



City of Monterey Park, California

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended June 30, 2015

Prepared by the Management Services Department

**Annie Yaung, CPFO
Controller**

CITY OF MONTEREY PARK
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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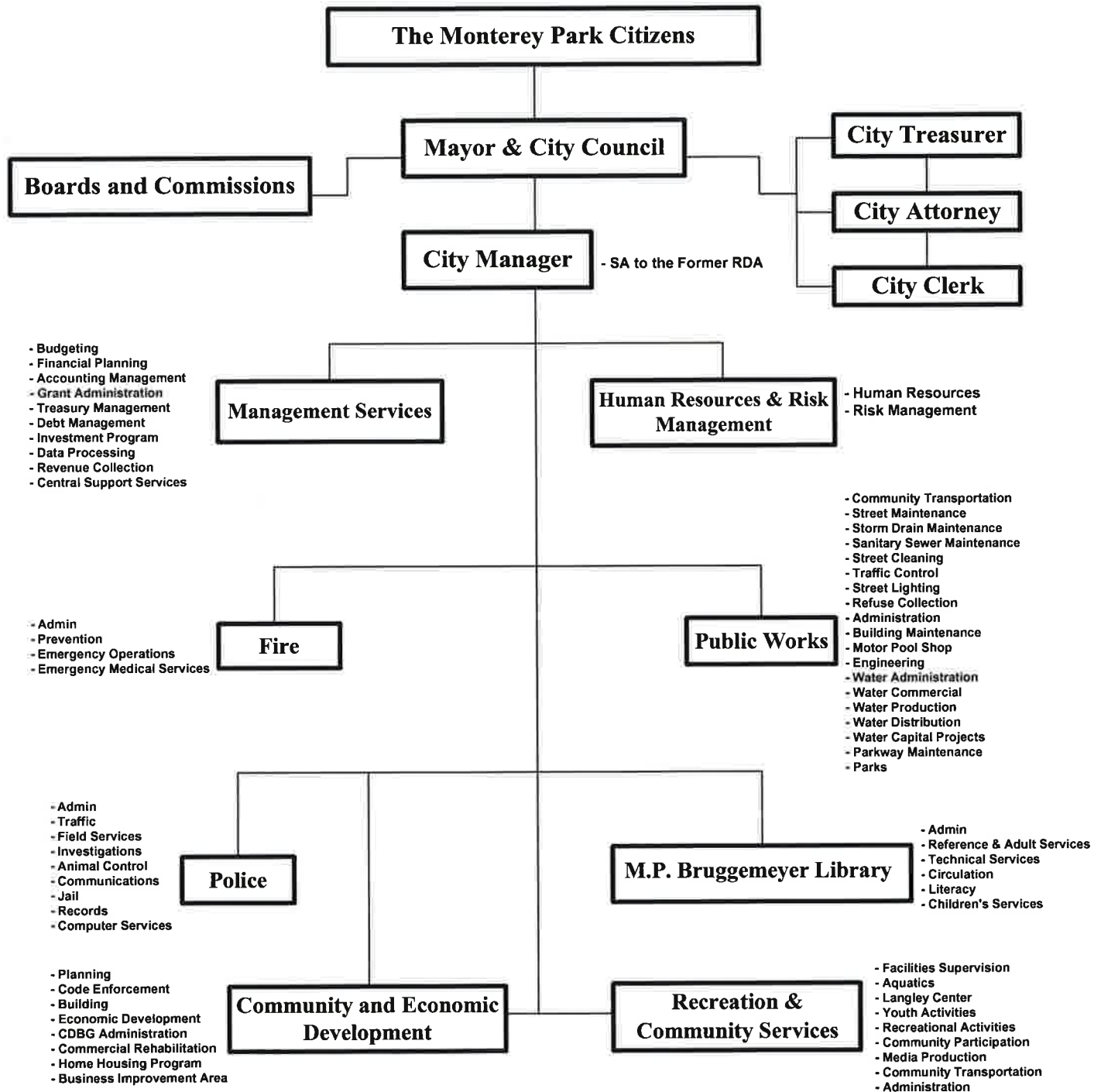
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City of Monterey Park Organization Chart



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

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City Council
Peter Chan
Mitchell Ing
Stephen Lam
Hans Liang
Teresa Real Sebastian

City Clerk
Vincent D. Chang

City Treasurer
Joseph Leon

October 25, 2015

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, 2015.

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, 2015, 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 2014-15 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.

In 2014, 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 \$589,000, an 11 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 were moving forward. The City continued 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. It is anticipated that there will be many well known national and regional tenants in the Monterey Park Market Place, many of which the residents have been eager to see in the community for more than a decade. There was 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 were two mainstream home builders started developing 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

For 2014-15, the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, and reported the net pension liability on the face of the *Statement of Net Position*. The net pension liability amount was significant because it reflected the projected future pension benefit payments for current and former employees. Excluding this net pension liability amount, the City's end of year financial condition for 2014-15 displayed a 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 2015-16 Adopted Budget includes a conservative fiscal spending plan and reflects \$10.7 million for infrastructure and capital improvements, specifically water, sewer, and street projects. 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 2014-15, which displayed significant financial impacts, included:

- Invested \$7.3 million in infrastructure and capital improvement projects, including a \$1.8 million budgeted for six priority capital improvement projects and \$2 million budgeted for water main replacement.
- Adopted and implemented water, sewer, and trash new rates to cover operational and capital improvement costs.
- Completed environmentally friendly exterior rehabilitation projects throughout the City facilities and infrastructure, as well as continued the overall City clean-up.
- Completed the entitlements for the three large hotels, and facilitated the construction of a 6-unit affordable housing project and the development of an 80-unit residential housing project.
- Refinanced the HUD Section 108 Loan and achieved a savings of \$500,000 over the remaining term.
- Continued prudent, conservative management of the City's investment portfolio to maximize investment earning.

- Completed the e-Payables finance modification to move the City's accounts payable process toward using online payment technologies.
- Implemented five new MOUs for safety bargaining units.
- Restructured and realigned Fire personnel allocations to Emergency Medical Services, a direct cost center, to facilitate the Fire Ground Emergency Medical Transport (GEMT) cost recovery.
- Implemented the Governmental Accounting Standards Board (GASB) Statement No. 68 and No. 71, disclosing the net pension liability on the face of the financial statements.

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 2014-15 appropriations limit was \$72.6 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. In 2014, the City successfully secured a lease-purchase agreement of \$10.5 million for its energy efficiency improvements throughout city parks, facilities and infrastructure.

Cash Management

While the City monitors its cash balance daily and invests temporarily idle funds in accordance with the Government Code and the City's Investment Policy, there is potential to further enhance our returns and cash management. The City's investment and cash management is through pooling of various City funds to maximize safe and efficient investment operations. Investment earnings are distributed based on average cash balance. The Finance staff carries out the daily investment operations. At June 30, 2015, the City's investment balances were \$80 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 20 member cities throughout Southern California. The members pool their resources under a JPA agreement to support their individual self insurance programs. To finance risk management, the City maintains internal service funds for general liability and workers' compensation insurances. The claims payable includes incurred-but-not-reported claims. However, the claim values consider the indemnity and expense exposures and are based on known facts at the time of evaluation. The City does not warranty the ultimate values of incurred-but-not-reported claims, which could be significantly different from the final settlement. The City actively administers various risk management programs including employee accident prevention training, claims review, and monthly safety meetings to reduce the City's exposure to loss.

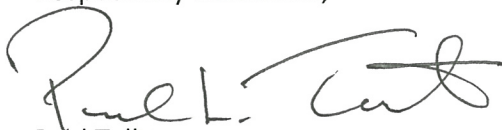
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting. The City of Monterey Park has been awarded the Certificate of Achievement by GFOA for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. This was the 26th 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 2014-15 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 2015-16 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



Annie Young, CPFO
Controller



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, 2014

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, 2014

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, 2014**. 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

Excellence
Fiscal Year 2014-2015
Presented to the
City of Monterey Park

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

February 8, 2015

Pamela Arends-King

Pamela Arends-King
CSMFO President

Michael Gomez

Michael Gomez, 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, 2015, 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, 2015, 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 Statements Nos. 68 and 71

As discussed in Note 1 to the basic financial statements, the City implemented Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*) and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The adoption of these standards required retrospective application of previously reported net position and reclassification of certain accounts as of July 1, 2014 as described in Note 16 to the basic financial statements. In addition, net pension liability is reported in the Statement of Net Position in the amount of \$(71,646,304) as of the measurement date. Net pension liability is calculated by actuaries using estimates and actuarial techniques from an actuarial valuation as of Jun 30, 2013 which was then rolled-forward by the actuaries to June 30, 2014, the measurement date for California Public Employee Retirement System (“CalPERS”) plans and from an actuarial valuation as of June 30, 2013 rolled-forwarded to June 30, 2015, the measurement date for Massachusetts Mutual Life Insurance Company (“MMRP”) plan. 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, Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Contribution, and Schedules of Funding Progress on pages 7 through 16 and 93 through 106 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
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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 October 23, 2015 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".

