

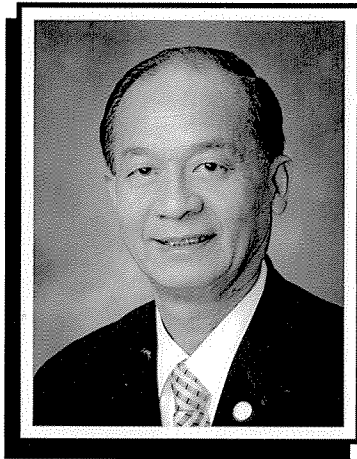
City of Monterey Park, California



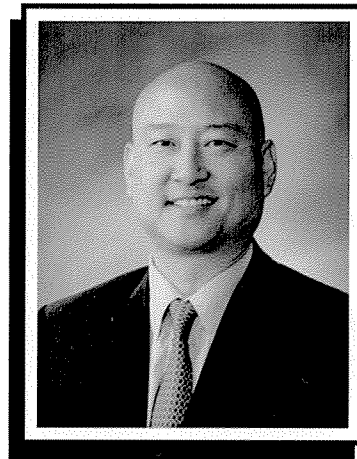
***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

Year ended June 30, 2014

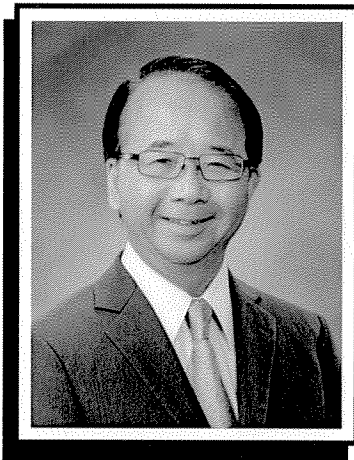
City Council



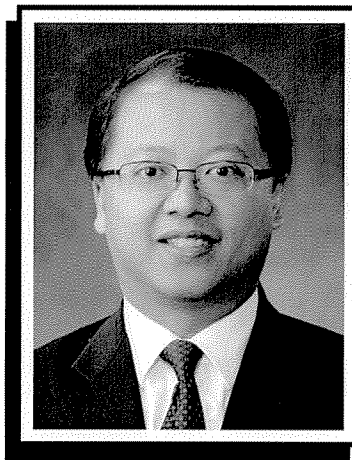
Mayor
Anthony Wong



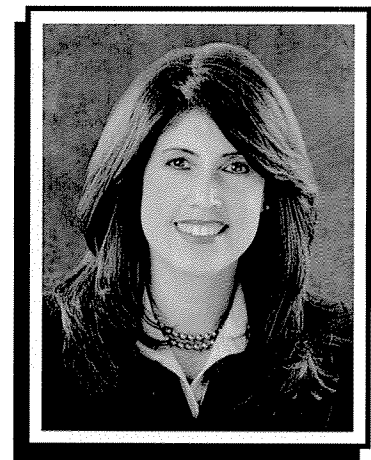
Mayor Pro Tem
Hans Liang



Council Member
Peter Chan



Council Member
Mitchell Ing



Council Member
Teresa Real Sebastian

Joseph Leon - *City Treasurer*
Vincent D. Chang - *City Clerk*

Executive Team

Paul Talbot *City Manager*
Hensley Law Group..... *City Attorney*
Ron Bow *Director of Public Works/Assistant City Manager*
Scott Haberle..... *Fire Chief*
Jim Smith..... *Police Chief*
Michael Huntley *Director of Community & Economic Development*
Tom Cody..... *Director of Human Resources & Risk Management*
Chu Thai..... *Director of Management Services*
Annie Yaung..... *Controller*
Dan Costley *Director of Recreation and Community Services*
Norma Arvizu..... *City Librarian*



City of Monterey Park, California

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year ended June 30, 2014

Prepared by Finance

Annie Yaung, CPFO
Controller

CITY OF MONTEREY PARK
Comprehensive Annual Financial Report
For the Year Ended June 30, 2014

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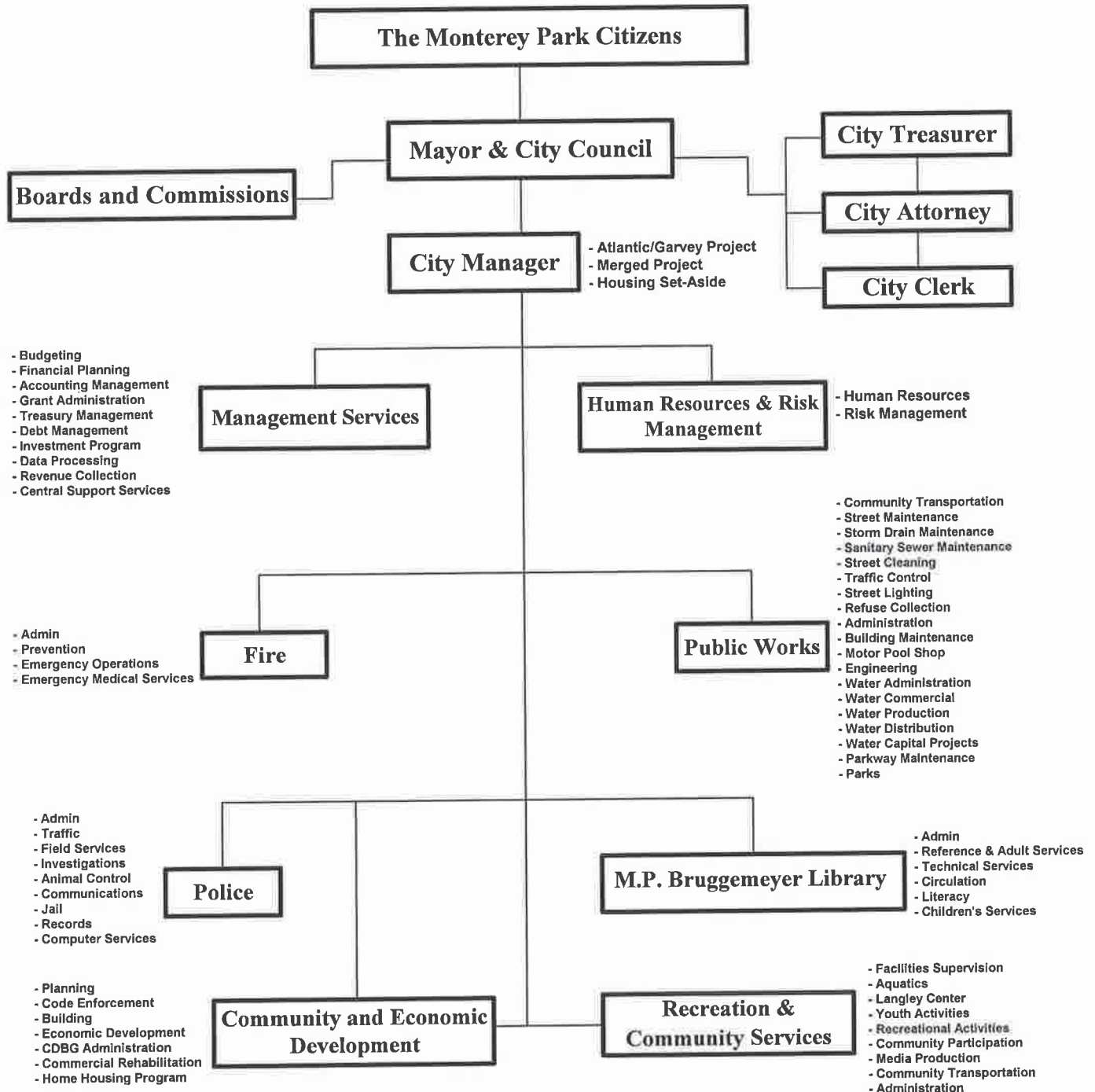
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City of Monterey Park Organization Chart



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

CITY OF MONTEREY PARK

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



City Council
Peter Chan
Mitchell Ing
Hans Liang
Teresa Real Sebastian
Anthony Wong

City Clerk
Vincent D. Chang

City Treasurer
Joseph Leon

November 20, 2014

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

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP), as promulgated by the Government Accounting Standards Board (GASB) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that, we hereby submit, for your information and review, the Comprehensive Annual Financial Report for the City of Monterey Park, California, for the fiscal year ended June 30, 2014.

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 of 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 Pun & McGeady LLP, a public accounting firm fully licensed and qualified to perform audits of the State and local governments within the State of California. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Monterey Park for the fiscal year ended Jun 30, 2014, 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 2013-14 financial statements are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

Single Audit

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

Management Discussion & Analysis

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

Profile of the City of Monterey Park

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



Monterey Park is a full service City, offering its residents a wide range of municipal services, including public safety, highways and streets, sanitation, water and sewer services, development and public infrastructure improvements, culture and leisure programming, and general government functions. The City strives to provide high-quality public services that emphasize organizational efficiency, infrastructure investment, and economic development.

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 62,000. Monterey Park is primarily a residential community, with 78% of its land zoned for single and multiple family housing. Major businesses include food and drug, auto sales, banking, restaurants, hospitals and medical offices, and light manufacturing.

Starting in 2013, there were signs of renewed economic activity and recovery of the housing market appeared to be strong. In 2013, Monterey Park's housing market showed a robust increase in single-family home prices as reflected in an average single family Monterey Park home sold for about \$531,000, a 16 percent increase from the previous year. Because of its desirable location, house values in Monterey Park are expected to continue remaining strong.

In 2014, the City's financial prospects, similar to the nation's are looking brighter. The City sees renewed interest in numerous projects, particular multi-unit housing, hotels, and commercial developments. The City continues to work with the developer of the Monterey Park Market Place project to help facilitate the purchase of the project site and development of this regional power center. There is also interest by the Hotel Industry in establishing three new hotels in the North Atlantic Area to meet the growing demands of the tourist industry in the greater San Gabriel Valley area. Finally, there are two main stream home builders seeking to develop new single-family residential communities in the City. This potential growth in the community is a clear sign that the economy is improving and that the development industry is willing to invest in the City's economic future. When completed, these projects will generate a large number of new jobs and tax revenues for the City.

Financial Overview and Policies

The economic downturn that began in 2008 has, indeed, proved to be among the most difficult challenges faced by the nation in many years. Despite economic weaknesses still in some sectors, the City's end of year financial condition for the 2013-14 fiscal year displayed a surprisingly positive operating position due to the City's conservative financial planning and management. As the City's development projects mentioned above continue to expand and move forward that will generate a large number of new jobs and tax revenues for the City.

The City prepares and presents to the Council a five-year financial forecast at the midyear review process each year. The financial forecast provides a frame of reference for evaluating the City's financial condition on an on-going basis to assist with Council and management decision making.

The annual budget serves as the foundation for the City's financial planning and control. The City starts its budget process in January with the publication of a midyear review report. The budget development is based on the City's three-year citywide goals:

- Improve organizational effectiveness and efficiency;
- Attract and retain quality employees;
- Achieve financial stability;
- Improve communitywide beautification;
- Complete Towne Center and Marketplace.

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 2014-15 Adopted Budget includes a conservative fiscal spending plan and reflects modest hikes in service, such as additional library hours, more senior center services, and expansion of street resurfacing and road repairs. Similar to last year's \$3.2 million park improvement master plan projects, the 2014-15 Budget includes six Priority Capital Improvements of \$1.8 million for community facility improvements. The City continues improving efficiencies by aligning closely related programs to achieve long-term financial stability.

Major Accomplishments

The Monterey Park's major accomplishments during the fiscal year 2013-14, which displayed significant financial impacts, included:

- Eliminated the City employee furlough program, expanded City Hall hours to be open 5 days/week, as well as library services for 7 days/week.
- Invested \$5.2 million in infrastructure and capital improvement projects, including a \$3.2 million budget for various park playgrounds, irrigations, and parking lot improvements.
- Completed various parks ADA improvements.
- Established a formal trust account with CalPERS to systematically prefund the retiree medical costs, enabling the City to reduce the unfunded accrued post-retirement medical liabilities by \$20 million.
- Merged the Community Development Department with the Economic Development Department into Community and Economic Development Department to streamline the development operations for the community.
- Completed water, sewer, and trash rates study, establishing a new rate base to present to the City Council.
- Completed exterior rehabilitation projects at City Hall, as well as continued the overall City clean-up.
- Implemented a digital records management program for the City Clerk's office.



- Revised the City Investment Policy by adding the Los Angeles County Pooled Investment Fund as an allowable new investment option to maximize the City's investment earning.
- Managed through a 45 percent reduction in federal CDBG and HOME funding for housing and housing related programs.
- Completed a citywide online timecard program implementation, including the capacity of employee retrieving the past W2 and paystub records.
- Submitted the reimbursement package for the Fire Ground Emergency Medical Transport (GEMT) program to recover costs associated with Medi-Cal for over \$330,000 and realigned Fire personnel allocations to the direct cost center for future GEMT reimbursements.

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 2013-14 appropriations limit was \$72.2 million and the City's actual appropriation subject to the limit was 54% below the legal limit. Based on the past trend and projected future growth, the City believes its appropriations will continue remaining within the legal limit.

Debt Administration

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

Cash Management

While the City monitors its cash balance daily and invests temporarily idle funds in accordance with the Government Code and the City's Investment Policy, there is potential to further enhance our returns and cash management. The City's investment and cash management is through pooling of various City funds to maximize safe and efficient investment operations. Investment earnings are distributed based on average cash balance. The Finance staff carries out the daily investment operations. During 2013-14, interest earnings were \$308,000 and at June 30, 2014, the City's investment balances were \$81 million.

The City periodically submits its Investment Policy to the Municipal Treasurers Association of United States and Canada for certification to ensure the Policy meets the criteria established by the

Association's Investment Policy Certification Program. The City's Investment Policy continued being recertified for the Certificate of Excellence Award.

Risk Management

Monterey Park is self-insured for general liability and workers' compensation. The City has acquired excess coverage for both from the Independent Cities Risk Management Authority, a joint power authority servicing 22 cities throughout Southern California. To finance risk management, the City maintains internal service funds for general liability and workers' compensation insurances. The claims payable includes incurred-but-not-reported claims. The City actively administers various risk management programs including employee accident prevention training, claims review, and monthly safety meetings to reduce the City's exposure to loss.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting. The City of Monterey Park has been awarded the Certificate of Achievement by GFOA for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. This was the 23rd 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 2013-14 CAFR 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 2014-15 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 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,



Paul Talbot
City Manager



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Monterey Park
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Monterey Park
California**

For the Fiscal Year Beginning

July 1, 2013

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **City of Monterey Park, CA** for its annual budget for the fiscal year beginning **July 1, 2013**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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

California Society of Municipal Finance Officers

Certificate of Award

Operating Budget Excellence Award Fiscal Year 2014

Presented to the

City of Monterey Park

For meeting the criteria established to achieve the Operating Budget Excellence Award.

February 11, 2014



Pauline Marx
CSMFO President



Ken Brown, Chair
Professional Standards and
Recognition Committee



Dedicated Excellence in Municipal Financial Reporting

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INDEPENDENT AUDITORS' REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Monterey Park, California (the "City"), as of and for the year ended June 30, 2014, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2014, 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.

Emphasis of Matter

Implementation of GASB Statement No. 65

As discussed in Note 1 to the basic financial statements, the City implemented Governmental Accounting Standards Board (“GASB”) Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The adoption of this standard required retrospective application of previously reported net position and reclassification of certain accounts as of July 1, 2013 as described in Note 16 to the basic financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis, Budgetary Comparison Schedules, and Schedules of Funding Progress on pages 7 through 16 and 87 through 91 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The Introductory Section, Combining and Individual Nonmajor Fund Financial Statements and Budgetary Comparison Schedules, and Statistical Section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

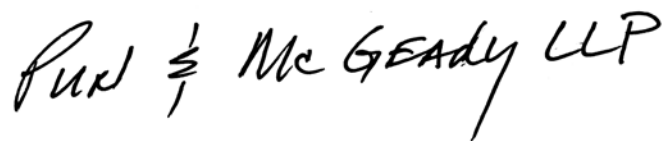
To the Honorable Mayor and Members of the City Council
of the City of Monterey Park
Monterey Park, California
Page 3

The Combining and Individual Nonmajor Fund Financial Statements and Budgetary Comparison Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Nonmajor Fund Financial Statements and Budgetary Comparison Schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Paul J. McGeedy LLP". The signature is written in a cursive style with a large, stylized initial "P" and "M".

Irvine, California
November 20, 2014

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2014, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 20, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Rick Mc Geady LLP". The signature is written in a cursive style with a large, stylized "R" and "M".

Irvine, California
November 20, 2014

MANAGEMENT DISCUSSION AND ANALYSIS

Introduction

The Management Discussion and Analysis provides a narrative introduction, analysis, and overview that will assist in understanding of the City's financial statements. This analysis should be read in conjunction with the City's financial statements as of June 30, 2014, 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 1(a) of the Notes to the Basic Financial Statements.

Fund Financial Statements

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

Governmental Funds

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

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

The City maintains 18 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for General Fund, Special Revenue Grants Fund, Special Revenue Retirement/Pension Liability Fund, and Special Revenue Housing Fund, which are reported as major funds. Information for the other 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 fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the operations for its water system, waste management activities, and sanitary sewer activities. Internal service funds are used to accumulate and allocate costs internally among the City's various functions, which include vehicle operation, workers compensation insurance, retiree medical benefits, general liability insurance, separation benefits, and technology development. Because the internal service operations benefit both governmental and business-type functions, they have been proportionally allocated and included within the governmental and business-like activities in the government-wide financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in this report.

Fiduciary Funds

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

Notes to the Basic Financial Statements

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

Required Supplementary Information

The required supplementary information further explains and supports the information in the financial statements. This section includes the schedules of the City's funding 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 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 2013-14 net position increased by \$876,000 (\$740,000 increase for governmental activities and \$136,000 increase for business-type activities) from 2012-13.
- As of June 30, 2014, the City's assets exceeded liabilities by \$126.7 million, of which \$70.8 million was related to net investment in capital assets, \$18.4 million was restricted for special revenues, and \$37.5 million was unrestricted.
- For 2013-14, the City Council approved capital improvement expenditures, including \$3.2 million for the park improvement master plan projects, which were funded from the Assigned General Fund Capital Improvement Fund Balance.
- At the 2013-14 year end, the General Fund total fund balance was \$20 million, decreased by \$332,000 from last year. The decrease was mainly in the Assigned Capital Improvement Fund Balance utilized for park improvement projects. Total unassigned General Fund balance remained at \$3.6 million at June 30, 2014.
- As a result of the Assembly Bills X1 26 and 1484, the City of Monterey Park elected to become the Successor Agency to the Monterey Park Redevelopment Agency. All former Redevelopment Agency assets and liabilities were continuously reported in the Fiduciary Fund as Private Purpose Trust Fund.

Government-wide Financial Analysis

Net position serves as an indicator of a government's financial position over time. As of June 30, 2014, the City's combined net position (governmental and business-type activities) totaled \$126.7 million, up \$876,000 over last year.

Net position consists of three categories: net investment in capital assets, restricted, and unrestricted. The largest portion of the City's net position, approximately \$70.8 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 \$18.4 million at June 30, 2014. 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, and various nonmajor special revenue funds. Unrestricted net position is available for use by the City for any legal purpose. As of June 30, 2014, the City's total unrestricted net position was \$37.5 million.

Statement of Net Position
Fiscal Years Ended June 30, 2014 and June 30, 2013
(In thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	6/30/2014	6/30/2013	6/30/2014	6/30/2013	6/30/2014	6/30/2013
Assets:						
Current	\$ 55,469	\$ 52,980	\$ 29,581	\$ 28,930	\$ 85,050	\$ 81,910
Non Current						
Capital Assets	53,203	52,854	24,413	25,347	77,616	78,201
Other Assets	22,434	23,883			22,434	23,883
Total Assets:	\$ 131,106	\$ 129,717	\$ 53,994	\$ 54,277	\$ 185,100	\$ 183,994
Liabilities:						
Current	\$ 9,668	\$ 8,302	\$ 2,562	\$ 2,372	\$ 12,230	\$ 10,674
Long-Term	40,983	41,426	5,214	5,823	46,197	47,249
Total liabilities:	\$ 50,651	\$ 49,728	\$ 7,776	\$ 8,195	\$ 58,427	\$ 57,923
Net Position:						
Net Investment in						
Capital Assets	\$ 50,806	\$ 50,019	\$ 20,021	\$ 20,381	\$ 70,827	\$ 70,400
Restricted	18,330	19,815			18,330	19,815
Unrestricted	11,319	10,155	26,197	25,701	37,516	35,856
Total Net Position	\$ 80,455	\$ 79,989	\$ 46,218	\$ 46,082	\$ 126,673	\$ 126,071

Statement of Activities
For the Years Ended June 30, 2014 and June 30, 2013
(In thousands)

	Governmental Activities		Business-type Activities		Total	
	6/30/2014	6/30/2013	6/30/2014	6/30/2013	6/30/2014	6/30/2013
Revenues:						
<u>Program Revenues:</u>						
Charges for Services	\$ 6,518	\$ 6,678	\$ 17,063	\$ 19,409	\$ 23,581	\$ 26,087
Operating Grants & Contributions	1,516	5,258			1,516	5,258
Capital Grants & Contributions	628	1,988	170	42	798	2,030
<u>General Revenues:</u>						
Taxes	38,244	38,179			38,243	38,179
Revenues from Use of Money and Property	872	828			872	828
Other	732	500	1,898	3,230	2,630	3,730
Gain on Sale of Capital Assets		14	5	4	5	18
Total Revenues:	<u>48,510</u>	<u>53,445</u>	<u>19,136</u>	<u>22,685</u>	<u>67,645</u>	<u>76,130</u>
Expenses:						
General Government	4,050	6,522			4,050	6,522
Public Safety	27,352	26,233			27,352	26,233
Comm. Development	2,344	8,521			2,344	8,521
Culture & Recreation	6,278	5,909			6,278	5,909
Highway & Streets	6,435	5,380			6,435	5,380
Health	120	120			120	120
Debt Services	1,208	1,275			1,208	1,275
Water/Refuse/Sewer			18,982	16,986	18,982	16,986
Total Expenses:	<u>47,787</u>	<u>53,960</u>	<u>18,982</u>	<u>16,986</u>	<u>66,769</u>	<u>70,946</u>
Increase in Net Position						
Before Transfers	723	(515)	154	5,699	877	5,184
Transfers	18		(18)			-
Changes in Net Position	<u>741</u>	<u>(515)</u>	<u>136</u>	<u>5,699</u>	<u>877</u>	<u>5,184</u>
Net Position – July 1 (as restated)	79,714	80,504	46,082	40,383	125,796	120,887
Net Position – June 30	<u>\$ 80,455</u>	<u>\$ 79,989</u>	<u>\$ 46,218</u>	<u>\$ 46,082</u>	<u>\$ 126,673</u>	<u>\$ 126,071</u>

Governmental Activities Financial Analysis

Overall governmental activities increased the City's net position by \$740,000. The increase was primarily due to much lower expenses in the Community Development category for 2013-14. In 2012-13, the City assumed the former Redevelopment Agency's housing functions and was required to transmit an unobligated housing fund payment of \$5.5 million to the Department of Finance after the Due Diligence Review.

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, 2014, the City's governmental funds reported a combined ending fund balance of \$41 million, a decrease of \$71,000 from the prior year. The fund balance categories of governmental fund displayed \$2 million as nonspendable, \$17.4 million as restricted, \$8.7 million as committed, \$9.3 million as assigned, and \$3.6 million as unassigned. This unassigned \$3.6 million was the General Fund portion. *(Please refer to Note Number 15 of the Notes to Basic Financial Statements for detailed breakdown.)*

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

General Fund is the main operating fund of the City, which finances the majority of the police, fire, recreation, parks maintenance, public works, library, community development, and general administrative services. General Fund revenues and transfers for 2013-14 totaled \$33.5 million, a decrease of \$2.1 million over 2012-13. The decrease mainly reflected in the property tax category. In 2012-13, the City received higher one-time residual property tax distributions and Proposition 1A property tax loan repayment. General Fund expenditures and transfers for 2013-14 totaled \$33.9 million, an increase of \$3.1 million from 2012-13. The increase included higher capital outlay expenditures and General Fund pension transfers.

As of June 30, 2014, the total fund balance of the General Fund was \$20 million, down \$332,000 from last year. The decrease was mainly in the Assigned Capital Improvement Fund Balance due to drawdowns for the park improvement projects. The unassigned portion of the fund balance remained at \$3.6 million, same as 2012-13.

Special Revenue Grants Fund reports the activities of various grants that the City received from the Federal, State, and County agencies. Unspent grant funds are accumulated for expenditures in the future years. Total grants received for governmental activities in 2013-14 were \$2.1 million, down \$2.6 million from last year. Total 2013-2014 grant funded expenditures and transfers were \$2.1 million, reflecting a major decrease of \$3.8 million in capital outlay expenditures from 2012-13. The decrease reflected the construction cost of the East Los Angeles Transit Center and the purchase of the City's Spirit buses, which both occurred in the prior year. Total fund balance of the Special Revenue Grants Fund as of June 30, 2014 was \$1.5 million.

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 2013-14 were \$5.9 million. Total expenditures for 2013-14 were \$6.6 million, up \$215,000 from 2012-13. The increase in expenditures was because the City's furlough program ended in April 2014 thus, pension costs increased based on a full salary scale. Total fund balance in the Retirement/Pension Liability Fund as of June 30, 2014 was \$8.5 million, of which \$7.8 million was restricted and \$615,000 was committed for employee retirement costs.

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 2013-14 were \$98,000 and total expenditures were \$98,000. The expenditures reflected costs for housing monitoring services.

Nonmajor Governmental Funds account for various activities including street improvement, transportation, library expansion and services, air quality improvement, lighting and landscaping district, and public safety activity. Total revenues and transfers for 2013-14 were \$7.8 million, up \$594,000 from 2012-13. Total expenditures for 2013-14 were \$6.9 million, a decrease of \$352,000 over 2012-13. As of June 30, 2014, the fund balance of the Nonmajor Governmental Funds totaled \$8.3 million.

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 2013-14 water revenues were \$12.8 million, a decrease of \$3.8 million from 2012-13. Total 2013-14 expenses and transfers were \$11.1 million. The decrease in water revenue was primarily due to the discontinuation of the City's water rights lease to the San Gabriel Valley Water Company. Overall, the Water Fund's net position increased by \$1.7 million.

General Fund Budgetary Highlights

The originally adopted General Fund budget for this fiscal year was \$35.8 million. The final amended budget reflected an addition General Fund pension contribution to the Retirement Fund for pension costs. All amendments were identified during the Midyear Review process and approved by the City Council.

The General Fund total actual revenues were over the estimated revenues by \$1.1 million due primarily to higher property tax revenues. The final total expenditures were under the amended budget by \$3 million and the reason was that funds budgeted for the park improvement projects had not been spent yet.

