---|---------------------|-----------------------|---------------------|---------------------|---------------|
| Contractually Required Contribution (Actuarially Determined) | \$ 3,761,279 | \$ 3,320,513 | \$ 3,241,958 | \$ 2,779,357 | \$ 2,466,015 |
| Contributions in relation to the actuarially determined contribution | (4,364,979) | (4,603,513) | (3,511,958) | (3,019,357) | (2,466,015) |
| Contribution deficiency (excess) | <u>\$ (603,700)</u> | <u>\$ (1,283,000)</u> | <u>\$ (270,000)</u> | <u>\$ (240,000)</u> | <u>\$ -</u> |
| Covered payroll | \$ 12,119,366 | \$ 11,235,594 | \$ 11,745,064 | \$ 11,966,945 | \$ 11,412,611 |
| Contributions as a percentage of covered payroll | 36.02% | 40.97% | 29.90% | 25.23% | 21.61% |

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, 2024

| Fiscal Year Ended | June 30, 2024 | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 |
|---|---------------|---------------|---------------|-----------------|---------------|
| Contractually Required Contribution (Actuarially Determined) | \$ 3,173,600 | \$ 2,647,296 | \$ 2,582,210 | \$ 6,744,705 | \$ 6,084,397 |
| Contributions in relation to the actuarially determined contribution | (3,173,600) | (2,647,296) | (2,582,210) | (71,143,291) | (6,084,397) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ (64,398,586) | \$ - |
| Covered payroll | \$ 15,089,534 | \$ 14,678,535 | \$ 14,016,071 | \$ 13,434,829 | \$ 13,251,294 |
| Contributions as a percentage of covered payroll | 21.03% | 18.04% | 18.42% | 529.54% | 45.92% |

Notes to Schedule:

| | |
|---|---|
| Valuation Date | June 30, 2021 |
| Methods and Assumptions Used to Determine Contribution Rates: | |
| Actuarial cost method | Actuarial Cost Method |
| Amortization method | For details, see June 30, 2021 Funding Valuation Report. |
| Asset valuation method | Fair Value of Assets. |
| Inflation | 2.30% |
| Salary increases | Varies by entry age and service |
| Payroll Growth | 2.80% |
| Investment rate of return | 6.80% net of pension plan investment and administrative expenses; includes inflation. |
| Retirement age | The probabilities of retirement are based on the 2021 CalPERS Experience Study. |
| Mortality | The probabilities of mortality are based on the 2021 CalPERS Experience Study. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 80% of Scale MP-2020 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, 2024

| Fiscal Year Ended | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
|---|---------------|---------------|---------------|---------------|---------------|
| Contractually Required Contribution (Actuarially Determined) | \$ 5,484,667 | \$ 4,724,661 | \$ 4,231,618 | \$ 3,647,109 | \$ 3,220,567 |
| Contributions in relation to the actuarially determined contribution | (5,484,667) | (4,724,661) | (4,231,618) | (3,647,109) | (3,220,567) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 13,402,257 | \$ 12,387,062 | \$ 11,847,348 | \$ 11,596,274 | \$ 11,410,291 |
| Contributions as a percentage of covered payroll | 40.92% | 38.14% | 35.72% | 31.45% | 28.23% |

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, 2024

| Fiscal Year Ended | June 30, 2024 | 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 | N/A |

Notes to Schedule:

| | |
|---|---|
| Valuation Date | June 30, 2023 |
| 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 Improvement | Mortality projected fully generational with Scale MP-2021 |
| Mortality | CalPERS 1997-2015 Experience Study |

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, 2024

| Fiscal Year Ended | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
|--|---------------|---------------|---------------|---------------|---------------|
| 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 |

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, 2024

| Fiscal Year Ended | June 30, 2024 | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Measurement period | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 |
| Total OPEB liability: | | | | | |
| Service cost | \$ 778,388 | \$ 757,555 | \$ 847,594 | \$ 822,907 | \$ 1,014,890 |
| Interest | 2,126,500 | 2,050,988 | 2,288,889 | 2,199,290 | 2,418,231 |
| Changes of benefit terms | - | - | - | - | - |
| Differences between expected and actual experience | (4,152,538) | - | (2,184,649) | - | (5,065,175) |
| Changes of assumptions | 526,668 | - | (257,475) | - | (1,135,595) |
| Benefit payments, including refunds of employee contributions | (1,590,464) | (1,651,920) | (1,744,000) | (1,695,000) | (1,628,685) |
| Net change in total OPEB liability | (2,311,446) | 1,156,623 | (1,049,641) | 1,327,197 | (4,396,334) |
| Total OPEB liability - beginning | 34,040,845 | 32,884,222 | 33,933,863 | 32,606,666 | 37,003,000 |
| Total OPEB liability - ending (a) | \$ 31,729,399 | \$ 34,040,845 | \$ 32,884,222 | \$ 33,933,863 | \$ 32,606,666 |
| OPEB fiduciary net position | | | | | |
| Contributions - employer | \$ 1,607,808 | \$ 2,667,920 | \$ 2,760,000 | \$ 2,710,000 | \$ 2,694,599 |
| Contributions - employee | - | - | - | - | - |
| Net investment income | 787,426 | (1,924,920) | 2,703,454 | 318,876 | 468,237 |
| Benefit payments, including refunds of employee contributions | (1,590,464) | (1,651,920) | (1,744,000) | (1,695,000) | (1,628,685) |
| Administrative expense | (20,906) | (19,451) | (19,765) | (19,470) | (17,545) |
| Net change in plan fiduciary net position | 783,864 | (928,371) | 3,699,689 | 1,314,406 | 1,516,606 |
| Plan fiduciary net position - beginning | 12,261,330 | 13,189,701 | 9,490,012 | 8,175,606 | 6,659,000 |
| Plan fiduciary net position - ending (b) | \$ 13,045,194 | \$ 12,261,330 | \$ 13,189,701 | \$ 9,490,012 | \$ 8,175,606 |
| Plan net OPEB liability - ending (a) - (b) | \$ 18,684,205 | \$ 21,779,515 | \$ 19,694,521 | \$ 24,443,851 | \$ 24,431,060 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 41.11% | 36.02% | 40.11% | 27.97% | 25.07% |
| Covered-Employee Payroll | \$ 27,159,893 | \$ 25,472,326 | \$ 25,378,000 | \$ 25,791,000 | \$ 29,951,647 |
| Plan's Net OPEB Liability as a Percentage of Covered-Employee Payroll | 68.79% | 85.50% | 77.60% | 94.78% | 81.57% |

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 Changes in Net OPEB Liability and Related Ratios (Continued)
Last Ten Measurement Periods¹
For the Year Ended June 30, 2024

| Fiscal Year Ended | June 30, 2019 | June 30, 2018 |
|--|----------------------|----------------------|
| Measurement period | June 30, 2018 | June 30, 2017 |
| Total OPEB liability: | | |
| Service cost | \$ 985,000 | \$ 956,000 |
| Interest | 2,307,000 | 2,204,000 |
| Changes of benefit terms | - | - |
| Differences between expected and actual experience | - | - |
| Changes of assumptions | - | - |
| Benefit payments, including refunds of employee contributions | (1,580,000) | (1,653,000) |
| Net change in total OPEB liability | 1,712,000 | 1,507,000 |
| Total OPEB liability - beginning | 35,291,000 | 33,784,000 |
| Total OPEB liability - ending (a) | \$ 37,003,000 | \$ 35,291,000 |
| OPEB fiduciary net position | | |
| Contributions - employer | \$ 2,565,000 | \$ 2,703,000 |
| Contributions - employee | - | - |
| Net investment income | 491,000 | 475,000 |
| Benefit payments, including refunds of employee contributions | (1,580,000) | (1,653,000) |
| Administrative expense | (10,000) | (2,000) |
| Net change in plan fiduciary net position | 1,466,000 | 1,523,000 |
| Plan fiduciary net position - beginning | 5,193,000 | 3,670,000 |
| Plan fiduciary net position - ending (b) | \$ 6,659,000 | \$ 5,193,000 |
| Plan net OPEB liability - ending (a) - (b) | \$ 30,344,000 | \$ 30,098,000 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 18.00% | 14.71% |
| Covered-Employee Payroll | \$ 28,530,000 | \$ 27,659,000 |
| Plan's Net OPEB Liability as a Percentage of Covered-Employee Payroll | 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, 2024

| Fiscal Year | June 30, 2024 | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 |
|--|---------------|---------------|---------------|---------------|---------------|
| Actuarially Determined Contribution | \$ 2,199,000 | \$ 2,215,000 | \$ 2,539,000 | \$ 2,487,000 | \$ 2,999,000 |
| Contributions in relation to the actuarially determined contribution | (2,709,837) | (2,607,808) | (2,667,920) | (2,760,000) | (2,710,000) |
| Contribution deficiency (excess) | \$ (510,837) | \$ (392,808) | \$ (128,920) | \$ (273,000) | \$ 289,000 |
| Covered-Employee Payroll | \$ 30,214,347 | \$ 27,159,893 | \$ 25,472,326 | \$ 25,791,000 | \$ 29,951,647 |
| Contributions as a Percentage of Covered-Employee Payroll | 8.97% | 9.60% | 10.47% | 10.70% | 9.05% |

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 | 20-year fixed period for 2023/24 |
| 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)
Schedule of Contributions - OPEB (Continued)
Last Ten Fiscal Years¹
For the Year Ended June 30, 2024

| Fiscal Year | June 30, 2019 | June 30, 2018 |
|--|----------------------|----------------------|
| Actuarially Determined Contribution | \$ 2,925,000 | \$ 2,855,000 |
| Contributions in relation to the actuarially determined contribution | (2,694,599) | (2,565,000) |
| Contribution deficiency (excess) | <u>\$ 230,401</u> | <u>\$ 290,000</u> |
| Covered-Employee Payroll | \$ 28,530,000 | \$ 27,659,000 |
| Contributions as a Percentage of Covered-Employee Payroll | <u>9.44%</u> | <u>9.27%</u> |

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City of Monterey Park
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2024

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|---|---------------------|-----------------------|----------------------|-------------------------------|
| | Original Budget | Final Budget | | |
| Revenue: | | | | |
| Taxes | \$ 48,615,315 | \$ 48,615,315 | \$ 50,828,820 | \$ 2,213,505 |
| Intergovernmental | 235,000 | 235,000 | 303,877 | 68,877 |
| Charges for services | 9,354,579 | 9,354,579 | 11,076,787 | 1,722,208 |
| Licenses and permits | 2,667,862 | 2,667,862 | 2,851,271 | 183,409 |
| Fines and forfeitures | 375,000 | 375,000 | 393,258 | 18,258 |
| Investment income | 1,550,135 | 1,550,135 | 4,169,871 | 2,619,736 |
| Miscellaneous | 588,200 | 588,200 | 555,892 | (32,308) |
| Total revenues | 63,386,091 | 63,386,091 | 70,179,776 | 6,793,685 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 10,288,295 | 11,887,926 | 11,199,611 | 688,315 |
| Public safety | 37,239,708 | 35,999,134 | 35,070,462 | 928,672 |
| Community development | 2,046,179 | 2,252,292 | 1,650,973 | 601,319 |
| Culture and recreation | 2,055,413 | 2,045,617 | 1,941,703 | 103,914 |
| Public works | 2,642,984 | 2,814,932 | 2,547,888 | 267,044 |
| Capital outlay | 2,393,456 | 8,858,695 | 740,392 | 8,118,303 |
| Debt service: | | | | |
| Principal retirement | 2,313,134 | 2,551,675 | 850,645 | 1,701,030 |
| Interest and fiscal charges | 84,684 | 153,887 | 84,684 | 69,203 |
| Total expenditures | 59,063,853 | 66,564,158 | 54,086,358 | 12,477,800 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 4,322,238 | (3,178,067) | 16,093,418 | 19,271,485 |
| Other financing sources (uses): | | | | |
| Insurance of subscription liabilities | - | - | 3,481 | 3,481 |
| Transfers out | (2,709,139) | (2,709,139) | (2,658,340) | 50,799 |
| Total other financing sources (uses) | (2,709,139) | (2,709,139) | (2,654,859) | 50,799 |
| NET CHANGE IN FUND BALANCE | \$ 1,613,099 | \$ (5,887,206) | 13,438,559 | \$ 19,322,284 |
| Fund balance: | | | | |
| Beginning of year | | | 28,453,221 | |
| End of year | | | <u>\$ 41,891,780</u> | |

City of Monterey Park
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule (Continued)
Grants Special Revenue Fund
For the Year Ended June 30, 2024

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|---|-----------------------|------------------------|---------------------|-------------------------------|
| | Original Budget | Final Budget | | |
| Revenue: | | | | |
| Intergovernmental | \$ 5,387,872 | \$ 5,774,883 | \$ 9,476,004 | \$ 3,701,121 |
| Investment income | - | - | 178,866 | 178,866 |
| Miscellaneous | - | - | 97,880 | 97,880 |
| Total revenues | <u>5,387,872</u> | <u>5,774,883</u> | <u>9,752,750</u> | <u>3,977,867</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 754,760 | 975,113 | 564,766 | 410,347 |
| Public safety | 3,043,076 | 5,178,652 | 3,227,511 | 1,951,141 |
| Community development | 80,000 | 336,565 | 113,121 | 223,444 |
| Culture and recreation | 1,325,141 | 1,375,621 | 1,351,159 | 24,462 |
| Public works | 15,215 | 82,462 | 69,201 | 13,261 |
| Capital outlay | 3,397,525 | 8,087,338 | 3,939,149 | 4,148,189 |
| Debt service: | | | | |
| Principal retirement | - | - | 6,861 | (6,861) |
| Total expenditures | <u>8,615,717</u> | <u>16,035,751</u> | <u>9,271,768</u> | <u>6,763,983</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(3,227,845)</u> | <u>(10,260,868)</u> | <u>480,982</u> | <u>10,741,850</u> |
| OTHER FINANCING SOURCES: | | | | |
| Transfers in | - | - | 55,518 | 55,518 |
| Transfers out | - | - | (49,848) | (49,848) |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>5,670</u> | <u>5,670</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (3,227,845)</u> | <u>\$ (10,260,868)</u> | 486,652 | <u>\$ 10,747,520</u> |
| Fund balance: | | | | |
| Beginning of year | | | 744,046 | |
| End of year | | | <u>\$ 1,230,698</u> | |

City of Monterey Park
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule (Continued)
Retirement/Pension Liability Special Revenue Fund
For the Year Ended June 30, 2024