Santa Ana, California
October 23, 2015

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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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 23, 2015.

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.

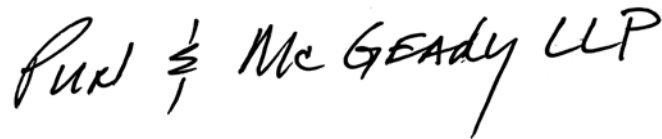
To the Honorable Mayor and Members of the City Council
of the City of Monterey Park
Monterey Park, California
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Compliance and Other Matters

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 "Ron Mc Geady LLP". The signature is written in a cursive, slightly slanted style.

Santa Ana, California
October 23, 2015

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, 2015, 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 2014-15 net position increased by \$0.7 million (\$0.1 million decrease for governmental activities and \$0.8 million increase for business-type activities) from 2013-14. The change was due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. The Net Pension Liabilities were included within the government-wide financial statements for both governmental and business-type financial reporting.
- As of June 30, 2015, the City's assets exceeded liabilities by \$26.2 million, of which \$66.3 million was related to net investment in capital assets, \$24.8 million was restricted for special revenues, and (\$64.8) million was unrestricted.
- For 2014-15, the City Council approved capital improvement expenditures, including \$1.83 million for six priority capital improvements for Service Club House renovations, Barnes Pool rehabilitations, City Hall renovations, Langley Center enhancements, Police mobile vision flashback system, and a fire engine. This \$1.83 million were allocated from the Assigned General Fund Capital Improvement Fund Balance.
- At the 2014-15 year end, the General Fund total fund balance was \$21.6 million, increased by \$1.5 million from last year. The increase was primarily from receipts of additional residual distributions from sales of former redevelopment agency's assets. Total unassigned General Fund balance remained at \$3.6 million at June 30, 2015.
- The City adopted ordinances setting new water, sewer, and trash rates and the new rates were effective on September 1, 2014. Drought continued gripping much of the western U.S. this year, with a particular stranglehold in California. Citizens adopted more resilient approaches to managing their water consumptions. As a result, the additional water revenues generated from rate increases were offset by lower water consumptions and the additional revenues were not at the original anticipated level.
- The City signed a lease-purchase agreement for energy efficiency improvements throughout city parks, facilities and infrastructure, including interior lighting, exterior lighting, HVAC equipment replacement, building automation system and water meter replacements.
- The City participated in the HUD public offering refinancing the Section 108 Loan at much lower interest rates. The net saving resulting from the lower rates was approximately \$500,000 of the CDBG money. The saved CDBG funds will be utilized for the City's other community service programs.
- The City continuously served as the Successor Agency for its former Redevelopment Agency, and reported the former RDA assets and liabilities 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, 2015, the City's combined net position (governmental and business-type activities) totaled \$26.2 million, up \$0.7 million from last year. In compliance with the Governmental Accounting Standards Board (GASB) Statement No. 68, the City recognized and calculated its pension obligations. This compliance was significant for 2014-15 because the net pension liabilities appeared on the face of the financial statements for the first time, along with the City's other long-term liabilities. As of June 30, 2015, the net pension liabilities reported in the Statement of Net Position totaled \$71.6 million.

Net position consists of three categories: net investment in capital assets, restricted, and unrestricted. The largest portion of the City's net position, approximately \$66.3 million, is the City's investment in capital assets including land, buildings, equipment, and infrastructure net of accumulated depreciation and related debt reduced by unspent debt proceeds 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 \$24.8 million at June 30, 2015. 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, 2015, the City's total unrestricted net deficit was negative \$64.8 million.

Statement of Net Position
Fiscal Years Ended June 30, 2015 and June 30, 2014
(In thousands)

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<u>6/30/2015</u>	<u>6/30/2014 (as Restated)</u>	<u>6/30/2015</u>	<u>6/30/2014 (as Restated)</u>	<u>6/30/2015</u>	<u>6/30/2014 (as Restated)</u>
<i>Assets:</i>						
<i>Current</i>	\$ 57,018	\$ 55,469	\$ 36,019	\$ 29,581	\$ 93,037	\$ 85,050
<i>Non Current</i>						
<i>Capital Assets</i>	49,576	53,203	27,831	24,413	77,407	77,616
<i>Other Assets</i>	3,930	2,803	-	-	3,930	2,803
<i>Total Assets</i>	<u>\$ 110,524</u>	<u>\$ 111,475</u>	<u>\$ 63,850</u>	<u>\$ 53,994</u>	<u>\$ 174,374</u>	<u>165,469</u>
<i>Deferred Outflow of Resources</i>	<u>\$ 5,163</u>	<u>\$ 4,621</u>	<u>\$ 567</u>	<u>\$ 507</u>	<u>\$ 5,730</u>	<u>\$ 5,128</u>
<i>Liabilities:</i>						
<i>Current</i>	\$ 9,110	\$ 9,668	\$ 3,269	\$ 2,562	\$ 12,379	\$ 12,230
<i>Long-Term</i>	105,659	119,342	20,578	13,500	126,237	132,842
<i>Total liabilities</i>	<u>\$ 114,769</u>	<u>\$ 129,010</u>	<u>\$ 23,847</u>	<u>\$ 16,062</u>	<u>\$ 138,616</u>	<u>\$ 145,072</u>
<i>Deferred inflow of Resources</i>	<u>\$ 13,961</u>	<u>\$ -</u>	<u>\$ 1,300</u>	<u>\$ -</u>	<u>\$ 15,261</u>	<u>\$ -</u>
<i>Net Position:</i>						
<i>Net Investment in</i>						
<i>Capital Assets</i>	\$ 46,668	\$ 50,806	\$ 19,619	\$ 20,021	\$ 66,287	\$ 70,827
<i>Restricted</i>	20,251	18,330	4,536	-	24,787	18,330
<i>Unrestricted</i>	(79,961)	(82,050)	15,114	18,418	(64,847)	(63,632)
<i>Total Net Position/(Deficit)</i>	<u>\$ (13,042)</u>	<u>\$ (12,914)</u>	<u>\$ 39,269</u>	<u>\$ 38,439</u>	<u>\$ 26,227</u>	<u>\$ 25,525</u>

Governmental Activities Financial Analysis

Overall governmental activities decreased the City's net position by \$0.1 million. The net position at the beginning of the year was restated for the recognition and calculation of pension obligations per GASB 68 implementation for 2014-15. The net position decrease was due primarily to greater capital improvement spending in the Culture and Recreation category.

Statement of Activities
For the Years Ended June 30, 2015 and June 30, 2014
(In thousands)

	<i>Governmental</i>		<i>Business-type</i>		<i>Total</i>	
	<u>6/30/2015</u>	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
<i>Revenues:</i>						
<u><i>Program Revenues:</i></u>						
<i>Charges for Services</i>	\$ 7,202	\$ 6,518	\$ 19,538	\$ 17,063	\$ 26,740	\$ 23,581
<i>Operating Grants & Contributions</i>	2,539	1,516	-	-	2,539	1,516
<i>Capital Grants & Contributions</i>	670	628	99	170	769	798
<u><i>General Revenues:</i></u>						
<i>Taxes</i>	41,880	38,244	-	-	41,880	38,243
<i>Revenues from Use of Money and Property</i>	930	872	2	-	932	872
<i>Other</i>	1,153	732	1,259	1,898	2,412	2,630
<i>Gain on Sale of Capital Assets</i>	-	-	18	5	18	5
<i>Total Revenues:</i>	<u>\$ 54,374</u>	<u>48,510</u>	<u>\$ 20,916</u>	<u>19,136</u>	<u>\$ 75,290</u>	<u>67,645</u>
<i>Expenses:</i>						
<i>General Government</i>	5,028	4,050	-	-	5,028	4,050
<i>Public Safety</i>	26,907	27,352	-	-	26,907	27,352
<i>Comm. Development</i>	7,050	2,344	-	-	7,050	2,344
<i>Culture & Recreation</i>	8,248	6,278	-	-	8,248	6,278
<i>Highway & Streets</i>	5,512	6,435	-	-	5,512	6,435
<i>Health</i>	489	120	-	-	489	120
<i>Debt Services</i>	1,269	1,208	20,086	-	21,355	1,208
<i>Water/Refuse/Sewer</i>	-	-	-	18,982	-	18,982
<i>Total Expenses:</i>	<u>54,503</u>	<u>47,787</u>	<u>20,086</u>	<u>18,982</u>	<u>\$ 74,589</u>	<u>66,769</u>
<i>Increase in Net Position Before Transfers</i>	(128)	723	830	154	702	877
<i>Transfers</i>	-	18	-	(18)	-	-
<i>Changes in Net Position</i>	<u>(128)</u>	<u>741</u>	<u>830</u>	<u>136</u>	<u>702</u>	<u>877</u>
<i>Net Position – July 1 (as restated)</i>	<u>(12,914)</u>	<u>(13,655)</u>	<u>38,439</u>	<u>38,303</u>	<u>25,525</u>	<u>24,648</u>
<i>Net Position – June 30</i>	<u>\$ (13,042)</u>	<u>\$ (12,914)</u>	<u>\$ 39,269</u>	<u>\$ 38,439</u>	<u>\$ 26,227</u>	<u>\$ 25,525</u>