Capital Asset Administration

The City's capital assets, net of accumulated depreciation, for its governmental and business-type activities as of June 30, 2014, totaled \$77.6 million, a decrease of \$584,000 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 Number 7 of the Notes to the Basic Financial Statements.)*

Capital Assets Net of Depreciation
June 30, 2014 and June 30, 2013
(In thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	6/30/2014	6/30/2013	6/30/2014	6/30/2013	6/30/2014	6/30/2013
Land	\$ 12,614	\$ 12,614	\$ 500	\$ 500	\$ 13,114	\$ 13,114
Buildings	19,097	18,346	175	181	19,272	18,527
Improvements	7,868	7,348	21,588	22,407	29,456	29,755
Construction in Progress	1,690	1,443	596	580	2,286	2,023
Equipment	2,484	3,288	175	212	2,659	3,500
Infrastructure	9,450	9,815	1,379	1,467	10,829	11,283
	<u>\$ 53,203</u>	<u>\$ 52,854</u>	<u>\$ 24,413</u>	<u>\$ 25,348</u>	<u>\$ 77,616</u>	<u>\$ 78,201</u>

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

- Constructed citywide park restroom Americans with Disabilities Act (ADA) improvements.
- Installed new playground equipment and facilities per Parks Master Plan.
- Improved various park parking lots and access roads.
- Renovated various park irrigation systems.
- Completed city hall lobby and exterior painting.
- Updated zoning ordinance in compliance with current laws.
- Completed construction of the Transit Center at East Los Angeles College.
- Completed Fire Station 61 floor repair.
- Completed slurry seal and various street resurfacing, alley and sidewalk improvements.
- Continued water well, water main, meter, and pumping station upgrades according to the adopted Water Master Plan.

Debt Administration

As of June 30, 2014, the City's debt totaled \$51.2 million, a decrease of \$229,000 during the fiscal year. The primary reason of debt decrease was due to decreased liabilities in leases, loans, bonds, and postemployment medical benefit obligations (OPEB). *(Please refer to Note Number 9 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 \$908 million.

Outstanding Debt
Fiscal Years ended June 30, 2014 and June 30, 2013
(In thousands)

	Government Activities		Business-Type Activities		Total	
	6/30/2014	6/30/2013	6/30/2014	6/30/2013	6/30/2014	6/30/2013
Capital Leases	\$ 988	\$ 1,106	\$ 4,392	\$ 4,966	\$ 5,380	\$ 6,072
Pension Obligation Bonds	14,890	15,365			14,890	15,365
Compensated Absences	4,656	4,629	626	626	5,282	5,255
Section 108 Loan	3,873	4,189			3,873	4,189
Library Special Tax						
Revenue Note	1,409	1,730			1,409	1,730
Claims and Judgments	8,324	6,570			8,324	6,570
Other Post Employment						
Benefits (OPEB)	11,224	11,402	838	868	12,062	12,270
	<u>\$ 45,364</u>	<u>\$ 44,991</u>	<u>\$ 5,856</u>	<u>\$ 6,460</u>	<u>\$ 51,220</u>	<u>\$ 51,451</u>

Economic Factors and Next Year's Budgets

- The City's total assessed valuation is \$6.3 billion, up 4.3% from 2013-14.
- The 2014-15 budget is balanced and the City began the year with a renewed sense of optimism and momentum. The City has started the \$3.2 million park improvements master plan projects to bring residents the enjoyment of quality park ambience.
- The 2014-15 budget includes six priority capital improvements: service club house renovations, Barnes Pool rehabilitations, city hall renovations, Langley Center enhancements, Police mobile vision flashback system, and a new triple combination fire engine.
- There have been two new housing projects approved by the City. The first is a 6-unit affordable housing proposed LINC Housing. It is anticipated that the construction will commence in the first quarter of 2015. The second is an 80-unit residential housing project being proposed by The Olson Company, a for-profit company. Both projects will increase property tax revenues for the City.
- There are currently three hotel projects in the pipeline. The first is a Boutique Hotel (AG Hotel) that has been designed into a mixed-use format including 145 hotel rooms, two full service restaurants and 98 apartment units. The second is a Double Tree hotel that includes a total of 180 rooms and a full service restaurant. The third is a Courtyard by Marriott hotel that includes 288 rooms, a full service restaurant and available retail space. These three hotels will increase additional transient occupancy tax, property tax, and sales tax revenues for the City.

- The City will continue to assist two commercial developments, including Towne Centre in the downtown area and Market Place at the south part of the town. The Towne Centre project is designed as a mixed-use format including retail and office space and residential units. The Market Place is considered a power center located in the southeast portion of the city and directly off of the SR-60 freeway. The Market Place will include over 500,000 square feet of commercial, retail and restaurant space.
- The City adopted ordinances setting new water, sewer, and trash rates. The new rates are effective starting on September 1, 2014. Additional revenues generated from the rate increases are to support operations and infrastructure/capital improvements.
- The Atlantic Times Square development, which is a mixed-use commercial and residential project at North Atlantic Boulevard and Hellman Avenue, continues generating more sales tax and property tax revenues since it has now become the third largest property tax contributor for the City of Monterey Park.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF MONTEREY PARK
Statement of Net Position
June 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 51,437,346	\$ 27,867,224	\$ 79,304,570
Cash and investments held by fiscal agent	10	-	10
Accounts receivable	3,107,583	2,484,415	5,591,998
Interest receivable	149,439	-	149,439
Inventory	3,549	-	3,549
Internal balances	770,928	(770,928)	-
Total current assets	<u>55,468,855</u>	<u>29,580,711</u>	<u>85,049,566</u>
Noncurrent assets:			
Loans receivable, net	813,971	-	813,971
Advances to Fiduciary Fund	1,989,686	-	1,989,686
Net pension asset	19,631,067	-	19,631,067
Capital assets:			
Not being depreciated	14,303,533	1,095,914	15,399,447
Being depreciated, net	38,899,427	23,316,943	62,216,370
Total noncurrent assets	<u>75,637,684</u>	<u>24,412,857</u>	<u>100,050,541</u>
Total assets	<u>131,106,539</u>	<u>53,993,568</u>	<u>185,100,107</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	1,831,263	1,415,512	3,246,775
Accrued payroll	1,233,919	98,912	1,332,831
Interest payable	171,199	-	171,199
Deposits and advances	566,507	405,177	971,684
Due to other governmental agencies	813,971	-	813,971
Current portion of long-term liabilities	5,051,144	642,292	5,693,436
Total current liabilities	<u>9,668,003</u>	<u>2,561,893</u>	<u>12,229,896</u>
Noncurrent liabilities:			
Net pension obligation	669,800	-	669,800
Long-term liabilities	29,089,563	4,375,884	33,465,447
Net other post-employment health benefits liability	11,224,051	837,949	12,062,000
Total noncurrent liabilities	<u>40,983,414</u>	<u>5,213,833</u>	<u>46,197,247</u>
Total liabilities	<u>50,651,417</u>	<u>7,775,726</u>	<u>58,427,143</u>
<u>NET POSITION</u>			
Net investment in capital assets	50,805,697	20,020,776	70,826,473
Restricted for:			
Grants	1,516,248	-	1,516,248
Retirement/pension	7,842,427	-	7,842,427
Housing	684,319	-	684,319
Public safety	743,347	-	743,347
Community development	204,492	-	204,492
Culture and recreation	334,077	-	334,077
Highways and streets	7,005,619	-	7,005,619
Unrestricted	11,318,896	26,197,066	37,515,962
Total net position	<u>\$ 80,455,122</u>	<u>\$ 46,217,842</u>	<u>\$ 126,672,964</u>

CITY OF MONTEREY PARK
Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 4,050,482	\$ 907,537	\$ 21,305	\$ -
Public safety	27,352,152	3,076,644	363,765	138,607
Community development	2,343,881	1,442,835	741,869	204,373
Culture and recreation	6,277,461	690,289	278,238	125,000
Highway and streets	6,434,924	400,382	78,192	159,648
Health	120,000	-	33,112	-
Interest and fiscal charges	1,207,716	-	-	-
Total governmental activities	47,786,616	6,517,687	1,516,481	627,628
Business-type activities:				
Water	11,775,078	10,747,045	-	169,783
Refuse	6,985,344	6,028,436	-	-
Sewer	221,078	287,548	-	-
Total business-type activities	18,981,500	17,063,029	-	169,783
Total	\$ 66,768,116	\$ 23,580,716	\$ 1,516,481	\$ 797,411

CITY OF MONTEREY PARK
Statement of Activities, Continued
For the Year Ended June 30, 2014

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
Governmental activities:			
General government	\$ (3,121,640)	\$ -	\$ (3,121,640)
Public safety	(23,773,136)	-	(23,773,136)
Community development	45,196	-	45,196
Culture and recreation	(5,183,934)	-	(5,183,934)
Highway and streets	(5,796,702)	-	(5,796,702)
Health	(86,888)	-	(86,888)
Interest and fiscal charges	(1,207,716)	-	(1,207,716)
Total governmental activities	<u>(39,124,820)</u>	<u>-</u>	<u>(39,124,820)</u>
Business-type activities:			
Water	-	(858,250)	(858,250)
Refuse	-	(956,908)	(956,908)
Sewer	-	66,470	66,470
Total business-type activities	<u>-</u>	<u>(1,748,688)</u>	<u>(1,748,688)</u>
Total	<u>(39,124,820)</u>	<u>(1,748,688)</u>	<u>(40,873,508)</u>
General Revenues:			
Taxes:			
Property taxes	19,794,165	-	19,794,165
Sales taxes	4,942,821	-	4,942,821
Vehicle in-lieu taxes (Unrestricted, intergovernmental)	27,588	-	27,588
Utility user taxes	3,202,264	-	3,202,264
Franchise taxes	970,212	-	970,212
Business license taxes	974,816	-	974,816
Transient occupancy taxes	1,049,070	-	1,049,070
Other taxes	7,282,605	-	7,282,605
Revenues from use of money and property	872,174	-	872,174
Other	731,679	1,897,638	2,629,317
Gain on sale of capital assets	-	4,840	4,840
Transfers	18,000	(18,000)	-
Total general revenues and transfers	<u>39,865,394</u>	<u>1,884,478</u>	<u>41,749,872</u>
Changes in net position	740,574	135,790	876,364
Net position - beginning of year, as restated (Note 16)	<u>79,714,548</u>	<u>46,082,052</u>	<u>125,796,600</u>
Net position - end of year	<u>\$ 80,455,122</u>	<u>\$ 46,217,842</u>	<u>\$ 126,672,964</u>

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FUND FINANCIAL STATEMENTS

CITY OF MONTEREY PARK
Balance Sheet - Governmental Funds
June 30, 2014

	Major Funds			
	General	Special Revenue		
		Grants	Retirement/Pension	Housing
<u>Assets</u>				
Cash and investments	\$ 20,703,636	\$ 1,690,056	8,531,414	\$ 700,773
Cash and investments held by fiscal agents	-	-	10	-
Accounts receivable	1,198,358	459,770	69,865	1,186,222
Interest receivable	126,135	2,387	-	1,681
Due from other funds	616,633	-	-	-
Loans receivable, net	-	813,971	-	-
Advances to Fiduciary Fund	-	-	-	1,989,686
Total Assets	<u>\$ 22,644,762</u>	<u>\$ 2,966,184</u>	<u>\$ 8,601,289</u>	<u>\$ 3,878,362</u>
<u>Liabilities, Deferred Inflow of Resources and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 1,015,595	\$ 174,012	\$ 12,775	\$ 9,330
Accrued payroll	1,024,771	5,444	130,850	-
Deposits and advances	554,989	2,713	-	8,805
Due to other funds	-	453,796	-	-
Due to other governmental agencies	-	813,971	-	-
Total Liabilities	<u>2,595,355</u>	<u>1,449,936</u>	<u>143,625</u>	<u>18,135</u>
Deferred Inflow of Resources:				
Unavailable revenue	-	-	-	1,186,222
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,186,222</u>
Fund Balances:				
Nonspendable				
Advances to Fiduciary Fund	-	-	-	1,989,686
Restricted				
Grants	-	1,516,248	-	-
Retirement	-	-	7,842,427	-
Housing	-	-	-	684,319
Nonmajor special revenue funds	-	-	-	-
Committed				
General Fund	7,173,519	-	-	-
Retirement	-	-	615,237	-
Nonmajor special revenue funds	-	-	-	-
Assigned				
General Fund	9,321,463	-	-	-
Unassigned				
General Fund	3,554,425	-	-	-
Total Fund Balances	<u>20,049,407</u>	<u>1,516,248</u>	<u>8,457,664</u>	<u>2,674,005</u>
Total Liabilities, Deferred inflow of Resources and Fund Balances	<u>\$ 22,644,762</u>	<u>\$ 2,966,184</u>	<u>\$ 8,601,289</u>	<u>\$ 3,878,362</u>

CITY OF MONTEREY PARK
Balance Sheet - Governmental Funds, Continued
June 30, 2014

	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets</u>		
Cash and investments	\$ 8,661,095	\$ 40,286,974
Cash and investments held by fiscal agents	-	10
Accounts receivable	193,368	3,107,583
Interest receivable	19,236	149,439
Due from other funds	-	616,633
Loans receivable, net	-	813,971
Advances to Fiduciary Fund	-	1,989,686
Total Assets	\$ 8,873,699	\$ 46,964,296
 <u>Liabilities, Deferred Inflow of Resources and Fund Balances</u>		
Liabilities:		
Accounts payable	\$ 383,070	\$ 1,594,782
Accrued payroll	40,257	1,201,322
Deposits and advances	-	566,507
Due to other funds	162,837	616,633
Due to other governmental agencies	-	813,971
Total Liabilities	586,164	4,793,215
 Deferred Inflow of Resources:		
Unavailable revenue	-	1,186,222
Total Deferred Inflow of Resources	-	1,186,222
 Fund Balances:		
Nonspendable		
Advances to Fiduciary Fund	-	1,989,686
Restricted		
Grants	-	1,516,248
Retirement	-	7,842,427
Housing	-	684,319
Nonmajor special revenue funds	7,406,561	7,406,561
Committed		
General Fund	-	7,173,519
Retirement	-	615,237
Nonmajor special revenue funds	880,974	880,974
Assigned		
General Fund	-	9,321,463
Unassigned		
General Fund	-	3,554,425
Total Fund Balances	8,287,535	40,984,859
Total Liabilities, Deferred inflow of Resources and Fund Balances	\$ 8,873,699	\$ 46,964,296

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CITY OF MONTEREY PARK
Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Position of Governmental Activities
June 30, 2014

Total fund balance of governmental funds in fund statements	\$ 40,984,859
Internal service funds are used by management to charge the costs of separation benefits, workers' compensation, vehicle, technology and general liability to individual funds. The assets and liabilities of internal service funds are reported with governmental activities in the statement of net position. Total net position is \$3,714,722 plus the portion of net position allocated to business-type activities of \$770,928.	4,485,650
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. (Total governmental assets of \$53,202,960 less internal service funds of \$1,240,368, which has already been accounted for in the reconciliation of internal service funds elimination).	51,962,592
Long-term liabilities in the amount of \$45,364,758 are not due and payable in the current period and therefore are not reported in the governmental funds, net of \$8,410,489 included in reconciliation of internal service funds.	(36,954,269)
Interest on long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	(171,199)
Net pension asset is not available to pay for current period expenditures and therefore is not recorded in the governmental funds.	19,631,067
Net pension obligation is not due and payable in the current period and therefore is not reported in the governmental funds.	(669,800)
Revenues earned but not available to pay for current expenditures for governmental funds are unavailable.	<u>1,186,222</u>
Net position of governmental activities	<u><u>\$ 80,455,122</u></u>

CITY OF MONTEREY PARK
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2014

	Major Funds			
	General	Special Revenue		
		Grants	Retirement/Pension	Housing
Revenues:				
Taxes	\$ 26,021,013	\$ -	\$ 5,143,377	\$ -
Licenses and permits	848,949	-	-	-
Intergovernmental revenues	-	2,035,035	-	-
Charges for services	4,377,053	2,561	-	-
Revenues from use of money and property	742,570	109,728	10	62,086
Fines and forfeitures	658,713	-	-	-
Other	731,773	-	-	36,017
Total Revenues	<u>33,380,071</u>	<u>2,147,324</u>	<u>5,143,387</u>	<u>98,103</u>
Expenditures:				
Current:				
General government	2,754,442	-	1,104,685	-
Public safety	21,075,082	278,553	3,373,368	-
Community development	1,552,940	375,747	223,231	98,263
Culture and recreation	4,804,080	193,215	455,702	-
Highways and streets	677,141	83,963	35,561	-
Health	-	-	-	-
Capital outlay	2,257,496	356,653	-	-
Debt service:				
Principal retirement	-	433,848	475,000	-
Interest and fiscal charges	-	235,140	919,315	-
Total Expenditures	<u>33,121,181</u>	<u>1,957,119</u>	<u>6,586,862</u>	<u>98,263</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>258,890</u>	<u>190,205</u>	<u>(1,443,475)</u>	<u>(160)</u>
Other Financing Sources (Uses):				
Transfers in	153,550	18,355	750,000	-
Transfers out	(750,355)	(153,550)	-	-
Proceeds from sale of property	5,477	-	-	-
Total Other Financing Sources (Uses)	<u>(591,328)</u>	<u>(135,195)</u>	<u>750,000</u>	<u>-</u>
Net Changes in Fund Balances	(332,438)	55,010	(693,475)	(160)
Fund Balances, Beginning of Year	<u>20,381,845</u>	<u>1,461,238</u>	<u>9,151,139</u>	<u>2,674,165</u>
Fund Balances, End of Year	<u>\$ 20,049,407</u>	<u>\$ 1,516,248</u>	<u>\$ 8,457,664</u>	<u>\$ 2,674,005</u>

CITY OF MONTEREY PARK
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds, Continued
For the Year Ended June 30, 2014

	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:		
Taxes	\$ 6,894,756	\$ 38,059,146
Licenses and permits	-	848,949
Intergovernmental revenues	-	2,035,035
Charges for services	543,369	4,922,983
Revenues from use of money and property	28,975	943,369
Fines and forfeitures	273,005	931,718
Other	-	767,790
Total Revenues	7,740,105	48,508,990
Expenditures:		
Current:		
General government	-	3,859,127
Public safety	920,989	25,647,992
Community development	94,918	2,345,099
Culture and recreation	134,724	5,587,721
Highways and streets	4,875,847	5,672,512
Health	120,000	120,000
Capital outlay	343,293	2,957,442
Debt service:		
Principal retirement	320,318	1,229,166
Interest and fiscal charges	62,876	1,217,331
Total Expenditures	6,872,965	48,636,390
Excess (Deficiency) of Revenues Over Expenditures	867,140	(127,400)
Other Financing Sources (Uses):		
Transfers in	21,445	943,350
Transfers out	-	(903,905)
Proceeds from sale of property	11,273	16,750
Total Other Financing Sources (Uses)	32,718	56,195
Net Changes in Fund Balances	899,858	(71,205)
Fund Balances, Beginning of Year	7,387,677	41,056,064
Fund Balances, End of Year	\$ 8,287,535	\$ 40,984,859

CITY OF MONTEREY PARK
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2014

Net change in fund balance - total governmental funds	\$ (71,205)
Amount reported for governmental activities in the Statement of Activities are different because:	
Internal service funds are used by management to charge the costs of separation benefits, workers' compensation, vehicle, technology and general liability to individual funds. The net expense of certain activities of internal service fund of \$2,058,121 is reported with governmental activities. This amount includes \$1,116,528 charged to the Water and Refuse Enterprise Funds.	(941,593)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlay, net of internal service fund addition of \$469,502.	2,680,645
Depreciation expense, net of internal service fund depreciation expense of \$361,179.	(2,431,902)
Gain on disposal of capital assets.	(8,093)
Principal debt repayment was recorded as an expenditure. However, this transaction is not recorded in the Statement of Activities. Instead, this transaction is reported as long-term debt payable in the Statement of Net Position.	1,229,166
Changes in net pension asset reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.	19,616
Changes in net pension obligation reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.	86,000
Changes in compensated absences which are not due and payable in the governmental funds are charged to expenses in the Statement of Activities.	(9,786)
OPEB obligation costs are not due and payable in the current period and therefore are not reported in the governmental funds.	177,911
Interest on long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	9,615
Unavailable revenue is not recognized as revenue in the governmental funds since the revenue is not available to fund expenditures of the fiscal year.	200
Change in net position of governmental activities	\$ 740,574

PROPRIETARY FUND FINANCIAL STATEMENTS

CITY OF MONTEREY PARK
Statement of Net Position -
Proprietary Funds
June 30, 2014

	Enterprise			Total
	Water Utility	Refuse	Nonmajor (Sewer)	
<u>Assets</u>				
Current Assets:				
Cash and investments	\$ 24,733,781	\$ 2,188,432	\$ 945,011	\$ 27,867,224
Accounts receivable	1,759,451	686,326	38,638	2,484,415
Inventory	-	-	-	-
Total Current Assets	<u>26,493,232</u>	<u>2,874,758</u>	<u>983,649</u>	<u>30,351,639</u>
Noncurrent Assets:				
Nondepreciable capital assets	1,095,914	-	-	1,095,914
Depreciable capital assets, net of accumulated depreciation	<u>21,922,563</u>	<u>-</u>	<u>1,394,380</u>	<u>23,316,943</u>
Total Capital Assets	<u>23,018,477</u>	<u>-</u>	<u>1,394,380</u>	<u>24,412,857</u>
Total Noncurrent Assets	<u>23,018,477</u>	<u>-</u>	<u>1,394,380</u>	<u>24,412,857</u>
Total Assets	<u>49,511,709</u>	<u>2,874,758</u>	<u>2,378,029</u>	<u>54,764,496</u>
<u>Liabilities</u>				
Current Liabilities:				
Accounts payable	584,501	829,284	1,727	1,415,512
Accrued payroll	85,064	13,522	326	98,912
Deposits and advances	405,177	-	-	405,177
Claims and judgments payable - due within one year	-	-	-	-
Capital lease obligations - due within one year	579,734	-	-	579,734
Compensated absences - due within one year	<u>50,927</u>	<u>10,693</u>	<u>938</u>	<u>62,558</u>
Total Current Liabilities	<u>1,705,403</u>	<u>853,499</u>	<u>2,991</u>	<u>2,561,893</u>
Noncurrent Liabilities:				
Claims and judgments payable - due in more than one year	-	-	-	-
Capital lease obligations - due in more than one year	3,812,347	-	-	3,812,347
Compensated absences payable - due in more than one year	458,352	96,245	8,940	563,537
OPEB obligations payable	<u>660,863</u>	<u>146,495</u>	<u>30,591</u>	<u>837,949</u>
Total Noncurrent Liabilities	<u>4,931,562</u>	<u>242,740</u>	<u>39,531</u>	<u>5,213,833</u>
Total Liabilities	<u>6,636,965</u>	<u>1,096,239</u>	<u>42,522</u>	<u>7,775,726</u>
<u>Net Position</u>				
Net investment in capital assets	18,626,396	-	1,394,380	20,020,776
Unrestricted	<u>24,248,348</u>	<u>1,778,519</u>	<u>941,127</u>	<u>26,967,994</u>
Total Net Position	<u>\$ 42,874,744</u>	<u>\$ 1,778,519</u>	<u>\$ 2,335,507</u>	<u>\$ 46,988,770</u>
Adjustment to reflect the consolidation of internal service funds activities to related enterprise fund				
	<u>(711,207)</u>	<u>(59,721)</u>	<u>-</u>	<u>(770,928)</u>
Net Position of Business-type Activities	<u>\$ 42,163,537</u>	<u>\$ 1,718,798</u>	<u>\$ 2,335,507</u>	<u>\$ 46,217,842</u>

CITY OF MONTEREY PARK
Statement of Net Position -
Proprietary Funds, Continued
June 30, 2014

	Internal Service	Total Proprietary Funds
<u>Assets</u>		
Current Assets:		
Cash and investments	\$ 11,150,372	\$ 39,017,596
Accounts receivable	-	2,484,415
Inventory	3,549	3,549
Total Current Assets	11,153,921	41,505,560
Noncurrent Assets:		
Nondepreciable capital assets	104,828	1,200,742
Depreciable capital assets, net of accumulated depreciation	1,135,540	24,452,483
Total Capital Assets	1,240,368	25,653,225
Total Noncurrent Assets	1,240,368	25,653,225
Total Assets	12,394,289	67,158,785
<u>Liabilities</u>		
Current Liabilities:		
Accounts payable	236,481	1,651,993
Accrued payroll	32,597	131,509
Deposits and advances	-	405,177
Claims and judgments payable - due within one year	3,329,731	3,329,731
Capital lease obligations - due within one year	-	579,734
Compensated absences - due within one year	8,536	71,094
Total Current Liabilities	3,607,345	6,169,238
Noncurrent Liabilities:		
Claims and judgments payable - due in more than one year	4,994,600	4,994,600
Capital lease obligations - due in more than one year	-	3,812,347
Compensated absences payable - due in more than one year	77,622	641,159
OPEB obligations payable	-	837,949
Total Noncurrent Liabilities	5,072,222	10,286,055
Total Liabilities	8,679,567	16,455,293
<u>Net Position</u>		
Net investment in capital assets	1,240,368	21,261,144
Unrestricted	2,474,354	29,442,348
Total Net Position	\$ 3,714,722	\$ 50,703,492

CITY OF MONTEREY PARK
Statement of Revenues, Expenses and Changes in
Net Position - Proprietary Funds
For the Year Ended June 30, 2014

	Enterprise			Total
	Water Utility	Refuse	Nonmajor (Sewer)	
Operating Revenues:				
Charges for services	\$ 10,474,100	\$ 6,028,436	\$ 287,548	\$ 16,790,084
Meter installations	272,945	-	-	272,945
Other revenue	1,897,638	-	-	1,897,638
Total Operating Revenues	<u>12,644,683</u>	<u>6,028,436</u>	<u>287,548</u>	<u>18,960,667</u>
Operating Expenses:				
Water purchased	165,822	-	-	165,822
Administration	4,521,371	1,055,148	-	5,576,519
Commercial - water	634,219	-	-	634,219
Production - water	1,288,590	-	-	1,288,590
Distribution - water	1,097,508	-	-	1,097,508
Treatment plant	2,183,921	-	-	2,183,921
Street maintenance - refuse	-	44,145	-	44,145
Storm drain maintenance - refuse	-	93,870	-	93,870
Refuse collection	-	5,283,023	-	5,283,023
Sanitary sewer maintenance	-	-	131,506	131,506
Depreciation	1,176,433	2,499	89,572	1,268,504
Salaries and benefits	-	-	-	-
Materials and supplies	-	-	-	-
Insurance and claims	-	-	-	-
Vehicle expense	-	-	-	-
Miscellaneous	-	-	-	-
Total Operating Expenses	<u>11,067,864</u>	<u>6,478,685</u>	<u>221,078</u>	<u>17,767,627</u>
Operating Income (Loss)	<u>1,576,819</u>	<u>(450,249)</u>	<u>66,470</u>	<u>1,193,040</u>
Nonoperating Income (Loss):				
Interest expense	(97,345)	-	-	(97,345)
Gain on sale of surplus property	4,840	-	-	4,840
Total Nonoperating Income (Loss)	<u>(92,505)</u>	<u>-</u>	<u>-</u>	<u>(92,505)</u>
Net Income (Loss) Before Transfers and Capital Contributions	<u>1,484,314</u>	<u>(450,249)</u>	<u>66,470</u>	<u>1,100,535</u>
Capital contributions	169,783	-	-	169,783
Transfers in	-	-	-	-
Transfers out	-	(18,000)	-	(18,000)
Total Transfers and Capital Contributions	<u>169,783</u>	<u>(18,000)</u>	<u>-</u>	<u>151,783</u>
Changes in Net Position	1,654,097	(468,249)	66,470	1,252,318
Net Position, Beginning of Year	41,220,647	2,246,768	2,269,037	45,736,452
Net Position, End of Year	<u>\$ 42,874,744</u>	<u>\$ 1,778,519</u>	<u>\$ 2,335,507</u>	<u>\$ 46,988,770</u>
Changes in Net Position	\$ 1,654,097	\$ (468,249)	\$ 66,470	\$ 1,252,318
Adjustment to reflect the consolidation of internal service fund activities to related enterprise fund	<u>(609,869)</u>	<u>(506,659)</u>	<u>-</u>	<u>(1,116,528)</u>
Changes in Net Position of Business-type Activities	<u>\$ 1,044,228</u>	<u>\$ (974,908)</u>	<u>\$ 66,470</u>	<u>\$ 135,790</u>

See accompanying Notes to the Basic Financial Statements.