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|---|---------------------|---------------------|---------------------|-------------------------------|
| | Original Budget | Final Budget | | |
| Revenue: | | | | |
| Taxes | \$ 8,687,627 | \$ 8,687,627 | \$ 9,370,224 | \$ 682,597 |
| Investment income | - | - | 297,439 | 297,439 |
| Miscellaneous | - | - | 330,780 | 330,780 |
| Total revenues | <u>8,687,627</u> | <u>8,687,627</u> | <u>9,998,443</u> | <u>1,310,816</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 544,106 | 625,793 | 467,419 | 158,374 |
| Public safety | 4,300,281 | 4,300,281 | 3,581,014 | 719,267 |
| Community development | 106,762 | 106,762 | 87,380 | 19,382 |
| Culture and recreation | 94,016 | 94,016 | 80,169 | 13,847 |
| Public works | 93,083 | 93,083 | 70,415 | 22,668 |
| Debt service: | | | | |
| Principal retirement | 4,320,000 | 4,320,000 | 4,119,883 | 200,117 |
| Interest and fiscal charges | 3,018,370 | 3,018,370 | 2,897,808 | 120,562 |
| Total expenditures | <u>12,476,618</u> | <u>12,558,305</u> | <u>11,304,088</u> | <u>1,254,217</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(3,788,991)</u> | <u>(3,870,678)</u> | <u>(1,305,645)</u> | <u>2,565,033</u> |
| Other financing sources: | | | | |
| Transfers in | 3,500,000 | 3,500,000 | 3,169,220 | (330,780) |
| Total other financing sources | <u>3,500,000</u> | <u>3,500,000</u> | <u>3,169,220</u> | <u>(330,780)</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (288,991)</u> | <u>\$ (370,678)</u> | 1,863,575 | <u>\$ 2,234,253</u> |
| Fund balance: | | | | |
| Beginning of year | | | <u>4,695,755</u> | |
| End of year | | | <u>\$ 6,559,330</u> | |

City of Monterey Park
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule (Continued)
Housing Special Revenue Fund
For the Year Ended June 30, 2024

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|-----------------------------------|--------------------|-------------------|---------------------|-------------------------------|
| | Original Budget | Final Budget | | |
| Revenue: | | | | |
| Intergovernmental | \$ 137,342 | \$ 137,342 | \$ - | \$ (137,342) |
| Investment income | - | - | 63,228 | 63,228 |
| Total revenues | <u>137,342</u> | <u>137,342</u> | <u>63,228</u> | <u>(74,114)</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 137,342</u> | <u>\$ 137,342</u> | 63,228 | <u>\$ (74,114)</u> |
| Fund balance: | | | | |
| Beginning of year | | | <u>3,680,891</u> | |
| End of year | | | <u>\$ 3,744,119</u> | |

City of Monterey Park
Required Supplementary Information
Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2024

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, 2024, 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 Project Fund
For the Year Ended June 30, 2024

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|-----------------------------------|------------------------------|-------------------------------|--------------------------|-------------------------------|
| | Original Budget | Final Budget | | |
| Expenditures: | | | | |
| Capital outlay | \$ 8,062,918 | \$ 12,957,360 | \$ 11,573,920 | \$ 1,383,440 |
| Total expenditures | <u>8,062,918</u> | <u>12,957,360</u> | <u>11,573,920</u> | <u>1,383,440</u> |
| NET CHANGE IN FUND BALANCE | <u><u>\$ (8,062,918)</u></u> | <u><u>\$ (12,957,360)</u></u> | (11,573,920) | <u><u>\$ 1,383,440</u></u> |
| FUND BALANCE: | | | | |
| Beginning of Year | | | <u>12,147,717</u> | |
| End of Year | | | <u><u>\$ 573,797</u></u> | |

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.

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.

Highway Safety Improvement Fund - accounts for expenditures financed by the State of California Highway Safety Improvement Program, funds for roadway safety 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, 2024**

Special Revenue Funds

| | Proposition A | Gas Tax | Measure W | Proposition C |
|---|---------------------|-------------------|-------------------|---------------------|
| ASSETS | | | | |
| Cash and investments | \$ 2,629,829 | \$ 451,328 | \$ 221,714 | \$ 3,222,261 |
| Cash and investments with fiscal agents | - | - | - | - |
| Receivables: | | | | |
| Accounts | - | 142,474 | - | 104,015 |
| Interest | 10,022 | 1,682 | 826 | 12,009 |
| Total assets | \$ 2,639,851 | \$ 595,484 | \$ 222,540 | \$ 3,338,285 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued liabilities | 477,330 | 68,011 | - | 570,847 |
| Accrued payroll | 12,114 | 8,224 | - | 1,172 |
| Due to other funds | - | - | - | - |
| Total liabilities | 489,444 | 76,235 | - | 572,019 |
| Deferred inflows of resources: | | | | |
| Unavailable revenues | - | - | - | - |
| Total deferred inflows of resources | - | - | - | - |
| Fund balances (deficit): | | | | |
| Restricted | 2,150,407 | 519,249 | 222,540 | 2,766,266 |
| Committed | - | - | - | - |
| Unassigned (deficit) | - | - | - | - |
| Total fund balances | 2,150,407 | 519,249 | 222,540 | 2,766,266 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 2,639,851 | \$ 595,484 | \$ 222,540 | \$ 3,338,285 |

(Continued)

City of Monterey Park
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

| | Special Revenue Funds | | | |
|---|----------------------------|---------------------|----------------------------------|------------------------------------|
| | Air Quality Improvement | Asset Forfeiture | Parks/Library/ Facilities DIF | Business Improvement Area #1 |
| ASSETS | | | | |
| Cash and investments | \$ 472,039 | \$ 1,276,997 | \$ 1,168,715 | \$ 232,698 |
| Cash and investments with fiscal agents | - | - | - | - |
| Receivables: | | | | |
| Accounts | - | - | - | - |
| Interest | 1,759 | 4,816 | 4,356 | 867 |
| Total assets | \$ 473,798 | \$ 1,281,813 | \$ 1,173,071 | \$ 233,565 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued liabilities | - | 4,180 | 22,936 | 7,255 |
| Accrued payroll | - | - | - | - |
| Due to other funds | - | - | - | - |
| Total liabilities | - | 4,180 | 22,936 | 7,255 |
| Deferred inflows of resources: | | | | |
| Unavailable revenues | - | - | - | - |
| Total deferred inflows of resources | - | - | - | - |
| Fund balances (deficit): | | | | |
| Restricted | 473,798 | 1,277,633 | 1,150,135 | 226,310 |
| Committed | - | - | - | - |
| Unassigned (deficit) | - | - | - | - |
| Total fund balances | 473,798 | 1,277,633 | 1,150,135 | 226,310 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 473,798 | \$ 1,281,813 | \$ 1,173,071 | \$ 233,565 |

(Continued)

City of Monterey Park
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

| | Special Revenue Funds | | | |
|---|---------------------------------|---------------------------------------|----------------------------------|-------------------|
| | Maintenance District 93-1 | Law Enforcement/ Fire/Medic DIF | Public Safety Augmentation | Measure R |
| ASSETS | | | | |
| Cash and investments | \$ - | \$ - | \$ 837,792 | \$ 708,608 |
| Cash and investments with fiscal agents | - | - | - | - |
| Receivables: | | | | |
| Accounts | 17,331 | - | 161,902 | 78,240 |
| Interest | - | - | 3,122 | 2,641 |
| Total assets | <u>\$ 17,331</u> | <u>\$ -</u> | <u>\$ 1,002,816</u> | <u>\$ 789,489</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued liabilities | 60,547 | - | - | 62,273 |
| Accrued payroll | 4,362 | - | - | 5,065 |
| Due to other funds | - | - | - | - |
| Total liabilities | <u>64,909</u> | <u>-</u> | <u>-</u> | <u>67,338</u> |
| Deferred inflows of resources: | | | | |
| Unavailable revenues | - | - | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances (deficit): | | | | |
| Restricted | - | - | 1,002,816 | 722,151 |
| Committed | - | - | - | - |
| Unassigned (deficit) | (47,578) | - | - | - |
| Total fund balances | <u>(47,578)</u> | <u>-</u> | <u>1,002,816</u> | <u>722,151</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 17,331</u> | <u>\$ -</u> | <u>\$ 1,002,816</u> | <u>\$ 789,489</u> |

(Continued)

City of Monterey Park
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

Special Revenue Funds

| | Circulation DIF | CERCLA Liability | SB1 - RMRA | Measure M |
|---|--------------------|---------------------|---------------------|---------------------|
| ASSETS | | | | |
| Cash and investments | \$ 646,572 | \$ - | \$ 2,627,145 | \$ 4,063,221 |
| Cash and investments with fiscal agents | - | - | - | - |
| Receivables: | | | | |
| Accounts | - | 32,094 | 274,600 | 88,704 |
| Interest | 2,410 | - | 9,791 | 15,143 |
| Total assets | \$ 648,982 | \$ 32,094 | \$ 2,911,536 | \$ 4,167,068 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued liabilities | - | - | 71,220 | - |
| Accrued payroll | - | - | - | - |
| Due to other funds | - | - | - | - |
| Total liabilities | - | - | 71,220 | - |
| Deferred inflows of resources: | | | | |
| Unavailable revenues | - | - | - | - |
| Total deferred inflows of resources | - | - | - | - |
| Fund balances (deficit): | | | | |
| Restricted | 648,982 | - | 2,840,316 | 4,167,068 |
| Committed | - | 32,094 | - | - |
| Unassigned (deficit) | - | - | - | - |
| Total fund balances | 648,982 | 32,094 | 2,840,316 | 4,167,068 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 648,982 | \$ 32,094 | \$ 2,911,536 | \$ 4,167,068 |

(Continued)

City of Monterey Park
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

| | Special Revenue Funds | | | Debt Service Fund |
|---|-----------------------|-----------------|----------------------------|---------------------|
| | SB - 2 Planning Grant | Bike Route | Highway Safety Improvement | Sales Tax Bond |
| ASSETS | | | | |
| Cash and investments | \$ 61,976 | \$ - | \$ - | \$ - |
| Cash and investments with fiscal agents | - | - | - | 1,094,434 |
| Receivables: | | | | |
| Accounts | - | 5,547 | 891,446 | - |
| Interest | 231 | - | - | - |
| Total assets | <u>\$ 62,207</u> | <u>\$ 5,547</u> | <u>\$ 891,446</u> | <u>\$ 1,094,434</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued liabilities | - | - | 1,485 | - |
| Accrued payroll | - | - | - | - |
| Due to other funds | - | 5,547 | 844,345 | - |
| Total liabilities | <u>-</u> | <u>5,547</u> | <u>845,830</u> | <u>-</u> |
| Deferred inflows of resources: | | | | |
| Unavailable revenues | - | 5,547 | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>5,547</u> | <u>-</u> | <u>-</u> |
| Fund balances (deficit): | | | | |
| Restricted | 62,207 | - | 45,616 | 1,094,434 |
| Committed | - | - | - | - |
| Unassigned (deficit) | - | (5,547) | - | - |
| Total fund balances | <u>62,207</u> | <u>(5,547)</u> | <u>45,616</u> | <u>1,094,434</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 62,207</u> | <u>\$ 5,547</u> | <u>\$ 891,446</u> | <u>\$ 1,094,434</u> |

City of Monterey Park
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

| | Total Nonmajor Governmental Funds |
|---|---|
| ASSETS | |
| Cash and investments | \$ 18,620,895 |
| Cash and investments with fiscal agents | 1,094,434 |
| Receivables: | |
| Accounts | 1,796,353 |
| Interest | 69,675 |
| Total assets | \$ 21,581,357 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | |
| Liabilities: | |
| Accounts payable and accrued liabilities | 1,346,084 |
| Accrued payroll | 30,937 |
| Due to other funds | 849,892 |
| Total liabilities | 2,226,913 |
| Deferred inflows of resources: | |
| Unavailable revenues | 5,547 |
| Total deferred inflows of resources | 5,547 |
| Fund balances (deficit): | |
| Restricted | 19,369,928 |
| Committed | 32,094 |
| Unassigned (deficit) | (53,125) |
| Total fund balances | 19,348,897 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 21,581,357 |

City of Monterey Park
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

| | Special Revenue Funds | | | |
|---|-----------------------|------------------|-----------------|------------------|
| | Proposition A | Gas Tax | Measure W | Proposition C |
| Revenues: | | | | |
| Taxes | \$ - | \$ 1,650,010 | \$ - | \$ - |
| Intergovernmental | 1,596,472 | - | 735,104 | 1,324,236 |
| Charges for services | 2,338 | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Investment income | 97,633 | 20,611 | 4,626 | 121,971 |
| Total revenues | 1,696,443 | 1,670,621 | 739,730 | 1,446,207 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 492 | - | - | - |
| Public safety | - | - | - | - |
| Community development | - | - | - | - |
| Culture and recreation | 685,397 | - | - | - |
| Highways and street | 1,810,899 | 1,376,290 | 68,431 | 1,295,323 |
| Health | - | - | - | - |
| Capital outlay | 802,182 | 1,143,128 | 691,920 | 145,896 |
| Debt service: | | | | |
| Principal retirement | 13,645 | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | 3,312,615 | 2,519,418 | 760,351 | 1,441,219 |
| Revenues over (under) expenditures | (1,616,172) | (848,797) | (20,621) | 4,988 |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (53,733) | (37,657) | (733) | (341,994) |
| Total other financing sources (uses) | (53,733) | (37,657) | (733) | (341,994) |
| Net Change in Fund Balances | (1,669,905) | (886,454) | (21,354) | (337,006) |
| Fund balances (deficit): | | | | |
| Beginning of year | 3,820,312 | 1,405,703 | 243,894 | 3,103,272 |
| End of year | \$ 2,150,407 | \$ 519,249 | \$ 222,540 | \$ 2,766,266 |

(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, 2024

| | Special Revenue Funds | | | |
|---|----------------------------|---------------------|----------------------------------|------------------------------------|
| | Air Quality Improvement | Asset Forfeiture | Parks/Library/ Facilities DIF | Business Improvement Area #1 |
| Revenues: | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | 79,883 | - | - | 57,183 |
| Charges for services | - | - | 592,604 | - |
| Fines and forfeitures | - | 575,328 | - | - |
| Investment income | 16,548 | 33,896 | 35,023 | 8,130 |
| Total revenues | 96,431 | 609,224 | 627,627 | 65,313 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | 45,932 | 91,806 | - | - |
| Community development | - | - | - | 43,358 |
| Culture and recreation | - | - | - | - |
| Highways and street | 1,793 | - | 2,640 | - |
| Health | - | - | - | - |
| Capital outlay | - | - | 345,461 | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | 47,725 | 91,806 | 348,101 | 43,358 |
| Revenues over (under) expenditures | 48,706 | 517,418 | 279,526 | 21,955 |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (1,245) | - | - | - |
| Total other financing sources (uses) | (1,245) | - | - | - |
| Net Change in Fund Balances | 47,461 | 517,418 | 279,526 | 21,955 |
| Fund balances (deficit): | | | | |
| Beginning of year | 426,337 | 760,215 | 870,609 | 204,355 |
| End of year | <u>\$ 473,798</u> | <u>\$ 1,277,633</u> | <u>\$ 1,150,135</u> | <u>\$ 226,310</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, 2024

| | Special Revenue Funds | | | |
|---|---------------------------------|-----------------------------------|---------------------|----------------------------------|
| | Maintenance District 93-1 | Law | | Public Safety Augmentation |
| | | Enforcement/ Fire/Medic DIF | | |
| Revenues: | | | | |
| Taxes | \$ 1,032,938 | \$ - | \$ 917,999 | \$ - |
| Intergovernmental | - | - | - | 1,031,819 |
| Charges for services | - | 110,612 | - | - |
| Fines and forfeitures | - | - | - | - |
| Investment income | 333 | 89 | 33,953 | 32,192 |
| Total revenues | <u>1,033,271</u> | <u>110,701</u> | <u>951,952</u> | <u>1,064,011</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | 30,768 | 900,000 | - |
| Community development | - | - | - | - |
| Culture and recreation | 398,309 | - | - | 255,762 |
| Highways and street | 806,045 | - | - | 458,956 |
| Health | - | - | - | - |
| Capital outlay | - | - | - | 331,277 |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | <u>1,204,354</u> | <u>30,768</u> | <u>900,000</u> | <u>1,045,995</u> |
| Revenues over (under) expenditures | <u>(171,083)</u> | <u>79,933</u> | <u>51,952</u> | <u>18,016</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (14,690) | - | - | (376,697) |
| Total other financing sources (uses) | <u>(14,690)</u> | <u>-</u> | <u>-</u> | <u>(376,697)</u> |
| Net Change in Fund Balances | <u>(185,773)</u> | <u>79,933</u> | <u>51,952</u> | <u>(358,681)</u> |
| Fund balances (deficit): | | | | |
| Beginning of year | 138,195 | (79,933) | 950,864 | 1,080,832 |
| End of year | <u>\$ (47,578)</u> | <u>\$ -</u> | <u>\$ 1,002,816</u> | <u>\$ 722,151</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, 2024