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, 2015, the City's governmental funds reported a combined ending fund balance of \$43.1 million, an increase of \$2.1 million from the prior year. The fund balance categories of governmental fund displayed \$2.7 million as nonspendable, \$19.9 million as restricted, \$7.9 million as committed, \$9.5 million as assigned, and \$3.2 million as unassigned. This unassigned amount was comprised of a \$3.5 million from the General Fund and a negative \$0.4 million from special revenue funds. *(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, transfers, and one-time lease-purchase debt proceeds for 2014-15 totaled \$39.5 million, an increase of \$5.9 million over 2013-14. The increase reflected in the residual property tax distributions for \$2.9 million, charges for services for \$1 million, the Siemens Energy project debt proceeds for \$1.6 million, and the sale of city parking lot for \$0.5 million. General Fund expenditures and transfers for 2014-15 totaled \$38 million, an increase of \$4.1 million from 2013-14. The increase included higher capital outlay expenditures and General Fund pension transfers for retirement costs. As of June 30, 2015, the total fund balance of the General Fund was \$21.6 million, up \$1.5 million from last year. The unassigned portion of the fund balance in the amount of \$3.6 million remained the same as June 30, 2014.

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 2014-15 were \$3.2 million, up \$1 million from last year. Total 2014-15 grant funded expenditures and transfers were \$3.1 million, reflecting an increase of \$1 million in capital outlay expenditures from 2013-14. The increase reflected the rehabilitation cost for the Cascades waterfall project and home funds for the LINC housing construction project. Total fund balance of the Special Revenue Grants Fund as of June 30, 2015 was \$1.6 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 2014-15 were \$7.3 million. Total expenditures for 2014-15 were \$7.1 million, up \$546,000 from 2013-14. The increase in expenditures was due to higher pension contribution rates required for both Safety Plan and Miscellaneous Plan. Total fund balance in the Retirement/Pension Liability Fund as of June 30, 2015 was \$8.6 million, of which was restricted 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 2014-15 were \$64,000 and total expenditures were \$192,000. The expenditures reflected costs for housing monitoring services. As of June 30, 2015, the fund balance of the Special Revenue Housing Fund was \$2.5 million.

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 2014-15 were \$7.8 million, up \$40,000 from 2013-14. Total expenditures for 2014-15 were \$7.3 million, an increase of \$0.4 million over 2013-14. As of June 30, 2015, the fund balance of the Nonmajor Governmental Funds totaled \$8.8 million, up \$0.5 million from 2013-14.

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 2014-15 water revenues were \$12.7 million, a decrease of \$0.1 million from 2013-14. Total 2014-15 expenses and transfers were \$13 million. The decrease in water revenue was primarily due to lesser amounts of reimbursement received from the Water Quality Authority (WQA) for the treatment plant operational costs. Overall, the Water Fund's net position displayed \$36.2 million at June 30, 2015, Refuse Fund \$453,000, and Sewer Fund \$3.2 million at June 30, 2015.

General Fund Budgetary Highlights

The originally adopted General Fund budget for this fiscal year was \$35.5 million, including the \$1.3 million pension cost supplement.. The final amended budget in the amount of \$39.6 million reflected Midyear Council approved amendments and re-budgeted capital improvement carryovers from 2013-14.

Capital Asset Administration

The City’s capital assets, net of accumulated depreciation, for its governmental and business-type activities as of June 30, 2015, totaled \$77.4 million, a decrease of \$0.2 million from prior year. The capital assets include land, buildings, improvements, machinery and equipment, parks, roads, traffic lights, and traffic signals. *(Readers desiring more detailed information on capital asset activity should refer to Note Number 7 of the Notes to the Basic Financial Statements.)*

*Capital Assets Net of Depreciation
Fiscal Years Ended June 30, 2015 and June 30, 2014
(In thousands)*

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<i>6/30/2015</i>	<i>6/30/2014</i>	<i>6/30/2015</i>	<i>6/30/2014</i>	<i>6/30/2015</i>	<i>6/30/2014</i>
<i>Land</i>	\$ 8,465	\$ 12,614	\$ 500	\$ 500	\$ 8,965	\$ 13,114
<i>Buildings</i>	18,480	19,097	169	175	18,649	19,272
<i>Improvements</i>	9,342	7,868	25,074	21,588	34,416	29,456
<i>Construction in Progress</i>	1,558	1,690	452	596	2,010	2,286
<i>Equipment</i>	2,622	2,484	283	175	2,905	2,659
<i>Infrastructure</i>	9,109	9,451	1,352	1,379	10,461	10,830
	<u>\$ 49,576</u>	<u>\$ 53,204</u>	<u>\$ 27,830</u>	<u>\$ 24,413</u>	<u>\$ 77,406</u>	<u>\$ 77,617</u>

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

- Completed renovations for various park parking lots and access roads.
- Completed renovations for various park irrigation systems.
- Retrofitted City Hall, Police, Parks, Library, and Langley energy-saving lighting system.
- Installed Police mobile vision flashback system.
- Purchased Isabella property for Fire Station No. 2 expansion.
- Purchased a triple combination fire engine.
- Replaced citywide water meters to smart meters for water efficiency and conservation purposes.
- Completed slurry seal and various street resurfacing, alley and sidewalk improvements.
- Continued water well, water main, and pumping station upgrades according to the Water Master Plan.

Debt Administration

As of June 30, 2015, the City's debt totaled \$132.2 million, a decrease of \$6.3 million from the prior year. The primary reason of the decrease was due to the excess of investment income and pension contribution over the pension service costs and interest on pension liabilities during the measurement period in the amount of \$15.7 million, plus higher liabilities for Claims and Judgments, then net of the issuance of capital leases in the amount of 10.5 million. (Please refer to Note Number 11 and 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 \$947 million.

Outstanding Debt
Fiscal Years ended June 30, 2015 and June 30, 2014
(In thousands)

	<u>Government Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>6/30/2015</u>	<u>6/30/2014 (as Restated)</u>	<u>6/30/2015</u>	<u>6/30/2014 (as Restated)</u>	<u>6/30/2015</u>	<u>6/30/2014 (as Restated)</u>
<i>Capital Leases</i>	\$ 2,442	\$ 988	\$ 12,748	\$ 4,392	\$ 15,190	\$ 5,380
<i>Pension Obligation Bonds</i>	14,425	14,890			14,425	14,890
<i>Compensated Absences</i>	4,511	4,656	620	626	5,131	5,282
<i>Section 108 Loan</i>	3,538	3,873	-	-	3,538	3,873
<i>Library Special Tax</i>						
<i>Revenue Note</i>	1,077	1,409	-	-	1,077	1,409
<i>Claims and Judgments</i>	8,841	8,324	-	-	8,841	8,324
<i>Net Pension Liabilities</i>	64,632	79,028	7,014	8,285	71,646	87,313
<i>Other Post Employment Benefits (OPEB)</i>	11,484	11,224	878	838	12,362	12,062
	<u>\$ 110,950</u>	<u>\$ 124,392</u>	<u>\$ 21,260</u>	<u>\$ 14,142</u>	<u>\$ 132,210</u>	<u>\$ 138,533</u>

Economic Factors and Next Year's Budgets

- The City's total assessed valuation is \$6.4 billion, up 4.3% for \$264 million, from 2014-15.
- The 2015-16 budget is balanced and this City spending plan focuses on maintaining excellent community services, enhancing organizational efficiency, and funding much needed infrastructure and capital improvements. Specifically, it includes a total of \$10.7 million for the City's water and sewer infrastructure rehabilitations and street improvements.
- The two new housing projects continue their construction in progress. The first is a 6-unit affordable housing project from the LINC Housing. The second is an 80-unit residential housing project at Potrero Grande Avenue 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 148 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 continues assisting 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. It is anticipated that there will be many well known national and regional tenants in the Market Place.
- 2015-16 is the second year with the new water, sewer, and trash rate increases. 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