CITY OF MONTEREY PARK
Statement of Revenues, Expenses and Changes in
Net Position - Proprietary Funds, Continued
For the Year Ended June 30, 2014

	Internal Service	Total Proprietary Funds
Operating Revenues:		
Charges for services	\$ 6,184,815	\$ 22,974,899
Meter installations	-	272,945
Other revenue	-	1,897,638
Total Operating Revenues	6,184,815	25,145,482
Operating Expenses:		
Water purchased	-	165,822
Administration	-	5,576,519
Commercial - water	-	634,219
Production - water	-	1,288,590
Distribution - water	-	1,097,508
Treatment plant	-	2,183,921
Street maintenance - refuse	-	44,145
Storm drain maintenance - refuse	-	93,870
Refuse collection	-	5,283,023
Sanitary sewer maintenance	-	131,506
Depreciation	361,179	1,629,683
Salaries and benefits	2,837,728	2,837,728
Materials and supplies	826,504	826,504
Insurance and claims	3,920,626	3,920,626
Vehicle expense	13,483	13,483
Miscellaneous	264,924	264,924
Total Operating Expenses	8,224,444	25,992,071
Operating Income (Loss)	(2,039,629)	(846,589)
Nonoperating Income (Loss):		
Interest expense	-	(97,345)
Gain on sale of surplus property	2,953	7,793
Total Nonoperating Income (Loss)	2,953	(89,552)
Net Income (Loss) Before Transfers and Capital Contributions	(2,036,676)	(936,141)
Capital contributions	-	169,783
Transfers in	-	-
Transfers out	(21,445)	(39,445)
Total Transfers and Capital Contributions	(21,445)	130,338
Changes in Net Position	(2,058,121)	(805,803)
Net Position, Beginning of Year	5,772,843	51,509,295
Net Position, End of Year	\$ 3,714,722	\$ 50,703,492

CITY OF MONTEREY PARK
Statement of Cash Flows -
Proprietary Funds
For the Year Ended June 30, 2014

	Enterprise Funds			
	Water Utility	Refuse	Nonmajor (Sewer)	Total
Cash Flows from Operating Activities:				
Cash receipts from customers	\$ 12,473,578	\$ 5,977,371	\$ 284,028	\$ 18,734,977
Cash receipts from interfund services provided	-	-	-	-
Cash payments to suppliers for goods and services	(8,044,650)	(5,247,660)	(110,427)	(13,402,737)
Cash payments to employees for services	(2,104,787)	(819,444)	(27,794)	(2,952,025)
Cash payments for insurance premiums and self-insurance claims	-	-	-	-
Net Cash Provided by (Used in) Operating Activities	<u>2,324,141</u>	<u>(89,733)</u>	<u>145,807</u>	<u>2,380,215</u>
Cash Flows from Noncapital Financing Activities:				
Transfers out to other funds	-	(18,000)	-	(18,000)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>-</u>	<u>(18,000)</u>	<u>-</u>	<u>(18,000)</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(164,484)	-	-	(164,484)
Proceeds from sale of surplus assets	4,840	-	-	4,840
Principal paid on lease financing	(573,524)	-	-	(573,524)
Interest paid on lease financing	(97,345)	-	-	(97,345)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(830,513)</u>	<u>-</u>	<u>-</u>	<u>(830,513)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,493,628	(107,733)	145,807	1,531,702
Cash and cash equivalents, Beginning of Year	<u>23,240,153</u>	<u>2,296,165</u>	<u>799,204</u>	<u>26,335,522</u>
Cash and cash equivalents, End of Year	<u>\$ 24,733,781</u>	<u>\$ 2,188,432</u>	<u>\$ 945,011</u>	<u>\$ 27,867,224</u>
Noncash from Capital and Related Financing Activities:				
Capital contributions	<u>\$ 169,783</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,783</u>

CITY OF MONTEREY PARK
Statement of Cash Flows -
Proprietary Funds, Continued
For the Year Ended June 30, 2014

	Internal Service	Total Proprietary Funds
Cash Flows from Operating Activities:		
Cash receipts from customers	\$ -	\$ 18,734,977
Cash receipts from interfund services provided	6,197,669	6,197,669
Cash payments to suppliers for goods and services	(1,179,308)	(14,582,045)
Cash payments to employees for services	(2,813,047)	(5,765,072)
Cash payments for insurance premiums and self-insurance claims	(2,265,577)	(2,265,577)
Net Cash Provided by (Used in) Operating Activities	(60,263)	2,319,952
Cash Flows from Noncapital Financing Activities:		
Transfers out to other funds	(21,445)	(39,445)
Net Cash Provided by (Used in) Noncapital Financing Activities	(21,445)	(39,445)
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(368,250)	(532,734)
Proceeds from sale of surplus assets	2,953	7,793
Principal paid on lease financing	-	(573,524)
Interest paid on lease financing	-	(97,345)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(365,297)	(1,195,810)
Net Increase (Decrease) in Cash and Cash Equivalents	(447,005)	1,084,697
Cash and cash equivalents, Beginning of Year	11,597,377	37,932,899
Cash and cash equivalents, End of Year	\$ 11,150,372	\$ 39,017,596
Noncash from Capital and Related Financing Activities:		
Capital contributions	\$ -	\$ 169,783

CITY OF MONTEREY PARK
Statement of Cash Flows -
Proprietary Funds, Continued
For the Year Ended June 30, 2014

	Enterprise Funds			Total
	Water Utility	Refuse	Nonmajor (Sewer)	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (Loss)	\$ 1,576,819	\$ (450,249)	\$ 66,470	\$ 1,193,040
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation	1,176,433	2,499	89,572	1,268,504
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(180,743)	(51,065)	(3,520)	(235,328)
(Increase) decrease in inventory	-	-	-	-
Increase (decrease) in accounts payable	(245,955)	402,883	(5,745)	151,183
Increase (decrease) in accrued payroll	18,396	4,299	64	22,759
Increase (decrease) in claims and judgments payable	-	-	-	-
Increase (decrease) in compensated absences payable	(5,757)	6,481	(216)	508
Increase in OPEB obligations payable	(24,690)	(4,581)	(818)	(30,089)
Increase in deposits and advances	9,638	-	-	9,638
Total Adjustments	747,322	360,516	79,337	1,187,175
Net Cash Provided by (Used in) Operating Activities	\$ 2,324,141	\$ (89,733)	\$ 145,807	\$ 2,380,215

(Continued)

CITY OF MONTEREY PARK
Statement of Cash Flows -
Proprietary Funds, Continued
For the Year Ended June 30, 2014

	Internal Service	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating income (Loss)	\$ (2,039,629)	\$ (846,589)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	361,179	1,629,683
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	12,854	(222,474)
(Increase) decrease in inventory	(1,038)	(1,038)
Increase (decrease) in accounts payable	(172,534)	(21,351)
Increase (decrease) in accrued payroll	7,407	30,166
Increase (decrease) in claims and judgments payable	1,754,224	1,754,224
Increase (decrease) in compensated absences payable	17,274	17,782
Increase in OPEB obligations payable	-	(30,089)
Increase in deposits and advances	-	9,638
Total Adjustments	1,979,366	3,166,541
Net Cash Provided by (Used in) Operating Activities	\$ (60,263)	\$ 2,319,952

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FIDUCIARY FUND FINANCIAL STATEMENTS

CITY OF MONTEREY PARK
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	Private-Purpose Trust Fund	Agency Funds
Assets:		
Cash and investments	\$ 6,750,786	\$ 2,110,129
Cash and investments with fiscal agent	5,959,698	-
Loans receivable, net	-	-
Land held for resale	5,646,937	-
Total assets	18,357,421	\$ 2,110,129
Liabilities:		
Accounts payable	5,730	\$ 93,048
Deposits payable	1,058,970	2,017,081
Interest payable	320,772	-
Settlement agreement payable	4,028,540	-
Advances from City of Monterey Park	1,989,686	-
Bonds payable	22,093,112	-
Tax increment deferred loans	46,184,609	-
Low/Mod Housing deferred loans	1,186,222	-
Total Liabilities	76,867,641	\$ 2,110,129
Net Position (Deficit):		
Net position (deficit) held in trust for debt service and certain administrative expenses	\$ (58,510,220)	

CITY OF MONTEREY PARK
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2014

	Private-Purpose Trust Fund
Additions:	
Redevelopment Property Tax Trust Fund	\$ 2,061,018
Contribution from County of Los Angeles	1,931,157
Investment income	21,830
Total additions	4,014,005
Deductions:	
Administration	824,813
Tax increment deferred loans	7,248,417
Interest expense and fiscal charges	1,035,523
Total deductions	9,108,753
Change in net position	(5,094,748)
Net Position:	
Beginning of year, as restated (Note 16)	(53,415,472)
Ending of year	\$ (58,510,220)

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CITY OF MONTEREY PARK
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Description of Reporting Entity

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

Blended Component Units:

The Monterey Park Public Financing Authority

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

The Monterey Park Housing Authority

The Monterey Park Housing Authority (the "Housing Authority") was established in September 1992 to provide affordable housing within the City. The members of the City Council act as the governing board of the Housing Authority. The Housing Authority does not issue separate financial statements.

(b) Government-Wide and Fund Financial Statements

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

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

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

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as a revenue until that time.

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

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

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

The City reports the following major governmental funds:

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

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

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

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

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

Nonmajor Governmental Funds:

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

Nonmajor Enterprise Funds:

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.

Proprietary Fund (Internal Service Funds):

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

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

Fiduciary Funds:

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

The **Agency Funds** are used to account for money and property held by the City as trustee or custodian, including special deposits and construction agency funds.

The fiduciary funds are reported using the accrual basis of accounting.

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

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

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

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

(d) Property Taxes

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

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

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(e) Cash and Cash Equivalents

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

(f) Investments

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

(g) Inventories

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

(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 estimated fair market value on the date received.

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

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

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

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(i) *Compensated Absences*

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

(j) *Claims and Judgments*

The accrual for workers' compensation and general liability claims is based upon past experience which has been modified for current trends and information. While the ultimate amount of losses incurred through June 30, 2014 is dependent on future developments, based on information from the plan administrators, City management believes that the aggregate accrual is adequate to cover such losses, including amounts for incurred but not reported claims (Note 13).

(k) *Other Post Employment Benefits*

In addition to the pension benefits, the City provides postretirement medical insurance benefits (Note 12), in accordance with contractual provisions of the various Memoranda of Understanding with the City's recognized employee organizations, to all vested employees who retire from the City. Currently, 222 retirees meet those eligibility requirements. The City contributes between \$340 and \$975 per month toward medical insurance coverage for retired employees. For those retirees who are eligible for Medicare, the City contributes toward Medicare supplemental insurance coverage. Upon retirement, vested full-time employees may, at their own cost, convert group life insurance coverage to individual life insurance coverage.

Expenditures for postretirement medical insurance benefits are recognized as annual premiums and are paid on a pay-as-you-go basis. During the year, expenditures of \$1,298,949 were recognized for postretirement medical insurance. Increases over the prior year expenditure of \$7,121 were attributable to increased monthly contributions for retirees. In addition, the City established an irrevocable trust and made a contribution of \$1,500,000 during fiscal year 2013-2014 for a prefunding solution.

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.

(l) *Fund Equity and Net Position*

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

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

Restricted Fund Balance – This amount indicates the portion of fund balances which has been restricted a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(l) Fund Equity and Net Position, Continued

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

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

Unassigned Fund Balance – This amount indicates the portion of fund balance that do not fall into one of the above categories. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental fund other than general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to these purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

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

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

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

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

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

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

(m) Use of Estimates

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

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(n) Accounting Changes

GASB has issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The requirements of this statement improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. This statement became effective for periods beginning after December 15, 2012. See Note 16 for prior period adjustment as a result of implementation.

GASB has issued Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*. The requirements of this statement resolve conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. This statement became effective for periods beginning after December 15, 2012 and did not have a significant impact on the City’s financial statements for year ended June 30, 2014.

GASB has issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The requirements of this statement enhance comparability of financial statements among governments by requiring consistent reporting by those governments that extend nonexchange financial guarantees and by those governments that receive nonexchange financial guarantees. This statement also enhances the information disclosed about a government’s obligations and risk exposure from extending nonexchange financial guarantees. This statement also augments the ability of financial statement users to assess the probability that governments will repay obligation holders by requiring disclosures about obligations that are issued with this type of financial guarantee. This statement became effective for period beginning after June 15, 2013 and did not have a significant impact on the City’s financial statements for the year ended June 30, 2014.

2. CASH AND INVESTMENTS

Cash and investments at June 30, 2014 are classified in the accompanying financial statements as follows:

	Government-Wide			Fiduciary Funds	Total
	Governmental Activities	Business-Type Activities	Total		
Cash and investments	\$ 51,437,346	\$ 27,867,224	\$ 79,304,570	\$ 8,860,915	\$ 88,165,485
Cash and investments held by fiscal agent	10	-	10	5,959,698	5,959,708
Total cash and investments	\$ 51,437,356	\$ 27,867,224	\$ 79,304,580	\$ 14,820,613	\$ 94,125,193

Cash and investments at June 30, 2014 consist of the following:

Cash on hand	\$ 4,450
Demand deposits with financial institutions	18,230,299
Cash held in escrow	4,028,540
Total cash and cash equivalents	22,263,289
Certificates of deposits with financial institutions	4,620,000
Local Agency Investment Fund (LAIF)	2,256,996
Los Angeles County Treasury Pool	63,053,740
Money market mutual fund	1,931,168
Total investments	71,861,904
Total cash and investments	\$ 94,125,193

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

2. CASH AND INVESTMENTS, CONTINUED

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

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

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

Deposits

At June 30, 2014, the carrying amount of the City's demand deposits was \$18,230,299 and the bank balance was \$19,633,127. The \$1,402,828 difference represents outstanding checks, deposits in transit, and other reconciling items.

Investments Authorized by the City's Investment Policy

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio (1)	Investment in One Issuer	Quality
U.S Treasury Notes, Bonds, other Certificates of Indebtedness backed by U.S. Government, or Zero Coupons	5 years	10%	None	
U.S. Treasury Bills	5 years	None	None	
Discount notes or notes issued by Agencies of the U.S. Government	5 years	50%	None	
Banker's acceptances (2)	180 days	20%	30%	"Prime" paper, eligible for purchase by the Federal Reserve System
Commercial paper (2)	180 days	15%	10%	"AA" or higher rating, issuer a U.S. domiciled corporation with assets greater than \$500 million
Negotiable Certificates of Deposits (3)	3 years	20%	30%	None
Non-negotiable Certificates of Deposits and bank collateralized savings (3)	5 years	40%	\$250,000	Average or better or above "D" by a recognized rating service
Repurchase agreements (2)	30 days	10%	None	None
Local Agency Investment Fund (LAIF)	None	Limit set by LAIF	None	None
Los Angeles County Pooled Investment Fund	None	None	None	
Local Agency Bonds	5 years	10%	None	"AA" (S&P) or equivalent
State obligations - California and others	5 years	10%	None	
Medium-term Corporate Bonds/Notes	3 years	15%	None	"AA" or higher rating
Mutual Funds and Money Market Mutual Funds	3 years	15%	10%	Highest ranking by not less than 2 largest rating services or with SEC registered investment advisor, who has assets under management greater than \$500 million, and with 5 years of experience

(1) Excluding amounts held by bond trustees that are not subject to California Government Code restrictions.

(2) Actual investments are required to obtain the City Council's consent.

(3) Issuer insured by FDIC

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

2. CASH AND INVESTMENTS, CONTINUED

Investments Authorized by Debt Agreements

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

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

Concentration of Credit Risk

The investment policy of the City, as summarized above, contains certain limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent more than 5% of total City investments other than those in the Los Angeles County Treasury Pool (90%).

Custodial Risk

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

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

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of year-end, the average life-month end maturity of the investments contained in the LAIF investment pool is approximately 232 days and in the Los Angeles County Treasury Pool is approximately 741 days.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

2. CASH AND INVESTMENTS, CONTINUED

Disclosures Relating to Interest Rate Risk, Continued

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

Investments	Credit Rating	Fair Value June 30, 2014	Maturity		
			12 Months or Less	1 to 2 Years	2 to 3 Years
Treasury Investments:					
Certificates of Deposit	N/A *	\$ 4,620,000	\$ 3,040,000	\$ 860,000	\$ 720,000
LAIF	N/A *	2,256,996	2,256,996	-	-
Los Angeles County Treasury Pool	N/A *	63,053,740	63,053,740	-	-
Total Treasury Investments		69,930,736	68,350,736	860,000	720,000
Investments Held by Fiscal Agents:					
Money Market Mutual Fund	N/A *	1,931,168	1,931,168	-	-
Total Investments Held by Fiscal Agents		1,931,168	1,931,168	-	-
Total Investments		\$ 71,861,904	\$ 70,281,904	\$ 860,000	\$ 720,000

* There is no rating for the Investments in LAIF, Los Angeles County Treasury Pool, Certificates of Deposit, or for the Money Market Mutual Fund.

Investment in State Investment Pool

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

The City's investments with LAIF at June 30, 2014, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

Structured Notes: debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities: generally mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2014, the City had \$2,256,996 invested in LAIF, which had invested 1.86% of the pool investment funds in Structured Notes and Asset-Backed Securities. The LAIF fair value factor of 1.00029875 was used to calculate the fair value of the investments in LAIF.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

2. CASH AND INVESTMENTS, CONTINUED

Investment in Los Angeles County Investment Pool

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

3. RECEIVABLES

Receivables of the City as of June 30, 2014 were:

	Governmental Activities	Business-Type Activities	Total
Accounts Receivable:			
Property taxes	\$ 294,716	\$ -	\$ 294,716
Sales taxes	634,100	-	634,100
Utility taxes	246,328	-	246,328
Water, sewer and refuse sales	-	2,484,415	2,484,415
Subvention and grants	1,819,826	-	1,819,826
Other	112,613	-	112,613
Total Accounts Receivable	\$ 3,107,583	\$ 2,484,415	\$ 5,591,998
Interest Receivable	\$ 149,439	\$ -	\$ 149,439
Loans Receivable:			
Residential Rehabilitation (CDBG) (See Note 10)	\$ 48,015	\$ -	\$ 48,015
SERA Program (See Note 10)	165,535	-	165,535
Pacific Housing Loan (See Note 10)	223,516	-	223,516
Pacific Bridge Loan (See Note 10)	376,905	-	376,905
First-Time Homebuyers (Housing)	148,856	-	148,856
Critical Maintenance (Housing)	108,294	-	108,294
Critical Maintenance (Grants)	87,527	-	87,527
Abajo del Sol Loan (Grants)	2,083,203	-	2,083,203
Low/Mod Housing Deferred Loan	1,186,222	-	1,186,222
Subtotal	4,428,073	-	4,428,073
Less Allowance for Uncollectible Loans	(3,614,102)	-	(3,614,102)
Total Loans Receivable	\$ 813,971	\$ -	\$ 813,971
Total Receivables	\$ 4,070,993	\$ 2,484,415	\$ 6,555,408

Following is the detail of Loans Receivable:

A. Residential Rehabilitation: The City provided low interest financing for the rehabilitation of residential sites within the City through the Community Development Block Grant program. The amount of outstanding loan balances at June 30, 2014 is \$48,015 and has been recorded as notes receivable in the Special Revenue Grants Fund.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

3. RECEIVABLES, CONTINUED

- B. *SERA Program:*** The City participated in the State Earthquake Rehabilitation Assistance (“SERA”) program to assist residents with the application and loan processes for residential repairs and rehabilitation following the October 1987 Whittier-Narrows earthquake. The outstanding balance of loans placed through the program is \$165,535 at June 30, 2014 and has been recorded as notes receivable in the Special Revenue Grants Fund.
- C. *Pacific Housing Loan:*** On July 21, 2004, the City entered into an agreement to provide a loan to Pacific Housing Development Corporation for the purpose of construction and renovation of an affordable housing facility for persons with developmental disabilities. The loan, funded in April 2005, consists of a permanent residual receipts loan in the amount of \$175,000 and a subordinated construction loan in the amount of \$225,000. The subordinated construction loan has been paid off by Pacific Housing in 2008-09. Other remaining amounts bear interest at the rate of three percent 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, 2014, outstanding principal and interest are \$175,000 and \$48,516, respectively.
- D. *Pacific Bridge Loan:*** In 1995, the former Redevelopment Agency entered into a thirty-year loan agreement with Pacific Bridge Housing Corporation for the purpose of construction and renovation of a disabled adult affordable housing facility. In the agreement the former Redevelopment Agency agreed to loan to Pacific Bridge Housing up to the maximum sum of \$240,478 bearing interest at the rate of three percent per annum until paid. Principal and interest payments are due in annual installments commencing upon February 15 of the first full calendar year following the date of the initial occupancy of the facility and continuing annually thereafter on each successive February 15 through and including the date which is thirty (30) years after the Repayment Commencement Date. The amount of such annual installments payable by Borrower is based on the Annual Residential Receipt Installments as described in the agreement. During 1996-97, the loan was funded by the use of federal HOME Program funds, and is reported in the Special Revenue Grants Fund. At June 30, 2014, outstanding principal and interest are \$240,478 and \$136,427, respectively.
- E. *First Time Homebuyers:*** Beginning 1996-97, the City provided second mortgage loans through the First-time Homebuyer Program to assist qualified first-time homebuyers to purchase residences. All second loans will be fixed at an interest rate of five percent (5%) and for a term of thirty (30) years. If the buyer retains the property for thirty (30) years, both principal and interest will be forgiven. The loans were transferred from the former Redevelopment Agency’s Housing Capital Projects Fund to the City’s Special Revenue Housing Fund on February 1, 2012 due to the dissolution of the former Redevelopment Agency. At June 30, 2014, \$148,856 is the amount of outstanding loan balances, and has been reported as notes receivable with an offset of allowance for uncollectible notes in the Special Revenue Housing Fund in the fund level financial statements and in the government-wide statements.
- F. *Critical Maintenance:*** Beginning in 1997-98, the City offered low interest rate loans through the Critical Maintenance Loan Program to assist low and moderate income homeowners for essential or emergency repairs. At June 30, 2014, the loans outstanding totaled \$195,821. Of this amount, \$87,527 is funded by the former Redevelopment Agency’s Housing Capital Projects Fund and \$108,294 is funded by the Federal HOME Program Grants Fund. The outstanding loan balance of \$87,527 was transferred from the former Redevelopment Agency’s Housing Set Aside Fund to the City’s Special Revenue Housing Fund and has been reported as notes receivable with an offset of allowance for uncollectible notes in the fund level financial statements and in the government-wide statements. The outstanding loan balance of \$108,294 has been reported as notes receivable with an offset of allowance for uncollectible notes in the Special Revenue Grants Fund in the fund level financial statements and in the government-wide statements.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

3. RECEIVABLES, CONTINUED

G. *Abajo del Sol*: In 1998, the Housing Authority and the Abajo del Sol, Limited Partnership had entered into a housing development agreement. Under the agreement, the Agency provided to the Developer a \$1.2 million loan bearing interest at the rate of 5.1% percent per annum for the construction of 60 units of affordable housing for senior citizens. On or before March 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, 2014, outstanding principal and interest being recorded as notes receivable are \$1,187,345 and \$895,859, respectively in the Special Revenue Grants Fund with an offset of allowance for uncollectible notes in the fund level financial statement and in the government-wide statements.

H. *Low/Mod Housing Deferred Loans*: State law requires redevelopment agencies to set aside 20 percent 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 percent 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:

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

4. INTERFUND TRANSACTIONS

There were no internal receivables and payables at June 30, 2014 between the governmental activities and business-type activities.

Individual interfund receivables and payables were as follows at June 30, 2014:

Due to Other Funds	Due from Other Funds
	Governmental Fund
	General Fund
Governmental Funds:	
Special Revenue Grants Fund	\$ 453,796
Nonmajor Governmental Funds	162,837
Total	<u>\$ 616,633</u>

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

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

4. INTERFUND TRANSACTIONS, CONTINUED

Transfers Out	Transfers In				Total
	Governmental Funds				
	General Fund	Special Revenue Grants Fund	Retirement/Pension Fund	Nonmajor Governmental Funds	
Governmental Funds:					
General Fund	\$ -	\$ 355	\$ 750,000	\$ -	\$ 750,355
Special Revenue Grants Fund	153,550	-	-	-	153,550
Enterprise Fund:					
Refuse Enterprise Fund	-	18,000	-	-	18,000
Internal Service Fund:					
Internal Service Fund	-	-	-	21,445	21,445
Total	\$ 153,550	\$ 18,355	\$ 750,000	\$ 21,445	\$ 943,350

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. Transfers from the General Fund to the Special Revenue Grants Fund were for the General Fund portion of the safety grant overspent costs for \$355. Transfers from the General Fund to the Retirement/Pension Fund were for the General Fund portion of pension contributions for \$750,000. Transfers from the Special Revenue Grants Fund to the General Fund were for FEMA reimbursements due to General Fund for \$153,550. Transfers from the Refuse Enterprise Fund to the Special Revenue Grants Fund were for the City's Refuse Fund contributions for the Safety-Lu Catch Basin grant project for \$18,000. Transfers from the Internal Service Fund to the Nonmajor Governmental Funds were for motor pool charges from the Shop Fund to the Gas Tax Fund for \$21,445.