Special Revenue Funds

| | Circulation DIF | CERCLA Liability | SB1 -RMRA | Measure M |
|---|--------------------|---------------------|---------------------|---------------------|
| Revenues: | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | 180,735 | 1,575,640 | 1,121,158 |
| Charges for services | 296,789 | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Investment income | 19,605 | 611 | 112,177 | 142,951 |
| Total revenues | 316,394 | 181,346 | 1,687,817 | 1,264,109 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Community development | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Highways and street | - | - | - | 11,882 |
| Health | - | 301,655 | - | - |
| Capital outlay | - | - | 1,414,230 | 192 |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | - | 301,655 | 1,414,230 | 12,074 |
| Revenues over (under) expenditures | 316,394 | (120,309) | 273,587 | 1,252,035 |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | (359,229) |
| Total other financing sources (uses) | - | - | - | (359,229) |
| Net Change in Fund Balances | 316,394 | (120,309) | 273,587 | 892,806 |
| Fund balances (deficit): | | | | |
| Beginning of year | 332,588 | 152,403 | 2,566,729 | 3,274,262 |
| End of year | <u>\$ 648,982</u> | <u>\$ 32,094</u> | <u>\$ 2,840,316</u> | <u>\$ 4,167,068</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, 2024

| | Special Revenue Funds | | | Debt Service Fund |
|---|-----------------------|-------------------|----------------------------|---------------------|
| | SB2 - Planning Grant | Bike Route | Highway Safety Improvement | Sales Tax Bond |
| Revenues: | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | 230,092 | 1,172,642 | - |
| Charges for services | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Investment income | 9,689 | - | - | 532,396 |
| Total revenues | <u>9,689</u> | <u>230,092</u> | <u>1,172,642</u> | <u>532,396</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Community development | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Highways and street | - | - | - | - |
| Health | - | - | - | - |
| Capital outlay | - | 230,092 | 1,092,587 | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | 320,000 |
| Interest and fiscal charges | - | - | - | 733,200 |
| Total expenditures | <u>-</u> | <u>230,092</u> | <u>1,092,587</u> | <u>1,053,200</u> |
| Revenues over (under) expenditures | <u>9,689</u> | <u>-</u> | <u>80,055</u> | <u>(520,804)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | 1,051,200 |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,051,200</u> |
| Net Change in Fund Balances | <u>9,689</u> | <u>-</u> | <u>80,055</u> | <u>530,396</u> |
| Fund balances (deficit): | | | | |
| Beginning of year | 52,518 | (5,547) | (34,439) | 564,038 |
| End of year | <u>\$ 62,207</u> | <u>\$ (5,547)</u> | <u>\$ 45,616</u> | <u>\$ 1,094,434</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, 2024

| | Total Nonmajor Governmental Funds |
|---|---|
| | |
| Revenues: | |
| Taxes | \$ 3,600,947 |
| Intergovernmental | 9,104,964 |
| Charges for services | 1,002,343 |
| Fines and forfeitures | 575,328 |
| Investment income | 1,222,434 |
| Total revenues | 15,506,016 |
| Expenditures: | |
| Current: | |
| General government | 492 |
| Public safety | 1,068,506 |
| Community development | 43,358 |
| Culture and recreation | 1,339,468 |
| Highways and street | 5,832,259 |
| Health | 301,655 |
| Capital outlay | 6,196,965 |
| Debt service: | |
| Principal retirement | 333,645 |
| Interest and fiscal charges | 733,200 |
| Total expenditures | 15,849,548 |
| Revenues over (under) expenditures | (343,532) |
| Other financing sources (uses): | |
| Transfers in | 1,051,200 |
| Transfers out | (1,185,978) |
| Total other financing sources (uses) | (134,778) |
| Net Change in Fund Balances | (478,310) |
| Fund balances (deficit): | |
| Beginning of year | 19,827,207 |
| End of year | \$ 19,348,897 |

(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, 2024

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|---------------------|-----------------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 1,890,047 | \$ 1,890,047 | \$ 1,596,472 | \$ (293,575) |
| Charges for services | - | - | 2,338 | 2,338 |
| Investment income | 1,000 | 1,000 | 97,633 | 96,633 |
| Total Revenues | <u>1,891,047</u> | <u>1,891,047</u> | <u>1,696,443</u> | <u>(194,604)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | 492 | (492) |
| Culture and recreation | 873,561 | 971,439 | 685,397 | 286,042 |
| Highway and streets | 1,439,669 | 2,038,644 | 1,810,899 | 227,745 |
| Capital outlay | - | 245,000 | 802,182 | (557,182) |
| Debt service: | | | | |
| Principal retirement | - | - | 13,645 | (13,645) |
| Total Expenditures | <u>2,313,230</u> | <u>3,255,083</u> | <u>3,312,615</u> | <u>(57,532)</u> |
| REVENUE OVER (UNDER) EXPENDITURES | <u>(422,183)</u> | <u>(1,364,036)</u> | <u>(1,616,172)</u> | <u>(252,136)</u> |
| Other Financing (Uses): | | | | |
| Transfers out | (53,733) | (53,733) | (53,733) | - |
| Total Other Financing (Uses) | <u>(53,733)</u> | <u>(53,733)</u> | <u>(53,733)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (475,916)</u> | <u>\$ (1,417,769)</u> | <u>(1,669,905)</u> | <u>\$ (252,136)</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | <u>3,820,312</u> | |
| End of year | | | <u>\$ 2,150,407</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, 2024

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|---------------------|-----------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 1,554,719 | \$ 1,554,719 | \$ 1,650,010 | \$ 95,291 |
| Investment income | 5,000 | 5,000 | 20,611 | 15,611 |
| Total Revenues | <u>1,559,719</u> | <u>1,559,719</u> | <u>1,670,621</u> | <u>110,902</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | 1,425,492 | 1,550,785 | 1,376,290 | 174,495 |
| Capital outlay | 500,000 | 1,596,872 | 1,143,128 | 453,744 |
| Total Expenditures | <u>1,925,492</u> | <u>3,147,657</u> | <u>2,519,418</u> | <u>628,239</u> |
| REVENUE OVER (UNDER) EXPENDITURES | <u>(365,773)</u> | <u>(1,587,938)</u> | <u>(848,797)</u> | <u>739,141</u> |
| Other Financing (Uses): | | | | |
| Transfers out | (37,657) | (37,657) | (37,657) | - |
| Total Other Financing (Uses) | <u>(37,657)</u> | <u>(37,657)</u> | <u>(37,657)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (403,430)</u> | <u>\$ (1,625,595)</u> | <u>(886,454)</u> | <u>\$ 739,141</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | <u>1,405,703</u> | |
| End of year | | | <u>\$ 519,249</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, 2024

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|---------------------|-----------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ - | \$ - | \$ 735,104 | \$ 735,104 |
| Investment income | - | - | 4,626 | 4,626 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>739,730</u> | <u>739,730</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | 142,852 | 190,347 | 68,431 | 121,916 |
| Capital outlay | 753,233 | 952,822 | 691,920 | 260,902 |
| Total Expenditures | <u>896,085</u> | <u>1,143,169</u> | <u>760,351</u> | <u>382,818</u> |
| REVENUE OVER (UNDER) EXPENDITURES | <u>(896,085)</u> | <u>(1,143,169)</u> | <u>(20,621)</u> | <u>1,122,548</u> |
| Other Financing (Uses): | | | | |
| Transfers out | (733) | (733) | (733) | - |
| Total Other Financing (Uses) | <u>(733)</u> | <u>(733)</u> | <u>(733)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (896,818)</u> | <u>\$ (1,143,902)</u> | <u>(21,354)</u> | <u>\$ 1,122,548</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | <u>243,894</u> | |
| End of year | | | <u>\$ 222,540</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, 2024

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 1,443,323 | \$ 1,443,323 | \$ 1,324,236 | \$ (119,087) |
| Investment income | 1,000 | 1,000 | 121,971 | 120,971 |
| Total Revenues | <u>1,444,323</u> | <u>1,444,323</u> | <u>1,446,207</u> | <u>1,884</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | 920,262 | 1,397,085 | 1,295,323 | 101,762 |
| Capital outlay | 979,557 | 952,871 | 145,896 | 806,975 |
| Total Expenditures | <u>1,899,819</u> | <u>2,349,956</u> | <u>1,441,219</u> | <u>908,737</u> |
| REVENUE OVER (UNDER) EXPENDITURES | <u>(455,496)</u> | <u>(905,633)</u> | <u>4,988</u> | <u>910,621</u> |
| Other Financing (Uses): | | | | |
| Transfers out | (7,391) | (7,391) | (341,994) | (334,603) |
| Total Other Financing (Uses) | <u>(7,391)</u> | <u>(7,391)</u> | <u>(341,994)</u> | <u>(334,603)</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (462,887)</u> | <u>\$ (913,024)</u> | <u>(337,006)</u> | <u>\$ 576,018</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | <u>3,103,272</u> | |
| End of year | | | <u>\$ 2,766,266</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, 2024

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|------------------|---------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 80,000 | \$ 80,000 | \$ 79,883 | \$ (117) |
| Investment income | - | - | 16,548 | 16,548 |
| Total Revenues | <u>80,000</u> | <u>80,000</u> | <u>96,431</u> | <u>16,431</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | 54,960 | 54,960 | 45,932 | 9,028 |
| Public works | 4,793 | 4,793 | 1,793 | 3,000 |
| Capital outlay | - | 327,621 | - | 327,621 |
| Total Expenditures | <u>59,753</u> | <u>387,374</u> | <u>47,725</u> | <u>339,649</u> |
| REVENUE OVER (UNDER) EXPENDITURES | <u>20,247</u> | <u>(307,374)</u> | <u>48,706</u> | <u>356,080</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers out | - | - | (1,245) | (1,245) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>(1,245)</u> | <u>(1,245)</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 20,247</u> | <u>\$ (307,374)</u> | 47,461 | <u>\$ 354,835</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | <u>426,337</u> | |
| End of year | | | <u>\$ 473,798</u> | |

City of Monterey Park
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Asset Forfeiture Special Revenue Fund
For the Year Ended June 30, 2024

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|--------------------|--------------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Fines and forfeitures | \$ 100 | \$ 100 | \$ 575,328 | \$ 575,228 |
| Investment income | - | - | 33,896 | 33,896 |
| Total Revenues | <u>100</u> | <u>100</u> | <u>609,224</u> | <u>609,124</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | 58,007 | 99,616 | 91,806 | 7,810 |
| Total Expenditures | <u>58,007</u> | <u>99,616</u> | <u>91,806</u> | <u>7,810</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (57,907)</u> | <u>\$ (99,516)</u> | 517,418 | <u>\$ 616,934</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | <u>760,215</u> | |
| End of year | | | <u>\$ 1,277,633</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, 2024

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ 170,500 | \$ 170,500 | \$ 592,604 | \$ 422,104 |
| Investment income | - | - | 35,023 | 35,023 |
| Total Revenues | <u>170,500</u> | <u>170,500</u> | <u>627,627</u> | <u>457,127</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Culture and recreation | 56,000 | 56,000 | - | 56,000 |
| Public works | - | 70,000 | 2,640 | 67,360 |
| Capital outlay | - | 808,067 | 345,461 | 462,606 |
| Total Expenditures | <u>56,000</u> | <u>934,067</u> | <u>348,101</u> | <u>585,966</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 114,500</u> | <u>\$ (763,567)</u> | 279,526 | <u>\$ 1,043,093</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | <u>870,609</u> | |
| End of year | | | <u>\$ 1,150,135</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, 2024

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 84,000 | \$ 84,000 | \$ 57,183 | \$ (26,817) |
| Investment income | - | - | 8,130 | 8,130 |
| Total Revenues | <u>84,000</u> | <u>84,000</u> | <u>65,313</u> | <u>(18,687)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Community development | 89,539 | 89,539 | 43,358 | 46,181 |
| Total Expenditures | <u>89,539</u> | <u>89,539</u> | <u>43,358</u> | <u>46,181</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (5,539)</u> | <u>\$ (5,539)</u> | 21,955 | <u>\$ 27,494</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | <u>204,355</u> | |
| End of year | | | <u>\$ 226,310</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, 2024

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|--------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 1,004,990 | \$ 1,004,990 | \$ 1,032,938 | \$ 27,948 |
| Investment income | - | - | 333 | 333 |
| Total Revenues | <u>1,004,990</u> | <u>1,004,990</u> | <u>1,033,271</u> | <u>28,281</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Culture and recreation | 501,227 | 503,447 | 398,309 | 105,138 |
| Public works | 656,144 | 656,144 | 806,045 | (149,901) |
| Total Expenditures | <u>1,157,371</u> | <u>1,159,591</u> | <u>1,204,354</u> | <u>(44,763)</u> |
| REVENUE OVER (UNDER) EXPENDITURES | <u>(152,381)</u> | <u>(154,601)</u> | <u>(171,083)</u> | <u>(16,482)</u> |
| Other Financing (Uses): | | | | |
| Transfers out | (14,690) | (14,690) | (14,690) | - |
| Total Other Financing (Uses) | <u>(14,690)</u> | <u>(14,690)</u> | <u>(14,690)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (167,071)</u> | <u>\$ (169,291)</u> | <u>(185,773)</u> | <u>\$ (16,482)</u> |
| FUND BALANCE (DEFICIT): | | | | |
| Beginning of year | | | <u>138,195</u> | |
| End of year | | | <u>\$ (47,578)</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, 2024

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ 227,000 | \$ 227,000 | \$ 110,612 | \$ (116,388) |
| Investment income | 100 | 100 | 89 | (11) |
| Total Revenues | <u>227,100</u> | <u>227,100</u> | <u>110,701</u> | <u>(116,399)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | 131,392 | 131,392 | 30,768 | 100,624 |
| Total Expenditures | <u>131,392</u> | <u>131,392</u> | <u>30,768</u> | <u>100,624</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 95,708</u> | <u>\$ 95,708</u> | 79,933 | <u>\$ (15,775)</u> |
| FUND BALANCE (DEFICIT): | | | | |
| Beginning of year | | | <u>(79,933)</u> | |
| End of year | | | <u>\$ -</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, 2024