CITY OF MONTEREY PARK
Statement of Net Position
June 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 52,090,639	\$ 29,389,304	\$ 81,479,943
Cash and investments held by fiscal agent	1,933,972	4,535,742	6,469,714
Accounts receivable	2,322,109	2,645,660	4,967,769
Interest receivable	113,873	-	113,873
Inventory	5,628	-	5,628
Internal balances	552,071	(552,071)	-
Total current assets	<u>57,018,292</u>	<u>36,018,635</u>	<u>93,036,927</u>
Noncurrent assets:			
Loans receivable, net	2,009,256	-	2,009,256
Advances to Fiduciary Fund	1,921,015	-	1,921,015
Capital assets:			
Not being depreciated	10,022,600	952,583	10,975,183
Being depreciated, net	39,553,067	26,878,091	66,431,158
Total capital assets	<u>49,575,667</u>	<u>27,830,674</u>	<u>77,406,341</u>
Total noncurrent assets	<u>53,505,938</u>	<u>27,830,674</u>	<u>81,336,612</u>
Total assets	<u>110,524,230</u>	<u>63,849,309</u>	<u>174,373,539</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension contribution after measurement date	5,119,398	567,184	5,686,582
Difference between projected and actual earnings on pension plan investments	44,000	-	44,000
Total deferred outflows of resources	<u>5,163,398</u>	<u>567,184</u>	<u>5,730,582</u>

CITY OF MONTEREY PARK
Statement of Net Position, Continued
June 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	1,199,702	2,047,698	3,247,400
Accrued payroll	1,204,315	125,111	1,329,426
Interest payable	160,957	-	160,957
Deposits and advances	431,173	413,480	844,653
Due to other governmental agencies	823,034	-	823,034
Long-term debts, due within one year	5,290,706	682,575	5,973,281
Total current liabilities	<u>9,109,887</u>	<u>3,268,864</u>	<u>12,378,751</u>
Noncurrent liabilities:			
Long-term debts, due in more than one year	29,543,306	12,685,048	42,228,354
Aggregate net pension liabilities (Note 11)	64,632,061	7,014,243	71,646,304
Net other post-employment health benefits liability	11,483,832	878,458	12,362,290
Total noncurrent liabilities	<u>105,659,199</u>	<u>20,577,749</u>	<u>126,236,948</u>
Total liabilities	<u>114,769,086</u>	<u>23,846,613</u>	<u>138,615,699</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Difference between projected and actual earnings on pension plan investments	13,960,613	1,300,573	15,261,186
Total deferred inflows of resources	<u>13,960,613</u>	<u>1,300,573</u>	<u>15,261,186</u>
<u>NET POSITION</u>			
Net investment in capital assets	46,668,353	19,618,954	66,287,307
Restricted for:			
Siemens energy saving projects	610,930	4,535,742	5,146,672
Grants	1,591,378	-	1,591,378
Retirement/pension	8,607,032	-	8,607,032
Housing	624,274	-	624,274
Public safety	464,992	-	464,992
Community development	206,754	-	206,754
Culture and recreation	54,358	-	54,358
Highways and streets	8,091,057	-	8,091,057
Unrestricted (deficit)	(79,961,199)	15,114,611	(64,846,588)
Total net position	<u>\$ (13,042,071)</u>	<u>\$ 39,269,307</u>	<u>\$ 26,227,236</u>

CITY OF MONTEREY PARK
Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 5,027,516	\$ 1,005,102	\$ -	\$ 112,559
Public safety	26,907,556	2,956,084	626,788	106,230
Community development	7,049,958	1,945,407	1,299,961	310,100
Culture and recreation	8,247,795	815,383	337,191	2,140
Highway and streets	5,512,170	480,153	19,793	139,155
Health	488,697	-	255,012	-
Interest and fiscal charges	1,269,034	-	-	-
Total governmental activities	54,502,726	7,202,129	2,538,745	670,184
Business-type activities:				
Water	12,906,852	11,452,592	-	98,776
Refuse	6,657,089	6,371,405	-	-
Sewer	522,245	1,714,098	-	-
Total business-type activities	20,086,186	19,538,095	-	98,776
Total	\$ 74,588,912	\$ 26,740,224	\$ 2,538,745	\$ 768,960

CITY OF MONTEREY PARK
Statement of Activities, Continued
For the Year Ended June 30, 2015

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
Governmental activities:			
General government	\$ (3,909,855)	\$ -	\$ (3,909,855)
Public safety	(23,218,454)	-	(23,218,454)
Community development	(3,494,490)	-	(3,494,490)
Culture and recreation	(7,093,081)	-	(7,093,081)
Highway and streets	(4,873,069)	-	(4,873,069)
Health	(233,685)	-	(233,685)
Interest and fiscal charges	(1,269,034)	-	(1,269,034)
Total governmental activities	<u>(44,091,668)</u>	<u>-</u>	<u>(44,091,668)</u>
Business-type activities:			
Water	-	(1,355,484)	(1,355,484)
Refuse	-	(285,684)	(285,684)
Sewer	-	1,191,853	1,191,853
Total business-type activities	<u>-</u>	<u>(449,315)</u>	<u>(449,315)</u>
Total	<u>(44,091,668)</u>	<u>(449,315)</u>	<u>(44,540,983)</u>
General Revenues:			
Taxes:			
Property taxes	22,600,233	-	22,600,233
Sales taxes	5,245,208	-	5,245,208
Vehicle in-lieu taxes (Unrestricted, intergovernmental)	26,649	-	26,649
Utility user taxes	3,257,450	-	3,257,450
Franchise taxes	1,028,025	-	1,028,025
Business license taxes	1,340,197	-	1,340,197
Transient occupancy taxes	1,158,767	-	1,158,767
Other taxes	7,223,640	-	7,223,640
Revenues from use of money and property	929,648	2,192	931,840
Other	1,153,382	1,258,626	2,412,008
Gain on sale of capital assets	-	18,485	18,485
Total general revenues	<u>43,963,199</u>	<u>1,279,303</u>	<u>45,242,502</u>
Changes in net position	(128,469)	829,988	701,519
Net position (deficit) - beginning of year, as restated (Note 16)	<u>(12,913,602)</u>	<u>38,439,319</u>	<u>25,525,717</u>
Net position (deficit) - end of year	<u>\$ (13,042,071)</u>	<u>\$ 39,269,307</u>	<u>\$ 26,227,236</u>

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FUND FINANCIAL STATEMENTS

CITY OF MONTEREY PARK
Balance Sheet - Governmental Funds
June 30, 2015

	Major Funds			
	General	Special Revenue		
		Grants	Retirement/Pension	Housing
<u>Assets</u>				
Cash and investments	\$ 19,567,379	1,628,842	7,842,427	704,085
Cash and investments held by fiscal agents	610,930	-	1,323,042	-
Accounts receivable	1,179,751	932,653	65,641	-
Interest receivable	102,603	887	-	737
Due from other funds	1,274,680	-	-	-
Loans receivable, net	-	823,034	-	1,186,222
Advances to other funds	741,556	-	-	-
Advances to Fiduciary Fund	-	-	-	1,921,015
Total Assets	\$ 23,476,899	\$ 3,385,416	\$ 9,231,110	\$ 3,812,059
<u>Liabilities, Deferred Inflow of Resources and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 569,596	\$ 250,043	\$ 13,460	\$ 71,743
Accrued payroll	920,954	10,260	160,864	-
Deposits and advances	419,655	2,713	-	8,805
Due to other funds	-	707,988	449,754	-
Due to other governmental agencies	-	823,034	-	-
Advances from other funds	-	-	-	-
Total Liabilities	1,910,205	1,794,038	624,078	80,548
Deferred Inflow of Resources:				
Unavailable revenue	-	-	-	1,186,222
Total Deferred Inflow of Resources	-	-	-	1,186,222
Fund Balances:				
Nonspendable				
Advances to other funds	741,556	-	-	-
Advances to Fiduciary Fund	-	-	-	1,921,015
Restricted				
Siemens energy saving project	610,930	-	-	-
Grants	-	1,591,378	-	-
Retirement	-	-	8,607,032	-
Housing	-	-	-	624,274
Nonmajor special revenue funds	-	-	-	-
Committed				
General Fund	7,173,519	-	-	-
Nonmajor special revenue funds	-	-	-	-
Assigned				
General Fund	9,486,264	-	-	-
Unassigned				
General Fund	3,554,425	-	-	-
Nonmajor special revenue funds	-	-	-	-
Total Fund Balances	21,566,694	1,591,378	8,607,032	2,545,289
Total Liabilities, Deferred inflow of Resources and Fund Balances	\$ 23,476,899	\$ 3,385,416	\$ 9,231,110	\$ 3,812,059

See accompanying Notes to the Basic Financial Statements.