5. ADVANCES TO FIDUCIARY FUND

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 Advances to the Fiduciary Fund balance at June 30, 2014 amounted to \$1,989,686. This loan will be paid back to the Special Revenue Housing Fund according to a specific formula through the Recognized Obligation Payment Schedule distribution per the State of California Department of Finance (DOF).

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

6. LAND HELD FOR RESALE

Land held for resale is generally acquired for redevelopment through the use of disposition and development agreements. At June 30, 2014, the total land held for resale in the amount of \$5,646,937 is reported in the private purpose trust fund. This included the \$4,233,000 Hotel Site and the \$1,413,937 Garvey Lot held under the Successor Agency to the Former Monterey Park Redevelopment Agency.

7. CAPITAL ASSETS

At June 30, 2014, the capital assets balances for the City are as follows:

	Governmental Activities	Business-Type Activities	Total
Capital Assets, Not Being Depreciated:			
Land	\$ 12,613,500	\$ 499,975	\$ 13,113,475
Construction in progress	1,690,033	595,939	2,285,972
Total Capital Assets, Not Being Depreciated	14,303,533	1,095,914	15,399,447
Capital Assets, Being Depreciated:			
Buildings	30,391,663	285,050	30,676,713
Improvements	11,518,749	39,422,739	50,941,488
Equipment	22,343,178	2,675,555	25,018,733
Infrastructure	28,008,028	10,008,655	38,016,683
Total Capital Assets, Being Depreciated	92,261,618	52,391,999	144,653,617
Less Accumulated Depreciation:			
Buildings	(11,294,860)	(109,971)	(11,404,831)
Improvements	(3,650,781)	(17,834,225)	(21,485,006)
Equipment	(19,859,269)	(2,500,981)	(22,360,250)
Infrastructure	(18,557,281)	(8,629,879)	(27,187,160)
Total Accumulated Depreciation	(53,362,191)	(29,075,056)	(82,437,247)
Total Capital Assets, Being Depreciated, Net	38,899,427	23,316,943	62,216,370
Total Capital Assets, Net	\$ 53,202,960	\$ 24,412,857	\$ 77,615,817

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

7. CAPITAL ASSETS, CONTINUED

Governmental Activities

A summary of changes in capital asset activity for the year ended June 30, 2014 is as follows:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reclassifications</u>	<u>Balance</u> <u>June 30, 2014</u>
Capital Assets, Not Being Depreciated:					
Land	\$ 12,613,500	\$ -	\$ -	\$ -	\$ 12,613,500
Construction in progress	1,443,491	1,622,488	-	(1,375,946)	1,690,033
Total Capital Assets, Not Being Depreciated	14,056,991	1,622,488	-	(1,375,946)	14,303,533
Capital Assets, Being Depreciated:					
Buildings	29,048,150	-	(32,433)	1,375,946	30,391,663
Improvements	10,742,191	776,558	-	-	11,518,749
Equipment	22,510,241	517,935	(684,998)	-	22,343,178
Infrastructure	27,774,862	233,166	-	-	28,008,028
Total Capital Assets, Being Depreciated	90,075,444	1,527,659	(717,431)	1,375,946	92,261,618
Less Accumulated Depreciation:					
Buildings	(10,702,073)	(617,127)	24,340	-	(11,294,860)
Improvements	(3,394,421)	(256,360)	-	-	(3,650,781)
Equipment	(19,222,241)	(1,322,026)	684,998	-	(19,859,269)
Infrastructure	(17,959,713)	(597,568)	-	-	(18,557,281)
Total Accumulated Depreciation	(51,278,448)	(2,793,081)	709,338	-	(53,362,191)
Total Capital Assets, Being Depreciated, Net	38,796,996	(1,265,422)	(8,093)	1,375,946	38,899,427
Total Capital Assets, Net	\$ 52,853,987	\$ 357,066	\$ (8,093)	\$ -	\$ 53,202,960

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

7. CAPITAL ASSETS, CONTINUED

Business-Type Activities

A summary of changes in capital asset activity for the year ended June 30, 2014 is as follows:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Capital Assets, Not Being Depreciated:				
Land	\$ 499,975	\$ -	\$ -	\$ 499,975
Construction in progress	580,359	15,580	-	595,939
Total Capital Assets, Not Being Depreciated	1,080,334	15,580	-	1,095,914
Capital Assets, Being Depreciated:				
Buildings	285,050	-	-	285,050
Improvements	39,163,622	259,117	-	39,422,739
Equipment	2,646,888	59,570	(30,903)	2,675,555
Infrastructure	10,008,655	-	-	10,008,655
Total Capital Assets, Being Depreciated	52,104,215	318,687	(30,903)	52,391,999
Less Accumulated Depreciation:				
Buildings	(104,381)	(5,590)	-	(109,971)
Improvements	(16,757,273)	(1,076,952)	-	(17,834,225)
Equipment	(2,434,562)	(97,322)	30,903	(2,500,981)
Infrastructure	(8,541,239)	(88,640)	-	(8,629,879)
Total Accumulated Depreciation	(27,837,455)	(1,268,504)	30,903	(29,075,056)
Total Capital Assets, Being Depreciated, Net	24,266,760	(949,817)	-	23,316,943
Total Capital Assets, Net	\$ 25,347,094	\$ (934,237)	\$ -	\$ 24,412,857

Depreciation expense of \$4,061,584 was charged to the following functions:

	Governmental Activities	Business-Type Activities	Total
General government	\$ 255,293	\$ -	\$ 255,293
Public safety	1,249,081	-	1,249,081
Community development	8,634	-	8,634
Culture and recreation	569,525	-	569,525
Street and highways	710,548	-	710,548
Water	-	1,176,433	1,176,433
Refuse	-	2,499	2,499
Sewer	-	89,572	89,572
Total	\$ 2,793,081	\$ 1,268,504	\$ 4,061,585

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

8. CAPITALIZED LEASE OBLIGATIONS

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

The assets acquired through capital leases are as follows:

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Machinery and Equipment	\$ 1,771,926	\$ -
Improvements	-	13,631,385
Construction in Progress	-	278,433
	1,771,926	13,909,818
Less: Accumulated Depreciation	(1,771,926)	(4,231,303)
Total	\$ -	\$ 9,678,515

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

<u>Fiscal Year</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
2015	\$ 165,867	\$ 666,109	\$ 831,976
2016	165,867	665,547	831,414
2017	165,867	664,970	830,837
2018	165,867	664,378	830,245
2019	165,867	493,768	659,635
2020-2024	331,742	1,115,665	1,447,407
2025-2029	-	548,664	548,664
2030-2031	-	218,913	218,913
Subtotal	1,161,077	5,038,014	6,199,091
Less amount representing interest	(173,121)	(645,933)	(819,054)
Present Value of Future Minimum Lease Payment	\$ 987,956	\$ 4,392,081	\$ 5,380,037

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

9. LONG-TERM DEBT

Changes in long-term debt for the City for the year ended June 30, 2014 are as follows:

Governmental Activities	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Amount Due Within One Year	Amount Due In More Than One Year
Bonds Payable:						
2004 Taxable Pension Obligation						
Bonds	\$ 15,365,000	\$ -	\$ (475,000)	\$ 14,890,000	\$ 465,000	\$ 14,425,000
Total bonds payable	15,365,000	-	(475,000)	14,890,000	465,000	14,425,000
Loans and Notes Payable						
HUD Section 108 Loans Payable	4,189,000	-	(316,000)	3,873,000	335,000	3,538,000
Library Special Tax Revenue Notes						
Series 2005	1,729,625	-	(320,318)	1,409,307	332,639	1,076,668
Total loans and notes payable	5,918,625	-	(636,318)	5,282,307	667,639	4,614,668
Compensated Absences Payable	4,629,053	724,432	(697,372)	4,656,113	465,611	4,190,502
Claims and Judgments						
Payable (Note 13)	6,570,107	3,611,158	(1,856,934)	8,324,331	3,329,731	4,994,600
Capital Lease Obligations (Note 8)	1,105,804	-	(117,848)	987,956	123,163	864,793
Net Other Postemployment Benefits						
Obligation (Note 12)	11,401,962	2,392,276	(2,570,187)	11,224,051	-	11,224,051
Total Governmental Activities	\$ 44,990,551	\$ 6,727,866	\$ (6,353,659)	\$ 45,364,758	\$ 5,051,145	\$ 40,313,613
Business-Type Activities						
Compensated Absences Payable	\$ 625,587	\$ 95,604	\$ (95,096)	\$ 626,095	\$ 62,558	\$ 563,537
Capital Lease Obligations (Note 8)	4,965,605	-	(573,524)	4,392,081	579,734	3,812,347
Net Other Postemployment Benefits						
Obligation (Note 12)	868,038	198,673	(228,762)	837,949	-	837,949
Total Business-Type Activities	\$ 6,459,230	\$ 294,277	\$ (897,382)	\$ 5,856,125	\$ 642,292	\$ 5,213,833

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities are included as part of the above totals for governmental activities. At June 30, 2014, \$86,158 in compensated absences and \$8,324,331 in claims and judgments of internal service funds are included as part of the totals long-term debt for governmental activities.

Typically, the General Fund has been used to liquidate the liability for claims and judgments, compensated absences, net pension obligation and net other postemployment benefits obligation for the governmental activities.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

9. LONG-TERM DEBT, CONTINUED

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 refund the unfunded liabilities of the City's Safety Plan to the California Public Employees' Retirement System (CALPERS). The City is contractually obligated to appropriate and make payments to CALPERS arising as a result of retirement benefits accruing to members of CALPERS. The City's obligation includes, among others, the requirement to amortize the unfunded accrued actuarial liability over a multi-year period. On June 29, 2004, the City contributed \$17,012,841 of the bond proceeds to CALPERS to fund a portion of the unfunded liability for the Safety Plan that provides retirement benefits to the City's sworn Police Officers and Firefighters. This transaction resulted in a net economic gain of \$3,193,368.

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

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

\$14,890,000

Section 108 Loan Program

In August 2002, the City participated in the U.S. Department of Housing and Urban Development Section 108 Loan Guarantee Program and received note proceeds of \$6,500,000. The City uses the proceeds for the development of the Market Place project. The annual debt service payments are funded through the City's Community Development Block Grant funds. Interest rates range from 1.75% to 6.12%. Interest payments are made semiannually on August 1 and February 1. Principal payments are made on August 1 of each year and continue until the year 2023.

\$3,873,000

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

9. LONG-TERM DEBT, CONTINUED

Library Special Tax Revenue Note Series 2005

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

The note is secured by City's Special Library Tax. Annual Principal and interest payments on the note are expected to require less than 80% of net revenues. The amount of principal and interest outstanding at June 30, 2014 totaled \$1,532,777. Principal and interest paid for the current year is \$383,194 and the net library tax revenue was \$504,246.

\$1,409,307

Total Pension Obligation Bonds, Section 108 Loan Program, and Library Special Tax Revenue Note

\$20,172,307

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

	Pension Obligation Bonds		HUD Section 108 Loan		Library Special Tax		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2015	\$ 465,000	\$ 893,627	\$ 335,000	\$ 217,687	\$ 332,639	\$ 50,556	\$ 2,294,509
2016	455,000	868,015	356,000	198,695	345,433	37,762	2,260,905
2017	450,000	842,589	378,000	178,082	358,719	24,475	2,231,865
2018	445,000	816,057	401,000	155,796	372,516	10,677	2,201,046
2019	440,000	789,820	426,000	131,767	-	-	1,787,587
2020-2024	2,125,000	3,565,565	1,977,000	249,025	-	-	7,916,590
2025-2029	4,490,000	2,679,212	-	-	-	-	7,169,212
2030-2034	6,020,000	1,140,769	-	-	-	-	7,160,769
	<u>\$ 14,890,000</u>	<u>\$ 11,595,654</u>	<u>\$ 3,873,000</u>	<u>\$ 1,131,052</u>	<u>\$ 1,409,307</u>	<u>\$ 123,470</u>	<u>\$ 33,022,483</u>

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

9. LONG-TERM DEBT, CONTINUED

Changes in long-term debt for the Successor Agency for the year ended June 30, 2014 are as follows:

<u>Successor Agency</u>	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2014</u>	<u>Amount Due Within One Year</u>	<u>Amount Due In More Than One Year</u>
Bonds Payable:						
1998 Tax Allocation Revenue Bonds -						
Merged Redevelopment Project	\$ 7,895,000	\$ -	\$ (7,895,000)	\$ -	\$ -	\$ -
2002 Tax Allocation Bonds -						
Atlantic - Garvey Project Redevelopment Project	16,705,000	-	(16,705,000)	-	-	-
2013A Tax Refunding Bonds -						
Atlantic - Garvey Project Redevelopment Project	-	13,825,000	-	13,825,000	1,010,000	12,815,000
2013B Tax Refunding Bonds -						
Merged Redevelopment Project	-	7,080,000	-	7,080,000	440,000	6,640,000
Subtotal	<u>24,600,000</u>	<u>20,905,000</u>	<u>(24,600,000)</u>	<u>20,905,000</u>	<u>1,450,000</u>	<u>19,455,000</u>
Add deferred amounts:						
Bond premium	-	1,234,822	(46,710)	1,188,112	-	1,188,112
Total bonds payable	<u>24,600,000</u>	<u>22,139,822</u>	<u>(24,646,710)</u>	<u>22,093,112</u>	<u>1,450,000</u>	<u>20,643,112</u>
Loans and Notes Payable						
Tax Increment Deferred Loan -						
Atlantic/Garvey Project	7,370,650	1,234,388	-	8,605,038	-	8,605,038
Tax Increment Deferred Loan -						
Merged Project	31,565,542	6,014,029	-	37,579,571	-	37,579,571
Low/Mod Housing Deferred Loans	1,186,222	-	-	1,186,222	-	1,186,222
Total loans and notes payable	<u>40,122,414</u>	<u>7,248,417</u>	<u>-</u>	<u>47,370,831</u>	<u>-</u>	<u>47,370,831</u>
Total Successor Agency	<u>\$ 64,722,414</u>	<u>\$ 29,388,239</u>	<u>\$ (24,646,710)</u>	<u>\$ 69,463,943</u>	<u>\$ 1,450,000</u>	<u>\$ 68,013,943</u>

Tax Allocation Bonds

1998 Tax Allocation Revenue Bonds (Merged Project)

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

The bonds were paid off in a current refunding in December 2013 with the issuance of the Tax Allocation Refunding Bond, Series 2013B. This transaction resulted in a net economic gain of \$517,613.

\$ 0

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

9. LONG-TERM DEBT, CONTINUED

2002 Tax Allocation Revenue Bonds (Atlantic/Garvey Project)

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

The bonds were paid off in a current refunding in December 2013 with the issuance of the Tax Allocation Refunding Bond, Series 2013A. This transaction resulted in a net economic gain of \$811,747.

\$ 0

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 and were issued in denominations of \$1, with interest rates ranging from 3.0% to 5.0%. Interest payments are payable semiannually on September 1 and March 1. Principal payments are made on September 1 of each year and continue until the year 2026.

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

The bonds are secured by a first and prior lien on tax increment revenues, excluding any portion of revenues that are required to be deposited to Rebate Fund. Annual Principal and interest payments on the bonds are expected to require less than 90% of net revenues. The amount of principal and interest outstanding at June 30, 2014 totaled \$18,005,967. Interest paid for the current year is \$117,898 and the net tax increment revenue is collected and withheld by the County of Los Angeles due to the dissolution of the former Redevelopment Agency.

\$ 13,825,000

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

9. LONG-TERM DEBT, CONTINUED

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 issued \$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 and were issued in denominations of \$1, 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.

\$ 7,080,000

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 Rebate Fund. Annual Principal and interest payments on the bonds are expected to require less than 90% of net revenues. The amount of principal and interest outstanding at June 30, 2014 totaled \$9,831,125. Interest paid for the current year is \$61,199 and the net tax increment revenue is collected and withheld by the County of Los Angeles due to the dissolution of the former Redevelopment Agency.

Total Tax Allocation Bonds

\$ 20,905,000

The future debt service requirement on the tax allocation bonds is as follows:

	2013A Atlantic/Garvey Tax Allocation Bond Refunding		2013B Merged Tax Allocation Bond Refunding		Total
	Principal	Interest	Principal	Interest	
2015	\$ 1,010,000	\$ 618,181	\$ 440,000	\$ 322,232	\$ 2,390,413
2016	845,000	330,060	345,000	308,731	1,828,791
2017	875,000	547,506	360,000	292,831	2,075,337
2018	915,000	502,881	380,000	274,331	2,072,212
2019	965,000	455,631	400,000	254,831	2,075,462
2020-2024	5,530,000	1,487,906	2,300,000	947,405	10,265,311
2025-2029	3,685,000	238,802	2,855,000	350,764	7,129,566
	<u>\$ 13,825,000</u>	<u>\$ 4,180,967</u>	<u>\$ 7,080,000</u>	<u>\$ 2,751,125</u>	<u>\$ 27,837,092</u>

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

9. LONG-TERM DEBT, 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 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.

\$ 8,605,038

Tax Increment Deferred Loan - (Merged Project)

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

\$ 37,579,571

Arbitrage

The Tax Reform Act of 1986 substantially revised the treatment to be afforded to arbitrage earnings on invested bond proceeds and now requires the Successor Agency to remit excess arbitrage earnings to the Internal Revenue Service. Certain of the Agency's debt and interest earned on the proceeds thereon fall under the requirements of the act. The Successor Agency has made the necessary arbitrage rebate calculations. As of June 30, 2014, the Successor Agency incurred no rebate liability for its bonds.

Low/Mod Housing Deferred Loans

State law required former redevelopment agencies to set aside 20 percent 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 percent set aside requirements. On February 1, 2012, the commitment was transferred to the Successor Agency due to the dissolution of the 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:

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

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

10. DUE TO OTHER GOVERNMENTAL AGENCIES

In the Special Revenue Grants Fund, an amount equal to the total outstanding balance of the identified loans receivable for the CDBG Residential Rehabilitation Program in the amount of \$48,015, State Earthquake Rehabilitation Assistance (SERA) Program in the amount of \$165,535, the Pacific Housing Corporation loan in the amount of \$223,516, and the Pacific Bridge Loan in the amount of \$376,905, described in Note 3 at June 30, 2014 has been recorded as Due to Other Governmental Agencies. As these notes are repaid, the repayment proceeds must be returned to the applicable government agency.

Due to Other Governmental Agencies	Amount
CDBG Residential Rehabilitation Program	\$ 48,015
State Earthquake Rehabilitation Assistance (SERA) Program	165,535
The Pacific Housing Corporation Loan	223,516
The Pacific Bridge Loan	376,905
Total	\$ 813,971

11. PENSION PLANS

A. Defined Benefit Pension Plans

a. California Public Employees' Retirement System Plan Description

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

Miscellaneous employees contribute 8% and Safety employees contribute 9%, with the exception of new-hire, non-classic employees who will follow the PEPRA retirement formula. The City is required to contribute at an actuarially determined rate; the current rate is 21.676% for non-safety employees, and 25.887% for safety employees, of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by CalPERS.

For fiscal year 2013-2014, the City's and Employees' annual pension cost was \$3,299,755 and \$1,813,699, respectively. The City actually contributed \$5,113,454. The required contribution was determined as part of the June 30, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected annual salary increases from 3.30% to 14.20%, depending on Age, Service, and type of employment, and (c) 3.00% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 2.75% and an annual production growth of 0.25%.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

11. PENSION PLANS, CONTINUED

A. Defined Benefit Pension Plans, Continued

a. California Public Employees' Retirement System Plan Description, Continued

The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a 15-year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized as a level percent of projected payroll on a closed basis. The amortization period was 30 years for both miscellaneous plan and safety plan. The average remaining amortization period at June 30, 2011 was 24 years for miscellaneous plan and 30 years for safety plan.

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

The City's changes in net pension asset of the Safety Plan, for the year ended June 30, 2014, were as follows (amounts in thousands):

Annual Required Contribution	\$	3,415
Interest on Beginning Net Pension Assets		(1,511)
Adjustment to the Annual Required Contribution		1,376
Annual Pension Cost		3,280
Contributions Made		3,300
Change in Pension Assets		(20)
Net Pension Assets, Beginning of Year		(19,611)
Net Pension Assets, End of Year	\$	(19,631)

TREND INFORMATION FOR PERS

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

Safety Plan					
Fiscal Year	Annual Pension Cost (APC)	City Contribution	Percentage of APC Contributed	Net Pension Assets	
6/30/2012	\$ 3,879	\$ 4,083	105%	\$	19,324
6/30/2013	3,087	3,374	109%		19,611
6/30/2014	3,280	3,300	101%		19,631
Miscellaneous Plan					
Fiscal Year	Annual Pension Cost (APC)	City Contribution	Percentage of APC Contributed	Net Pension Obligation	
6/30/2012	\$ 1,411	\$ 1,411	100%	\$	-
6/30/2013	1,490	1,490	100%		-
6/30/2014	1,814	1,814	100%		-

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

11. PENSION PLANS, CONTINUED

A. Defined Benefit Pension Plans, Continued

a. California Public Employees' Retirement System Plan Description, Continued

Schedule of Funding Progress (\$ Amount in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Entry Age Normal AAL	Unfunded AAL	Funded Status	Annual Covered Payroll	UAAL as a % of Payroll
	(a)	(b)	[(b)-(a)]	[(a)/(b)]	(c)	{[(b)-(a)]/(c)}
6/30/2013						
Miscellaneous	\$ 71,523	\$ 102,010	\$ (30,487)	70.1%	\$ 10,397	293.2%
Safety	122,235	159,898	(37,663)	76.4%	11,078	340.0%
Total	\$ 193,758	\$ 261,908	\$ (68,150)	74.0%	\$ 21,475	317.3%

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

b. Massachusetts Mutual Retirement Plan (MMRP) – Defined Benefit Plan

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

Miscellaneous employees under the age of 55 joined PERS on April 1, 1976. However, these employees still remain vested under the MMRP and are eligible to receive retirement benefits at the time of retirement. Miscellaneous employees over the age of 55 (on or before April 1, 1976) could not participate in PERS and remain wholly in the MMRP. The MMRP was amended in 1976 to provide equivalent retirement benefits to all miscellaneous employees, whether totally vested in PERS, totally vested in the MMRP or partially vested in both plans. Eligibility requirements for the MMRP are the same as those for PERS. There are 68 individuals in the plan, all of whom are no longer employed by the City or are currently participating in PERS. The City's payroll for employees covered by the MMRP for the year ended June 30, 2014 was zero. The City does not issue a publicly available financial report for the MMRP.

Funding Policy

MMRP is a contributory plan deriving funds from employee contributions as well as from employer contributions and earnings from investments. Employer contributions were based upon the actuarial methods and assumptions and there were no current year employee contributions required. The annual required contribution for the current year was determined as part of the June 30, 2013 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 4.75% a year compounded annually; (b) 3% inflation; and (c) 2% a year for postretirement benefit increases.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

11. PENSION PLANS, CONTINUED

A. Defined Benefit Pension Plans, Continued

b. Massachusetts Mutual Retirement Plan (MMRP) – Defined Benefit Plan, Continued

The Annual Required Contribution (ARC) is the sum of the normal cost and amortization of the unfunded actuarial liability over a period not to exceed 30 years. The unfunded actuarial accrued liability is being amortized as a level dollar on a closed basis. The City uses a 7.5-year amortization to calculate the required annual contributions.

Annual Required Contribution	\$	900,000
Interest on Beginning Net Pension Assets		36,000
Adjustment to the Annual Required Contribution		(122,000)
Annual Pension Cost		814,000
Contributions Made		(900,000)
Change in Pension Liability		(86,000)
Net pension obligation, beginning of year		755,800
Net pension obligation, end of year	\$	<u>669,800</u>

TREND INFORMATION FOR MMRP

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

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>City Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2012	\$ 797	\$ 843	106%	\$ 842
6/30/2013	755	841	111%	756
6/30/2014	814	900	111%	670

Schedule of Funding Progress (\$ Amount in Thousands)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Entry Age Normal AAL</u>	<u>Unfunded AAL</u>	<u>Funded Status</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
	(a)	(b)	[(b)-(a)]	[(a)/(b)]	(c)	{[(b)-(a)]/(c)}
6/30/2013	\$ 2,033	\$ 7,500	\$ (5,467)	27.1%	\$ -	N/A

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

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

11. PENSION PLANS, CONTINUED

B. *Defined Contribution Pension Plan*

Monterey Park Part-Time Retirement Plan

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

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

Part-time, nonbenefited, nonpersable employees of the City must participate in the plan. During 2013-14, 196 part-time employees participated in the plan. All contributions to the plan vest immediately. An employee who leaves the City is entitled to all contributions, including contributions made by the City, and earnings applied to the individual's account through the date of separation, less legally required income tax withholding. Participants that become full-time employees and enter the PERS retirement plan will have the amount in their individual accounts transferred from this plan into a Section 457, Deferred Compensation Plan, subject to all the rules governing Section 457 plans, including substantial penalties for withdrawal prior to the age of normal retirement. Contribution levels into the deferred compensation plan were established by City Council resolution at 4% and 3.5% for the City and nonbenefited, nonpersable part-time employees, respectively.

During the year, total required and actual contributions amounted to \$75,666 and covered payroll for the year ended June 30, 2014 totaled \$1,008,875. The City contributed \$40,355 (4% of current covered payroll) and employees contributed \$35,311 (3.5% of current covered payroll). Total plan assets at June 30, 2014 were \$711,597. Plan assets are held in trust for the exclusive benefit of participants and their beneficiaries and, therefore, are not included in the financial statements.

12. OTHER POST EMPLOYMENT BENEFITS

The City provides retiree healthcare benefits for employees who retire with CalPERS pension benefits immediately upon termination of employment from the City. The City's plan is a single-employer plan. 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.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

12. OTHER POST EMPLOYMENT BENEFITS, CONTINUED

The City elected to use the entry age normal cost method with unfunded liabilities amortized over 30 years, and continues to fund on a pay-as-you-go basis.

Funding Policy

The contribution requirements are established and amended by the City. The contribution is based on pay-as-you-go financing requirements. For fiscal year 2013-2014, the City contributed \$1,500,000 to the irrevocable trust and \$1,298,949 as the pay-as-you-go portion. The breakdown is as follows:

Police	\$ 1,035,611
Fire	447,832
Miscellaneous	1,315,506
Total	\$ 2,798,949

Annual OPEB Cost and Net OPEB Obligation

The City's annual Other Postemployment Benefit (OPEB) cost is calculated base on the *Annual Required Contribution of the Employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excesses) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB Obligation to the Plan.