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|----------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 900,000 | \$ 900,000 | \$ 917,999 | \$ 17,999 |
| Investment income | - | - | 33,953 | 33,953 |
| Total Revenues | <u>900,000</u> | <u>900,000</u> | <u>951,952</u> | <u>51,952</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | 900,000 | 900,000 | 900,000 | - |
| Total Expenditures | <u>900,000</u> | <u>900,000</u> | <u>900,000</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | 51,952 | <u>\$ 51,952</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | 950,864 | |
| End of year | | | <u>\$ 1,002,816</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, 2024

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-----------------------|-----------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 1,082,493 | \$ 1,082,493 | \$ 1,031,819 | \$ (50,674) |
| Investment income | 1,000 | 1,000 | 32,192 | 31,192 |
| Total Revenues | <u>1,083,493</u> | <u>1,083,493</u> | <u>1,064,011</u> | <u>(19,482)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Culture and recreation | 253,017 | 253,017 | 255,762 | (2,745) |
| Public works | 538,801 | 543,462 | 458,956 | 84,506 |
| Capital outlay | 4,321,000 | 9,663,688 | 331,277 | 9,332,411 |
| Total Expenditures | <u>5,112,818</u> | <u>10,460,167</u> | <u>1,045,995</u> | <u>9,414,172</u> |
| REVENUE OVER (UNDER) EXPENDITURES | <u>(4,029,325)</u> | <u>(9,376,674)</u> | <u>18,016</u> | <u>9,394,690</u> |
| Other Financing (Uses): | | | | |
| Transfers out | (18,398) | (18,398) | (376,697) | (358,299) |
| Total Other Financing (Uses) | <u>(18,398)</u> | <u>(18,398)</u> | <u>(376,697)</u> | <u>(358,299)</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (4,047,723)</u> | <u>\$ (9,395,072)</u> | <u>(358,681)</u> | <u>\$ 9,036,391</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | <u>1,080,832</u> | |
| End of year | | | <u>\$ 722,151</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, 2024

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-----------------------|-----------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ 200,000 | \$ 200,000 | \$ 296,789 | \$ 96,789 |
| Investment income | - | - | 19,605 | 19,605 |
| Total Revenues | <u>200,000</u> | <u>200,000</u> | <u>316,394</u> | <u>116,394</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 200,000</u> | <u>\$ 200,000</u> | 316,394 | <u>\$ 116,394</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | <u>332,588</u> | |
| End of year | | | <u>\$ 648,982</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, 2024

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|---------------------|---------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 145,000 | \$ 145,000 | \$ 180,735 | \$ 35,735 |
| Investment income | 100 | 100 | 611 | 511 |
| Total Revenues | <u>145,100</u> | <u>145,100</u> | <u>181,346</u> | <u>36,246</u> |
| Expenditures: | | | | |
| Health | 401,191 | 401,191 | 301,655 | 99,536 |
| Total Expenditures | <u>401,191</u> | <u>401,191</u> | <u>301,655</u> | <u>99,536</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (256,091)</u> | <u>\$ (256,091)</u> | (120,309) | <u>\$ 135,782</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | <u>152,403</u> | |
| End of year | | | <u>\$ 32,094</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, 2024

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|------------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 1,554,719 | \$ 1,554,719 | \$ 1,575,640 | \$ 20,921 |
| Investment income | 1,500 | 1,500 | 112,177 | 110,677 |
| Total Revenues | <u>1,556,219</u> | <u>1,556,219</u> | <u>1,687,817</u> | <u>131,598</u> |
| Expenditures: | | | | |
| Capital outlay | 1,500,000 | 1,500,000 | 1,414,230 | 85,770 |
| Total Expenditures | <u>1,500,000</u> | <u>1,500,000</u> | <u>1,414,230</u> | <u>85,770</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 56,219</u> | <u>\$ 56,219</u> | 273,587 | <u>\$ 217,368</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | <u>2,566,729</u> | |
| End of year | | | <u>\$ 2,840,316</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, 2024

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|---------------------|-----------------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 1,226,825 | \$ 1,226,825 | \$ 1,121,158 | \$ (105,667) |
| Investment income | - | - | 142,951 | 142,951 |
| Total Revenues | <u>1,226,825</u> | <u>1,226,825</u> | <u>1,264,109</u> | <u>37,284</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | 23,838 | 23,838 | 11,882 | 11,956 |
| Capital outlay | 1,646,112 | 7,449,117 | 192 | 7,448,925 |
| Total Expenditures | <u>1,669,950</u> | <u>7,472,955</u> | <u>12,074</u> | <u>7,460,881</u> |
| REVENUE OVER (UNDER) EXPENDITURES | <u>(443,125)</u> | <u>(6,246,130)</u> | <u>1,252,035</u> | <u>7,498,165</u> |
| Other Financing (Uses): | | | | |
| Transfers out | (930) | (930) | (359,229) | (358,299) |
| Total Other Financing (Uses) | <u>(930)</u> | <u>(930)</u> | <u>(359,229)</u> | <u>(358,299)</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (444,055)</u> | <u>\$ (6,247,060)</u> | <u>892,806</u> | <u>\$ 7,139,866</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | <u>3,274,262</u> | |
| End of year | | | <u>\$ 4,167,068</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, 2024

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|-----------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Investment income | \$ - | \$ - | \$ 9,689 | \$ 9,689 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>9,689</u> | <u>9,689</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | 9,689 | <u>\$ 9,689</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | <u>52,518</u> | |
| End of year | | | <u>\$ 62,207</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, 2024

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|---------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 70,443 | \$ 70,443 | \$ 230,092 | \$ 159,649 |
| Total revenues | <u>70,443</u> | <u>70,443</u> | <u>230,092</u> | <u>159,649</u> |
| Expenditures: | | | | |
| Capital outlay | 70,443 | 230,092 | 230,092 | - |
| Total expenditures | <u>70,443</u> | <u>230,092</u> | <u>230,092</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ (159,649)</u> | - | <u>\$ 159,649</u> |
| FUND BALANCE (DEFICIT): | | | | |
| Beginning of year | | | (5,547) | |
| 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, 2024

| | Budgeted Amounts | | Actual | Variance with |
|-----------------------------------|------------------|----------------|--------------|--|
| | Original | Final | Amounts | Final Budget Positive (Negative) |
| Revenues: | | | | |
| Intergovernmental | \$ 1,064,323 | \$ 1,064,323 | \$ 1,172,642 | \$ 108,319 |
| Total revenues | 1,064,323 | 1,064,323 | 1,172,642 | 108,319 |
| Expenditures: | | | | |
| Capital outlay | 1,064,323 | 2,178,086 | 1,092,587 | 1,085,499 |
| Total expenditures | 1,064,323 | 2,178,086 | 1,092,587 | 1,085,499 |
| NET CHANGE IN FUND BALANCE | \$ - | \$ (1,113,763) | 80,055 | \$ 1,193,818 |
| FUND BALANCE (DEFICIT): | | | | |
| Beginning of year | | | (34,439) | |
| End of year | | | \$ 45,616 | |

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, 2024

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-----------------------|-----------------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Investment income | \$ - | \$ - | \$ 532,396 | \$ 532,396 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>532,396</u> | <u>532,396</u> |
| Expenditures: | | | | |
| Debt service: | | | | |
| Principal retirement | \$ 320,000 | \$ 320,000 | \$ 320,000 | \$ - |
| Interest and fiscal charges | 731,200 | 731,200 | 733,200 | (2,000) |
| Total Expenditures | <u>1,051,200</u> | <u>1,051,200</u> | <u>1,053,200</u> | <u>(2,000)</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (1,051,200)</u> | <u>\$ (1,051,200)</u> | 530,396 | <u>\$ 1,581,596</u> |
| FUND BALANCE: | | | | |
| Beginning of year | | | <u>564,038</u> | |
| End of year | | | <u>\$ 1,094,434</u> | |

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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 - 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.

Building Maintenance - to provide building maintenance services to all City departments.

City of Monterey Park
Combining Statement of Net Position
Internal Service Funds
June 30, 2024

| | Separation Benefits | General Liability | Workers' Compensation | Shop |
|---|------------------------|-----------------------|--------------------------|---------------------|
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and investments | \$ 4,417 | \$ 3,947,015 | \$ 5,975,637 | \$ - |
| Accounts receivable | - | 15,502 | - | - |
| Total current assets | 4,417 | 3,962,517 | 5,975,637 | - |
| Noncurrent assets: | | | | |
| Capital assets: | | | | |
| Depreciable/amortizable, net | - | - | - | 451,122 |
| Total capital assets | - | - | - | 451,122 |
| Total noncurrent assets | - | - | - | 451,122 |
| Total assets | 4,417 | 3,962,517 | 5,975,637 | 451,122 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Pension related | 114,758 | 114,758 | 114,758 | 344,274 |
| Other postemployment benefits related | - | 16,199 | 12,959 | 76,542 |
| Total deferred outflows of resources | 114,758 | 130,957 | 127,717 | 420,816 |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accounts payable | - | 8,302 | 80,934 | 136,747 |
| Accrued payroll | 4,417 | 6,016 | 9,550 | 14,205 |
| Due to other funds | - | - | - | 7,910 |
| Insurance assessment payable, due within one year | - | 163,514 | - | - |
| Lease liabilities, due within one year | - | - | - | 10,201 |
| Subscription liabilities, due within one year | - | - | - | - |
| Compensated absences, due within one year | - | 33,614 | 134,324 | 90,893 |
| Claims payable, due within one year | - | 1,347,443 | 1,913,221 | - |
| Total current liabilities | 4,417 | 1,558,889 | 2,138,029 | 259,956 |
| Noncurrent liabilities: | | | | |
| Insurance assessment payable, due in more than one year | - | 327,029 | - | - |
| Lease liabilities, due in more than one year | - | - | - | 2,620 |
| Subscription liabilities, due in more than one year | - | - | - | - |
| Compensated absences, due in more than one year | - | 2,144 | 8,568 | 5,798 |
| Claims payable, due in more than one year | - | 6,541,306 | 12,143,597 | - |
| Net pension liability | 98,970 | 98,970 | 98,970 | 296,910 |
| Net OPEB liability | - | 74,737 | 59,789 | 353,131 |
| Total noncurrent liabilities | 98,970 | 7,044,186 | 12,310,924 | 658,459 |
| Total liabilities | 103,387 | 8,603,075 | 14,448,953 | 918,415 |
| DEFERRED INFLOW OF RESOURCES | | | | |
| Pension related | 928 | 928 | 928 | 2,783 |
| Other postemployment benefits related | - | 21,473 | 17,178 | 101,459 |
| | 928 | 22,401 | 18,106 | 104,242 |
| NET POSITION: | | | | |
| Net investment in capital assets | - | - | - | 438,301 |
| Unrestricted (deficit) | 14,860 | (4,532,002) | (8,363,705) | (589,020) |
| Total net position (deficit) | \$ 14,860 | \$ (4,532,002) | \$ (8,363,705) | \$ (150,719) |

(Continued)

City of Monterey Park
Combining Statement of Net Position (Continued)
Internal Service Funds
June 30, 2024

| | Technology | Fringe Benefits | Building Maintenance | Total |
|---|-------------------|-----------------|----------------------|------------------------|
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and investments | \$ - | \$ - | \$ 522,272 | \$ 10,449,341 |
| Accounts receivable | - | - | - | 15,502 |
| Total current assets | - | - | 522,272 | 10,464,843 |
| Noncurrent assets: | | | | |
| Capital assets: | | | | |
| Depreciable/amortizable, net | 1,858,138 | - | - | 2,309,260 |
| Total capital assets | 1,858,138 | - | - | 2,309,260 |
| Total noncurrent assets | 1,858,138 | - | - | 2,309,260 |
| Total assets | 1,858,138 | - | 522,272 | 12,774,103 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Pension related | 229,516 | - | 114,758 | 1,032,822 |
| Other postemployment benefits related | 28,754 | - | 26,324 | 160,778 |
| Total deferred outflows of resources | 258,270 | - | 141,082 | 1,193,600 |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accounts payable | 100,218 | - | 163,069 | 489,270 |
| Accrued payroll | 8,747 | - | 7,527 | 50,462 |
| Due to other funds | 722,421 | - | - | 730,331 |
| Insurance assessment payable, due within one year | - | - | - | 163,514 |
| Lease liabilities, due within one year | - | - | - | 10,201 |
| Subscription liabilities, due within one year | 22,097 | - | - | 22,097 |
| Compensated absences, due within one year | 23,926 | - | 37,565 | 320,322 |
| Claims payable, due within one year | - | - | - | 3,260,664 |
| Total current liabilities | 877,409 | - | 208,161 | 5,046,861 |
| Noncurrent liabilities: | | | | |
| Insurance assessment payable, due in more than one year | - | - | - | 327,029 |
| Lease liabilities, due in more than one year | - | - | - | 2,620 |
| Subscription liabilities, due in more than one year | 22,543 | - | - | 22,543 |
| Compensated absences, due in more than one year | 1,526 | - | 2,396 | 20,432 |
| Claims payable, due in more than one year | - | - | - | 18,684,903 |
| Net pension liability | 197,940 | - | 98,970 | 890,730 |
| Net OPEB liability | 132,658 | - | 121,447 | 741,762 |
| Total noncurrent liabilities | 354,667 | - | 222,813 | 20,690,019 |
| Total liabilities | 1,232,076 | - | 430,974 | 25,736,880 |
| DEFERRED INFLOW OF RESOURCES | | | | |
| Pension related | 1,855 | - | 928 | 8,350 |
| Other postemployment benefits related | 38,114 | - | 34,893 | 213,117 |
| | 39,969 | - | 35,821 | 221,467 |
| NET POSITION: | | | | |
| Net investment in capital assets | 1,813,498 | - | - | 2,251,799 |
| Unrestricted (deficit) | (969,135) | - | 196,559 | (14,242,443) |
| Total net position (deficit) | \$ 844,363 | \$ - | \$ 196,559 | \$ (11,990,644) |

(Concluded)