CITY OF MONTEREY PARK
Balance Sheet - Governmental Funds, Continued
June 30, 2015

	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets</u>		
Cash and investments	\$ 9,710,292	\$ 39,453,025
Cash and investments held by fiscal agents	-	1,933,972
Accounts receivable	144,064	2,322,109
Interest receivable	9,646	113,873
Due from other funds	-	1,274,680
Loans receivable, net	-	2,009,256
Advances to other funds	-	741,556
Advances to Fiduciary Fund	-	1,921,015
Total Assets	\$ 9,864,002	\$ 49,769,486
 <u>Liabilities, Deferred Inflow of Resources and Fund Balances</u>		
Liabilities:		
Accounts payable	\$ 141,140	\$ 1,045,982
Accrued payroll	47,207	1,139,285
Deposits and advances	-	431,173
Due to other funds	116,938	1,274,680
Due to other governmental agencies	-	823,034
Advances from other funds	741,556	741,556
Total Liabilities	1,046,841	5,455,710
 Deferred Inflow of Resources:		
Unavailable revenue	-	1,186,222
Total Deferred Inflow of Resources	-	1,186,222
 Fund Balances:		
Nonspendable		
Advances to other funds	-	741,556
Advances to Fiduciary Fund	-	1,921,015
Restricted		
Siemens energy saving project	-	610,930
Grants	-	1,591,378
Retirement	-	8,607,032
Housing	-	624,274
Nonmajor special revenue funds	8,491,509	8,491,509
Committed		
General Fund	-	7,173,519
Nonmajor special revenue funds	699,188	699,188
Assigned		
General Fund	-	9,486,264
Unassigned		
General Fund	-	3,554,425
Nonmajor special revenue funds	(373,536)	(373,536)
Total Fund Balances	8,817,161	43,127,554
Total Liabilities, Deferred inflow of Resources and Fund Balances	\$ 9,864,002	\$ 49,769,486

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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, 2015

Total fund balance of governmental funds in fund statements	\$ 43,127,554
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 \$4,656,542 plus the portion of net position allocated to business-type activities of \$552,071.	5,208,613
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. (Total governmental assets of \$49,575,667 less internal service funds of \$1,159,721, which has already been accounted for in the reconciliation of internal service funds elimination).	48,415,946
Long-term liabilities in the amount of \$46,317,844, excluding net pension liabilities, are not due and payable in the current period and therefore are not reported in the governmental funds, net of \$8,927,671 included in reconciliation of internal service funds.	(37,390,173)
Interest on long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	(160,957)
Net pension liability is not due and payable in the current period and therefore is not reported in the governmental funds.	(64,632,061)
Pension contributions made during the year after the measurement date are reported as expenditures in governmental funds and as deferred outflow of resources in the government-wide financial statements.	5,119,398
Difference between projected and actual earnings on pension plan investments are reported in the government-wide financial statements:	
Projected earnings under actual earnings	(13,960,613)
Projected earnings over actual earnings	44,000
Revenues earned but not available to pay for current expenditures for governmental funds are unavailable.	<u>1,186,222</u>
Net position (deficit) of governmental activities	<u><u>\$ (13,042,071)</u></u>

CITY OF MONTEREY PARK
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2015

	Major Funds			
	General	Special Revenue		
		Grants	Retirement/Pension	Housing
Revenues:				
Taxes	\$ 28,907,866	\$ -	\$ 5,982,302	\$ -
Licenses and permits	775,135	-	-	-
Intergovernmental revenues	-	3,072,957	-	-
Charges for services	5,082,407	2,556	-	-
Revenues from use of money and property	741,298	84,019	28	52,870
Fines and forfeitures	606,928	-	-	-
Other revenue	1,156,420	5,377	-	10,714
Total Revenues	<u>37,270,054</u>	<u>3,164,909</u>	<u>5,982,330</u>	<u>63,584</u>
Expenditures:				
Current:				
General government	3,825,536	-	1,201,549	-
Public safety	21,997,259	343,523	3,753,208	-
Community development	1,709,908	777,535	256,950	192,300
Culture and recreation	4,878,041	670,531	534,948	-
Highways and streets	485,175	25,118	27,680	-
Health	-	238,697	-	-
Capital outlay	3,752,745	184,119	-	-
Debt service:				
Principal retirement	23,000	435,163	465,000	-
Interest and fiscal charges	-	335,093	893,627	-
Total Expenditures	<u>36,671,664</u>	<u>3,009,779</u>	<u>7,132,962</u>	<u>192,300</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>598,390</u>	<u>155,130</u>	<u>(1,150,632)</u>	<u>(128,716)</u>
Other Financing Sources (Uses):				
Transfers in	80,000	-	1,300,000	-
Transfers out	(1,300,000)	(80,000)	-	-
Issuance of long-term debt	1,576,783	-	-	-
Proceeds from sale of property	562,114	-	-	-
Total Other Financing Sources (Uses)	<u>918,897</u>	<u>(80,000)</u>	<u>1,300,000</u>	<u>-</u>
Net Changes in Fund Balances	1,517,287	75,130	149,368	(128,716)
Fund Balances, Beginning of Year	<u>20,049,407</u>	<u>1,516,248</u>	<u>8,457,664</u>	<u>2,674,005</u>
Fund Balances, End of Year	<u>\$ 21,566,694</u>	<u>\$ 1,591,378</u>	<u>\$ 8,607,032</u>	<u>\$ 2,545,289</u>

CITY OF MONTEREY PARK
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds, Continued
For the Year Ended June 30, 2015

	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:		
Taxes	\$ 6,857,833	\$ 41,748,001
Licenses and permits	-	775,135
Intergovernmental revenues	-	3,072,957
Charges for services	436,072	5,521,035
Revenues from use of money and property	41,783	919,998
Fines and forfeitures	436,776	1,043,704
Other	8,357	1,180,868
Total Revenues	7,780,821	54,261,698
Expenditures:		
Current:		
General government	-	5,027,085
Public safety	982,498	27,076,488
Community development	78,501	3,015,194
Culture and recreation	200,915	6,284,435
Highways and streets	4,400,966	4,938,939
Health	250,000	488,697
Capital outlay	955,120	4,891,984
Debt service:		
Principal retirement	332,639	1,255,802
Interest and fiscal charges	50,556	1,279,276
Total Expenditures	7,251,195	54,257,900
Excess (Deficiency) of Revenues Over Expenditures	529,626	3,798
Other Financing Sources (Uses):		
Transfers in	-	1,380,000
Transfers out	-	(1,380,000)
Issuance of long-term debt	-	1,576,783
Proceeds from sale of property	-	562,114
Total Other Financing Sources (Uses)	-	2,138,897
Net Changes in Fund Balances	529,626	2,142,695
Fund Balances, Beginning of Year	8,287,535	40,984,859
Fund Balances, End of Year	\$ 8,817,161	\$ 43,127,554

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, 2015

Net change in fund balance - total governmental funds	\$ 2,142,695
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 \$941,820 is reported with governmental activities. This amount includes \$218,857 charged to the Water and Refuse Enterprise Funds.	722,963
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 noncapitalized current expenditures in the amount of \$1,613,302. Internal service fund capital addition was in the amount of \$469,502.	3,278,682
Depreciation expense, net of internal service fund depreciation expense of \$349,408.	(2,160,900)
Loss on disposal of capital assets.	(4,664,428)
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.	1,255,802
Issuance of long-term debt.	(1,576,783)
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.	978,181
Changes in compensated absences which are not due and payable in the governmental funds are charged to expenses in the Statement of Activities.	144,858
OPEB obligation costs are not due and payable in the current period and therefore are not reported in the governmental funds.	(259,781)
Interest on long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	10,242
Change in net position of governmental activities	\$ (128,469)

PROPRIETARY FUND FINANCIAL STATEMENTS

CITY OF MONTEREY PARK
Statement of Net Position -
Proprietary Funds
June 30, 2015