	Governmental Activities	Business-Type Activities	Total
Annual Required Contribution	\$ 2,229	\$ 193	\$ 2,422
Interest on Beginning Net OPEB Obligation	827	63	890
Adjustment to the Annual Required Contribution	(663)	(58)	(721)
Annual OPEB Cost	2,392	199	2,591
Contributions Made to Irrevocable Trust	(1,500)	-	(1,500)
Contributions Made Outside of a Trust	(1,070)	(229)	(1,299)
Change in Net OPEB Obligation	(178)	(30)	(208)
Net OPEB Obligation, Beginning of Year	11,402	868	12,270
Net OPEB Obligation, End of Year	\$ 11,224	\$ 838	\$ 12,062

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 plus the two preceding years were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
6/30/2012	\$ 3,708	38.84%	\$ 9,911
6/30/2013	3,651	35.39%	11,402
6/30/2014	2,591	108.03%	12,062

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

12. OTHER POST EMPLOYMENT BENEFITS, CONTINUED

Funded Status and Funding Progress

As of June 30, 2013, the Actuarial Accrued Liability for benefits was \$29,054,000, and the actuarial value of assets was \$0, resulting in an UAAL of \$29,054,000. The covered payroll (annual payroll of active employees covered by the plan) was \$19,901,000 and the ratio of UAAL to the covered payroll was 146 percent.

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

Actuarial Methods and Assumptions

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

For June 30, 2013 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions include a 7.25% discount rate, 3.00% inflation rate, and an annual healthcare cost trend rate of 8.3% initially and reduced by decrements of 0.5% to an ultimate rate of 5.0% thereafter. The UAAL is being amortized as level percentage of future payroll on a 30 year closed amortization period.

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 \$100 million per occurrence. The City retains the risk for the first \$300,000 of each General Liability and Auto Liability claim and is a member of the Independent Cities Risk Management Authority for coverage up to \$30 million per occurrence. The City also purchases commercial insurance for other risks of loss, including property loss, emergency vehicle physical damage and special events.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

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 Funds. These funds also include an estimate for incurred but not reported claims.

At June 30, 2014, total estimated claims payable were as follows:

General Liability	\$ 1,692,129
Workers' Compensation	<u>6,632,202</u>
Total	<u><u>\$ 8,324,331</u></u>

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

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

	2014	2013	2012
Claims liabilities - beginning balance	\$ 6,570,107	\$ 6,584,387	\$ 5,991,491
Incurred claims, representing the total of a provision for events of the current fiscal year and any change in the provision for events of prior fiscal years	3,611,158	2,379,896	1,986,304
Payments on claims attributable to events of both the current fiscal year and prior fiscal years	<u>(1,856,934)</u>	<u>(2,394,176)</u>	<u>(1,393,408)</u>
Claims liabilities - ending balance	<u><u>\$ 8,324,331</u></u>	<u><u>\$ 6,570,107</u></u>	<u><u>\$ 6,584,387</u></u>

14. DEFICITS AND BUDGET OVERAGES

Fund Financial Statements

At June 30, 2014, deficit net position was reported for the Workers' Compensation Internal Service Fund in the amount of \$(3,612,343). City management intends to eliminate the deficit net position of the Workers' Compensation Funds over time by increased charges to City departments, and making transfers from excess in other internal service funds. City management believes the present cash position of this fund is adequate to meet current needs.

At June 30, 2014, deficit net position was reported for the Successor Agency Private-Purpose Trust Fund in the amount of \$(58,510,220). The deficit is expected to be eliminated with future payments from the Redevelopment Property Tax Trust Fund to the Successor Agency for its long-term debt.

Expenditures exceeded appropriations in the Proposition A Special Revenue Fund by \$17,808 due to additional transit expenditures. Expenditures exceeded appropriations in the Public Safety Augmentation Special Revenue Fund by \$56,527 due to receipt of additional tax revenues for expenditures. Expenditures exceeded appropriations in the Measure R Special Revenue Fund by \$43,057 due to additional street repair costs.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

15. FUND BALANCE CLASSIFICATIONS

	Major Funds					Total
	General	Special Revenue			Nonmajor Funds	
		Grants	Retirement/ Pension	Housing		
Nonspendable:						
Advances to Fiduciary Fund	\$ -	\$ -	\$ -	\$ 1,989,686	\$ -	\$ 1,989,686
Total nonspendable	-	-	-	1,989,686	-	1,989,686
Restricted:						
Housing	-	-	-	684,319	-	684,319
Highways and streets	-	414,487	-	-	-	414,487
Public safety	-	226,407	-	-	183,634	410,041
Economic development	-	584,537	-	-	-	584,537
Other capital projects under \$300,000 in aggregate	-	290,817	-	-	-	290,817
Retirement	-	-	7,842,427	-	-	7,842,427
OPA Proposition A	-	-	-	-	1,897,431	1,897,431
State Gas Tax	-	-	-	-	1,970,677	1,970,677
Proposition C	-	-	-	-	781,716	781,716
Air Quality Improvement	-	-	-	-	214,857	214,857
Asset forfeiture	-	-	-	-	559,713	559,713
Business Improvement Area #1	-	-	-	-	204,492	204,492
Maintenance District 93-1	-	-	-	-	180,835	180,835
Measure R	-	-	-	-	1,236,943	1,236,943
Library tax	-	-	-	-	176,263	176,263
Total restricted	-	1,516,248	7,842,427	684,319	7,406,561	17,449,555
Committed:						
Unemployment claims	340,000	-	-	-	-	340,000
Catastrophic event	2,000,000	-	-	-	-	2,000,000
Working capital	3,000,000	-	-	-	-	3,000,000
Economic development	1,833,519	-	-	-	-	1,833,519
Pension	-	-	615,237	-	-	615,237
Park facilities	-	-	-	-	67,397	67,397
CERCLA Liability	-	-	-	-	813,577	813,577
Total committed	7,173,519	-	615,237	-	880,974	8,669,730
Assigned:						
City capital improvements	9,321,463	-	-	-	-	9,321,463
Total assigned	9,321,463	-	-	-	-	9,321,463
Unassigned:						
General Fund	3,554,425	-	-	-	-	3,554,425
Total unassigned	3,554,425	-	-	-	-	3,554,425
Total	\$ 20,049,407	\$ 1,516,248	\$ 8,457,664	\$ 2,674,005	\$ 8,287,535	\$ 40,984,859

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

16. PRIOR PERIOD ADJUSTMENT

The City and the Successor Agency implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* during the year ended June 30, 2014. Bond issuance costs are recognized as expenses in the year they are incurred. Prior to the implementation, these items were deferred and amortized over the life of the existing debt. The unamortized deferred charges on bond issuance costs at July 1, 2013 were in the amounts of \$274,498 and \$482,499 for the City’s governmental activities and the Successor Agency, respectively. The beginning net position at July 1, 2013 was restated as follows:

	Governmental Activities	Successor Agency
Net Position at July 1, 2013	\$ 79,989,046	\$ (52,932,973)
Bond Issuance Costs	(274,498)	(482,499)
Net Position at July 1, 2013, as Restated	\$ 79,714,548	\$ (53,415,472)

17. CONTINGENCIES

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

As of June 30, 2014, in the opinion of City management, there were no additional outstanding matters that would have a significant effect on the financial position of the funds of the City.

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2014

18. SETTLEMENT PAYABLE

Atlantic Times Square – Mezzanine Loan

There are provisions within the agreement with the developer suggesting that the former Redevelopment Agency may be obligated to provide millions of dollars of subsidies to the Atlantic Times Square development. Uncertainty regarding whether the former Redevelopment Agency is actually obligated to provide subsidies, and how much, arises from a determination issued by the Department of Industrial Relations (DIR) in June 2010. That determination was appealed by the former Redevelopment Agency. On August 26, 2011, the DIR upheld its previous 2010 determination and denied the former Redevelopment Agency's appeal. The former Redevelopment Agency filed a lawsuit in Superior Court to overturn the DIR's determination on October 19, 2011. The former Redevelopment Agency was also subject to enforcement action from the Division of Labor Standards Enforcement (DLSE) for unpaid prevailing wages on the development project. After the dissolution of the former Redevelopment Agency, the developer and the Successor Agency entered into escrow agreement on July 23, 2012. Then on July 26, 2012, the Successor Agency deposited \$9,900,000 to the escrow account. On September 18 and 19, 2012, the Successor Agency entered into a settlement agreement with the DLSE and the developer, respectively, which resolved all outstanding issues. Pursuant to the settlement agreement, 1) the Mezzanine Loan in the amount of \$5,850,000 was converted to a grant and was no longer owed to the Successor Agency and 2) the Successor Agency paid \$476,650 to DLSE, \$5,400,000 to the developer for costs related to the Atlantic Times Square project, and up to \$600,000 to the developer for settlement of the dispute from the escrow account. The remaining settlement to the Successor Agency is estimated to be \$3,370,000 and will be retained in escrow until November 30, 2014 upon expiration of the applicable statute of limitations for others to file a claim regarding the project, less any claims filed before such expiration. The DOF approved the settlement agreement on November 21, 2012 and agreed that up to \$3,370,000 will be available for distribution to the taxing entities after the retention period ends in November 2014. The estimated settlement in the amount of \$4,028,540 is reported as settlement payable at June 30, 2014 in the Private Purpose Trust Fund.

19. SUBSEQUENT EVENTS

Lease-Purchase Agreement

On September 23, 2014, the City (Lessee) and the Siemens Public, Inc. (Lessor) signed into a Lease-Purchase Agreement for an amount of \$10,511,901. The City will use the monies for energy efficiency improvements throughout city parks, facilities and infrastructure. The term of the agreement is 15 years, commencing on September 23, 2014 through June 23, 2030, at an interest rate of 2.80%. The entire program is cost neutral, and transactions will occur within the General Fund and Water Fund.

New Accounting Pronouncements

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)*. This Statement establishes standards for measuring and recognizing liabilities, deferred outflow of resources, deferred inflows of resources, and expense/expenditures for pension plans. This Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Management is evaluating the impact of the adoption of this Standard on the financial statements and believes that its impact, when adopted, may be substantial to the City. GASB Statement No. 68 will be implemented effective with the fiscal year 2014-2015 financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited)
Schedules of Funding Progress (\$ Amount in Thousands)
June 30, 2014

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

Actuarial Valuation Date	Actuarial Asset Value (a)	Entry Age Actuarial Accrued Liability (b)	Unfunded AAL (UAAL) [(b) - (a)]	Funded Ratio [(a)/(b)]	Covered Payroll (c)	UAAL as a % of Covered Payroll {(b)-(a)/(c)}
06/30/11						
Misc.	\$ 73,683	\$ 93,613	\$ 19,930	78.7%	\$ 11,054	180.3%
Safety	129,889	149,020	19,131	87.2%	11,592	165.0%
Total	\$ 203,572	\$ 242,633	\$ 39,061	83.9%	\$ 22,646	172.5%
06/30/12						
Misc.	\$ 77,380	\$ 97,151	\$ 19,771	79.6%	\$ 10,883	181.7%
Safety	134,017	154,338	20,321	86.8%	11,020	184.4%
Total	\$ 211,397	\$ 251,489	\$ 40,092	84.1%	\$ 21,903	183.0%
06/30/13						
Misc.	\$ 71,523	\$ 102,010	\$ 30,487	70.1%	\$ 10,397	293.2%
Safety	122,235	159,898	37,663	76.4%	11,078	340.0%
Total	\$ 193,758	\$ 261,908	\$ 68,150	74.0%	\$ 21,475	317.3%

2. Massachusetts Mutual Retirement Plan (MMRP):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability (b)	Unfunded AAL (UAAL) [(b) - (a)]	Funded Ratio [(a)/(b)]	Covered Payroll (c)	UAAL as a % of Covered Payroll {(b)-(a)/(c)}
7/01/10	\$ 1,349	\$ 7,485	\$ 6,136	18.0%	\$ -	N/A
7/01/12	1,599	7,106	5,507	22.5%	-	N/A
6/30/13	2,033	7,500	5,467	27.1%	-	N/A

3. Other Post Employment Benefit (OPEB) Plan:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability (b)	Unfunded AAL (UAAL) [(b) - (a)]	Funded Ratio [(a)/(b)]	Covered Payroll (c)	UAAL as a % of Covered Payroll {(b)-(a)/(c)}
7/01/09	\$ -	\$ 49,150	\$ 49,150	0.0%	\$ 22,667	216.84%
7/01/11	-	50,185	50,185	0.0%	20,486	244.97%
6/30/13	-	29,054	29,054	0.0%	19,901	145.99%

CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited), Continued
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2014

	General Fund			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 24,948,500	\$ 24,948,500	\$ 26,021,013	\$ 1,072,513
Licenses and permits	1,076,000	1,076,000	848,949	(227,051)
Charges for services	4,280,794	4,280,794	4,377,053	96,259
Revenues from use of money and property	524,758	524,758	742,570	217,812
Fines and forfeitures	780,000	780,000	658,713	(121,287)
Other	627,152	627,152	731,773	104,621
Total Revenues	<u>32,237,204</u>	<u>32,237,204</u>	<u>33,380,071</u>	<u>1,142,867</u>
Expenditures:				
Current:				
General government	2,520,451	2,920,451	2,754,442	166,009
Public safety	21,469,032	21,469,032	21,075,082	393,950
Community development	1,605,561	1,605,561	1,552,940	52,621
Culture and recreation	5,782,229	5,782,229	4,804,080	978,149
Highways and streets	606,643	606,643	677,141	(70,498)
Capital outlay	<u>3,788,062</u>	<u>3,788,062</u>	<u>2,257,496</u>	<u>1,530,566</u>
Total Expenditures	<u>35,771,978</u>	<u>36,171,978</u>	<u>33,121,181</u>	<u>3,050,797</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (3,534,774)</u>	<u>\$ (3,934,774)</u>	<u>258,890</u>	<u>\$ 4,193,664</u>
Other Financing Sources (Uses):				
Transfers in			153,550	
Transfers out			(750,355)	
Proceeds from sale of property			<u>5,477</u>	
Total Other Financing Sources			<u>(591,328)</u>	
Net Change in Fund Balance			(332,438)	
Fund Balance, Beginning of Year			<u>20,381,845</u>	
Fund Balance, End of Year			<u>\$ 20,049,407</u>	

CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited), Continued
Special Revenue Grants Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2014

	Special Revenue Grants Fund			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 1,507,847	\$ 2,373,761	\$ 2,035,035	\$ (338,726)
Charges for services	-	-	2,561	2,561
Revenues from use of money and property	-	-	109,728	109,728
Total Revenues	<u>1,507,847</u>	<u>2,373,761</u>	<u>2,147,324</u>	<u>(226,437)</u>
Expenditures:				
Current:				
Public safety	112,711	226,859	278,553	(51,694)
Community development	657,797	699,947	375,747	324,200
Culture and recreation	212,574	214,574	193,215	21,359
Highways and streets	33,702	33,702	83,963	(50,261)
Capital outlay	797,521	2,114,960	356,653	1,758,307
Debt service:				
Principal retirement	433,848	433,848	433,848	-
Interest and fiscal charges	235,140	235,140	235,140	-
Total Expenditures	<u>2,483,293</u>	<u>3,959,030</u>	<u>1,957,119</u>	<u>2,001,911</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (975,446)</u>	<u>\$ (1,585,269)</u>	190,205	<u>\$ 1,775,474</u>
Other Financing Sources (Uses):				
Transfers in			18,355	
Transfers out			<u>(153,550)</u>	
Total Other Financing Uses			<u>(135,195)</u>	
Net Change in Fund Balance			55,010	
Fund Balance, Beginning of Year			<u>1,461,238</u>	
Fund Balance, End of Year			<u>\$ 1,516,248</u>	

CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited), Continued
Special Revenue Retirement/Pension Liability Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2014

	Special Revenue Retirement/Pension Liability			
	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual	
Revenues:				
Taxes	\$ 5,668,000	\$ 5,668,000	\$ 5,143,377	\$ (524,623)
Revenues from use of money and property	-	-	10	10
Total Revenues	<u>5,668,000</u>	<u>5,668,000</u>	<u>5,143,387</u>	<u>(524,613)</u>
Expenditures:				
Current:				
General government	1,119,228	1,119,228	1,104,685	14,543
Public safety	3,478,023	3,478,023	3,373,368	104,655
Community development	245,210	245,210	223,231	21,979
Culture and recreation	451,614	451,614	455,702	(4,088)
Highways and streets	39,145	39,145	35,561	3,584
Debt service:				
Principal retirement	475,000	475,000	475,000	-
Interest and fiscal charges	919,315	919,315	919,315	-
Total Expenditures	<u>6,727,535</u>	<u>6,727,535</u>	<u>6,586,862</u>	<u>140,673</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,059,535)</u>	<u>(1,059,535)</u>	<u>(1,443,475)</u>	<u>(383,940)</u>
Other Financing Sources (Uses):				
Transfers in	250,000	750,000	750,000	-
Total Other Financing Uses	<u>250,000</u>	<u>750,000</u>	<u>750,000</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (809,535)</u>	<u>\$ (309,535)</u>	<u>(693,475)</u>	<u>\$ (383,940)</u>
Fund Balance, Beginning of Year			<u>9,151,139</u>	
Fund Balance, End of Year			<u>\$ 8,457,664</u>	

CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited), Continued
Special Revenue Housing Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2014

	Special Revenue Housing			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Revenues from use of money and property	\$ -	\$ -	\$ 62,086	\$ 62,086
Other	-	-	36,017	36,017
Total Revenues	-	-	98,103	98,103
Expenditures:				
Current:				
Community development	178,000	178,000	98,263	79,737
Total Expenditures	178,000	178,000	98,263	79,737
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (178,000)</u>	<u>\$ (178,000)</u>	(160)	<u>\$ 177,840</u>
Fund Balance, Beginning of Year			2,674,165	
Fund Balance, End of Year			<u>\$ 2,674,005</u>	

CITY OF MONTEREY PARK
Notes to Required Supplementary Information (Unaudited)
June 30, 2014

Budgetary Control and Accounting

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

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

Appropriated amounts are as originally adopted or as adjusted by the City Council throughout the year. During the 2013-2014, the City Council approved a \$500,000 additional General Fund budgetary appropriation to supplement pension costs, and a \$1,475,737 increase in the Special Revenue Grants Fund related to various grants received during the year.

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, 2014, based on calculations by City Management, proceeds of taxes did not exceed the appropriations limit.

SUPPLEMENTARY INFORMATION

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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.

Bike Route Fund - used to account for expenditures financed by State Transportation Development Act Article 3 funds for bike route and pedestrian facilities improvements.

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.

Park Facilities Fund - used to account for the acquisition and development of parks that are financed by developer fees, established pursuant to Monterey Park Municipal Code Section 16.54.050.

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.

Public Safety Impact Fee 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.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS, *Continued*

Library Tax Fund - used to account for annual parcel tax which was approved by the electorate in April of 1998 (Proposition C). The funds are to be exclusively used for Bruggemeyer Library improvements, expansion of operating hours, and additional books and supplies.

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).

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CITY OF MONTEREY PARK
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2014

	Special Revenue Funds				
	Proposition A	Gas Tax	Bike Route	Proposition C	Air Quality Improvement
<u>Assets</u>					
Cash and investments	\$ 1,935,530	\$ 2,081,027	\$ 30,000	\$ 892,290	\$ 214,341
Accounts receivable	-	-	-	-	-
Interest receivable	4,642	4,909	-	1,910	516
Total Assets	<u>\$ 1,940,172</u>	<u>\$ 2,085,936</u>	<u>\$ 30,000</u>	<u>\$ 894,200</u>	<u>\$ 214,857</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 31,907	\$ 97,610	\$ 30,000	\$ 112,484	\$ -
Accrued payroll	10,834	17,649	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	<u>42,741</u>	<u>115,259</u>	<u>30,000</u>	<u>112,484</u>	<u>-</u>
Fund Balances:					
Restricted	1,897,431	1,970,677	-	781,716	214,857
Committed	-	-	-	-	-
Total Fund Balances	<u>1,897,431</u>	<u>1,970,677</u>	<u>-</u>	<u>781,716</u>	<u>214,857</u>
Total Liabilities and Fund Balances	<u>\$ 1,940,172</u>	<u>\$ 2,085,936</u>	<u>\$ 30,000</u>	<u>\$ 894,200</u>	<u>\$ 214,857</u>

CITY OF MONTEREY PARK
Combining Balance Sheet - Nonmajor Governmental Funds, Continued
June 30, 2014

	Special Revenue Funds				
	Asset Forfeiture	Park Facilities	Business Improvement Area #1	Maintenance District 93-1	Public Safety Impact Fee
<u>Assets</u>					
Cash and investments	\$ 582,372	\$ 67,397	\$ 222,986	\$ 193,505	\$ 184,508
Accounts receivable	10,997	-	-	12,296	-
Interest receivable	1,337	-	497	-	-
Total Assets	<u>\$ 594,706</u>	<u>\$ 67,397</u>	<u>\$ 223,483</u>	<u>\$ 205,801</u>	<u>\$ 184,508</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 34,993	\$ -	\$ 18,991	\$ 18,617	\$ 743
Accrued payroll	-	-	-	6,349	131
Due to other funds	-	-	-	-	-
Total Liabilities	<u>34,993</u>	<u>-</u>	<u>18,991</u>	<u>24,966</u>	<u>874</u>
Fund Balances:					
Restricted	559,713	-	204,492	180,835	183,634
Committed	-	67,397	-	-	-
Total Fund Balances	<u>559,713</u>	<u>67,397</u>	<u>204,492</u>	<u>180,835</u>	<u>183,634</u>
Total Liabilities and Fund Balances	<u>\$ 594,706</u>	<u>\$ 67,397</u>	<u>\$ 223,483</u>	<u>\$ 205,801</u>	<u>\$ 184,508</u>

(Continued)

CITY OF MONTEREY PARK
Combining Balance Sheet - Nonmajor Governmental Funds, Continued
June 30, 2014

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Public Safety Augmentation	Measure R	Library Tax	CERCLA Liability	
<u>Assets</u>					
Cash and investments	\$ -	\$ 1,269,807	\$ 175,742	\$ 811,590	\$ 8,661,095
Accounts receivable	162,837	-	7,238	-	193,368
Interest receivable	-	3,018	420	1,987	19,236
Total Assets	<u>\$ 162,837</u>	<u>\$ 1,272,825</u>	<u>\$ 183,400</u>	<u>\$ 813,577</u>	<u>\$ 8,873,699</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	-	33,652	4,073	-	\$ 383,070
Accrued payroll	-	2,230	3,064	-	40,257
Due to other funds	162,837	-	-	-	162,837
Total Liabilities	<u>162,837</u>	<u>35,882</u>	<u>7,137</u>	<u>-</u>	<u>586,164</u>
Fund Balances:					
Restricted	-	1,236,943	176,263	-	7,406,561
Committed	-	-	-	813,577	880,974
Total Fund Balances	<u>-</u>	<u>1,236,943</u>	<u>176,263</u>	<u>813,577</u>	<u>8,287,535</u>
Total Liabilities and Fund Balances	<u>\$ 162,837</u>	<u>\$ 1,272,825</u>	<u>\$ 183,400</u>	<u>\$ 813,577</u>	<u>\$ 8,873,699</u>

CITY OF MONTEREY PARK
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended June 30, 2014

Special Revenue Funds

	Proposition A	Gas Tax	Bike Route	Proposition C	Air Quality Improvement
Revenues:					
Taxes	\$ 1,152,684	\$ 1,952,543	\$ 30,000	\$ 866,913	\$ 56,358
Charges for services	85,896	-	-	-	-
Revenues from use of money and property	7,043	6,965	-	2,958	757
Fines and forfeitures	-	-	-	-	-
Total Revenues	1,245,623	1,959,508	30,000	869,871	57,115
Expenditures:					
Current:					
Public safety	-	-	-	-	-
Community development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Highways and streets	1,033,851	1,396,385	-	816,884	23,674
Health	-	-	-	-	-
Capital outlay	3,104	-	30,000	14,473	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	1,036,955	1,396,385	30,000	831,357	23,674
Excess (Deficiency) of Revenues Over Expenditures	208,668	563,123	-	38,514	33,441
Other Financing Sources:					
Transfers in	-	21,445	-	-	-
Proceeds from sale of property	5,675	-	-	-	-
Total Other Financing Sources	5,675	21,445	-	-	-
Net Changes in Fund Balances	214,343	584,568	-	38,514	33,441
Fund Balances, Beginning of Year	1,683,088	1,386,109	-	743,202	181,416
Fund Balances, End of Year	\$ 1,897,431	\$ 1,970,677	\$ -	\$ 781,716	\$ 214,857

CITY OF MONTEREY PARK
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds, Continued
For the Year Ended June 30, 2014

	Special Revenue Funds				
	Asset Forfeiture	Park Facilities	Business Improvement Area #1	Maintenance District 93-1	Public Safety Impact Fee
Revenues:					
Taxes	\$ -	\$ -	\$ 62,180	\$ 987,761	\$ -
Charges for services	-	60,065	-	-	273,278
Revenues from use of money and property	2,155	-	818	-	59
Fines and forfeitures	273,005	-	-	-	-
Total Revenues	275,160	60,065	62,998	987,761	273,337
Expenditures:					
Current:					
Public safety	206,160	-	-	-	78,302
Community development	-	-	94,918	-	-
Culture and recreation	-	-	-	-	-
Highways and streets	-	-	-	1,009,677	-
Health	-	-	-	-	-
Capital outlay	122,955	-	-	-	49,024
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	329,115	-	94,918	1,009,677	127,326
Excess (Deficiency) of Revenues Over Expenditures	(53,955)	60,065	(31,920)	(21,916)	146,011
Other Financing Sources:					
Transfers in	-	-	-	-	-
Proceeds from sale of property	5,598	-	-	-	-
Total Other Financing Sources	5,598	-	-	-	-
Net Changes in Fund Balances	(48,357)	60,065	(31,920)	(21,916)	146,011
Fund Balances, Beginning of Year	608,070	7,332	236,412	202,751	37,623
Fund Balances, End of Year	\$ 559,713	\$ 67,397	\$ 204,492	\$ 180,835	\$ 183,634

(Continued)

CITY OF MONTEREY PARK
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Nonmajor Governmental Funds, Continued
For the Year Ended June 30, 2014