City of Monterey Park
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2024

| | Separation Benefits | General Liability | Workers' Compensation | Shop |
|-----------------------------------|------------------------|-----------------------|--------------------------|---------------------|
| OPERATING REVENUES: | | | | |
| Charges for services | 1,974,131 | 6,898,767 | 3,986,537 | 3,663,600 |
| Miscellaneous | - | - | 138,577 | 29,549 |
| Total operating revenues | 1,974,131 | 6,898,767 | 4,125,114 | 3,693,149 |
| OPERATING EXPENSES: | | | | |
| Salaries and Benefits | 1,967,253 | 147,760 | 512,089 | 624,548 |
| Materials and supplies | - | 415,460 | 259,797 | 2,257,598 |
| Insurance and claims | - | 2,975,253 | 2,212,411 | - |
| Depreciation and amortization | - | - | - | 618,716 |
| Total operating expenses | 1,967,253 | 3,538,473 | 2,984,297 | 3,500,862 |
| OPERATING INCOME (LOSS) | 6,878 | 3,360,294 | 1,140,817 | 192,287 |
| NONOPERATING EXPENSES: | | | | |
| Interest expense | - | - | - | (15,608) |
| Total nonoperating expense | - | - | - | (15,608) |
| CHANGES IN NET POSITION | 6,878 | 3,360,294 | 1,140,817 | 176,679 |
| NET POSITION (DEFICIT): | | | | |
| Beginning of year | 7,982 | (7,892,296) | (9,504,522) | (327,398) |
| End of year | <u>\$ 14,860</u> | <u>\$ (4,532,002)</u> | <u>\$ (8,363,705)</u> | <u>\$ (150,719)</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, 2024

| | Technology | Fringe Benefits | Building Maintenance | Total |
|-----------------------------------|-------------------|--------------------|-------------------------|------------------------|
| OPERATING REVENUES: | | | | |
| Charges for services | 1,381,816 | 2,445,933 | 1,345,729 | \$ 21,696,513 |
| Miscellaneous | - | - | - | 168,126 |
| Total operating revenues | 1,381,816 | 2,445,933 | 1,345,729 | 21,864,639 |
| OPERATING EXPENSES: | | | | |
| Salaries and Benefits | 357,215 | 2,445,933 | 430,596 | 6,485,394 |
| Materials and supplies | 1,133,103 | - | 718,574 | 4,784,532 |
| Insurance and claims | - | - | - | 5,187,664 |
| Depreciation and amortization | 144,150 | - | - | 762,866 |
| Total operating expenses | 1,634,468 | 2,445,933 | 1,149,170 | 17,220,456 |
| OPERATING INCOME (LOSS) | (252,652) | - | 196,559 | 4,644,183 |
| NONOPERATING EXPENSES: | | | | |
| Interest expense | - | - | - | (15,608) |
| Total nonoperating expense | - | - | - | (15,608) |
| CHANGES IN NET POSITION | (252,652) | - | 196,559 | 4,628,575 |
| NET POSITION (DEFICIT): | | | | |
| Beginning of year | 1,097,015 | - | - | (16,619,219) |
| End of year | <u>\$ 844,363</u> | <u>\$ -</u> | <u>\$ 196,559</u> | <u>\$ (11,990,644)</u> |

(Concluded)

City of Monterey Park
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024

| | Separation Benefits | General Liability | Workers' Compensation | Shop |
|--|------------------------|----------------------|--------------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Cash received from customers and users | \$ 1,974,131 | \$ 6,898,767 | \$ 4,125,114 | \$ 3,693,149 |
| Cash paid to suppliers for goods and services | - | (415,460) | (202,449) | (2,226,147) |
| Cash paid to employees for services | (2,286,466) | (388,088) | (489,696) | (724,370) |
| Cash paid for insurance claims | - | (4,655,424) | (2,665,555) | - |
| Net cash provided by (used in) operating activities | <u>(312,335)</u> | <u>1,439,795</u> | <u>767,414</u> | <u>742,632</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | |
| Cash received from other funds | - | - | - | 7,910 |
| Net cash provided by noncapital financing activities | <u>-</u> | <u>-</u> | <u>-</u> | <u>7,910</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | |
| Acquisition of capital assets | - | - | - | (25,327) |
| Principal paid | - | (163,514) | - | (1,013,902) |
| Interest paid | - | - | - | (15,608) |
| Net cash (used in) capital and related financing activities | <u>-</u> | <u>(163,514)</u> | <u>-</u> | <u>(1,054,837)</u> |
| Net change in cash and cash equivalents | (312,335) | 1,276,281 | 767,414 | (304,295) |
| CASH AND CASH EQUIVALENTS: | | | | |
| Beginning of year | 316,752 | 2,670,734 | 5,208,223 | 304,295 |
| End of year | <u>\$ 4,417</u> | <u>\$ 3,947,015</u> | <u>\$ 5,975,637</u> | <u>\$ -</u> |
| CASH AND CASH EQUIVALENTS: | | | | |
| Cash and investments | <u>\$ 4,417</u> | <u>\$ 3,947,015</u> | <u>\$ 5,975,637</u> | <u>\$ -</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities: | | | | |
| Operating income (loss) | \$ 6,878 | \$ 3,360,294 | \$ 1,140,817 | \$ 192,287 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Depreciation and amortization | - | - | - | 618,716 |
| Change in assets and liabilities: | | | | |
| (Increase) decrease in deferred outflows - pension related | 152,860 | 152,860 | 19,051 | 57,152 |
| (Increase) decrease in deferred outflows - OPEB related | 74,760 | 58,561 | 24,421 | 35,598 |
| Increase (decrease) in accounts payable | - | (182,655) | 57,348 | 31,451 |
| Increase (decrease) in accrued payroll | 1,813 | 1,205 | 7,224 | 4,145 |
| Increase (decrease) in compensated absences | - | (518) | 119,103 | 21,815 |
| Increase (decrease) in claims payable | - | (1,497,516) | (453,144) | - |
| Increase (decrease) in net pension liability | (24,222) | (24,222) | 37,374 | 112,122 |
| Increase (decrease) in total OPEB liability | (435,590) | (360,853) | (158,006) | (300,254) |
| Increase (decrease) in deferred inflows - pension related | (20,839) | (20,839) | (9,955) | (29,867) |
| Increase (decrease) in deferred inflows - OPEB related | (67,995) | (46,522) | (16,819) | (533) |
| Net cash provided by (used in) operating activities | <u>\$ (312,335)</u> | <u>\$ 1,439,795</u> | <u>\$ 767,414</u> | <u>\$ 742,632</u> |

City of Monterey Park
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2024

| | Technology | Fringe Benefits | Building Maintenance | Total |
|--|---------------------|-----------------------|-------------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Cash received from customers and users | \$ 1,381,816 | \$ 2,445,933 | \$ 1,345,729 | \$ 21,864,639 |
| Cash paid to suppliers for goods and services | (1,046,507) | - | (555,505) | (4,446,068) |
| Cash paid to employees for services | (541,451) | (3,445,933) | (267,952) | (8,143,956) |
| Cash paid for insurance claims | - | - | - | (7,320,979) |
| Net cash provided by (used in) operating activities | <u>(206,142)</u> | <u>(1,000,000)</u> | <u>522,272</u> | <u>1,953,636</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | |
| Cash received from other funds | 318,193 | - | - | 326,103 |
| Net cash provided by noncapital financing activities | <u>318,193</u> | <u>-</u> | <u>-</u> | <u>326,103</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | |
| Acquisition of capital assets | (33,738) | - | - | (59,065) |
| Principal paid | (78,313) | - | - | (1,255,729) |
| Interest paid | - | - | - | (15,608) |
| Net cash (used in) capital and related financing activities | <u>(112,051)</u> | <u>-</u> | <u>-</u> | <u>(1,330,402)</u> |
| Net change in cash and cash equivalents | - | (1,000,000) | 522,272 | 949,337 |
| CASH AND CASH EQUIVALENTS: | | | | |
| Beginning of year | - | 1,000,000 | - | 9,500,004 |
| End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 522,272</u> | <u>\$ 10,449,341</u> |
| CASH AND CASH EQUIVALENTS: | | | | |
| Cash and investments | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 522,272</u> | <u>\$ 10,449,341</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities: | | | | |
| Operating income (loss) | \$ (252,652) | \$ - | \$ 196,559 | \$ 4,644,183 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Depreciation and amortization | 144,150 | - | - | 762,866 |
| Change in assets and liabilities: | | | | |
| (Increase) decrease in deferred outflows - pension related | 38,102 | - | (114,758) | 305,267 |
| (Increase) decrease in deferred outflows - OPEB related | 46,006 | - | (26,324) | 213,022 |
| Increase (decrease) in accounts payable | 86,596 | - | 163,069 | 155,809 |
| Increase (decrease) in accrued payroll | 1,031 | (1,000,000) | 7,527 | (977,055) |
| Increase (decrease) in compensated absences | 8,602 | - | 39,961 | 188,963 |
| Increase (decrease) in claims payable | - | - | - | (1,950,660) |
| Increase (decrease) in net pension liability | 74,748 | - | 98,970 | 274,770 |
| Increase (decrease) in total OPEB liability | (302,932) | - | 121,447 | (1,436,188) |
| Increase (decrease) in deferred inflows - pension related | (19,912) | - | 928 | (100,484) |
| Increase (decrease) in deferred inflows - OPEB related | (29,881) | - | 34,893 | (126,857) |
| Net cash provided by (used in) operating activities | <u>\$ (206,142)</u> | <u>\$ (1,000,000)</u> | <u>\$ 522,272</u> | <u>\$ 1,953,636</u> |

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STATISTICAL SECTION
(Unaudited)

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STATISTICAL SECTION

For the Year Ended June 30, 2024

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

| | Fiscal Year | | | | |
|---|------------------------|----------------------|----------------------|------------------------|------------------------|
| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| Governmental Activities: | | | | | |
| Net investment in capital assets | \$ 46,057,423 | \$ 47,995,442 | \$ 49,245,097 | \$ 51,940,625 | \$ 54,422,220 |
| Restricted | 20,198,282 | 22,221,698 | 20,689,401 | 22,583,024 | 28,308,812 |
| Unrestricted (deficit) | <u>(79,297,776)</u> | <u>(68,990,541)</u> | <u>(63,742,375)</u> | <u>(85,102,541)</u> | <u>(94,444,814)</u> |
| Total governmental activities net position | <u>\$ (13,042,071)</u> | <u>\$ 1,226,599</u> | <u>\$ 6,192,123</u> | <u>\$ (10,578,892)</u> | <u>\$ (11,713,782)</u> |
| Business-Type Activities: | | | | | |
| Net investment in capital assets | \$ 15,083,212 | \$ 23,132,584 | \$ 27,583,180 | \$ 32,224,486 | \$ 32,343,708 |
| Restricted | - | 514,518 | - | - | - |
| Unrestricted | <u>24,186,095</u> | <u>18,629,778</u> | <u>19,078,479</u> | <u>18,182,441</u> | <u>22,623,485</u> |
| Total business-type activities net position | <u>\$ 39,269,307</u> | <u>\$ 42,276,880</u> | <u>\$ 46,661,659</u> | <u>\$ 50,406,927</u> | <u>\$ 54,967,193</u> |
| Primary Government: | | | | | |
| Net investment in capital assets | \$ 61,140,635 | \$ 71,128,006 | \$ 76,828,277 | \$ 84,165,111 | \$ 86,765,928 |
| Restricted | 20,198,282 | 22,736,216 | 20,689,401 | 22,583,024 | 28,308,812 |
| Unrestricted (deficit) | <u>(55,111,681)</u> | <u>(50,360,763)</u> | <u>(44,663,896)</u> | <u>(66,920,100)</u> | <u>(71,821,329)</u> |
| Total primary government net position | <u>\$ 26,227,236</u> | <u>\$ 43,503,459</u> | <u>\$ 52,853,782</u> | <u>\$ 39,828,035</u> | <u>\$ 43,253,411</u> |

Source: City of Monterey Park Finance Department

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

| | Fiscal Year | | | | |
|---|------------------------|------------------------|------------------------|----------------------|----------------------|
| | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| Governmental Activities: | | | | | |
| Net investment in capital assets | \$ 50,393,059 | \$ 53,107,029 | \$ 60,290,327 | \$ 68,652,436 | \$ 72,981,980 |
| Restricted | 28,524,906 | 22,377,681 | 52,852,580 | 41,267,487 | 30,284,966 |
| Unrestricted (deficit) | <u>(99,160,818)</u> | <u>(97,899,017)</u> | <u>(124,096,720)</u> | <u>(110,242,641)</u> | <u>(84,068,657)</u> |
| Total governmental activities net position | <u>\$ (20,242,853)</u> | <u>\$ (22,414,307)</u> | <u>\$ (10,953,813)</u> | <u>\$ (322,718)</u> | <u>\$ 19,198,289</u> |
| Business-Type Activities: | | | | | |
| Net investment in capital assets | \$ 31,922,658 | \$ 32,466,443 | \$ 35,740,792 | \$ 42,383,764 | \$ 48,792,581 |
| Restricted | - | - | 2,637,265 | - | 5,739 |
| Unrestricted | <u>23,894,813</u> | <u>22,403,284</u> | <u>16,933,113</u> | <u>8,423,058</u> | <u>83,355</u> |
| Total business-type activities net position | <u>\$ 55,817,471</u> | <u>\$ 54,869,727</u> | <u>\$ 55,311,170</u> | <u>\$ 50,806,822</u> | <u>\$ 48,881,675</u> |
| Primary Government: | | | | | |
| Net investment in capital assets | \$ 82,315,717 | \$ 85,573,472 | \$ 96,031,119 | \$ 111,036,200 | \$ 121,774,561 |
| Restricted | 28,524,906 | 22,377,681 | 55,489,845 | 41,267,487 | 30,290,705 |
| Unrestricted (deficit) | <u>(75,266,005)</u> | <u>(75,495,733)</u> | <u>(107,163,607)</u> | <u>(101,819,583)</u> | <u>(83,985,302)</u> |
| Total primary government net position | <u>\$ 35,574,618</u> | <u>\$ 32,455,420</u> | <u>\$ 44,357,357</u> | <u>\$ 50,484,104</u> | <u>\$ 68,079,964</u> |