	Enterprise			Total
	Water Utility	Refuse	Nonmajor (Sewer)	
<u>Assets</u>				
Current Assets:				
Cash and investments	\$ 25,437,858	\$ 1,941,938	\$ 2,009,508	\$ 29,389,304
Cash and investments with fiscal agent	4,535,742	-	-	4,535,742
Accounts receivable	1,792,587	614,285	238,788	2,645,660
Inventory	-	-	-	-
Total Current Assets	<u>31,766,187</u>	<u>2,556,223</u>	<u>2,248,296</u>	<u>36,570,706</u>
Noncurrent Assets:				
Nondepreciable capital assets	952,583	-	-	952,583
Depreciable capital assets, net of accumulated depreciation	25,511,665	-	1,366,426	26,878,091
Total Capital Assets	<u>26,464,248</u>	<u>-</u>	<u>1,366,426</u>	<u>27,830,674</u>
Total Noncurrent Assets	<u>26,464,248</u>	<u>-</u>	<u>1,366,426</u>	<u>27,830,674</u>
Total Assets	<u>58,230,435</u>	<u>2,556,223</u>	<u>3,614,722</u>	<u>64,401,380</u>
<u>Deferred Outflow of Resources</u>				
Pension contribution after measurement date	468,544	73,980	24,660	567,184
<u>Liabilities</u>				
Current Liabilities:				
Accounts payable	1,221,331	825,692	675	2,047,698
Accrued payroll	97,380	16,632	11,099	125,111
Deposits and advances	413,480	-	-	413,480
Claims and judgments payable - due within one year	-	-	-	-
Capital lease obligations - due within one year	620,785	-	-	620,785
Compensated absences - due within one year	47,768	9,726	4,296	61,790
Total Current Liabilities	<u>2,400,744</u>	<u>852,050</u>	<u>16,070</u>	<u>3,268,864</u>
Noncurrent Liabilities:				
Claims and judgments payable - due in more than one year	-	-	-	-
Capital lease obligations - due in more than one year	12,126,677	-	-	12,126,677
Compensated absences payable - due in more than one year	429,903	87,535	40,933	558,371
OPEB obligations payable	694,105	152,651	31,702	878,458
Net pension liabilities	5,794,375	914,901	304,967	7,014,243
Total Noncurrent Liabilities	<u>19,045,060</u>	<u>1,155,087</u>	<u>377,602</u>	<u>20,577,749</u>
Total Liabilities	<u>21,445,804</u>	<u>2,007,137</u>	<u>393,672</u>	<u>23,846,613</u>
<u>Deferred Inflow of Resources</u>				
Difference between projected and actual earnings on pension plan investments	1,074,386	169,640	56,547	1,300,573
<u>Net Position</u>				
Net investment in capital assets	18,252,528	-	1,366,426	19,618,954
Restricted	4,535,742	-	-	4,535,742
Unrestricted	13,390,519	453,426	1,822,737	15,666,682
Total Net Position	<u>\$ 36,178,789</u>	<u>\$ 453,426</u>	<u>\$ 3,189,163</u>	<u>\$ 39,821,378</u>
Adjustment to reflect the consolidation of internal service funds activities to related enterprise fund				
	(517,169)	(34,902)	-	(552,071)
Net Position of Business-type Activities	<u>\$ 35,661,620</u>	<u>\$ 418,524</u>	<u>\$ 3,189,163</u>	<u>\$ 39,269,307</u>

See accompanying Notes to the Basic Financial Statements.

CITY OF MONTEREY PARK
Statement of Net Position -
Proprietary Funds, Continued
June 30, 2015

	Internal Service	Total Proprietary Funds
<u>Assets</u>		
Current Assets:		
Cash and investments	\$ 12,637,614	\$ 42,026,918
Cash and investments with fiscal agent	-	4,535,742
Accounts receivable	-	2,645,660
Inventory	5,628	5,628
Total Current Assets	12,643,242	49,213,948
Noncurrent Assets:		
Nondepreciable capital assets	118,842	1,071,425
Depreciable capital assets, net of accumulated depreciation	1,040,879	27,918,970
Total Capital Assets	1,159,721	28,990,395
Total Noncurrent Assets	1,159,721	28,990,395
Total Assets	13,802,963	78,204,343
<u>Deferred Outflow of Resources</u>		
Pension contribution after measurement date	-	567,184
<u>Liabilities</u>		
Current Liabilities:		
Accounts payable	153,720	2,201,418
Accrued payroll	65,030	190,141
Deposits and advances	-	413,480
Claims and judgments payable - due within one year	3,536,537	3,536,537
Capital lease obligations - due within one year	-	620,785
Compensated absences - due within one year	8,631	70,421
Total Current Liabilities	3,763,918	7,032,782
Noncurrent Liabilities:		
Claims and judgments payable - due in more than one year	5,304,806	5,304,806
Capital lease obligations - due in more than one year	-	12,126,677
Compensated absences payable - due in more than one year	77,697	636,068
OPEB obligations payable	-	878,458
Net pension liabilities	-	7,014,243
Total Noncurrent Liabilities	5,382,503	25,960,252
Total Liabilities	9,146,421	32,993,034
<u>Deferred Inflow of Resources</u>		
Difference between projected and actual earnings on pension plan investments	-	1,300,573
<u>Net Position</u>		
Net investment in capital assets	1,159,721	20,778,675
Restricted	-	4,535,742
Unrestricted	3,496,821	19,163,503
Total Net Position	\$ 4,656,542	\$ 44,477,920

CITY OF MONTEREY PARK
Statement of Revenues, Expenses and Changes in
Net Position - Proprietary Funds
For the Year Ended June 30, 2015

	Enterprise			Total
	Water Utility	Refuse	Nonmajor (Sewer)	
Operating Revenues:				
Charges for services	\$ 11,280,294	\$ 6,371,405	\$ 1,714,098	\$ 19,365,797
Meter installations	172,298	-	-	172,298
Other revenue	1,258,626	-	-	1,258,626
Total Operating Revenues	<u>12,711,218</u>	<u>6,371,405</u>	<u>1,714,098</u>	<u>20,796,721</u>
Operating Expenses:				
Water purchased	40,348	-	-	40,348
Administration	5,277,116	1,090,905	-	6,368,021
Commercial - water	648,755	-	-	648,755
Production - water	2,070,786	-	-	2,070,786
Distribution - water	1,175,200	-	-	1,175,200
Treatment plant	2,493,179	-	-	2,493,179
Street maintenance - refuse	-	50,130	-	50,130
Storm drain maintenance - refuse	-	96,935	-	96,935
Refuse collection	-	5,443,938	-	5,443,938
Sanitary sewer maintenance	-	-	436,389	436,389
Depreciation	1,303,505	-	85,856	1,389,361
Salaries and benefits	-	-	-	-
Materials and supplies	-	-	-	-
Insurance and claims	-	-	-	-
Miscellaneous	-	-	-	-
Total Operating Expenses	<u>13,008,889</u>	<u>6,681,908</u>	<u>522,245</u>	<u>20,213,042</u>
Operating Income (Loss)	<u>(297,671)</u>	<u>(310,503)</u>	<u>1,191,853</u>	<u>583,679</u>
Nonoperating Income (Loss):				
Interest revenue	2,192	-	-	2,192
Interest expense	(92,001)	-	-	(92,001)
Gain on sale of surplus property	18,485	-	-	18,485
Total Nonoperating Income (Loss)	<u>(71,324)</u>	<u>-</u>	<u>-</u>	<u>(71,324)</u>
Net Income (Loss) Before Capital Contributions	<u>(368,995)</u>	<u>(310,503)</u>	<u>1,191,853</u>	<u>512,355</u>
Capital contributions	98,776	-	-	98,776
Total Capital Contributions	<u>98,776</u>	<u>-</u>	<u>-</u>	<u>98,776</u>
Changes in Net Position	<u>(270,219)</u>	<u>(310,503)</u>	<u>1,191,853</u>	<u>611,131</u>
Net Position, Beginning of Year, as Restated (Note 16)	36,449,008	763,929	1,997,310	39,210,247
Net Position, End of Year	<u>\$ 36,178,789</u>	<u>\$ 453,426</u>	<u>\$ 3,189,163</u>	<u>\$ 39,821,378</u>
Changes in Net Position	\$ (270,219)	\$ (310,503)	\$ 1,191,853	\$ 611,131
Adjustment to reflect the consolidation of internal service fund activities to related enterprise fund	<u>194,038</u>	<u>24,819</u>	<u>-</u>	<u>218,857</u>
Changes in Net Position of Business-type Activities	<u>\$ (76,181)</u>	<u>\$ (285,684)</u>	<u>\$ 1,191,853</u>	<u>\$ 829,988</u>

CITY OF MONTEREY PARK
Statement of Revenues, Expenses and Changes in
Net Position - Proprietary Funds, Continued
For the Year Ended June 30, 2015

	Internal Service	Total Proprietary Funds
Operating Revenues:		
Charges for services	\$ 5,716,046	\$ 25,081,843
Meter installations	-	172,298
Other revenue	979,442	2,238,068
Total Operating Revenues	<u>6,695,488</u>	<u>27,492,209</u>
Operating Expenses:		
Water purchased	-	40,348
Administration	-	6,368,021
Commercial - water	-	648,755
Production - water	-	2,070,786
Distribution - water	-	1,175,200
Treatment plant	-	2,493,179
Street maintenance - refuse	-	50,130
Storm drain maintenance - refuse	-	96,935
Refuse collection	-	5,443,938
Sanitary sewer maintenance	-	436,389
Depreciation	349,408	1,738,769
Salaries and benefits	1,602,149	1,602,149
Materials and supplies	865,676	865,676
Insurance and claims	2,706,739	2,706,739
Miscellaneous	350,580	350,580
Total Operating Expenses	<u>5,874,552</u>	<u>26,087,594</u>
Operating Income (Loss)	<u>820,936</u>	<u>1,404,615</u>
Nonoperating Income (Loss):		
Interest revenue	-	2,192
Interest expense	-	(92,001)
Gain on sale of surplus property	8,325	26,810
Total Nonoperating Income (Loss)	<u>8,325</u>	<u>(62,999)</u>
Net Income (Loss) Before Capital Contributions	<u>829,261</u>	<u>1,341,616</u>
Capital contributions	<u>112,559</u>	<u>211,335</u>
Total Capital Contributions	<u>112,559</u>	<u>211,335</u>
Changes in Net Position	941,820	1,552,951
Net Position, Beginning of Year, as Restated (Note 16)	<u>3,714,722</u>	<u>42,924,969</u>
Net Position, End of Year	<u>\$ 4,656,542</u>	<u>\$ 44,477,920</u>