	Special Revenue Funds				Total
	Public Safety Augmentation	Measure R	Library Tax	CERCLA Liability	
Revenues:					
Taxes	636,527	645,544	504,246	-	\$ 6,894,756
Charges for services	-	-	-	124,130	543,369
Revenues from use of money and property	-	4,523	652	3,045	28,975
Fines and forfeitures	-	-	-	-	273,005
Total Revenues	636,527	650,067	504,898	127,175	7,740,105
Expenditures:					
Current:					
Public safety	636,527	-	-	-	920,989
Community development	-	-	-	-	94,918
Culture and recreation	-	-	134,724	-	134,724
Highways and streets	-	595,376	-	-	4,875,847
Health	-	-	-	120,000	120,000
Capital outlay	-	118,252	5,485	-	343,293
Debt service:					
Principal retirement	-	-	320,318	-	320,318
Interest and fiscal charges	-	-	62,876	-	62,876
Total Expenditures	636,527	713,628	523,403	120,000	6,872,965
Excess (Deficiency) of Revenues Over Expenditures	-	(63,561)	(18,505)	7,175	867,140
Other Financing Sources:					
Transfers in	-	-	-	-	21,445
Proceeds from sale of property	-	-	-	-	11,273
Total Other Financing Sources	-	-	-	-	32,718
Net Changes in Fund Balances	-	(63,561)	(18,505)	7,175	899,858
Fund Balances, Beginning of Year	-	1,300,504	194,768	806,402	7,387,677
Fund Balances, End of Year	\$ -	\$ 1,236,943	\$ 176,263	\$ 813,577	\$ 8,287,535

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Proposition A Fund
For the Year Ended June 30, 2014

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 1,060,000	\$ 1,152,684	\$ 92,684
Charges for services	116,759	85,896	(30,863)
Revenues from use of money and property	4,500	7,043	2,543
Total Revenues	1,181,259	1,245,623	64,364
Expenditures:			
Current:			
Highways and streets	1,019,147	1,033,851	(14,704)
Capital outlay	-	3,104	(3,104)
Total Expenditures	1,019,147	1,036,955	(17,808)
Excess (Deficiency) of Revenues Over Expenditures	\$ 162,112	208,668	\$ 46,556
Other Financing Sources:			
Proceeds from sale of property		5,675	
Net Change in Fund Balance		214,343	
Fund Balance, Beginning of Year		1,683,088	
Fund Balance, End of Year		\$ 1,897,431	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Gas Tax Fund
For the Year Ended June 30, 2014

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 1,761,500	\$ 1,952,543	\$ 191,043
Revenues from use of money and property	1,200	6,965	5,765
Total Revenues	1,762,700	1,959,508	196,808
Expenditures:			
Current:			
Highways and streets	1,541,578	1,396,385	145,193
Total Expenditures	1,541,578	1,396,385	145,193
Excess (Deficiency) of Revenues Over Expenditures	\$ 221,122	563,123	\$ 342,001
Other Financing Sources:			
Transfers in		21,445	
Net Change in Fund Balance		584,568	
Fund Balance, Beginning of Year		1,386,109	
Fund Balance, End of Year		\$ 1,970,677	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Bike Route Fund
For the Year Ended June 30, 2014

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 49,795	\$ 30,000	\$ (19,795)
Expenditures:			
Capital outlay	30,000	30,000	-
Excess (Deficiency) of Revenues Over Expenditures	\$ 19,795	-	\$ (19,795)
Fund Balance, Beginning of Year		-	
Fund Balance, End of Year		\$ -	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Proposition C Fund
For the Year Ended June 30, 2014

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 861,000	\$ 866,913	\$ 5,913
Revenues from use of money and property	2,200	2,958	758
Total Revenues	863,200	869,871	6,671
Expenditures:			
Current:			
Highways and streets	850,784	816,884	33,900
Capital outlay	223,228	14,473	208,755
Total Expenditures	1,074,012	831,357	242,655
Excess (Deficiency) of Revenues Over Expenditures	\$ (210,812)	38,514	\$ 249,326
Fund Balance, Beginning of Year		743,202	
Fund Balance, End of Year		\$ 781,716	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Air Quality Improvement Fund
For the Year Ended June 30, 2014

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 74,000	\$ 56,358	\$ (17,642)
Revenues from use of money and property	300	757	457
Total Revenues	74,300	57,115	(17,185)
 Expenditures:			
Current:			
Highways and streets	28,500	23,674	4,826
Total Expenditures	28,500	23,674	4,826
 Excess (Deficiency) of Revenues Over Expenditures	\$ 45,800	33,441	\$ (12,359)
 Fund Balance, Beginning of Year		181,416	
Fund Balance, End of Year		\$ 214,857	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Asset Forfeiture Fund
For the Year Ended June 30, 2014

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Revenues from use of money and property	\$ 2,500	\$ 2,155	\$ (345)
Fines and forfeitures	205,000	273,005	68,005
Total Revenues	207,500	275,160	67,660
Expenditures:			
Current:			
Public safety	195,256	206,160	(10,904)
Capital outlay	184,320	122,955	61,365
Total Expenditures	379,576	329,115	50,461
Excess (Deficiency) of Revenues Over Expenditures	\$ (172,076)	(53,955)	\$ 118,121
Other Financing Sources:			
Proceeds from sale of property		5,598	
Net Change in Fund Balance		(48,357)	
Fund Balance, Beginning of Year		608,070	
Fund Balance, End of Year		\$ 559,713	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Park Facilities Fund
For the Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Charges for services	<u>\$ 100,000</u>	<u>\$ 60,065</u>	<u>\$ (39,935)</u>
Expenditures:			
Capital outlay	<u>28,565</u>	<u>-</u>	<u>28,565</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 71,435</u>	60,065	<u>\$ (11,370)</u>
Fund Balance, Beginning of Year		<u>7,332</u>	
Fund Balance, End of Year		<u>\$ 67,397</u>	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Business Improvement Area #1 Fund
For the Year Ended June 30, 2014

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 59,700	\$ 62,180	\$ 2,480
Revenues from use of money and property	360	818	458
Total Revenues	60,060	62,998	2,938
Expenditures:			
Current:			
Community development	125,492	94,918	30,574
Excess (Deficiency) of Revenues Over Expenditures	\$ (65,432)	(31,920)	\$ 33,512
Fund Balance, Beginning of Year		236,412	
Fund Balance, End of Year		\$ 204,492	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Maintenance District 93-1 Fund
For the Year Ended June 30, 2014

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 981,695	\$ 987,761	\$ 6,066
Expenditures:			
Current:			
Highways and streets	1,016,169	1,009,677	6,492
Excess (Deficiency) of Revenues Over Expenditures	\$ (34,474)	(21,916)	\$ 12,558
Fund Balance, Beginning of Year		202,751	
Fund Balance, End of Year		\$ 180,835	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Public Safety Impact Fee Fund
For the Year Ended June 30, 2014

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	\$ 110,000	\$ 273,278	\$ 163,278
Revenues from use of money and property	-	59	59
Total Revenues	110,000	273,337	163,337
Expenditures:			
Current:			
Public safety	120,430	78,302	42,128
Capital outlay	93,773	49,024	44,749
Total Expenditures	214,203	127,326	86,877
Excess (Deficiency) of Revenues Over Expenditures	\$ (104,203)	146,011	\$ 250,214
Fund Balance, Beginning of Year		37,623	
Fund Balance, End of Year		\$ 183,634	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Public Safety Augmentation Fund
For the Year Ended June 30, 2014

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 580,000	\$ 636,527	\$ 56,527
Expenditures:			
Current:			
Public safety	580,000	636,527	(56,527)
Excess (Deficiency) of Revenues Over Expenditures	\$ -	-	\$ -
Fund Balance, Beginning of Year		-	
Fund Balance, End of Year		\$ -	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Measure R Fund
For the Year Ended June 30, 2014

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 645,000	\$ 645,544	\$ 544
Revenues from use of money and property	2,100	4,523	2,423
Total Revenues	647,100	650,067	2,967
Expenditures:			
Current:			
Highway and streets	210,571	595,376	(384,805)
Capital outlay	460,000	118,252	341,748
Total Expenditures	670,571	713,628	(43,057)
Excess (Deficiency) of Revenues Over Expenditures	\$ (23,471)	(63,561)	\$ (40,090)
Fund Balance, Beginning of Year		1,300,504	
Fund Balance, End of Year		\$ 1,236,943	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Library Tax Fund
For the Year Ended June 30, 2014

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 502,000	\$ 504,246	\$ 2,246
Revenues from use of money and property	300	652	352
Total Revenues	502,300	504,898	2,598
Expenditures:			
Current:			
Culture and recreation	174,083	134,724	39,359
Capital outlay	40,720	5,485	35,235
Debt service:			
Principal retirement	320,318	320,318	-
Interest and fiscal charges	62,876	62,876	-
Total Expenditures	597,997	523,403	74,594
Excess (Deficiency) of Revenues Over Expenditures	\$ (95,697)	(18,505)	\$ 77,192
Fund Balance, Beginning of Year		194,768	
Fund Balance, End of Year		\$ 176,263	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue CERCLA Liability Fund
For the Year Ended June 30, 2014

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	\$ 124,000	\$ 124,130	\$ 130
Revenues from use of money and property	2,100	3,045	945
Total Revenues	126,100	127,175	1,075
Expenditures:			
Current:			
Health	120,000	120,000	-
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,100	7,175	\$ 1,075
Fund Balance, Beginning of Year		806,402	
Fund Balance, End of Year		\$ 813,577	

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DESCRIPTION OF INTERNAL SERVICE FUNDS

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

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

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

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

Other Post Employment Benefits Fund - used to account for the City's annual retiree medical costs.

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

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

CITY OF MONTEREY PARK
Combining Statement of Net Position - Internal Service Funds
June 30, 2014

<u>Assets</u>	<u>Separation Benefits</u>	<u>General Liability</u>	<u>Workers' Compensation</u>	<u>Other Post Employment Benefits</u>
Current Assets:				
Cash and investments	\$ 3,597,349	\$ 1,740,735	\$ 3,032,812	\$ -
Inventory	-	-	-	-
Total Current Assets	3,597,349	1,740,735	3,032,812	-
Noncurrent Assets:				
Nondepreciable capital assets	-	-	-	-
Depreciable capital assets, net of accumulated depreciation	-	-	-	-
Total Capital Assets	-	-	-	-
Total Noncurrent Assets	-	-	-	-
Total Assets	3,597,349	1,740,735	3,032,812	-
 <u>Liabilities</u>				
Current Liabilities:				
Accounts payable	-	9,326	6,867	-
Accrued payroll	21,611	1,281	550	-
Claims and judgments payable - due within one year	-	676,851	2,652,880	-
Compensated absences payable - due within one year	-	782	553	-
Total Current Liabilities	21,611	688,240	2,660,850	-
Noncurrent:				
Claims and judgments payable - due in more than one year	-	1,015,278	3,979,322	-
Compensated absences payable - due in more than one year	-	7,047	4,983	-
Total Noncurrent Liabilities	-	1,022,325	3,984,305	-
Total Liabilities	21,611	1,710,565	6,645,155	-
 <u>Net Position</u>				
Net investment in capital assets	-	-	-	-
Unrestricted	3,575,738	30,170	(3,612,343)	-
Total Net Position (Deficit)	\$ 3,575,738	\$ 30,170	\$ (3,612,343)	\$ -

CITY OF MONTEREY PARK
Combining Statement of Net Position - Internal Service Funds, Continued
June 30, 2014

<u>Assets</u>	<u>Shop</u>	<u>Technology</u>	<u>Totals</u>
Current Assets:			
Cash and investments	\$ 1,704,393	\$ 1,075,083	\$ 11,150,372
Inventory	3,549	-	3,549
	<hr/>	<hr/>	<hr/>
Total Current Assets	1,707,942	1,075,083	11,153,921
Noncurrent Assets:			
Nondepreciable capital assets	-	104,828	104,828
Depreciable capital assets, net of accumulated depreciation	1,032,249	103,291	1,135,540
	<hr/>	<hr/>	<hr/>
Total Capital Assets	1,032,249	208,119	1,240,368
Total Noncurrent Assets	<hr/>	<hr/>	<hr/>
	1,032,249	208,119	1,240,368
Total Assets	<hr/>	<hr/>	<hr/>
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CITY OF MONTEREY PARK
Combining Statement of Revenues, Expenses and
Changes in Net Position - Internal Service Funds
For the Year Ended June 30, 2014

	Separation Benefits	General Liability	Workers' Compensation	Other Post Employment Benefits
Operating Revenues:				
Charges for services	\$ 1,269,697	\$ 1,175,000	\$ 1,396,997	\$ 500,000
Total Operating Revenues	<u>1,269,697</u>	<u>1,175,000</u>	<u>1,396,997</u>	<u>500,000</u>
Operating Expenses:				
Salaries and benefits	880,648	55,528	24,110	1,500,000
Materials and supplies	-	-	-	-
Insurance and claims	-	1,252,742	2,667,884	-
Vehicle expense	-	-	-	-
Miscellaneous	-	-	-	-
Depreciation	-	-	-	-
Total Operating Expenses	<u>880,648</u>	<u>1,308,270</u>	<u>2,691,994</u>	<u>1,500,000</u>
Operating Income (Loss)	389,049	(133,270)	(1,294,997)	(1,000,000)
Nonoperating Income:				
Gain on sale of surplus property	-	-	-	-
Total Nonoperating Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income Before Transfers	389,049	(133,270)	(1,294,997)	(1,000,000)
Transfers in	-	300,000	-	-
Transfers out	<u>(300,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Transfers	<u>(300,000)</u>	<u>300,000</u>	<u>-</u>	<u>-</u>
Changes in Net Position	89,049	166,730	(1,294,997)	(1,000,000)
Net Position (Deficit), Beginning of Year	<u>3,486,689</u>	<u>(136,560)</u>	<u>(2,317,346)</u>	<u>1,000,000</u>
Net Position (Deficit), End of Year	<u>\$ 3,575,738</u>	<u>\$ 30,170</u>	<u>\$ (3,612,343)</u>	<u>\$ -</u>

CITY OF MONTEREY PARK
Combining Statement of Revenues, Expenses and
Changes in Net Position - Internal Service Funds, Continued
For the Year Ended June 30, 2014

	Shop	Technology	Totals
Operating Revenues:			
Charges for services	\$ 1,704,478	\$ 138,643	\$ 6,184,815
Total Operating Revenues	<u>1,704,478</u>	<u>138,643</u>	<u>6,184,815</u>
Operating Expenses:			
Salaries and benefits	377,442	-	2,837,728
Materials and supplies	826,504	-	826,504
Insurance and claims	-	-	3,920,626
Vehicle expense	12,478	1,005	13,483
Miscellaneous	254,740	10,184	264,924
Depreciation	277,543	83,636	361,179
Total Operating Expenses	<u>1,748,707</u>	<u>94,825</u>	<u>8,224,444</u>
Operating Income (Loss)	(44,229)	43,818	(2,039,629)
Nonoperating Income:			
Gain on sale of surplus property	2,953	-	2,953
Total Nonoperating Income	<u>2,953</u>	<u>-</u>	<u>2,953</u>
Net Income Before Transfers	(41,276)	43,818	(2,036,676)
Transfers in	-	-	300,000
Transfers out	(21,445)	-	(321,445)
Total Transfers	<u>(21,445)</u>	<u>-</u>	<u>(21,445)</u>
Changes in Net Position	(62,721)	43,818	(2,058,121)
Net Position (Deficit), Beginning of Year	<u>2,601,928</u>	<u>1,138,132</u>	<u>5,772,843</u>
Net Position (Deficit), End of Year	<u>\$ 2,539,207</u>	<u>\$ 1,181,950</u>	<u>\$ 3,714,722</u>

CITY OF MONTEREY PARK
Combining Statement of Cash Flows - Internal Service Funds
For the Year Ended June 30, 2014

	Separation Benefits	General Liability	Workers' Compensation	Other Post Employment Benefits
Cash Flows from Operating Activities:				
Cash receipts from interfund services provided	\$ 1,282,551	\$ 1,175,000	\$ 1,396,997	\$ 500,000
Cash payments to suppliers for goods and services	-	-	-	-
Cash payments to employees for services	(876,510)	(54,630)	(23,791)	(1,500,000)
Cash payments for insurance premiums and self-insurance claims	-	(1,168,435)	(1,097,142)	-
Net Cash Provided by (Used in) Operating Activities	<u>406,041</u>	<u>(48,065)</u>	<u>276,064</u>	<u>(1,000,000)</u>
Cash Flows from Noncapital Financing Activities:				
Transfers in/(out) to other funds	<u>(300,000)</u>	<u>300,000</u>	<u>-</u>	<u>-</u>
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(300,000)</u>	<u>300,000</u>	<u>-</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	-	-	-	-
Proceeds from sale of surplus assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	106,041	251,935	276,064	(1,000,000)
Cash and Cash Equivalents, Beginning of Year	<u>3,491,308</u>	<u>1,488,800</u>	<u>2,756,748</u>	<u>1,000,000</u>
Cash and Cash Equivalents, End of Year	<u>\$ 3,597,349</u>	<u>\$ 1,740,735</u>	<u>\$ 3,032,812</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	<u>\$ 389,049</u>	<u>\$ (133,270)</u>	<u>\$ (1,294,997)</u>	<u>\$ (1,000,000)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation	-	-	-	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	12,854	-	-	-
(Increase) decrease in inventory	-	-	-	-
Increase (decrease) in accounts payable	-	(89,550)	(9,625)	-
Increase (decrease) in accrued payroll	4,138	111	38	-
Increase (decrease) in claims and judgments payable	-	173,857	1,580,367	-
Increase (decrease) in compensated absences payable	-	787	281	-
Total Adjustments	<u>16,992</u>	<u>85,205</u>	<u>1,571,061</u>	<u>-</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 406,041</u>	<u>\$ (48,065)</u>	<u>\$ 276,064</u>	<u>\$ (1,000,000)</u>

CITY OF MONTEREY PARK
Combining Statement of Cash Flows - Internal Service Funds, Continued
For the Year Ended June 30, 2014

	Shop	Technology	Totals
Cash Flows from Operating Activities:			
Cash receipts from interfund services provided	\$ 1,704,478	\$ 138,643	\$ 6,197,669
Cash payments to suppliers for goods and services	(1,132,322)	(46,986)	(1,179,308)
Cash payments to employees for services	(358,116)	-	(2,813,047)
Cash payments for insurance premiums and self-insurance claims	-	-	(2,265,577)
Net Cash Provided by (Used in) Operating Activities	<u>214,040</u>	<u>91,657</u>	<u>(60,263)</u>
Cash Flows from Noncapital Financing Activities:			
Transfers in/(out) to other funds	(21,445)	-	(21,445)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(21,445)</u>	<u>-</u>	<u>(21,445)</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(300,982)	(67,268)	(368,250)
Proceeds from sale of surplus assets	2,953	-	2,953
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(298,029)</u>	<u>(67,268)</u>	<u>(365,297)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(105,434)	24,389	(447,005)
Cash and Cash Equivalents, Beginning of Year	<u>1,809,827</u>	<u>1,050,694</u>	<u>11,597,377</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,704,393</u>	<u>\$ 1,075,083</u>	<u>\$ 11,150,372</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ (44,229)	\$ 43,818	\$ (2,039,629)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation	277,543	83,636	361,179
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	-	-	12,854
(Increase) decrease in inventory	(1,038)	-	(1,038)
Increase (decrease) in accounts payable	(37,562)	(35,797)	(172,534)
Increase (decrease) in accrued payroll	3,120	-	7,407
Increase (decrease) in claims and judgments payable	-	-	1,754,224
Increase (decrease) in compensated absences payable	16,206	-	17,274
Total Adjustments	<u>258,269</u>	<u>47,839</u>	<u>1,979,366</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 214,040</u>	<u>\$ 91,657</u>	<u>\$ (60,263)</u>

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AGENCY FUNDS

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

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

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

CITY OF MONTEREY PARK
Combining Statement of Assets and Liabilities - All Agency Funds
June 30, 2014

<u>Assets</u>	Deposits Fund	Construction Agency Fund	Totals
Cash and investments	\$ 2,092,524	\$ 17,605	\$ 2,110,129
Total Assets	<u>\$ 2,092,524</u>	<u>\$ 17,605</u>	<u>\$ 2,110,129</u>
<u>Liabilities</u>			
Accounts payable	\$ 91,361	\$ 1,687	\$ 93,048
Deposits payable	2,001,163	15,918	2,017,081
Total Liabilities	<u>\$ 2,092,524</u>	<u>\$ 17,605</u>	<u>\$ 2,110,129</u>

CITY OF MONTEREY PARK
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended June 30, 2014

<u>Deposits Fund</u>	Balance at July 1, 2013	Additions	Deletions	Balance at June 30, 2014
Assets:				
Cash and investments	\$ 1,849,924	\$ 926,826	\$ (684,226)	\$ 2,092,524
Liabilities:				
Accounts payable	\$ 78,585	\$ 91,361	\$ (78,585)	\$ 91,361
Deposits payable	1,771,339	914,050	(684,226)	2,001,163
Total Liabilities	\$ 1,849,924	\$ 1,005,411	\$ (762,811)	\$ 2,092,524
 <u>Construction Agency Fund</u>				
Assets:				
Cash and investments	\$ 53,900	\$ 15,439	\$ (51,734)	\$ 17,605
Liabilities:				
Accounts payable	\$ 1,320	\$ 1,687	\$ (1,320)	\$ 1,687
Deposits payable	52,580	13,752	(50,414)	15,918
Total Liabilities	\$ 53,900	\$ 15,439	\$ (51,734)	\$ 17,605
 <u>Total - All Agency Funds</u>				
Assets:				
Cash and investments	\$ 1,903,824	\$ 942,265	\$ (735,960)	\$ 2,110,129
Liabilities:				
Accounts payable	\$ 79,905	\$ 93,048	\$ (79,905)	\$ 93,048
Deposits payable	1,823,919	927,802	(734,640)	2,017,081
Total Liabilities	\$ 1,903,824	\$ 1,020,850	\$ (814,545)	\$ 2,110,129

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STATISTICAL SECTION
(Unaudited)

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

<u>Index</u>	<u>Page</u>
Financial Trends Information - These schedules contain trend information to help the reader to understand how the City's financial performance and well-being have changed over time.	
1 Net Position by Component	132
2 Changes in Net Position	134
3 Fund Balances of Governmental Funds	138
4 Changes in Fund Balances of Governmental Funds	140
Revenue Capacity Information - These schedules contain trend information to help the reader understand the City's property tax.	
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6 Direct and Overlapping Property Tax Rates	144
7 Principal Property Taxpayers	146
8 Property Tax Levies and Collections	148
Debt Capacity Information - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
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11 Direct and Overlapping Debt	154
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13 Tax Allocation Bonds Pledged-Revenue Coverage	158
Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
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15 Principal Employers	160
Operating Information - These schedules contain service and infrastructure data to help the reader understanding how the information in the City's financial report relates to the services the City provides and the activities it performs.	
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18 Capital Assets Statistics by Function	166
19 Water Sold by Type of Customer	168
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CITY OF MONTEREY PARK
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2004/05	2005/06	2006/07	2007/08	2008/09
Governmental Activities:					
Net investment in capital assets	\$ 33,316,889	\$ 39,935,338	\$ 41,243,683	\$ 42,188,514	\$ 40,863,652
Restricted	44,040,390	40,358,826	41,256,879	50,363,018	57,279,208
Unrestricted	<u>(34,565,344)</u>	<u>(31,003,360)</u>	<u>(28,542,889)</u>	<u>(29,746,073)</u>	<u>(37,034,912)</u>
Total governmental activities net position	<u>\$ 42,791,935</u>	<u>\$ 49,290,804</u>	<u>\$ 53,957,673</u>	<u>\$ 62,805,459</u>	<u>\$ 61,107,948</u>
Business-Type Activities:					
Net investment in capital assets	\$ 19,880,710	\$ 19,700,171	\$ 20,202,373	\$ 19,228,082	\$ 17,370,937
Restricted	-	-	-	-	-
Unrestricted	<u>1,210,407</u>	<u>2,099,749</u>	<u>2,704,071</u>	<u>5,798,733</u>	<u>9,077,541</u>
Total business-type activities net position	<u>\$ 21,091,117</u>	<u>\$ 21,799,920</u>	<u>\$ 22,906,444</u>	<u>\$ 25,026,815</u>	<u>\$ 26,448,478</u>
Primary Government:					
Net investment in capital assets	\$ 53,197,599	\$ 59,635,509	\$ 61,446,056	\$ 61,416,596	\$ 58,234,589
Restricted	44,040,390	40,358,826	41,256,879	50,363,018	57,279,208
Unrestricted	<u>(33,354,937)</u>	<u>(28,903,611)</u>	<u>(25,838,818)</u>	<u>(23,947,340)</u>	<u>(27,957,371)</u>
Total primary government net position	<u>\$ 63,883,052</u>	<u>\$ 71,090,724</u>	<u>\$ 76,864,117</u>	<u>\$ 87,832,274</u>	<u>\$ 87,556,426</u>

CITY OF MONTEREY PARK
Net Position by Component, Continued
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2009/10	2010/11	2011/12	2012/13	2013/14
Governmental Activities:					
Net investment in capital assets	\$ 44,779,820	\$ 42,184,114	\$ 47,380,971	\$ 50,018,559	\$ 50,805,697
Restricted	54,638,570	29,449,081	26,824,487	20,629,264	18,330,529
Unrestricted	<u>(43,282,599)</u>	<u>(21,658,335)</u>	<u>6,298,370</u>	<u>9,341,223</u>	<u>11,318,896</u>
Total governmental activities net position	<u>\$ 56,135,791</u>	<u>\$ 49,974,860</u>	<u>\$ 80,503,828</u>	<u>\$ 79,989,046</u>	<u>\$ 80,455,122</u>
Business-Type Activities:					
Net investment in capital assets	\$ 17,254,986	\$ 19,372,272	\$ 20,439,644	\$ 20,381,489	\$ 20,020,776
Restricted	-	-	-	-	-
Unrestricted	<u>10,911,685</u>	<u>17,752,724</u>	<u>19,943,174</u>	<u>25,700,563</u>	<u>26,197,066</u>
Total business-type activities net position	<u>\$ 28,166,671</u>	<u>\$ 37,124,996</u>	<u>\$ 40,382,818</u>	<u>\$ 46,082,052</u>	<u>\$ 46,217,842</u>
Primary Government:					
Net investment in capital assets	\$ 62,034,806	\$ 61,556,386	\$ 67,820,615	\$ 70,400,048	\$ 70,826,473
Restricted	54,638,570	29,449,081	26,824,487	20,629,264	18,330,529
Unrestricted	<u>(32,370,914)</u>	<u>(3,905,611)</u>	<u>26,241,544</u>	<u>35,041,786</u>	<u>37,515,962</u>
Total primary government net position	<u>\$ 84,302,462</u>	<u>\$ 87,099,856</u>	<u>\$ 120,886,646</u>	<u>\$ 126,071,098</u>	<u>\$ 126,672,964</u>