Source: City of Monterey Park Finance Department

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

| | Fiscal Year | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 |
| Expenses: | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 4,610,081 | \$ 3,771,179 | \$ 4,935,827 | \$ 13,276,893 | \$ 8,675,180 |
| Public safety | 26,907,556 | 27,479,974 | 30,527,993 | 35,442,619 | 41,058,210 |
| Community development | 7,049,958 | 2,456,567 | 2,368,605 | 2,536,781 | 2,555,488 |
| Culture and recreation | 8,665,230 | 7,151,089 | 7,383,391 | 8,037,936 | 8,394,326 |
| Highway and streets | 5,512,170 | 6,223,450 | 5,555,218 | 5,856,197 | 6,778,639 |
| Health | 488,697 | 116,629 | 250,000 | 160,000 | 150,000 |
| Interest and fiscal charges | 1,269,034 | 990,315 | 993,823 | 940,605 | 931,970 |
| Total governmental activities expenses | <u>54,502,726</u> | <u>48,189,203</u> | <u>52,014,857</u> | <u>66,251,032</u> | <u>68,543,813</u> |
| Business-type activities: | | | | | |
| Water | 12,906,852 | 11,962,698 | 13,197,497 | 11,978,551 | 15,975,908 |
| Refuse | 6,657,089 | 7,562,168 | 7,648,908 | 6,364,504 | 6,782,261 |
| Sewer | 522,245 | 1,117,677 | 1,332,184 | 2,120,013 | 1,925,498 |
| Total business-type activities expenses | <u>20,086,186</u> | <u>20,642,543</u> | <u>22,178,589</u> | <u>20,463,068</u> | <u>24,683,667</u> |
| Total primary government expenses | <u>74,588,912</u> | <u>68,831,746</u> | <u>74,193,446</u> | <u>86,714,100</u> | <u>93,227,480</u> |
| Program revenues: | | | | | |
| Governmental activities: | | | | | |
| Charges for services: | | | | | |
| General government | 1,005,102 | 1,157,100 | 1,216,968 | 1,290,795 | 1,951,847 |
| Public safety | 2,956,084 | 3,766,713 | 2,665,634 | 4,239,502 | 3,263,720 |
| Community development | 2,023,271 | 2,607,075 | 3,660,518 | 3,364,687 | 2,828,385 |
| Culture and recreation | 1,320,369 | 1,289,483 | 1,327,230 | 1,956,845 | 1,012,436 |
| Highway and Streets | 1,462,323 | 1,403,282 | 1,688,010 | 1,382,500 | 1,341,088 |
| Health | | | | | |
| Operating grants and contributions | 7,963,721 | 7,953,884 | 6,928,332 | 8,281,863 | 12,119,613 |
| Capital grants and contributions | 557,625 | 502,276 | 1,134,757 | 159,994 | 1,209,222 |
| Total government activities program revenues | <u>17,288,495</u> | <u>18,779,813</u> | <u>18,621,449</u> | <u>20,676,186</u> | <u>23,726,311</u> |
| Business-type activities: | | | | | |
| Charges for services: | | | | | |
| Water | 11,452,592 | 12,323,342 | 13,439,676 | 14,213,398 | 15,251,324 |
| Refuse | 6,371,405 | 6,954,603 | 7,124,768 | 6,760,312 | 6,674,188 |
| Sewer | 1,714,098 | 2,673,585 | 2,843,412 | 3,164,108 | 3,546,475 |
| Operating grants and contributions | - | - | - | - | - |
| Capital grants and contributions | 98,776 | 97,507 | 1,916,453 | 2,341,781 | 1,362,136 |
| Total business-type activities revenues | <u>19,636,871</u> | <u>22,049,037</u> | <u>25,324,309</u> | <u>26,479,599</u> | <u>26,834,123</u> |
| Total primary government revenues | <u>\$ 36,925,366</u> | <u>\$ 40,828,850</u> | <u>\$ 43,945,758</u> | <u>\$ 47,155,785</u> | <u>\$ 50,560,434</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 | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2019/2020 | 2020/2021 | 2021/2022 | 2022/2023 | 2023/2024 |
| Expenses: | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 7,024,897 | \$ 16,862,932 | \$ 4,997,877 | \$ 13,258,409 | \$ 13,124,012 |
| Public safety | 46,448,518 | 41,432,208 | 32,974,783 | 40,064,832 | 51,063,141 |
| Community development | 385,629 | 500,831 | 7,545,425 | 7,570,239 | 2,186,674 |
| Culture and recreation | 8,194,387 | 7,367,933 | 7,250,027 | 4,436,619 | 6,516,147 |
| Highway and streets | 7,592,489 | 6,349,422 | 5,300,505 | 6,952,909 | 8,663,436 |
| Health | 137,500 | 187,500 | 234,375 | 292,969 | 301,655 |
| Interest and fiscal charges | 923,137 | 1,533,531 | 3,435,272 | 3,803,497 | 3,638,579 |
| Total governmental activities expenses | <u>70,706,557</u> | <u>74,234,357</u> | <u>61,738,264</u> | <u>76,379,474</u> | <u>85,493,644</u> |
| Business-type activities: | | | | | |
| Water | 16,130,638 | 16,900,021 | 15,173,088 | 18,647,640 | 17,958,431 |
| Refuse | 6,643,796 | 7,102,416 | 6,773,649 | 7,797,114 | 7,635,023 |
| Sewer | 2,066,260 | 2,826,252 | 2,386,431 | 3,547,895 | 2,499,924 |
| Total business-type activities expenses | <u>24,840,693</u> | <u>26,828,689</u> | <u>24,333,168</u> | <u>29,992,649</u> | <u>28,093,378</u> |
| Total primary government expenses | <u>95,547,250</u> | <u>101,063,046</u> | <u>86,071,432</u> | <u>106,372,123</u> | <u>113,587,022</u> |
| Program revenues: | | | | | |
| Governmental activities: | | | | | |
| Charges for services: | | | | | |
| General government | 1,418,515 | 1,430,819 | 2,369,083 | 2,656,843 | 3,267,346 |
| Public safety | 3,123,842 | 2,765,703 | 2,792,022 | 2,993,687 | 4,012,748 |
| Community development | 1,591,515 | 1,894,660 | 2,722,923 | 510,301 | 1,244,363 |
| Culture and recreation | 747,940 | 230,570 | 485,573 | 3,009,094 | 3,296,911 |
| Highway and Streets | 1,523,872 | 2,410,818 | 3,661,000 | 2,670,460 | 3,210,447 |
| Health | | | | | |
| Operating grants and contributions | 9,349,191 | 12,199,854 | 14,675,500 | 19,675,615 | 28,096,861 |
| Capital grants and contributions | 279,624 | - | - | 772,831 | 3,855,700 |
| Total government activities program revenues | <u>18,034,499</u> | <u>20,932,424</u> | <u>26,706,101</u> | <u>32,288,831</u> | <u>46,984,376</u> |
| Business-type activities: | | | | | |
| Charges for services: | | | | | |
| Water | 13,791,440 | 16,087,723 | 14,231,262 | 12,752,125 | 14,658,624 |
| Refuse | 6,722,940 | 6,905,547 | 6,843,084 | 7,041,047 | 7,584,290 |
| Sewer | 3,158,607 | 3,273,154 | 3,252,413 | 3,331,412 | 4,394,766 |
| Operating grants and contributions | - | - | - | - | - |
| Capital grants and contributions | 149,262 | 93,503 | 880,892 | - | - |
| Total business-type activities revenues | <u>23,822,249</u> | <u>26,359,927</u> | <u>25,207,651</u> | <u>23,124,584</u> | <u>26,637,680</u> |
| Total primary government revenues | <u>\$ 41,856,748</u> | <u>\$ 47,292,351</u> | <u>\$ 51,913,752</u> | <u>\$ 55,413,415</u> | <u>\$ 73,622,056</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 | | | | |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 |
| Net (expense)/revenue: | | | | | |
| Governmental activities: | \$ (37,214,231) | \$ (29,409,390) | \$ (33,393,408) | \$ (45,574,846) | \$ (44,817,502) |
| Business-type activities: | (449,315) | 1,406,494 | 3,145,720 | 6,016,531 | 2,150,457 |
| Total primary government revenues | <u>\$ (37,663,546)</u> | <u>\$ (28,002,896)</u> | <u>\$ (30,247,688)</u> | <u>\$ (39,558,315)</u> | <u>\$ (42,667,046)</u> |
| General revenues and other | | | | | |
| Changes in net position: | | | | | |
| Governmental activities: | | | | | |
| Taxes: | | | | | |
| Property Taxes | \$ 22,600,233 | \$ 22,235,616 | \$ 23,154,960 | \$ 24,306,944 | \$ 25,904,561 |
| Sales Taxes | 5,245,208 | 6,427,211 | 6,517,491 | 5,341,854 | 7,156,102 |
| Vehicle In-lieu Taxes | 26,649 | 25,041 | 27,482 | 32,428 | 29,876 |
| Utility User Taxes | 3,257,450 | 3,212,890 | 3,212,912 | 2,964,825 | 3,107,983 |
| Franchise Taxes | 1,028,025 | 992,615 | 938,802 | 966,346 | 973,084 |
| Business License Taxes | 1,340,197 | 1,052,086 | 1,244,295 | 1,146,838 | 1,140,840 |
| Transient Occupancy Taxes | 1,158,767 | 1,248,578 | 1,261,777 | 1,163,775 | 1,064,049 |
| Other Taxes/Special Accessment | 346,203 | 285,845 | 269,734 | 585,106 | 158,828 |
| Revenues from use of money and property | 929,648 | 1,155,649 | 701,151 | 1,689,011 | 2,413,637 |
| Other | 1,153,382 | 1,403,883 | 1,030,348 | 1,736,642 | 1,733,652 |
| Transfers | | | | | |
| Total general revenues and transfers | <u>37,085,762</u> | <u>38,039,414</u> | <u>38,358,952</u> | <u>39,933,769</u> | <u>43,682,612</u> |
| Extraordinary item | - | 5,638,626 | - | - | - |
| Business-type activities: | | | | | |
| Revenues from use of money and property | - | - | 105 | - | - |
| Other | 2,192 | 1,601,079 | 1,238,954 | 1,053,244 | 2,409,810 |
| Gain/(Loss) on sale of property | 1,258,626 | - | - | - | - |
| Transfers | 18,485 | - | - | - | - |
| Total business-type activities | <u>1,279,303</u> | <u>1,601,079</u> | <u>1,239,059</u> | <u>1,053,244</u> | <u>2,409,810</u> |
| Total primary government | 38,365,065 | 39,640,493 | 39,598,011 | 40,987,013 | 46,092,422 |
| Changes in net position | | | | | |
| Governmental activities | (128,469) | 14,268,650 | 4,965,544 | (5,641,077) | (1,134,890) |
| Business-type activities | 829,988 | 3,007,573 | 4,384,779 | 7,069,775 | 4,560,267 |
| Total primary government | <u>\$ 701,519</u> | <u>\$ 17,276,223</u> | <u>\$ 9,350,323</u> | <u>\$ 1,428,698</u> | <u>\$ 3,425,377</u> |

Source: City of Monterey Park Finance Department

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

| | Fiscal Year | | | | |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2019/2020 | 2020/2021 | 2021/2022 | 2022/2023 | 2023/2024 |
| Net (expense)/revenue: | | | | | |
| Governmental activities: | \$ (52,672,058) | \$ (53,301,933) | \$ (35,032,163) | \$ (44,090,643) | \$ (38,509,268) |
| Business-type activities: | (1,018,444) | (468,762) | 874,483 | (6,868,065) | (1,455,698) |
| Total primary government revenues | <u>\$ (53,690,502)</u> | <u>\$ (53,770,695)</u> | <u>\$ (34,157,680)</u> | <u>\$ (50,958,708)</u> | <u>\$ (39,964,966)</u> |
| General revenues and other | | | | | |
| Changes in net position: | | | | | |
| Governmental activities: | | | | | |
| Taxes: | | | | | |
| Property Taxes | \$ 27,133,836 | \$ 29,942,243 | \$ 29,676,242 | \$ 31,571,303 | \$ 23,785,927 |
| Sales Taxes | 6,923,739 | 9,063,297 | 9,294,060 | 11,640,655 | 18,577,911 |
| Vehicle In-lieu Taxes | 48,934 | 44,545 | 69,754 | 62,585 | 75,418 |
| Utility User Taxes | 2,846,105 | 2,931,943 | 3,278,449 | 3,799,736 | 3,780,890 |
| Franchise Taxes | 982,837 | 1,011,131 | 1,067,908 | 1,230,330 | 1,284,606 |
| Business License Taxes | 985,158 | 721,601 | 661,415 | 713,015 | 862,074 |
| Transient Occupancy Taxes | 847,272 | 953,200 | 2,098,921 | 2,653,156 | 3,324,068 |
| Other Taxes/Special Accessment | 171,413 | 220,485 | 284,927 | 1,035,312 | - |
| Revenues from use of money and property | 2,096,340 | 395,918 | (1,858,601) | 1,354,512 | 4,224,086 |
| Other | 1,565,830 | 1,339,319 | 1,445,282 | 1,182,587 | 1,733,523 |
| Transfers | 541,523 | 533,787 | 474,300 | 479,411 | 381,772 |
| Total general revenues and transfers | <u>44,142,987</u> | <u>47,157,469</u> | <u>46,492,657</u> | <u>55,722,602</u> | <u>58,030,275</u> |
| Extraordinary item | - | - | - | - | - |
| Business-type activities: | | | | | |
| Revenues from use of money and property | 562,859 | 53,395 | 41,256 | 558,250 | (195,511) |
| Other | 2,260,426 | 1,410 | 4 | - | 107,834 |
| Gain/(Loss) on sale of property | - | - | - | - | - |
| Transfers | (541,523) | (533,787) | (474,300) | (479,411) | (381,772) |
| Total business-type activities | <u>2,281,762</u> | <u>(478,982)</u> | <u>(433,040)</u> | <u>78,839</u> | <u>(469,449)</u> |
| Total primary government | 46,424,749 | 46,678,487 | 46,059,617 | 55,801,441 | 57,560,826 |
| Changes in net position | | | | | |
| Governmental activities | (8,529,071) | (6,144,464) | 11,460,494 | 11,631,959 | 19,521,007 |
| Business-type activities | 1,263,318 | (947,744) | 441,443 | (6,789,226) | (1,925,147) |
| Total primary government | <u>\$ (7,265,753)</u> | <u>\$ (7,092,208)</u> | <u>\$ 11,901,937</u> | <u>\$ 4,842,733</u> | <u>\$ 17,595,860</u> |

Source: City of Monterey Park Finance Department

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

| | Fiscal Year | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| General Fund: | | | | | |
| Nonspendable | \$ 741,556 | \$ 741,556 | \$ 816,495 | \$ 74,939 | \$ 75,778 |
| Restricted | - | 78,799 | - | - | - |
| Committed | 7,173,519 | 10,979,027 | 10,826,927 | 10,826,927 | 7,226,927 |
| Assigned | 10,095,120 | 12,052,503 | 14,414,724 | 15,064,826 | 20,147,039 |
| Unassigned | 3,556,499 | 4,554,426 | 4,144,661 | 3,994,828 | 5,105,667 |
| Total general fund | \$ 21,566,694 | \$ 28,406,311 | \$ 30,202,807 | \$ 29,961,520 | \$ 32,555,411 |
| All other governmental funds: | | | | | |
| Nonspendable | \$ 1,921,015 | \$ - | \$ - | \$ - | \$ - |
| Restricted | 19,872,630 | 21,597,574 | 21,426,308 | 22,145,598 | 26,088,353 |
| Committed | 699,188 | 584,570 | 472,919 | 437,426 | 417,741 |
| Unassigned (deficit) | (931,973) | (168,139) | (1,369,489) | - | - |
| Total all other governmental funds | 21,560,860 | 22,014,005 | 20,529,738 | 22,583,024 | 26,506,094 |
| Total for Governmental Funds: | \$ 43,127,554 | \$ 50,420,316 | \$ 50,732,545 | \$ 52,544,544 | \$ 59,061,505 |

Source: City of Monterey Park Finance Department

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

| | Fiscal Year | | | | |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| General Fund: | | | | | |
| Nonspendable | \$ 78,802 | \$ 72,590 | \$ 82,310 | \$ 77,450 | \$ - |
| Restricted | - | - | - | - | - |
| Committed | 7,226,927 | 9,226,927 | 9,726,927 | 10,226,927 | 10,726,927 |
| Assigned | 19,365,589 | 21,418,237 | 19,156,028 | 18,029,418 | 31,029,418 |
| Unassigned | 5,838,129 | 4,419,338 | - | 119,426 | 135,435 |
| Total general fund | <u>\$ 32,509,447</u> | <u>\$ 35,137,092</u> | <u>\$ 28,965,265</u> | <u>\$ 28,453,221</u> | <u>\$ 41,891,780</u> |
| All other governmental funds: | | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted | 26,887,421 | 20,468,071 | 44,755,797 | 41,063,132 | 31,477,872 |
| Committed | 418,383 | 367,752 | 276,809 | 152,403 | 32,094 |
| Unassigned | (72,645) | (58,728) | (380,362) | (119,919) | (53,125) |
| Total all other governmental funds | <u>27,233,159</u> | <u>20,777,095</u> | <u>44,652,244</u> | <u>41,095,616</u> | <u>31,456,841</u> |
| Total for Governmental Funds: | <u><u>\$ 59,742,606</u></u> | <u><u>\$ 55,914,187</u></u> | <u><u>\$ 73,617,509</u></u> | <u><u>\$ 69,548,837</u></u> | <u><u>\$ 73,348,621</u></u> |