CITY OF MONTEREY PARK
Statement of Cash Flows -
Proprietary Funds
For the Year Ended June 30, 2015

	Enterprise Funds			Total
	Water Utility	Refuse	Nonmajor (Sewer)	
Cash Flows from Operating Activities:				
Cash receipts from customers	\$ 12,686,385	\$ 6,443,446	\$ 1,513,948	\$ 20,643,779
Cash receipts from interfund services provided	-	-	-	-
Cash payments to suppliers for goods and services	(6,328,389)	(5,658,972)	(100,667)	(12,088,028)
Cash payments to employees for services	(4,751,734)	(1,030,968)	(290,882)	(6,073,584)
Cash payments for insurance premiums and self-insurance claims	-	-	-	-
Cash receipts from insurance recovery	-	-	-	-
Net Cash Provided by (Used in) Operating Activities	<u>1,606,262</u>	<u>(246,494)</u>	<u>1,122,399</u>	<u>2,482,167</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(4,650,500)	-	(57,902)	(4,708,402)
Proceeds from sale of surplus assets	18,485	-	-	18,485
Proceeds from lease purchase agreement	8,935,118	-	-	8,935,118
Principal paid on lease financing	(579,737)	-	-	(579,737)
Interest paid on lease financing	(92,001)	-	-	(92,001)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>3,631,365</u>	<u>-</u>	<u>(57,902)</u>	<u>3,573,463</u>
Cash Flows from Investing Activities:				
Interest received	2,192	-	-	2,192
Net Cash Provided by Investing Activities	<u>2,192</u>	<u>-</u>	<u>-</u>	<u>2,192</u>
Net Increase (Decrease) in Cash and Cash Equivalents	5,239,819	(246,494)	1,064,497	6,057,822
Cash and cash equivalents, Beginning of Year	24,733,781	2,188,432	945,011	27,867,224
Cash and cash equivalents, End of Year	<u>\$ 29,973,600</u>	<u>\$ 1,941,938</u>	<u>\$ 2,009,508</u>	<u>\$ 33,925,046</u>
Cash and investments	\$ 25,437,858	\$ 1,941,938	\$ 2,009,508	\$ 29,389,304
Cash and investments with fiscal agent	4,535,742	-	-	4,535,742
Total Cash and Cash Equivalents	<u>\$ 29,973,600</u>	<u>\$ 1,941,938</u>	<u>\$ 2,009,508</u>	<u>\$ 33,925,046</u>
Noncash from Capital and Related Financing Activities:				
Capital contributions	<u>\$ 98,776</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,776</u>

CITY OF MONTEREY PARK
Statement of Cash Flows -
Proprietary Funds, Continued
For the Year Ended June 30, 2015

	Internal Service	Total Proprietary Funds
Cash Flows from Operating Activities:		
Cash receipts from customers	\$ -	\$ 20,643,779
Cash receipts from interfund services provided	5,716,046	5,716,046
Cash payments to suppliers for goods and services	(1,254,771)	(13,342,799)
Cash payments to employees for services	(1,569,546)	(7,643,130)
Cash payments for insurance premiums and self-insurance claims	(2,134,800)	(2,134,800)
Cash receipts from insurance recovery	979,442	979,442
Net Cash Provided by (Used in) Operating Activities	1,736,371	4,218,538
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(257,454)	(4,965,856)
Proceeds from sale of surplus assets	8,325	26,810
Proceeds from lease purchase agreement		8,935,118
Principal paid on lease financing	-	(579,737)
Interest paid on lease financing	-	(92,001)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(249,129)	3,324,334
Cash Flows from Investing Activities:		
Interest received	-	2,192
Net Cash Provided by Investing Activities	-	2,192
Net Increase (Decrease) in Cash and Cash Equivalents	1,487,242	7,545,064
Cash and cash equivalents, Beginning of Year	11,150,372	39,017,596
Cash and cash equivalents, End of Year	\$ 12,637,614	\$ 46,562,660
Cash and investments	\$ 12,637,614	\$ 42,026,918
Cash and investments with fiscal agent	-	4,535,742
Total Cash and Cash Equivalents	\$ 12,637,614	\$ 46,562,660
Noncash from Capital and Related Financing Activities:		
Capital contributions	\$ 112,559	\$ 211,335

(Continued)

CITY OF MONTEREY PARK
Statement of Cash Flows -
Proprietary Funds, Continued
For the Year Ended June 30, 2015

	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)	\$ (297,671)	\$ (310,503)	\$ 1,191,853	\$ 583,679
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation	1,303,505	-	85,856	1,389,361
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(33,136)	72,041	(200,150)	(161,245)
(Increase) decrease in inventory	-	-	-	-
(Increase) in deferred inflows or resources - pension	(49,955)	(7,887)	(2,629)	(60,471)
Increase (decrease) in accounts payable	636,830	(3,592)	(1,052)	632,186
Increase (decrease) in accrued payroll	12,316	3,110	10,773	26,199
Increase in deposits and advances	8,303	-	-	8,303
Increase (decrease) in claims and judgments payable	-	-	-	-
Increase (decrease) in compensated absences payable	(31,608)	(9,677)	35,351	(5,934)
Increase in OPEB obligations	33,242	6,156	1,111	40,509
(decrease) in net pension liability	(1,049,950)	(165,782)	(55,261)	(1,270,993)
Increase in deferred inflows or resources - pension	1,074,386	169,640	56,547	1,300,573
Total Adjustments	1,903,933	64,009	(69,454)	1,898,488
Net Cash Provided by (Used in) Operating Activities	\$ 1,606,262	\$ (246,494)	\$ 1,122,399	\$ 2,482,167

(Continued)

CITY OF MONTEREY PARK
Statement of Cash Flows -
Proprietary Funds, Continued
For the Year Ended June 30, 2015

	Internal Service	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating income (Loss)	\$ 820,936	\$ 1,404,615
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	349,408	1,738,769
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	-	(161,245)
(Increase) decrease in inventory	(2,079)	(2,079)
(Increase) in deferred inflows or resources - pension	-	(60,471)
Increase (decrease) in accounts payable	18,491	650,677
Increase (decrease) in accrued payroll	32,433	58,632
Increase in deposits and advances	-	8,303
Increase (decrease) in claims and judgments payable	517,012	517,012
Increase (decrease) in compensated absences payable	170	(5,764)
Increase in OPEB obligations	-	40,509
(decrease) in net pension liability	-	(1,270,993)
Increase in deferred inflows or resources - pension	-	1,300,573
Total Adjustments	915,435	2,813,923
Net Cash Provided by (Used in) Operating Activities	\$ 1,736,371	\$ 4,218,538

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FIDUCIARY FUND FINANCIAL STATEMENTS

CITY OF MONTEREY PARK
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Private-Purpose Trust Fund	Agency Funds
Assets:		
Cash and investments	5,963,219	\$ 2,237,525
Cash and investments with fiscal agent	1,652,803	-
Land held for resale	1,413,937	-
Total assets	9,029,959	\$ 2,237,525
Liabilities:		
Accounts payable	4,308	\$ 32,915
Deposits payable	184,659	2,204,610
Interest payable	306,271	-
Advances from City of Monterey Park	1,921,015	-
Bonds payable	20,549,693	-
Tax increment deferred loans	49,417,532	-
Low/Mod Housing deferred loans	1,186,222	-
Total Liabilities	73,569,700	\$ 2,237,525
Net Position (Deficit):		
Net position (deficit) held in trust for debt service and certain administrative expenses	\$ (64,539,741)	

CITY OF MONTEREY PARK
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2015

	Private-Purpose Trust Fund
Additions:	
Redevelopment Property Tax Trust Fund	\$ 2,515,118
Investment income	14,968
Total additions	2,530,086
Deductions:	
Administration	261,040
Interest expense and fiscal charges	4,065,567
Total deductions	4,326,607
Change in net position before special item	(1,796,521)
Special Item:	
Loss on sale of land held for resale (Note 6)	(4,233,000)
Change in net position	(6,029,521)
Net Position:	
Beginning of year	(58,510,220)
Ending of year	\$ (64,539,741)

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CITY OF MONTEREY PARK
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Description of Reporting Entity

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

Blended Component Units:

The Monterey Park Public Financing Authority

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

The Monterey Park Housing Authority

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

(b) Government-Wide and Fund Financial Statements

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

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

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 the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

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 the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

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

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

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 the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

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 the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

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) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 11). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

<u>CalPERS</u>	
Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Measurement Period	July 1, 2013 to June 30, 2014
<u>MMRP</u>	
Valuation Date	June 30, 2015
Measurement Date	June 30, 2015
Measurement Period	July 1, 2014 to June 30, 2015

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

(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 \$1,291,710 were recognized for postretirement medical insurance. Decreases over the prior year expenditure of \$7,239 were attributable to decreased monthly contributions for retirees due to more Medicare coverage for more retirees. The City also made a contribution of \$1,038,000 during fiscal year 2014-2015 for a prefunding solution.