CITY OF MONTEREY PARK
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2004/05	2005/06	2006/07	2007/08	2008/09
Expenses:					
Governmental activities:					
General government	\$ 4,110,311	\$ 3,805,164	\$ 5,740,916	\$ 4,338,308	\$ 3,879,270
Public safety	20,418,214	22,168,220	23,991,371	25,259,657	28,781,812
Community development	6,880,151	7,206,979	9,550,291	8,388,572	11,507,775
Culture and recreation	5,348,469	5,536,176	5,776,367	6,914,716	7,411,985
Highway and streets	4,776,390	5,283,276	6,550,763	5,184,431	5,812,714
Health	133,689	60,109	141,672	70,590	98,918
Interest and fiscal charges	4,079,124	4,292,781	3,211,151	3,040,769	2,975,762
Total governmental activities expenses	<u>45,746,348</u>	<u>48,352,705</u>	<u>54,962,531</u>	<u>53,197,043</u>	<u>60,468,236</u>
Business-type activities:					
Water	8,620,295	8,594,316	10,253,822	9,549,450	9,724,233
Refuse	4,667,202	5,051,358	5,208,786	5,465,893	5,676,667
Sewer	123,478	178,053	224,847	193,391	229,524
Total business-type activities expenses	<u>13,410,975</u>	<u>13,823,727</u>	<u>15,687,455</u>	<u>15,208,734</u>	<u>15,630,424</u>
Total primary government expenses	<u>59,157,323</u>	<u>62,176,432</u>	<u>70,649,986</u>	<u>68,405,777</u>	<u>76,098,660</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	1,449,459	1,458,109	1,469,072	765,334	766,402
Public safety	3,018,772	3,309,549	3,521,884	4,961,930	5,058,340
Community development	2,106,140	2,166,424	1,840,229	3,960,929	2,410,056
Culture and recreation	792,172	697,239	766,051	801,478	818,438
Highway and Streets	1,303,633	1,457,019	1,422,080	1,569,903	1,421,473
Health	-	-	-	-	-
Operating grants and contributions	2,302,117	2,572,146	6,794,692	4,472,472	5,402,260
Capital grants and contributions	6,125,743	2,955,297	2,055,895	1,620,031	546,077
Total government activities program revenues	<u>17,098,036</u>	<u>14,615,783</u>	<u>17,869,903</u>	<u>18,152,077</u>	<u>16,423,046</u>
Business-type activities:					
Charges for services:					
Water	7,590,509	8,842,158	10,729,127	10,523,615	10,498,868
Refuse	4,886,324	5,252,977	5,498,006	5,773,306	5,949,179
Sewer	253,049	297,400	294,888	293,650	294,574
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	3,331,675	319,059	287,506	444,903	-
Total business-type activities revenues	<u>16,061,557</u>	<u>14,711,594</u>	<u>16,809,527</u>	<u>17,035,474</u>	<u>16,742,621</u>
Total primary government revenues	<u>\$ 33,159,593</u>	<u>\$ 29,327,377</u>	<u>\$ 34,679,430</u>	<u>\$ 35,187,551</u>	<u>\$ 33,165,667</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				
	2009/10	2010/11	2011/12	2012/2013	2013/2014
Expenses:					
Governmental activities:					
General government	\$ 3,393,846	\$ 3,497,432	\$ 4,405,489	\$ 6,522,107	\$ 4,050,482
Public safety	29,652,341	27,575,013	27,764,258	26,233,074	27,352,152
Community development	13,427,547	11,027,820	5,673,116	8,521,044	2,343,881
Culture and recreation	7,009,277	6,685,623	6,378,055	5,909,468	6,277,461
Highway and streets	5,981,608	5,209,925	4,886,331	5,380,336	6,434,924
Health	88,940	120,000	120,000	119,999	120,000
Interest and fiscal charges	2,909,194	2,785,485	2,128,198	1,275,063	1,207,716
Total governmental activities expenses	<u>62,462,753</u>	<u>56,901,298</u>	<u>51,355,447</u>	<u>53,961,091</u>	<u>47,786,616</u>
Business-type activities:					
Water	9,506,799	10,907,990	11,542,663	10,706,980	11,775,078
Refuse	5,793,221	5,812,305	5,944,116	6,040,457	6,985,344
Sewer	181,271	310,115	331,683	238,551	221,078
Total business-type activities expenses	<u>15,481,291</u>	<u>17,030,410</u>	<u>17,818,462</u>	<u>16,985,988</u>	<u>18,981,500</u>
Total primary government expenses	<u>77,944,044</u>	<u>73,931,708</u>	<u>69,173,909</u>	<u>70,947,079</u>	<u>66,768,116</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	640,487	626,842	627,769	909,328	907,537
Public safety	3,292,950	3,186,391	2,926,775	3,037,155	3,076,644
Community development	2,250,642	1,567,774	1,608,072	1,541,110	1,442,835
Culture and recreation	816,852	770,602	692,083	738,884	690,289
Highway and Streets	1,400,245	1,360,611	369,180	451,744	400,382
Health	-	-	-	-	-
Operating grants and contributions	5,394,275	4,952,726	4,667,552	5,258,202	1,516,481
Capital grants and contributions	2,929,631	1,646,048	3,725,194	1,988,468	627,628
Total government activities program revenues	<u>16,725,082</u>	<u>14,110,994</u>	<u>14,616,625</u>	<u>13,924,891</u>	<u>8,661,796</u>
Business-type activities:					
Charges for services:					
Water	9,740,486	10,533,780	12,853,684	13,302,811	10,747,045
Refuse	5,796,888	5,980,597	6,001,641	5,832,841	6,028,436
Sewer	269,338	271,984	273,496	273,556	287,548
Operating grants and contributions	336,862	225,000	-	-	-
Capital grants and contributions	80,322	74,414	91,894	41,834	169,783
Total business-type activities revenues	<u>16,223,896</u>	<u>17,085,775</u>	<u>19,220,715</u>	<u>19,451,042</u>	<u>17,232,812</u>
Total primary government revenues	<u>\$ 32,948,978</u>	<u>\$ 31,196,769</u>	<u>\$ 33,837,340</u>	<u>\$ 33,375,933</u>	<u>\$ 25,894,608</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				
	2004/05	2005/06	2006/07	2007/08	2008/09
Net (expense)/revenue:					
Governmental activities	\$ (28,648,312)	\$ (33,736,922)	\$ (37,092,628)	\$ (35,044,966)	\$ (44,045,190)
Business-type activities	2,650,582	887,867	1,122,072	1,826,740	1,112,197
Total primary government	<u>\$ (25,997,730)</u>	<u>\$ (32,849,055)</u>	<u>\$ (35,970,556)</u>	<u>\$ (33,218,226)</u>	<u>\$ (42,932,993)</u>
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	\$ 18,859,161	\$ 21,338,420	\$ 23,059,597	\$ 25,506,057	\$ 26,741,260
Sales tax	5,261,458	5,255,486	5,620,979	5,407,689	4,546,028
Vehicle in-lieu tax	691,143	386,524	429,693	275,591	185,693
Vehicle in-lieu tax gap loan repayment	1,075,194	-	-	-	-
Utility users tax	3,103,159	3,186,345	3,330,631	3,417,647	3,516,748
Utility franchise tax	978,880	1,023,947	1,073,341	1,043,237	1,087,602
Business license tax	917,106	957,513	996,629	1,028,436	963,068
Transient occupancy tax	500,011	608,376	783,505	908,694	785,331
Other taxes	3,465,501	3,794,098	1,607,587	1,763,576	1,557,516
Revenues from use of money and property	1,461,509	2,709,920	3,797,283	3,540,097	2,145,238
Other	152,538	407,783	450,990	332,056	219,979
Gain/(Loss) on sale of property	-	(3,587)	-	-	(3,346)
Transfers	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>262,000</u>	<u>265,000</u>
Total general revenues and transfers	<u>36,715,660</u>	<u>39,914,825</u>	<u>41,400,235</u>	<u>43,485,080</u>	<u>42,010,117</u>
Extraordinary item					
Dissolution of Redevelopment Agency	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type activities:					
Other	363,839	391,902	593,713	963,303	537,971
Gain/(Loss) on sale of property					
Transfers	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>(262,000)</u>	<u>(265,000)</u>
Total business-type activities	<u>113,839</u>	<u>141,902</u>	<u>343,713</u>	<u>701,303</u>	<u>272,971</u>
Total primary government	<u>36,829,499</u>	<u>40,056,727</u>	<u>41,743,948</u>	<u>44,186,383</u>	<u>42,283,088</u>
Changes in net position:					
Governmental activities	8,067,348	6,177,903	4,307,607	8,440,114	(2,035,073)
Business-type activities	2,764,421	1,029,769	1,465,785	2,528,043	1,385,168
Total primary government	<u>\$ 10,831,769</u>	<u>\$ 7,207,672</u>	<u>\$ 5,773,392</u>	<u>\$ 10,968,157</u>	<u>\$ (649,905)</u>

CITY OF MONTEREY PARK
Changes in Net Position, Continued
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2009/10	2010/11	2011/12	2012/2013	2013/2014
Net (expense)/revenue:					
Governmental activities	\$ (45,737,671)	\$ (42,790,304)	\$ (36,738,822)	\$ (40,036,200)	\$ (39,124,820)
Business-type activities	742,605	55,365	1,402,253	2,465,054	(1,748,688)
Total primary government	<u>\$ (44,995,066)</u>	<u>\$ (42,734,939)</u>	<u>\$ (35,336,569)</u>	<u>\$ (37,571,146)</u>	<u>\$ (40,873,508)</u>
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	\$ 27,059,553	\$ 27,331,232	\$ 24,537,300	\$ 24,066,354	\$19,794,165
Sales tax	4,100,798	4,803,406	5,057,132	5,437,244	4,942,821
Vehicle in-lieu tax	191,604	345,406	32,170	33,334	27,588
Vehicle in-lieu tax gap loan repayment	-	-	-	-	-
Utility users tax	3,349,907	3,219,600	3,092,796	3,041,163	3,202,264
Utility franchise tax	934,505	967,322	942,985	942,736	970,212
Business license tax	925,037	944,837	945,367	941,005	974,816
Transient occupancy tax	660,897	756,873	876,482	957,024	1,049,070
Other taxes	1,263,874	1,837,784	1,868,862	2,760,446	7,282,605
Revenues from use of money and property	1,021,730	891,671	776,649	827,781	872,174
Other	917,403	249,075	685,026	499,923	731,679
Gain/(Loss) on sale of property	(29,528)	6,627	1,842,182	14,408	-
Transfers	278,000	281,400	350,000	-	18,000
Total general revenues and transfers	<u>40,673,780</u>	<u>41,635,233</u>	<u>41,006,951</u>	<u>39,521,418</u>	<u>39,865,394</u>
Extraordinary item					
Dissolution of Redevelopment Agency	-	-	26,752,439	-	-
Business-type activities:					
Other	1,345,322	4,168,640	2,205,569	3,230,138	1,897,638
Gain/(Loss) on sale of property		9,865	-	4,042	4,840
Transfers	(278,000)	(281,400)	(350,000)	-	(18,000)
Total business-type activities	<u>1,067,322</u>	<u>3,897,105</u>	<u>1,855,569</u>	<u>3,234,180</u>	<u>1,884,478</u>
Total primary government	<u>41,741,102</u>	<u>45,532,338</u>	<u>42,862,520</u>	<u>42,755,598</u>	<u>41,749,872</u>
Changes in net position:					
Governmental activities	(5,063,891)	(1,155,071)	31,020,568	(514,782)	740,574
Business-type activities	1,809,927	3,952,470	3,257,822	5,699,234	135,790
Total primary government	<u>\$ (3,253,964)</u>	<u>\$ 2,797,399</u>	<u>\$ 34,278,390</u>	<u>\$ 5,184,452</u>	<u>\$ 876,364</u>

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

	Fiscal Year				
	2004/05	2005/06	2006/07	2007/08	2008/09
General Fund:					
Nonspendable	\$ 385,000	\$ 785,000	\$ 3,159,557	\$ 2,076,039	\$ 1,429,902
Restricted	-	-	-	-	-
Committed	890,000	2,690,000	1,435,443	4,318,961	5,115,098
Assigned	6,759,646	6,174,501	5,306,462	5,356,963	5,307,662
Unassigned	<u>4,567,733</u>	<u>5,460,149</u>	<u>6,171,922</u>	<u>6,697,819</u>	<u>5,246,912</u>
Total general fund	<u>\$ 12,602,379</u>	<u>\$ 15,109,650</u>	<u>\$ 16,073,384</u>	<u>\$ 18,449,782</u>	<u>\$ 17,099,574</u>
All other governmental funds:					
Nonspendable	\$ 10,183,415	\$ 10,183,415	\$ 8,523,237	\$ 14,599,871	\$ 17,415,373
Restricted	20,177,559	16,020,307	21,663,489	25,986,245	28,018,812
Committed	-	-	4,375,578	5,577,800	3,354,156
Assigned	22,608,164	24,816,003	20,373,844	16,195,751	19,418,934
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 52,969,138</u>	<u>\$ 51,019,725</u>	<u>\$ 54,936,148</u>	<u>\$ 62,359,667</u>	<u>\$ 68,207,275</u>
Total for Governmental Funds:	<u>\$ 65,571,517</u>	<u>\$ 66,129,375</u>	<u>\$ 71,009,532</u>	<u>\$ 80,809,449</u>	<u>\$ 85,306,849</u>

CITY OF MONTEREY PARK
Fund Balances of Governmental Funds, Continued
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2009/10	2010/11	2011/12	2012/13	2013/14
General Fund:					
Nonspendable	\$ 695,930	\$ 710,330	\$ 703,230	\$ -	\$ -
Restricted	-	-	-	-	-
Committed	5,340,000	5,340,000	7,173,519	7,173,519	7,173,519
Assigned	5,207,133	4,589,465	5,145,940	9,653,901	9,321,463
Unassigned	<u>2,519,641</u>	<u>2,505,441</u>	<u>2,505,441</u>	<u>3,554,425</u>	<u>3,554,425</u>
Total general fund	<u>\$ 13,762,704</u>	<u>\$ 13,145,236</u>	<u>\$ 15,528,130</u>	<u>\$ 20,381,845</u>	<u>\$ 20,049,407</u>
All other governmental funds:					
Nonspendable	\$ 22,447,581	\$ 22,336,060	\$ -	\$ 1,989,686	\$ 1,989,686
Restricted	21,025,370	29,449,081	26,824,487	18,684,533	17,449,555
Committed	2,524,270	3,524,270	-	-	1,496,211
Assigned	17,344,673	10,523,233	-	-	-
Unassigned	<u>-</u>	<u>(105,492)</u>	<u>(153,120)</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 63,341,894</u>	<u>\$ 65,727,152</u>	<u>\$ 26,671,367</u>	<u>\$ 20,674,219</u>	<u>\$ 20,935,452</u>
Total for Governmental Funds:	<u>\$ 77,104,598</u>	<u>\$ 78,872,388</u>	<u>\$ 42,199,497</u>	<u>\$ 41,056,064</u>	<u>\$ 40,984,859</u>

CITY OF MONTEREY PARK
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2004/05	2005/06	2006/07	2007/08	2008/09
Revenues:					
Taxes	\$ 33,934,508	\$ 35,533,276	\$ 37,981,560	\$ 40,432,674	\$ 40,316,886
Licenses and permits	2,116,292	2,355,310	2,151,806	2,929,898	2,797,953
Intergovernmental revenues	8,070,587	5,147,213	6,311,434	4,185,040	5,036,290
Charges for services	11,424,156	12,087,372	12,243,396	13,878,802	13,125,471
Revenues from use of money & property	1,461,509	2,695,272	3,786,117	3,540,095	2,137,057
Fines and forfeitures	1,186,206	1,218,183	1,484,320	2,347,916	1,687,318
Other	<u>152,538</u>	<u>446,828</u>	<u>441,725</u>	<u>332,155</u>	<u>304,985</u>
Total revenues	<u>58,345,796</u>	<u>59,483,454</u>	<u>64,400,358</u>	<u>67,646,580</u>	<u>65,405,960</u>
Expenditures					
Current:					
General government	3,682,512	3,617,431	4,175,114	3,543,528	3,585,033
Public safety	20,245,495	21,702,423	22,882,590	24,843,834	25,873,335
Community development	4,745,306	4,887,781	6,954,496	5,990,947	8,085,618
Culture and recreation	4,864,355	5,153,714	5,449,379	5,953,354	6,151,628
Highways and streets	4,242,132	4,251,299	4,372,836	4,602,434	4,688,134
Health	4,850,680	5,289,411	5,523,633	5,749,284	6,026,191
Capital outlay	11,110,466	10,488,775	9,164,797	5,189,775	5,385,481
Debt service:					
Principal retirement	1,539,534	1,801,611	1,776,129	1,753,079	1,677,419
Interest and fiscal charges	3,912,459	4,229,442	3,148,785	2,979,373	2,916,198
Cost of issuance	-	-	-	-	-
Total expenditures	<u>59,192,939</u>	<u>61,421,887</u>	<u>63,447,759</u>	<u>60,605,608</u>	<u>64,389,037</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(847,143)</u>	<u>(1,938,433)</u>	<u>952,599</u>	<u>7,040,972</u>	<u>1,016,923</u>
Other financing sources (uses):					
Transfers in	5,204,198	3,131,496	6,059,430	5,801,280	6,501,942
Transfers out	(4,954,198)	(2,881,496)	(6,009,430)	(6,039,280)	(6,236,942)
(Loss) on sale of property	-	-	(510,178)	-	-
Proceeds from sale of property	-	6,306	-	1,337	1,345
Proceeds from tax increment deferred	-	-	-	2,995,608	3,214,132
Proceeds from section 108 loan	1,940,741	2,239,985	2,587,736	-	-
Issue of long term debt	-	-	1,800,000	-	-
Issuance of bonds	3,900,000	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-
Total other financing Sources (uses)	<u>6,090,741</u>	<u>2,496,291</u>	<u>3,927,558</u>	<u>2,758,945</u>	<u>3,480,477</u>
Net change in fund balances before Extraordinary Item	<u>\$ 5,243,598</u>	<u>\$ 557,858</u>	<u>\$ 4,880,157</u>	<u>\$ 9,799,917</u>	<u>\$ 4,497,400</u>
Extraordinary Items					
Dissolution of Redevelopment Agency of Monterey Park	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 5,243,598</u>	<u>\$ 557,858</u>	<u>\$ 4,880,157</u>	<u>\$ 9,799,917</u>	<u>\$ 4,497,400</u>
Debt services as a percentage of noncapital expenditures	11.34%	11.84%	9.07%	8.54%	7.79%

Note: Starting 2010-11, Refuse and Sewer funds were classified as Enterprise Funds.

Source: City of Monterey Park Management Services Department

CITY OF MONTEREY PARK
Changes in Fund Balances of Governmental Funds, Continued
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2009/10	2010/11	2011/12	2012/13	2013/14
Revenues:					
Taxes	\$ 38,619,421	\$ 42,568,610	\$ 37,442,373	\$ 41,087,434	\$38,059,146
Licenses and permits	2,419,414	1,661,496	1,856,887	967,662	848,949
Intergovernmental revenues	6,318,925	4,262,737	6,006,714	4,693,489	2,035,035
Charges for services	11,584,210	4,554,131	4,360,368	4,981,641	4,922,983
Revenues from use of money & property	939,476	767,652	744,346	822,143	943,369
Fines and forfeitures	1,393,098	1,272,417	952,992	822,779	931,718
Other	<u>996,867</u>	<u>376,314</u>	<u>720,230</u>	<u>1,374,275</u>	<u>767,790</u>
Total revenues	<u>62,271,411</u>	<u>55,463,357</u>	<u>52,083,910</u>	<u>54,749,423</u>	<u>48,508,990</u>
Expenditures					
Current:					
General government	3,633,847	3,771,085	3,621,179	4,454,906	3,859,127
Public safety	26,459,263	25,692,272	25,681,372	25,080,613	25,647,992
Community development	11,424,004	10,826,979	5,633,982	7,808,273	2,345,099
Culture and recreation	5,870,577	5,561,337	5,577,207	5,677,937	5,587,721
Highways and streets	4,721,343	4,434,810	4,207,740	4,362,120	5,672,512
Health	6,094,492	120,000	120,000	119,999	120,000
Capital outlay	9,045,208	8,114,199	8,114,199	5,928,361	2,957,442
Debt service:					
Principal retirement	2,229,221	2,284,269	2,020,927	1,204,215	1,229,166
Interest and fiscal charges	2,853,313	2,731,427	1,990,861	1,270,840	1,217,331
Cost of issuance	-	-	-	-	-
Total expenditures	<u>72,331,268</u>	<u>63,536,378</u>	<u>56,967,467</u>	<u>55,907,264</u>	<u>48,636,390</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,059,857)</u>	<u>(8,073,021)</u>	<u>(4,883,557)</u>	<u>(1,157,841)</u>	<u>(127,400)</u>
Other financing sources (uses):					
Transfers in	5,344,657	13,451,752	776,146	9,466	943,350
Transfers out	(5,066,657)	(13,170,352)	(426,146)	(9,466)	(903,905)
(Loss) on sale of property	-	-	-	-	-
Proceeds from sale of property	599,751	6,627	1,842,182	14,408	16,750
Proceeds from tax increment deferred	3,705,856	3,775,724	-	-	-
Proceeds from section 108 loan	-	-	-	-	-
Issue of long term debt	-	-	-	-	-
Issuance of bonds	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-
Total other financing Sources (uses)	<u>4,583,607</u>	<u>4,063,751</u>	<u>2,192,182</u>	<u>14,408</u>	<u>56,195</u>
Net change in fund balances before Extraordinary Item	<u>\$ (5,476,250)</u>	<u>\$ (4,009,270)</u>	<u>\$ (2,691,375)</u>	<u>\$ (1,143,433)</u>	<u>\$ (71,205)</u>
Extraordinary Items					
Dissolution of Redevelopment Agency of Monterey Park	-	-	(33,981,516)	-	-
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (36,672,891)</u>	<u>\$ (1,143,433)</u>	<u>\$ (71,205)</u>
Debt services as a percentage of noncapital expenditures	8.03%	9.05%	8.21%	5.13%	5.36%

Note: Starting 2010-11, Refuse and Sewer funds were classified as Enterprise Funds.

Source: City of Monterey Park Management Services Department

CITY OF MONTEREY PARK
Assessed Value and Estimated Actual 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)}
2004/05	\$ 2,966,348,369	\$ 636,884,747	\$ 125,584,498	\$ 233,230,384	\$ 30,270,824	\$ 3,962,047,998	0.363390
2005/06	3,227,568,429	695,340,401	126,744,528	224,406,538	30,209,747	4,274,059,896	0.366220
2006/07	3,534,309,866	742,415,041	137,520,717	226,638,453	30,469,846	4,640,884,077	0.370650
2007/08	3,778,205,339	843,606,146	146,557,103	230,266,047	31,575,891	4,998,634,635	0.374040
2008/09	3,992,520,537	935,272,734	125,418,879	269,631,912	29,710,040	5,322,844,062	0.384730
2009/10	3,987,237,477	954,666,779	138,347,522	316,094,962	29,710,040	5,396,346,740	0.393300
2010/11	4,063,980,933	919,141,515	136,429,404	329,231,172	43,696,766	5,448,783,024	0.393120
2011/12	4,176,308,316	914,084,645	141,375,663	330,098,283	34,278,620	5,561,866,907	0.390690
2012/13	4,392,899,226	1,016,937,428	146,514,412	265,303,532	33,633,996	5,821,654,598	0.400860
2013/14	4,589,336,142	1,037,976,948	156,760,121	268,842,451	33,537,437	6,052,915,662	0.243880

Notes:

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

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

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

Agency	Fiscal Year				
	2004/05	2005/06	2006/07	2007/08	2008/09
Basic Levy ⁽¹⁾	1.00000	1.00000	1.00000	1.00000	1.00000
City Direct Rates: Monterey Park	0.09117	0.09117	0.09117	0.09117	0.09117
Overlapping Rates:					
Alhambra City School District	0.00000	0.00000	0.00000	0.00000	0.00000
Alhambra Unified School District	0.01949	0.06378	0.05942	0.05460	0.03625
County Detention Facilities 1987 Debt	0.00092	0.00080	0.00066	0.00000	0.00000
Garvey School District	0.02319	0.05221	0.05074	0.05060	0.06835
Los Angeles Community College District	0.01810	0.01429	0.02146	0.00879	0.02212
Los Angeles County Flood Control District	0.00025	0.00005	0.00005	0.00000	0.00000
Los Angeles Unified School District	0.08884	0.08435	0.10681	0.12334	0.12478
Metropolitan Water District	0.00580	0.00520	0.00470	0.00450	0.00430
Montebello Unified School District	0.04172	0.07054	0.06731	0.06681	0.08063
San Gabriel Vly Mwd State Water Bond	0.03230	0.03230	0.03230	0.03230	0.02830
Total Direct & Overlapping ⁽²⁾ Tax Rates	<u>1.32178</u>	<u>1.41469</u>	<u>1.43462</u>	<u>1.43211</u>	<u>1.45590</u>
City's Share of 1% Levy Per Prop 13 ⁽³⁾	0.15778	0.15778	0.15778	0.15778	0.15778
General Obligation Debt Rate	0.09117	0.09117	0.09117	0.09117	0.09117
Redevelopment Rate ⁽⁴⁾	1.11234	1.11202	1.11189	1.11118	1.10918
Total Direct Rate ⁽⁵⁾	0.36339	0.36622	0.37065	0.37404	0.38473

Note:

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

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

Agency	Fiscal Year				
	2009/10	2010/11	2011/12	2012/13	2013/14
Basic Levy ⁽¹⁾	1.00000	1.00000	1.00000	1.00000	1.00000
City Direct Rates: Monterey Park	0.09117	0.09117	0.09117	0.09117	0.09117
Overlapping Rates:					
Alhambra City School District	0.00000	0.00000	0.00000	0.00000	0.00000
Alhambra Unified School District	0.05151	0.05996	0.07411	0.05455	0.06666
County Detention Facilities 1987 Debt	0.00000	0.00000	0.00000	0.00000	0.00000
Garvey School District	0.07836	0.08503	0.08404	0.08832	0.09131
Los Angeles Community College District	0.02311	0.04031	0.03530	0.03756	0.04454
Los Angeles County Flood Control District	0.00000	0.00000	0.00000	0.00000	0.00000
Los Angeles Unified School District	0.15181	0.18695	0.16819	0.17560	0.14644
Metropolitan Water District	0.00430	0.00370	0.00370	0.00350	0.00350
Montebello Unified School District	0.09673	0.09792	0.10001	0.09630	0.09457
San Gabriel Vly Mwd State Water Bond	0.02830	0.02830	0.02830	0.02830	0.02830
Total Direct & Overlapping ⁽²⁾ Tax Rates	<u>1.52529</u>	<u>1.59334</u>	<u>1.58482</u>	<u>1.57530</u>	<u>1.56649</u>
City's Share of 1% Levy Per Prop 13 ⁽³⁾	0.15778	0.15778	0.15778	0.15778	0.15778
General Obligation Debt Rate	0.09117	0.09117	0.09117	0.09117	0.09117
Redevelopment Rate ⁽⁴⁾	1.10918	1.10918	1.10918	0.00000	0.00000
Total Direct Rate ⁽⁵⁾	0.39330	0.39312	0.39069	0.40086	0.24388

Note:

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

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

<u>Taxpayers</u>	<u>2013/14</u>	
	<u>Taxable Assessed Valuation</u>	<u>Percent of Total City Taxable Assessed Valuation</u>
Atlantic Times Square II LLC	\$ 147,783,899	2.44%
Los Angeles Corporate Center LLC	67,160,000	1.11%
Union Bank	62,699,589	1.04%
Garfield Calmed Investment LP	53,591,924	0.89%
1977 Saturn LLC	46,900,000	0.77%
GMS Five LLC	44,770,795	0.74%
Emerald Hills LLC	31,385,792	0.52%
MPM Partners LLC	26,453,380	0.44%
Care 1st Health Plan	23,851,970	0.39%
Real Estate Investors 1984 1 ET AL	21,000,000	0.35%
	<u>\$ 525,597,349</u>	<u>8.68%</u>
 Total City Assessed Value	 \$ 6,052,915,662	

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

CITY OF MONTEREY PARK
Principal Property Taxpayers, Continued
(Current Year and Ten Years Ago)

Taxpayers	2004/05	
	Taxable Assessed Valuation	Percent of Total City Taxable Assessed Valuation
Arden Realty Finance Partnership	\$ 47,994,317	1.21%
Garfield Medical Center	39,284,733	0.99%
Union Bank	39,125,216	0.99%
GMS Five LLC	38,776,316	0.98%
Lloyds Bank California	31,483,014	0.79%
Mars Center LLC	18,527,372	0.47%
Real Estate Investors 1984 ET AL	16,110,000	0.41%
Monterey Park Calmed	15,726,146	0.40%
NNN 901 Corporate Center 14 LLC	14,335,988	0.36%
TSL Development Inc	12,248,793	0.31%
	<u>\$ 273,611,895</u>	<u>6.91%</u>
 Total City Assessed Value	 \$ 3,962,047,998	

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

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

Fiscal Year	Original Levy			1% - CY PER BOOK			
	Taxes Levied for the Fiscal Year			Collected within the Fiscal Year of Levy			
	1%	D.S.	Amount	1%	D.S.	Amount	Percentage of Levy
2004/05	4,739,572	3,520,933	8,260,505	4,658,153	3,080,211	7,738,364	93.68%
2005/06	5,175,150	3,790,413	8,965,563	4,909,418	3,294,186	8,203,604	91.50%
2006/07	5,925,108	4,125,002	10,050,110	5,765,714	3,428,356	9,194,070	91.48%
2007/08	6,580,143	3,901,574	10,481,717	6,053,576	3,678,652	9,732,228	92.85%
2008/09	6,847,669	4,066,000	10,913,669	6,352,339	3,798,654	10,150,993	93.01%
2009/10	6,852,571	4,071,933	10,924,504	6,414,087	3,812,164	10,226,251	93.61%
2010/11	6,927,221	4,121,586	11,048,807	6,541,366	3,887,804	10,429,170	94.39%
2011/12	7,098,802	4,243,185	11,341,986	6,565,780	4,551,806	11,117,586	98.02%
2012/13	7,286,613	5,305,437	12,592,050 (2)	6,986,871	4,290,564	11,277,435	89.56%
2013/14	7,634,155	4,523,042	12,157,197	7,425,568	4,437,271	11,862,839	97.58%

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 the Tax Assessor may not clearly identify the year collected.