Source: City of Monterey Park Finance Department

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

| | Fiscal Year | | | | |
|--|---------------------|---------------------|-------------------|---------------------|---------------------|
| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| Revenues: | | | | | |
| Taxes | \$ 41,748,001 | \$ 41,158,303 | \$ 37,078,002 | \$ 36,662,530 | \$ 39,864,511 |
| Licenses and permits | 775,135 | 2,428,895 | 2,913,671 | 2,729,412 | 3,038,847 |
| Intergovernmental revenues | 3,072,957 | 3,203,752 | 6,664,547 | 8,945,319 | 11,577,229 |
| Charges for services | 5,521,035 | 6,110,829 | 6,721,667 | 8,417,372 | 7,161,652 |
| Revenues from use of money & property/Investment income | 919,998 | 1,207,629 | 694,820 | 1,727,784 | 2,701,145 |
| Fines and forfeitures | 1,043,704 | 1,295,647 | 605,957 | 680,133 | 1,623,039 |
| Other/Miscellaneous | 1,180,868 | 1,414,172 | 1,074,799 | 1,756,785 | 1,741,046 |
| Total revenues | 54,261,698 | 56,819,227 | 55,753,463 | 60,919,335 | 67,707,469 |
| Expenditures | | | | | |
| Current: | | | | | |
| General government | 4,609,650 | 5,744,019 | 5,844,104 | 7,146,292 | 6,136,588 |
| Public safety | 27,076,488 | 28,396,653 | 29,258,673 | 30,235,225 | 34,708,110 |
| Community development | 3,015,194 | 2,261,895 | 2,392,374 | 2,497,952 | 2,563,517 |
| Culture and recreation | 6,738,804 | 6,464,589 | 6,634,294 | 6,981,663 | 7,383,682 |
| Highways and streets/Public Works | 4,938,939 | 5,103,275 | 4,780,221 | 4,812,085 | 5,347,037 |
| Health | 488,697 | | 250,000 | 160,000 | 150,000 |
| Capital outlay | 4,855,050 | 4,594,721 | 3,415,464 | 4,413,196 | 2,927,407 |
| Debt service: | | | | | |
| Principal | 1,255,802 | 1,291,263 | 1,370,156 | 1,416,257 | 1,079,149 |
| Interest and fiscal charges | 1,279,276 | 1,058,676 | 995,948 | 944,666 | 895,018 |
| Total expenditures | 54,257,900 | 54,915,091 | 54,941,234 | 58,607,336 | 61,190,508 |
| Excess (deficiency) of revenues over (under) expenditures | 3,798 | 1,904,136 | 812,229 | 2,311,999 | 6,516,961 |
| Other financing sources (uses): | | | | | |
| Transfers in | 1,380,000 | 2,327,332 | 2,246,686 | 2,225,885 | 3,003,264 |
| Transfers out | (1,380,000) | (2,577,332) | (2,746,686) | (2,725,885) | (3,003,264) |
| Issuance of lease/subscription | - | - | - | - | - |
| Proceeds from sale of property | 562,114 | - | - | - | - |
| Issue of long term debt | 1,576,783 | - | - | - | - |
| Total other financing Sources (uses) | 2,138,897 | (250,000) | (500,000) | (500,000) | - |
| Net change in fund balances before Extraordinary Item | 2,142,695 | 1,654,136 | 312,229 | 1,811,999 | 6,516,961 |
| Extraordinary Items | - | 5,638,626 | - | - | - |
| Net change in fund balances | \$ 2,142,695 | \$ 7,292,762 | \$ 312,229 | \$ 1,811,999 | \$ 6,516,961 |
| Debt services as a percentage of noncapital expenditures ⁽¹⁾ | 5.13% | 4.67% | 4.59% | 4.36% | 3.39% |

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 Finance Department

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

| | Fiscal Year | | | | |
|--|-------------------|-----------------------|----------------------|-----------------------|---------------------|
| | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| Revenues: | | | | | |
| Taxes | \$ 40,160,022 | \$ 45,232,837 | \$ 46,856,891 | \$ 58,309,757 | \$ 63,799,991 |
| Licenses and permits | 1,837,426 | 1,849,831 | 2,153,956 | 2,533,406 | 2,851,271 |
| Intergovernmental revenues | 9,385,537 | 11,430,832 | 13,698,421 | 12,633,179 | 18,884,845 |
| Charges for services | 6,057,607 | 6,458,077 | 9,723,880 | 9,956,525 | 12,079,130 |
| Revenues from use of money & property/Investment income | 2,329,927 | 518,793 | (1,734,973) | 2,361,132 | 5,931,838 |
| Fines and forfeitures | 587,059 | 446,741 | 595,615 | 321,059 | 968,586 |
| Other/Miscellaneous | 1,566,488 | 1,622,030 | 1,715,830 | 839,004 | 984,552 |
| Total revenues | 61,924,066 | 67,559,141 | 73,009,620 | 86,954,062 | 105,500,213 |
| Expenditures | | | | | |
| Current: | | | | | |
| General government | 6,898,124 | 115,631,413 | 8,127,513 | 12,131,984 | 12,232,288 |
| Public safety | 35,762,037 | 37,642,012 | 33,805,125 | 39,157,595 | 42,947,493 |
| Community development | 316,097 | 430,627 | 7,424,848 | 7,545,853 | 1,894,832 |
| Culture and recreation | 7,034,788 | 6,618,326 | 6,260,135 | 3,938,763 | 4,712,499 |
| Highways and streets/Public Works | 6,627,295 | 5,621,649 | 5,893,763 | 8,061,381 | 8,519,763 |
| Health | 137,500 | 187,500 | 234,375 | 292,969 | 301,655 |
| Capital outlay | 3,111,577 | 9,655,402 | 6,696,125 | 14,179,923 | 22,450,426 |
| Debt service: | | | | | |
| Principal | 1,115,754 | 1,154,028 | 4,165,346 | 5,795,552 | 5,311,034 |
| Interest and fiscal charges | 853,417 | 809,641 | 3,949,977 | 3,876,712 | 3,715,692 |
| Total expenditures | 61,856,589 | 177,750,598 | 76,557,207 | 94,980,732 | 102,085,682 |
| Excess (deficiency) of revenues over (under) expenditures | 67,477 | (110,191,457) | (3,547,587) | (8,026,670) | 3,414,531 |
| Other financing sources (uses): | | | | | |
| Transfers in | 4,319,658 | 4,488,195 | 4,146,091 | 10,036,484 | 4,275,938 |
| Transfers out | (3,706,035) | (4,929,208) | (3,583,991) | (9,557,343) | (3,894,166) |
| Issuance of lease/subscription | - | 2,682,300 | - | 66,901 | 3,481 |
| Proceeds from sale of property | - | - | - | - | - |
| Issue of long term debt | - | 100,892,026 | 21,026,121 | - | - |
| Total other financing Sources (uses) | 613,623 | 103,133,313 | 21,588,221 | 546,042 | 385,253 |
| Net change in fund balances before Extraordinary Item | 681,100 | (7,058,144) | 18,040,634 | (7,480,628) | 3,799,784 |
| Extraordinary Items | - | - | - | - | - |
| Net change in fund balances | \$ 681,100 | \$ (7,058,144) | \$ 18,040,634 | \$ (7,480,628) | \$ 3,799,784 |
| Debt services as a percentage of noncapital expenditures ⁽¹⁾ | 3.35% | 1.17% | 11.62% | 12.40% | 11.36% |

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 Finance 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)} |
|--------------------|-----------------------------|----------------------------|----------------------------|-----------------------|--|-------------------------------------|--|
| 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 |
| 2023/24 | 7,434,617,743 | 1,633,045,043 | 275,138,753 | 372,293,661 | 27,122,190 | 9,715,095,200 | 0.24576 |

Notes:

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

Sources:

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

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

| Agency | Fiscal Year | | | | |
|---|----------------|----------------|----------------|----------------|----------------|
| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| 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 | 1.09117 | 1.09117 | 1.09117 | 1.09117 | 1.09117 |
| Overlapping Rates: | | | | | |
| Alhambra Unified School District | 0.04985 | 0.04926 | 0.03615 | 0.05786 | 0.05404 |
| Garvey School District | 0.05947 | 0.05874 | 0.06067 | 0.08332 | 0.08705 |
| Garvey-Alhambra | 0.04522 | 0.04538 | 0.05303 | 0.09319 | 0.08800 |
| Los Angeles Community College District | 0.04017 | 0.03575 | 0.03596 | 0.04599 | 0.04621 |
| Los Angeles Unified School District | 0.14688 | 0.12971 | 0.13110 | 0.12219 | 0.12323 |
| Metropolitan Water District | 0.01800 | 0.01800 | 0.02300 | 0.03000 | 0.03000 |
| Montebello Unified School District | 0.08750 | 0.08715 | 0.14705 | 0.13514 | 0.13921 |
| Monterey Park GO Debt | 0.09117 | 0.09117 | 0.09117 | 0.09117 | 0.09117 |
| Total Overlapping Rates | 0.53826 | 0.51516 | 0.57813 | 0.65886 | 0.65891 |
| Total Direct & Overlapping ⁽²⁾ Tax Rates | 1.62943 | 1.60633 | 1.66930 | 1.75003 | 1.75008 |
| 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⁾ | 0.24412 | 0.24437 | 0.24460 | 0.24384 | 0.24490 |

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.

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 | | | | |
|---|----------------|----------------|----------------|----------------|----------------|
| | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| 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 | 1.09117 | 1.09117 | 1.09117 | 1.09117 | 1.09117 |
| Overlapping Rates: | | | | | |
| Alhambra Unified School District | 0.04501 | 0.04509 | 0.04405 | 0.05131 | 0.05404 |
| Garvey School District | 0.08623 | 0.08425 | 0.08837 | 0.08566 | 0.08686 |
| Garvey-Alhambra | 0.07055 | 0.07360 | 0.05726 | 0.05737 | 0.05693 |
| Los Angeles Community College District | 0.02717 | 0.04016 | 0.04376 | 0.02488 | 0.06023 |
| Los Angeles Unified School District | 0.12552 | 0.13993 | 0.11323 | 0.12107 | 0.12422 |
| Metropolitan Water District | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.03000 |
| Montebello Unified School District | 0.09306 | 0.09706 | 0.09031 | 0.12770 | 0.11275 |
| Monterey Park GO Debt | 0.09117 | 0.09117 | 0.09117 | 0.09117 | 0.09117 |
| Total Overlapping Rates | 0.56871 | 0.60126 | 0.55815 | 0.58916 | 0.61620 |
| Total Direct & Overlapping ⁽²⁾ Tax Rates | 1.65988 | 1.69243 | 1.64932 | 1.68033 | 1.70737 |
| 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⁾ | 0.24507 | 0.24526 | 0.24540 | 0.24561 | 0.24576 |

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.

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 | 2023/24 | |
|------------------------------------|----------------------------------|--|
| | Taxable Assessed Valuation | Percent of Total City Taxable Assessed Valuation |
| ATLANTIC TIMES SQUARE X LLC | \$ 157,893,414 | 1.63% |
| MPRP TRACT 2 LLC LESSOR | 145,437,959 | 1.50% |
| OMNINET LACC LLC ET AL | 90,368,018 | 0.93% |
| ETHAN CAPITAL LLC | 89,651,100 | 0.92% |
| MUFG AMERICAS HOLDINGS CORPORATION | 61,935,545 | 0.64% |
| GARFIELD CALMED INVESTMENT LP | 58,115,373 | 0.60% |
| ATLANTIC SQUARE LLC | 52,991,160 | 0.55% |
| BRE CALIFORNIA SATURN LLC | 42,652,197 | 0.44% |
| MAR CENTER LLC | 39,830,880 | 0.41% |
| EMERALD HILLS LLC | 37,269,754 | 0.38% |
| | <u>\$ 776,145,400</u> | <u>7.99%</u> |
| Total City Assessed Value | <u>\$ 9,715,095,200</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)

| Taxpayers | 2014/15 | |
|------------------------------------|----------------------------------|--|
| | Taxable Assessed Valuation | Percent of Total City Taxable Assessed Valuation |
| ATLANTIC TIMES SQUARE LLC | \$ 167,072,043 | 2.65% |
| LOS ANGELES CORPORATE CENTER LLC | 65,596,458 | 1.04% |
| UNION BANK | 61,362,122 | 0.97% |
| GARFIELD CALMED INVESTMENT LP | 53,082,095 | 0.84% |
| 1977 SATURN LLC | 46,900,000 | 0.74% |
| GMS FIVE LLC | 44,974,050 | 0.71% |
| EMERALD HILLS LLC | 31,588,976 | 0.50% |
| MPM PARTNERS LLC | 26,573,477 | 0.42% |
| CARE 1ST HEALTH PLAN INC | 25,835,771 | 0.41% |
| REAL ESTATE INVESTORS 1984 1 ET AL | 21,000,000 | 0.33% |
| | <u>\$ 543,984,992</u> | <u>8.61%</u> |
| Total City Assessed Value | <u>\$ 6,315,574,030</u> | |

Sources:

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

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

| Fiscal Year | Original Levy | | | 1% - CY PER BOOK | | | |
|-------------|--|--------------|---------------|---|--------------|---------------|-----------------------|
| | Taxes Levied for the Fiscal Year | | | Collected within the Fiscal Year of Levy | | | Percentage of Levy |
| | 1% | D.S. | Amount | 1% | D.S. | Amount | |
| 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% |
| 2023/24 | 12,169,748 | 7,229,498 | 19,399,246 | 11,689,739 | 7,014,334 | 18,704,073 | 96.42% |

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 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 | | | | | | Percentage of Levy ⁽¹⁾ |
| | 1% | D.S. | Amount | 1% | D.S. | Amount | |
| 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% |
| 2023/24 | 222,711 | 222,964 | 445,675 | 11,912,450 | 7,237,298 | 19,149,748 | 99% |

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

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

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

Source:

1. City of Monterey Park Finance Department
2. County of Los Angeles Assessor

**City of Monterey Park
Outstanding Deby 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 | Lease and SBITA | |
| 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 | 17,585 | 539 | - | 4,969 | 132,361 |
| 2022/23 | 105,185 | 17,280 | - | - | 4,242 | 126,707 |
| 2023/24 | 101,065 | 19,909 | - | - | 3,081 | 124,055 |

Notes:

- (1) Percentage of Personal Income was based on data from Los Angeles County State of California Employment Department.
- (2) Debt per capita data was based on the number of population within the City of Monterey Park.