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

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

Fiscal Year	1% - PY PER BOOK			Total Collections to Date			
	Collections in Subsequent Years						Percentage of Levy (1)
	1%	D.S.	Amount	1%	D.S.	Amount	
2004/05	298,498	107,216	405,714	4,956,651	3,187,427	8,144,078	99%
2005/06	560,371	145,664	706,035	5,469,789	3,439,850	8,909,639	99%
2006/07	511,642	153,061	664,704	6,277,356	3,581,418	9,858,774	98%
2007/08	395,621	147,124	542,745	6,449,197	3,825,776	10,274,973	98%
2008/09	476,422	122,714	599,137	6,828,762	3,921,369	10,750,130	99%
2009/10	359,301	109,069	468,370	6,773,388	3,921,233	10,694,621	98%
2010/11	287,500	99,043	386,544	6,828,866	3,986,847	10,815,713	98%
2011/12	72,698	110,634	183,332	6,638,478	4,662,440	11,300,918	100%
2012/13	196,955	50,990	247,945	7,183,826	4,341,554	11,525,380	92%
2003/04	273,471	95,500	368,971	7,699,039	4,532,771	12,231,810	101%

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 the Tax Assessor may not clearly identify the year collected.

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

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

Fiscal Year	Governmental Activities						Total Governmental Activities
	Pension Obligation Bonds	Tax Allocation Bonds	Tax Increment Deferred Loan	HUD Section 108 Loans	Library Special Tax Revenue Note	Capital Lease Obligation	
2004/05	17,405	33,180	16,092	6,145	3,900	1,578	78,300
2005/06	17,405	32,225	18,332	5,948	3,663	961	78,534
2006/07	17,405	31,240	20,919	5,739	3,417	2,337	81,057
2007/08	17,405	30,225	23,915	5,518	3,161	1,856	82,080
2008/09	17,380	29,175	27,129	5,283	2,897	1,528	83,392
2009/10	16,855	28,095	30,835	5,033	2,621	1,430	84,869
2010/11	16,345	26,975	34,611	4,768	2,335	1,326	86,360
2011/12	15,850	-	-	4,487	2,038	1,219	23,594
2012/13 ⁽³⁾	15,365	-	-	4,189	1,729	1,106	22,389
2013/14	14,890	-	-	3,873	1,409	988	21,160

Note:

(1) Percentage of Personal Income was based on data from Los Angeles County State of California Employment Department.

(2) Debt per capita data was based on the number of population within the City of Monterey Park.

(3) Starting February 1, 2012, the Redevelopment Agency was dissolved and the City became the Successor Agency for the former Redevelopment Agency.

Source: City of Monterey Park Management Services Department

CITY OF MONTEREY PARK
Ratios of 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
	Capital Lease Obligation				
2004/05	3,954	82,254	0.02%	64,614	1,273
2005/06	3,628	82,162	0.02%	64,387	1,276
2006/07	4,557	85,614	0.02%	64,508	1,327
2007/08	5,267	87,347	0.02%	64,434	1,356
2008/09	7,073	90,465	0.02%	64,874	1,394
2009/10	6,651	91,520	0.02%	65,027	1,407
2010/11	6,095	92,455	0.02%	60,435	1,530
2011/12	5,533	29,127	N/A	61,153	476
2012/13 ⁽³⁾	4,966	27,354	N/A	61,445	445
2013/14	4,392	25,552	N/A	61,777	414

Note:

(1) Percentage of Personal Income was based on data from Los Angeles County State of California Employment Department.

(2) Debt per capita data was based on the number of population within the City of Monterey Park.

(3) Starting February 1, 2012, the Redevelopment Agency was dissolved and the City became the Successor Agency for the former Redevelopment Agency.

Source: City of Monterey Park Management Services Department

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

Fiscal Year	Total Pension Obligation Bonds ⁽¹⁾	Actual Taxable Value of Property	Percent of Actual Taxable Value of Property ⁽²⁾	Population	Net Bonded Debt Per Capita
2004/05	\$ 17,405	\$ 3,962,048	0.00%	64,614	269
2005/06	17,405	4,274,060	0.00%	64,387	270
2006/07	17,405	4,640,884	0.00%	64,508	270
2007/08	17,405	4,998,635	0.00%	64,434	270
2008/09	17,380	5,322,844	0.00%	64,874	268
2009/10	16,855	5,396,347	0.00%	65,027	259
2010/11	16,345	5,448,783	0.00%	60,435	270
2011/12 ⁽³⁾	15,850	5,561,867	0.00%	61,153	259
2012/13	15,365	5,821,655	0.00%	61,445	250
2013/14	14,890	6,052,916	0.00%	61,777	241

Note:

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

Source: City of Monterey Park Management Services Department

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CITY OF MONTEREY PARK
Direct and Overlapping Debt
As of June 30, 2014

	<u>Gross Bonded Debt Balance</u>	<u>Percent Applicable To City</u>	<u>Net Bonded Debt</u>
Overlapping Debt			
Metropolitan Water District ⁽¹⁾	64,271,492	0.031	20,124
GARVEY SD DS 2000 SERIES A	174,557	28.789	50,254
GARVEY SD DS 2000 SERIES B	4,334,519	28.789	1,247,881
GARVEY SD DS 2004 SERIES 2005	7,243,736	28.789	2,085,426
GARVEY SD DS 2004 SERIES 2006	9,829,168	28.789	2,829,756
GARVEY SD DS 2004 SERIES C	8,877,964	28.789	2,555,910
GARVEY SD DS 2011 REFUND BONDS	7,085,000	28.789	2,039,727
LA CCD DS 2003 TAXABLE SERIES 2004B	74,235,000	0.968	718,674
LA CCD DS 2001 TAXABLE SERIES 2004A	8,850,000	0.968	85,677
LA CCD DS REFUNDING 2001 SERIES 2005A	403,320,000	0.968	3,904,569
LA CCD DS 2001, 2006 SERIES B	266,185,000	0.968	2,576,955
LA CCD DS 2003, 2006 SERIES C	381,585,000	0.968	3,694,151
LA CCD DS 2001, 2008 SER E-1	267,340,000	0.968	2,588,137
LA CCD DS 2003, 2008 SER F-1	341,565,000	0.968	3,306,714
LA CCD DS 2008, 2009 TAXABLE SER A	350,000,000	0.968	3,388,374
LA CCD DS 2008, 2009 TAXABLE SER B	75,000,000	0.968	726,080
LA CCD DS 2008, 2010 TAX SERIES D	219,889,950	0.968	2,128,770
LA CCD DS 2008, 2010 TAX SER E (BABS)	900,000,000	0.968	8,712,962
LA CCD DS 2008, 2010 SERIES C	177,885,060	0.968	1,722,118
LA CCD DS 2013 REF BONDS	54,480,000	0.968	527,425
LA CCD DS 2008 SERIES G	220,000,000	0.968	2,129,835
LOS ANGELES UNIF DS 1997 SERIES A	33,980,000	0.038	12,806
LOS ANGELES UNIF DS 2002 REF BOND	137,600,000	0.038	51,858
LOS ANGELES UNIF DS 2004 SERIES C 2004	1,690,000	0.038	637
LOS ANGELES UNIF DS 2004 REF BONDS A-1	115,000	0.038	43
LOS ANGELES UNIF DS 2004 REF BONDS A-2	255,000	0.038	96
LOS ANGELES UNIF DS 2004 SERIES E	23,465,000	0.038	8,843
LOS ANGELES UNIF DS 2005 REF BONDS A-1	345,980,000	0.038	130,392
LOS ANGELES UNIF DS 2005 REF BONDS A-2	120,925,000	0.038	45,574
LOS ANGELES UNIF DS 2004 SERIES F	89,700,000	0.038	33,806
LOS ANGELES UNIF DS 2006 REFUNDING SERIES A	555,695,000	0.038	209,429
LOS ANGELES UNIF DS 2005 SERIES A (2006)	144,275,000	0.038	54,398
LOS ANGELES UNIF DS 2005 SERIES B (2006)	53,705,000	0.038	20,240
LOS ANGELES UNIF DS 2005 SERIES C (2006)	273,925,000	0.038	103,236
Sub-Total Overlapping Debt			<u>\$ 47,710,877</u>

2013/14 Assessed Valuation: \$4,928,933,735 After Deducting \$1,123,981,927 Incremental Value.

Debt to Assessed Valuation Ratios:	Direct Debt	0.00%
	Overlapping debt	2.36%
	Total debt	2.36%

Notes:

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

CITY OF MONTEREY PARK
Direct and Overlapping Debt, Continued
As of June 30, 2014

	Gross Bonded Debt Balance	Percent Applicable To City	Net Bonded Debt
Overlapping Debt (Cont')			
LOS ANGELES UNIF DS 2005 SERIES D (2006)	459,175,000	0.038	173,053
LOS ANGELES UNIF DS 2006 REF BDS SER B	1,126,445,000	0.038	424,532
LOS ANGELES UNIF DS 2007 REF BDS SER A-1	136,055,000	0.038	51,276
LOS ANGELES UNIF DS 2007 REF BDS SER A-2	24,650,000	0.038	9,290
LOS ANGELES UNIF DS 2002 SERIES B (2007)	847,340,000	0.038	319,343
LOS ANGELES UNIF DS 2007 REF BDS SER B	47,350,000	0.038	17,845
LOS ANGELES UNIF DS 2002 SERIES C	106,535,000	0.038	40,151
LOS ANGELES UNIF DS 2004 SERIES H	432,865,000	0.038	163,137
LOS ANGELES UNIF DS 2005 SERIES E	120,160,000	0.038	45,286
LOS ANGELES UNIF DS 2005 SERIES H	608,995,000	0.038	229,516
LAUSD 2009 REFUNDING MEASURE R BONDS	55,715,000	0.038	20,998
LAUSD MEASURE R SERIES KRY BABS	200,000,000	0.038	75,375
LAUSD MEASURE Y 2009 SERIES KRY BABS	363,005,000	0.038	136,808
LOS ANGELES UNIF DS 2009 REFUNDING PROP BB BONDS	399,955,000	0.038	150,734
LAUSD MEASURE R 2010 SERIES RY BABS	806,795,000	0.038	304,063
LAUSD MEASURE Y 2010 SERIES RY BABS	1,250,585,000	0.038	471,317
LAUSD 2010 REFUNDING SERIES A (MEASURE K)	156,000,000	0.038	58,793
LOS ANGELES UNIF DS 2011 REFUNDING BOND SERIES A 1	1,622,200,000	0.038	611,371
MONTEBELLO USD DS 1998 SERIES 1998	7,783,067	8.338	648,924
MONTEBELLO USD DS 1998 SERIES 1999	9,570,081	8.338	797,918
MONTEBELLO USD DS 1998 SERIES 2002	15,833,172	8.338	1,320,112
MONTEBELLO USD DS 2004 SERIES 2008	31,850,000	8.338	2,655,536
MONTEBELLO USD DS 2004 SERIES 2009-1	19,115,000	8.338	1,593,739
MONTEBELLO USD DS 2004 SERIES 2009A-2 BABS	12,640,000	8.338	1,053,877
MONTEBELLO USD DS 2010 REFUNDING BONDS	11,140,000	8.338	928,812
MONTEBELLO USD DS REF 2004 SERIES 2013A	22,155,000	8.338	1,847,203
ALHAMBRA USD DS 1999 SERIES A	5,130,306	33.443	1,715,723
ALHAMBRA USD DS 2005 REFUND BONDS	8,120,000	33.443	2,715,564
ALHAMBRA USD DS 2004 SERIES A	5,693,864	33.443	1,904,193
ALHAMBRA USD DS 2008 SERIES A SFID	24,074,987	33.443	8,051,374
ALHAMBRA USD-GARVEY DS 2004 SERIES B	41,974,695	33.443	14,037,556
ALHAMBRA USD DS 2008 SERIES B	13,199,721	33.443	4,414,370
ALHAMBRA USD DS 2008 SERIES B-1 QSCB	10,959,000	33.443	3,665,008
ALHAMBRA USD-GARVEY DS 2012 REF SERIES A	34,315,000	33.443	11,475,932
Sub-Total Overlapping Debt			<u>\$ 62,128,730</u>
Total Overlapping Debt			<u>\$ 109,839,607</u>
Direct Debt:			
Pension Obligation Bonds	14,890,000	100%	14,890,000
HUD Section 108 Loans	3,873,000	100%	3,873,000
Library Special Tax Revenue Note	1,409,307	100%	1,409,307
Capital Lease Obligation	5,380,037	100%	5,380,037
Total Direct Debt			<u>25,552,344</u>
Total Direct and Overlapping Debt			<u>\$ 135,391,951</u>

Source: HDL Coren & Cone

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

	Fiscal Year				
	2004/05	2005/06	2006/07	2007/08	2008/09
Assessed valuation	3,962,048	4,274,060	4,640,884	4,998,635	5,322,844
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	594,307	641,109	696,133	749,795	798,427
Total net debt applicable to limit:					
Pension obligation bonds	<u>17,405</u>	<u>17,405</u>	<u>17,405</u>	<u>17,405</u>	<u>17,380</u>
Legal debt margin	<u>\$ 576,902</u>	<u>\$ 623,704</u>	<u>\$ 678,728</u>	<u>\$ 732,390</u>	<u>\$ 781,047</u>
Total debt applicable to the limit as a percentage of debt limit	2.9286%	2.7148%	2.5002%	2.3213%	2.1768%

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 Management Services Department
2. 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				
	2009/10	2010/11	2011/12	2012/13	2013/14
Assessed valuation	5,396,347	5,448,783	5,561,867	5,821,655	6,052,916
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	809,452	817,317	834,280	873,248	907,937
Total net debt applicable to limit:					
Pension obligation bonds	<u>16,855</u>	<u>16,345</u>	<u>15,850</u>	<u>15,365</u>	<u>14,890</u>
Legal debt margin	<u>\$ 792,597</u>	<u>\$ 800,972</u>	<u>\$ 818,430</u>	<u>\$ 857,883</u>	<u>\$ 893,047</u>
Total debt applicable to the limit as a percentage of debt limit	2.0823%	1.9998%	1.8998%	1.7595%	1.6400%

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 Management Services Department
2. County of Los Angeles Department of Auditor-Controller

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

<u>Fiscal Year</u>	<u>Tax Allocation Bonds</u>			
	<u>Tax Increment</u>	<u>Debt Service</u>		<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	
2003/04	6,214	805	1,552	2.64
2004/05	6,555	925	1,526	2.67
2005/06	7,533	955	1,497	3.07
2006/07	8,134	985	1,469	3.31
2007/08	9,746	1,015	1,436	3.98
2008/09	10,216	1,050	1,404	4.16
2009/10	10,531	1,080	1,367	4.30
2010/11	10,581	1,120	1,327	4.32
2011/12	(1) 2,448	1,165	1,283	1.00
2012/13	-	-	-	-
2013/14	-	-	-	-

Note: (1) Starting February 1, 2012, the Redevelopment Agency was dissolved and the City became the Successor Agency for the former Redevelopment Agency.

Source: City of Monterey Park Management Services Department

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

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2004/05	64,614	342,231,121	34,426	3.7%
2005/06	64,387	369,174,348	37,362	3.5%
2006/07	64,508	390,295,865	39,794	3.6%
2007/08	64,434	413,316,582	42,265	4.7%
2008/09	64,874	402,459,119	40,867	8.5%
2009/10	65,027	410,674,615	41,791	9.4%
2010/11	60,435	420,913,463	42,564	9.3%
2011/12	61,153	N/A	N/A	9.0%
2012/13	61,445	N/A	N/A	8.0%
2013/14	61,777	N/A	N/A	7.4%

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

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

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

Employers	2013/14	
	Number of Employees	Percent of Total Employment
Garfield Medical Center	976	0.022%
Care 1st Health Plan	541	0.012%
Southern California Gas Company	387	0.009%
Syner Med Inc	356	0.008%
Monterey Park Hospital	320	0.007%
Remitco LLC	187	0.004%
Ralphs Grocery (2 locations)	171	0.004%
24 Hour Fitness #867	143	0.003%
Chinese Daily News	142	0.003%
California Psychcare Inc	103	0.002%
Camino Real Chevrolet	100	0.002%
Monterey Park Convalescent	92	0.002%
Southern California Edison	90	0.002%
Heritage Manor Healthcare	90	0.002%
La Colonial Tortilla Products Inc	85	0.002%

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

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

**CITY OF MONTEREY PARK
Principal Employers, Continued
(Current Year and Ten Years Ago)**

Employers	2004/05	
	Number of Employees	Percent of Total Employment
Union Bank Processing Center	1,600	0.035%
Garfield Medical Center	1,073	0.024%
United California Bank Processing Center	1,000	0.022%
Los Angeles County Sheriff's Department	791	0.018%
L.A. County Children's Court	736	0.016%
Community Development Commission	500	0.011%
City of Monterey Park	500	0.011%
Monterey Park Hospital	364	0.008%
Southern California Gas Company	290	0.006%
AT & T Communications	211	0.005%
Chinese Daily News	165	0.004%
Ralph's Grocery Store (2 Locations)	145	0.003%
California Highway Patrol	131	0.003%
La Colonial Tortilla Products, Inc.	131	0.003%
Remitco L L C	124	0.003%

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

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

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

<u>Function</u>	<u>Fiscal Year</u>									
	<u>04/05</u>	<u>05/06</u>	<u>06/07</u>	<u>07/08</u>	<u>08/09</u>	<u>09/10</u>	<u>10/11</u>	<u>11/12</u>	<u>12/13</u>	<u>13/14</u>
General Government	40	38	38	38	37	32	35	32	32	32
Public Safety										
Police	131	131	132	132	131	123	113	113	114	114
Fire	62	63	64	64	64	62	59	58	58	58
Public Works	61	63	63	63	62	59	70	70	70	70
Culture and Recreation										
Library	20	20	30	31	31	25	24	24	25	25
Recreation / Community Services	57	58	58	59	54	49	36	36	36	36
Community Development	<u>27</u>	<u>28</u>	<u>28</u>	<u>28</u>	<u>27</u>	<u>24</u>	<u>15</u>	<u>12</u>	<u>13</u>	<u>13</u>
Total	<u>399</u>	<u>402</u>	<u>413</u>	<u>415</u>	<u>407</u>	<u>373</u>	<u>352</u>	<u>345</u>	<u>347</u>	<u>348</u>

Note: Numbers represent Full-Time-Equivalent positions.

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

	Fiscal Year				
	2004/05	2005/06	2006/07	2007/08	2008/09
Police:					
Number of service calls	55,883	56,197	50,908	54,696	54,925
Response time priority I (emergency) (minutes/seconds)	4:28	4:24	4:05	4:17	4:25
Fire:					
Number of emergency calls	3,587	3,640	3,895	4,163	4,094
Inspections	2,165	2,566	2,597	2,747	3,372
Public works:					
Street resurfacing (miles)	-	-	2.22	2.38	-
Parks and recreation:					
Hours of recreation classes	723	770	770	770	770
Number of facility rentals	235	269	235	235	241
Water:					
Meters changed and upgrades	459	641	653	712	518
Water turn-ons and turn-offs	3,744	3,574	3,744	2,905	2,939
Average daily consumption (thousand of gallons)	10,000	11,000	11,000	11,000	11,000

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

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

	Fiscal Year				
	2009/10	2010/11	2011/12	2012/13	2013/14
Police:					
Number of service calls	53,863	54,363	54,128	51,130	51,168
Response time priority I (emergency) (minutes/seconds)	4:00	4:03	4:10	3:55	4:39
Fire:					
Number of emergency calls	4,378	3,757	4,103	4,565	4,562
Inspections	3,438	3,438	2,570	2,385	2,252
Public works:					
Street resurfacing (miles)	7.66	0.47	2.05	2.05	0.48
Parks and recreation:					
Hours of recreation classes	700	770	770	540	770
Number of facility rentals	141	141	177	145	165
Water:					
Meters changed and upgrades	513	564	1,149	739	799
Water turn-ons and turn-offs	2,521	2,079	2,436	2,856	2,739
Average daily consumption (thousand of gallons)	11,000	8,000	8,000	8,000	8,000

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

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

	Fiscal Year				
	2004/05	2005/06	2006/07	2007/08	2008/09
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 daily capacity (thousands of gallons)	12,871	13,000	13,130	13,540	12,140
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 Asset Statistics by Function, Continued
Last Ten Fiscal Years

	Fiscal Year				
	2009/10	2010/11	2011/12	2012/13	2013/14
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 daily capacity (thousands of gallons)	11,733	11,140	11,340	12,810	11,510
Wastewater:					
Sanitary sewers (miles)	126	126	126	126	126
Storm sewers (miles)	12.43	12.43	12.43	12.43	12.43

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

CITY OF MONTEREY PARK
Water Sold by Type of Customer
Last Ten Fiscal Years
(In Millions of Gallons)

	Fiscal Year				
	2004/05	2005/06	2006/07	2007/08	2008/09
Type of Customer:					
Residential	2,390.3	2,390.2	2,442.3	2,482.5	2,814.1
Commercial	885.0	891.4	916.4	874.0	924.6
Institutional	66.0	76.7	81.2	76.7	132.3
Government	<u>50.0</u>	<u>52.4</u>	<u>61.8</u>	<u>62.0</u>	<u>87.6</u>
 Total	 <u><u>3,391.3</u></u>	 <u><u>3,410.7</u></u>	 <u><u>3,501.7</u></u>	 <u><u>3,495.2</u></u>	 <u><u>3,958.6</u></u>

Source: City of Monterey Park Management Services Department

CITY OF MONTEREY PARK
Water Sold by Type of Customer, Continued
Last Ten Fiscal Years
(In Millions of Gallons)

	Fiscal Year				
	2009/10	2010/11	2011/12	2012/13	2013/14
Type of Customer:					
Residential	2,693.5	2,718.3	2,570.3	2,825.1	2,824.1
Commercial	925.8	935.0	861.8	893.6	893.8
Institutional	127.8	130.0	175.0	163.0	160.0
Government	<u>90.1</u>	<u>89.1</u>	<u>90.0</u>	<u>88.0</u>	<u>82.0</u>
 Total	 <u><u>3,837.2</u></u>	 <u><u>3,872.4</u></u>	 <u><u>3,697.1</u></u>	 <u><u>3,969.7</u></u>	 <u><u>3,959.9</u></u>

Source: City of Monterey Park Management Services Department

CITY OF MONTEREY PARK
Water Rates
Last Ten Fiscal Years

Fiscal Year	Monthly Base Rate	Rate per 1,000 Gallons
2004/05	\$ 10.60	1.84
2005/06	11.13	1.94
2006/07	11.69	2.04
2007/08	12.11	2.11
2008/09	12.72	2.22
2009/10	12.63	2.21
2010/11	12.63	2.21
2011/12	12.63	2.21
2012/13	12.63	2.21
2013/14	12.63	2.21

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

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

Water Customer	2013/14		2009/10	
	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues
Atlantic Times Square	\$ 77,994	1.02%	\$ -	0.00%
M P Golf Course	58,119	0.76%	42,352	0.56%
Aespace America Inc.	56,204	0.74%	57,834	0.76%
Lincoln Best Hotel l	36,740	0.48%	26,111	0.34%
Garfield Estates	34,440	0.45%	33,460	0.44%
Union Bank of CA #24	28,112	0.37%	30,863	0.40%
LA County Int Serv	25,233	0.33%	42,043	0.55%
Ocean Star Seafood	24,375	0.32%	32,166	0.42%
Continental Homes	24,200	0.32%	32,812	0.43%
Emerald Hills LLC	23,449	0.31%	27,992	0.37%
	<u>\$ 388,866</u>	<u>5.10%</u>	<u>\$ 325,633</u>	<u>4.27%</u>

Source: City of Monterey Park Management Services Department