Source:

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 Activities | | | | Total Primary Government | ⁽¹⁾ Percentage of Personal Income | Population | ⁽²⁾ Debt Per Capita |
|-------------|--------------------------|------------------|--------------------------------|---------------------------|--------------------------------|--|------------|--------------------------------------|
| | Lease and SBITA | Loans Payable | Pension Obligation Bonds | Water Revenue Bonds | | | | |
| 2014/15 | \$ 12,747 | \$ - | \$ - | \$ - | \$ 34,229 | 1590.24% | 61,805 | 554 |
| 2015/16 | 12,127 | - | - | - | 32,317 | 1744.93% | 61,346 | 527 |
| 2016/17 | 10,567 | - | - | - | 29,387 | 2020.42% | 61,606 | 477 |
| 2017/18 | 9,809 | - | - | - | 27,213 | 9.24% ⁽³⁾ | 62,240 | 437 |
| 2018/19 | 9,167 | - | - | - | 27,941 | 9.11% | 61,828 | 452 |
| 2019/20 | 8,466 | - | - | - | 25,779 | 10.82% | 60,734 | 424 |
| 2020/21 | 7,915 | - | 5,443 | - | 132,736 | 2.26% | 60,380 | 2,198 |
| 2021/22 | 7,310 | 4,000 | 5,032 | - | 148,703 | 2.03% | 60,207 | 2,470 |
| 2022/23 | 6,646 | 4,000 | 5,085 | - | 142,438 | 2.20% | 59,288 | 2,402 |
| 2023/24 | 5,259 | 4,000 | 4,885 | 21,104 | 159,303 | N/A | 59,347 | 2,684 |

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 |
|--------------------|--|---|---|-------------------|---|
| 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 |
| 2023/24 | 105,950 | 9,715,095 | 1.09% | 59,347 | 1,785 |

Note:

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

Source: City of Monterey Park Finance Department

City of Monterey Park
Direct and Overlapping Debt
As of June 30, 2024

2023-24 Assessed Valuation: \$9,715,095,200

| | Total Debt | % Applicable (1) | City's Share of Debt |
|---|---------------------|-------------------------|-----------------------------|
| <u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u> | | | |
| Metropolitan Water District | \$ 18,210,000 | 0.014 % | 2,549 |
| Los Angeles Community College District | 5,155,845,000 | 0.855 | 44,082,475 |
| Alhambra Unified School District | 138,279,695 | 32.197 | 44,521,913 |
| Alhambra Unified School District School Facilities Improvement District No. 1 | 84,914,708 | 33.128 | 28,130,544 |
| Alhambra Unified School District (former Elementary School District) | 9,633,640 | 33.128 | 3,191,432 |
| Los Angeles Unified School District | 10,723,385,000 | 0.033 | 3,538,717 |
| Montebello Unified School District | 237,721,813 | 8.890 | 21,133,469 |
| Garvey School District | 54,598,496 | 29.111 | 15,894,168 |
| TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT | | | \$ 160,495,267 |
| <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u> | | | |
| Los Angeles County General Fund Obligations | \$ 2,479,229,730 | 0.484 % | \$ 11,999,472 |
| Los Angeles County Superintendent of Schools Certificates of Participation | 2,857,300 | 0.484 | 13,829 |
| Los Angeles Unified School District General Fund Obligations | 471,590,000 | 0.033 | 155,625 |
| Montebello Unified School District General Fund Obligations | 3,910,000 | 8.890 | 347,599 |
| City of Monterey Park Governmental Activities Obligations | 124,054,983 | 100.000 | 124,054,983 |
| TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT | | | \$ 136,571,508 |
| <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u> | \$ 6,540,000 | 100 % | \$ 6,540,000 |
| TOTAL DIRECT DEBT | | | \$ 124,054,983 |
| TOTAL OVERLAPPING DEBT | | | \$ 179,551,792 |
| COMBINED TOTAL DEBT | | | \$ 303,606,775 |

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.

Ratios to 2023-24 Assessed Valuation:

| | |
|---|-------|
| Total Direct Debt (\$124,054,983) | 1.28% |
| Total Overlapping Tax and Assessment Debt | 1.41% |
| Combined Total Debt | 3.13% |

Ratios to Redevelopment Successor Agency Incremental Valuation (\$2,052,714,281):

| | |
|--------------------------------|-------|
| Overlapping Tax Increment Debt | 0.32% |
|--------------------------------|-------|

Source: Cal Muni

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

| | Fiscal Year | | | | |
|---|-------------------|-------------------|---------------------|---------------------|---------------------|
| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| Assessed valuation | \$ 6,315,574 | \$ 6,591,897 | \$ 6,934,068 | \$ 7,269,530 | \$ 7,651,050 |
| Debt limit percentage | 15% | 15% | 15% | 15% | 15% |
| Debt limit | 947,336 | 988,785 | 1,040,110 | 1,090,430 | 1,147,657 |
| Total net debt applicable to limit: | | | | | |
| Pension obligation bonds | 14,425 | 13,970 | 13,520 | 13,075 | 12,635 |
| Legal debt margin | <u>\$ 932,911</u> | <u>\$ 974,815</u> | <u>\$ 1,026,590</u> | <u>\$ 1,077,355</u> | <u>\$ 1,135,022</u> |
| Total debt applicable to the limit as a percentage of debt limit | 1.52% | 1.41% | 1.30% | 1.20% | 1.10% |

Note: In accordance with California Government Code Section 43605, total general obligation bonds outstanding cannot 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 | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| Assessed valuation | \$ 8,089,187 | \$ 8,483,013 | \$ 8,771,622 | \$ 9,260,168 | \$ 9,715,095 |
| Debt limit percentage | 15% | 15% | 15% | 15% | 15% |
| Debt limit | 1,213,378 | 1,272,452 | 1,315,743 | 1,389,025 | 1,457,264 |
| Total net debt applicable to limit: | | | | | |
| Pension obligation bonds | 12,200 | 118,105 | 114,550 | 110,520 | 105,950 |
| Legal debt margin | <u>\$ 1,201,178</u> | <u>\$ 1,154,347</u> | <u>\$ 1,201,193</u> | <u>\$ 1,278,505</u> | <u>\$ 1,351,314</u> |
| Total debt applicable to the limit as a percentage of debt limit | 1.01% | 9.28% | 8.71% | 7.96% | 7.27% |

Note: In accordance with California Government Code Section 43605, total general obligation bonds outstanding cannot 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 |
|-------------------------------|-------------------|----------------------------|---|------------------------------|
| 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 | 3,133,679 | 80,423 | 4.0% |
| 2023/24 | 59,347 | N/A | N/A | 4.4% |

Note: (1) Starting in 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 | 2023/24 | |
|---|--------------------------------|--|
| | Number of Employees | Percentage of Total Employment ⁽¹⁾ |
| GARFIELD MEDICAL CENTER | 819 | 0.017% |
| SOUTHERN CALIFORNIA GAS COMPANY | 709 | 0.015% |
| COSTCO WHOLESALE #1318 | 450 | 0.009% |
| MONTEREY PARK HOSPITAL | 368 | 0.008% |
| NETWORK MEDICAL MANAGEMENT INC | 325 | 0.007% |
| HOME DEPOT #2304 | 222 | 0.005% |
| RALPHS GROCERY CO (2 LOCATIONS) | 169 | 0.004% |
| BEHAVIOR RESPITE IN ACTION INC | 149 | 0.003% |
| CARMICHAEL INTERNATIONAL SERVICE | 147 | 0.003% |
| REMITCO L L C | 142 | 0.003% |
| MONTEREY PARK CONVALESCENT HOSPITAL INC | 132 | 0.003% |
| HERITAGE MANOR HEALTHCARE | 122 | 0.003% |
| CAMINO REAL CHEVROLET | 97 | 0.002% |
| LA COLONIAL TORTILLA PRODUCTS INC | 85 | 0.002% |
| GREAT WALL SUPERMARKET | 75 | 0.002% |

Note:

(1) Percentage of total employment is calculated based on Los Angeles County's total employment annual force of 4,763,600 in 2023 and 4,572,200 in 2014.

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 | 2014/15 | |
|-----------------------------------|------------------------|---|
| | Number of Employees | Percentage of Total Employment ⁽¹⁾ |
| GARFIELD MEDICAL CENTER | 976 | 0.021% |
| CARE 1ST HEALTH PLAN | 541 | 0.012% |
| SOUTHERN CALIFORNIA GAS COMPANY | 387 | 0.008% |
| 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 4,763,600 in 2023 and 4,572,200 in 2014.

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 | | | | | | | | | |
|---|--------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 14-15 | 15-16 | 16-17 | 17-18 | 18-19 | 19-20 | 20-21 | 21-22 | 22-23 | 23-24 |
| General Government | 31 | 32 | 33 | 33 | 35 | 38 | 40 | 55 | 42 | 44 |
| Public Safety | | | | | | | | | | |
| Police | 114 | 116 | 119 | 119 | 122 | 122 | 124 | 124 | 126 | 129 |
| Fire | 58 | 58 | 59 | 61 | 61 | 66 | 66 | 64 | 64 | 65 |
| Public Works | 69 | 71 | 71 | 71 | 71 | 80 | 83 | 74 | 74 | 72 |
| Culture and Recreation | | | | | | | | | | |
| Library | 26 | 26 | 26 | 26 | 26 | 25 | 25 | 19 | 24 | 27 |
| Recreation/Community Services | 37 | 37 | 37 | 37 | 37 | 36 | 38 | 37 | 37 | 37 |
| Community/Economic Development ⁽¹⁾ | 14 | 14 | 15 | 17 | 17 | 0 | 0 | 0 | 15 | 15 |
| Total | 348 | 352 | 359 | 364 | 368 | 367 | 376 | 373 | 382 | 388 |

Note: Numbers represent Full-Time-Equivalent positions.

(1) In 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. In FY22-23, further organizational restructuring moved the Planning and Building Divisions from Public Works and Economic Development Division from the City Manager's Office to become the Community Development Department.

Source: City of Monterey Park Annual Adopted Budget

City of Monterey Park
Operating Indicators by Function
Last Ten Fiscal Years

| | Fiscal Year | | | | |
|---|-------------|---------|---------|---------|---------|
| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| Police: | | | | | |
| Number of service calls | 54,568 | 54,183 | 53,646 | 54,696 | 53,534 |
| Response time priority I (emergency) (minutes/seconds) | 3:56 | 4:49 | 4:46 | 4:22 | 4:02 |
| Fire: | | | | | |
| Number of emergency calls | 4,605 | 4,985 | 5,047 | 5,121 | 4,355 |
| Inspections | 2,424 | 5,139 | 3,523 | 3,523 | 2,922 |
| Public works: | | | | | |
| Street resurfacing (miles) | 0.16 | 2.12 | 2.71 | 2.80 | 0 |
| Parks and recreation: | | | | | |
| Hours of recreation classes | 640 | 650 | 600 | 922 | 960 |
| Number of facility rentals/ Number of hours of facility rentals ⁽¹⁾ | 165 | 175 | 1,197 | 1,230 | 2,816 |
| Water: | | | | | |
| Meters changed and upgrades ⁽²⁾ | 10,994 | 98 | 112 | 8 | 5 |
| Water turn-ons and turn-offs | 2,412 | 2,682 | 2,440 | 2,440 | 2,080 |
| 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

| | Fiscal Year | | | | |
|---|-------------|---------|---------|---------|---------|
| | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| Police: | | | | | |
| Number of service calls | 50,153 | 49,154 | 49,899 | 45,941 | 51,548 |
| Response time priority I (emergency) (minutes/seconds) | 3:59 | 3:32 | 3:59 | 3:39 | 4:16 |
| Fire: | | | | | |
| Number of emergency calls | 4,251 | 4,979 | 5,266 | 5,535 | 5,420 |
| Inspections | 3,200 | 2,356 | 1,776 | 3,972 | 3,400 |
| Public works: | | | | | |
| Street resurfacing (miles) | 2.79 | 0 | 9.39 | 12.39 | 16.66 |
| Parks and recreation: | | | | | |
| Hours of recreation classes | 640 | 95 | 441 | 441 | 374 |
| Number of facility rentals/ Number of hours of facility rentals ⁽¹⁾ | 640 | 0 | 264 | 690 | 910 |
| Water: | | | | | |
| Meters changed and upgrades ⁽²⁾ | 7 | 2 | 3 | 2 | 3 |
| Water turn-ons and turn-offs | 3,471 | 1,078 | 1,866 | 2,000 | 1,967 |
| 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 | | | | |
|---|-------------|---------|---------|---------|---------|
| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| 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) | 9,680 | 7,200 | 6,800 | 7,000 | 6,700 |
| 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 | | | | |
|---|-------------|---------|---------|---------|---------|
| | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| 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 | 6,800 | 6,300 | 6,000 | 5,700 |
| 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)

| Type of Customers: | Fiscal Year | | | | |
|--------------------|----------------|----------------|----------------|----------------|----------------|
| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| Residential | 1,965.9 | 1,564.2 | 1,555.6 | 1,571.6 | 1,524.5 |
| Commercial | 709.0 | 594.0 | 618.0 | 610.0 | 579.5 |
| Institutional | - | 4.4 | 6.0 | 6.0 | 5.1 |
| Government | 10.6 | 37.3 | 45.7 | 98.5 | 48.8 |
| Total | 2,685.5 | 2,199.9 | 2,225.3 | 2,286.1 | 2,157.9 |

Source: City of Monterey Park Public Works Department

City of Monterey Park
Water Sold by Type of Customer (Continued)
Last Ten Fiscal Years
(in millions of gallons)

| | Fiscal Year | | | | |
|--------------------|----------------|----------------|----------------|----------------|----------------|
| | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| Type of Customers: | | | | | |
| Residential | 1,557.1 | 1,734.8 | 1,552.1 | 1,847.2 | 2,195.0 |
| Commercial | 530.4 | 507.0 | 507.8 | 603.9 | 1,369.0 |
| Institutional | 5.3 | 5.9 | 5.8 | 5.8 | 13.1 |
| Government | 48.8 | 67.6 | 56.5 | 60.3 | 126.2 |
| Total | <u>2,141.6</u> | <u>2,315.3</u> | <u>2,122.2</u> | <u>2,517.2</u> | <u>3,703.3</u> |

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 |
|--------------------|----------------------------------|---------------------------------------|
| 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 |
| 2023/24 (a) | 26.29 | 3.50 |

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.

(a) Rate beginning March 2024

Source: City of Monterey Park Finance Department

**City of Monterey Park
Top Ten Water Customers
(Current Year and Four Years Ago)**

| Water Customer | 2023/24 | | 2019/2020 | |
|-------------------------------------|----------------------|--|----------------------|--|
| | Water Charges | Percent of Total Water Revenues | Water Charges | Percent of Total Water Revenues |
| Garfield Medical Center | \$ 102,724 | 0.60% | \$ 96,103 | 0.59% |
| Atlantic Times Square II, LLC - 750 | 96,825 | 0.56% | 92,086 | 0.56% |
| MP 3600 LLC | 89,694 | 0.52% | 95,125 | 0.58% |
| Aespace America Inc | 74,404 | 0.43% | 76,011 | 0.47% |
| Garfield Estates | 56,642 | 0.33% | 56,015 | 0.34% |
| Atlantic Times Square II, LLC - 740 | 55,788 | 0.32% | 112,722 | 0.69% |
| Ethan Capital LLC | 47,897 | 0.28% | - | 0.00% |
| Mtry Pk Intrcm Hosp | 47,517 | 0.28% | 49,599 | 0.30% |
| Emerald Hills LLC | 44,680 | 0.26% | - | 0.00% |
| Atlantic Times Square II, LLC - 720 | 41,373 | 0.24% | - | 0.00% |
| | \$ 657,544 | 3.82% | \$ 577,661 | 3.54% |

Source: City of Monterey Park Finance Department

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