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(k) Other Post Employment Benefits, Continued

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) 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, 2015 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).

(m) 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.

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.

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(m) Fund Equity and Net Position, Continued

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.

(n) 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.

(o) Accounting Changes

GASB has 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. This statement became effective for periods beginning after June 15, 2014. See Note 16 for prior period adjustment as a result of implementation.

GASB has issued Statement No. 69, *Government Combinations and Disposals of Government Operation*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This statement became effective for periods beginning after December 15, 2013 and did not have a significant impact on the City's financial statements for year ended June 30, 2015.

GASB has issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. This statement establishes standards relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This statement became effective for periods beginning after June 15, 2014. See Note 16 for prior period adjustment as a result of implementation.

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

2. CASH AND INVESTMENTS

Cash and investments at June 30, 2015 are classified in the accompanying financial statements as follows:

	Government-Wide			Fiduciary Funds	Total
	Governmental Activities	Business-Type Activities	Total		
Cash and investments	\$ 52,090,639	\$ 29,389,304	\$ 81,479,943	\$ 8,200,744	\$ 89,680,687
Cash and investments held by fiscal agent	1,933,972	4,535,742	6,469,714	1,652,803	8,122,517
Total cash and investments	\$ 54,024,611	\$ 33,925,046	\$ 87,949,657	\$ 9,853,547	\$ 97,803,204

Cash and investments at June 30, 2015 consist of the following:

Cash on hand	\$ 4,450
Demand deposits with financial institutions	9,836,049
Total cash and cash equivalents	9,840,499
Certificates of deposits with financial institutions	3,980,000
Local Agency Investment Fund (LAIF)	560,188
Los Angeles County Treasury Pool	75,300,000
Money market mutual fund	8,122,517
Total investments	87,962,705
Total cash and investments	\$ 97,803,204

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, 2015, the carrying amount of the City's demand deposits was \$9,836,049 and the bank balance was \$10,588,242. The \$752,193 difference represents outstanding checks, deposits in transit, and other reconciling items.

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

2. CASH AND INVESTMENTS, CONTINUED

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	None
Local Agency Bonds	5 years	10%	None	"AA" (S&P) or equivalent
State obligations - California and others	5 years	10%	None	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

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 (94%).

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

2. CASH AND INVESTMENTS, CONTINUED

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 239 days and in the Los Angeles County Treasury Pool is approximately 595 days.

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
Treasury Investments:				
Certificates of Deposit	N/A *	\$ 3,980,000	\$ 2,780,000	\$ 1,200,000
LAIF	N/A *	560,188	560,188	-
Los Angeles County Treasury Pool	N/A *	75,300,000	75,300,000	-
Total Treasury Investments		<u>79,840,188</u>	<u>78,640,188</u>	<u>1,200,000</u>
Investments Held by Fiscal Agents:				
Money Market Mutual Fund	N/A *	8,122,517	8,122,517	-
Total Investments Held by Fiscal Agents		<u>8,122,517</u>	<u>8,122,517</u>	<u>-</u>
Total Investments		<u>\$ 87,962,705</u>	<u>\$ 86,762,705</u>	<u>\$ 1,200,000</u>

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

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

2. CASH AND INVESTMENTS, CONTINUED

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, 2015, 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, 2015, the City had \$560,188 invested in LAIF, which had invested 0.97% of the pool investment funds in Structured notes and Medium-term Asset-backed Securities. The LAIF fair value factor of 1.000375979 was used to calculate the fair value of the investments in LAIF.

Investment in Los Angeles County Investment Pool

The City is a voluntary participant in the Los Angeles County Investment Pool pursuant to Government Code Section 53684. The cash flow needs of participants are monitored daily to ensure that sufficient liquidity is maintained to meet the needs of those participants. At the time deposits are made, the Los Angeles County Investment Pool's Treasurer may require the depositing entity to provide annual cash flow projections or an anticipated withdrawal schedule for deposits in excess of \$1 million. Projections are to be performed no less than semi-annually. In accordance with Government Code Section 27136, all requests for withdrawal of funds for the purpose of investing or depositing the funds elsewhere shall be evaluated to ensure the proposed withdrawal will not adversely affect the principal deposits of the other participants. At June 30, 2015, the City had \$75,300,000 invested in the Los Angeles County Investment Pool.

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

3. RECEIVABLES

Receivables of the City as of June 30, 2015 were:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts Receivable:			
Property taxes	\$ 409,641	\$ -	\$ 409,641
Sales taxes	592,200	-	592,200
Utility taxes	138,957	-	138,957
Water, sewer and refuse sales	-	2,645,660	2,645,660
Subvention and grants	932,653	-	932,653
Other	248,658	-	248,658
Total Accounts Receivable	<u>\$ 2,322,109</u>	<u>\$ 2,645,660</u>	<u>\$ 4,967,769</u>
Interest Receivable	<u>\$ 113,873</u>	<u>\$ -</u>	<u>\$ 113,873</u>
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)	225,365	-	225,365
Pacific Bridge Loan (See Note 10)	384,119	-	384,119
First-Time Homebuyers (Housing)	138,875	-	138,875
Critical Maintenance (Housing)	118,287	-	118,287
Critical Maintenance (Grants)	77,818	-	77,818
Abajo del Sol Loan (Grants)	2,102,012	-	2,102,012
LINC Community Development (Housing)	2,080,000	-	2,080,000
LINC Community Development (Grants)	496,407	-	496,407
Low/Mod Housing Deferred Loan	1,186,222	-	1,186,222
Subtotal	7,022,655	-	7,022,655
Less Allowance for Uncollectible Loans	(5,013,399)	-	(5,013,399)
Total Loans Receivable	<u>\$ 2,009,256</u>	<u>\$ -</u>	<u>\$ 2,009,256</u>
Total Receivables	<u>\$ 4,445,238</u>	<u>\$ 2,645,660</u>	<u>\$ 7,090,898</u>

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

3. RECEIVABLES, CONTINUED

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, 2015 is \$48,015 and has been recorded as notes receivable in the Special Revenue Grants Fund.
- B. SERA Program:** The City participated in the State Earthquake Rehabilitation Assistance (“SERA”) program to assist residents with the application and loan processes for residential repairs and rehabilitation following the October 1987 Whittier-Narrows earthquake. The outstanding balance of loans placed through the program is \$165,535 at June 30, 2015 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, 2015, outstanding principal and interest are \$175,000 and \$50,365, 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, 2015, outstanding principal and interest are \$240,478 and \$143,641, 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, 2015, \$138,875 is the amount of outstanding loan balances, and has been reported as notes receivable with an offset of allowance for uncollectible notes in the Special Revenue Housing Fund in the fund level financial statements and in the government-wide statements.

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

3. RECEIVABLES, CONTINUED

- F. *Critical Maintenance:*** Beginning in 1997-98, the City offered low interest rate loans through the Critical Maintenance Loan Program to assist low and moderate income homeowners for essential or emergency repairs. At June 30, 2015, the loans outstanding totaled \$196,105. Of this amount, \$77,818 is funded by the former Redevelopment Agency’s Housing Capital Projects Fund and \$118,287 is funded by the Federal HOME Program Grants Fund. The outstanding loan balance of \$77,818 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 \$118,287 has been reported as notes receivable with an offset of allowance for uncollectible notes in the Special Revenue Grants Fund in the fund level financial statements and in the government-wide statements.
- G. *Abajo del Sol:*** In 1998, the Housing Authority and the Abajo del Sol, Limited Partnership had entered into a housing development agreement. Under the agreement, the 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, 2015, outstanding principal and interest being recorded as notes receivable are \$1,187,345 and \$914,668, respectively in the Special Revenue Grants Fund with an offset of allowance for uncollectible notes in the fund level financial statement and in the government-wide statements.
- H. *LINC Community Development:*** In 2015, the Monterey Park Successor Housing Agency and City entered into a housing development agreement with LINC Community Development Corporation (“LINC”). Under the agreement, the Monterey Park Successor Housing Agency sold 5 properties to the developer in exchange for a \$2,080,000 loan bearing compound interest at the rate of 2.41 percent per annum for 5 units of affordable rental housings. The properties were purchased with former Redevelopment Agency’s Housing Set Aside fund. As a result, the loan was reported in the City’s Special Revenue Housing Fund and with an offset of allowance for uncollectible notes in the fund level financial statements and in the government-wide statements. As part of the development agreement, the City also sold one of the City’s parking lots to the LINC for development of a 6-unit affordable rental housing. The City also used the Federal HOME Program Grants Fund to provide construction loan up to \$834,833 bearing simple interest at the rate of 3 percent per annum. As of June 30, 2015, \$496,407 has been funded and is reported as loans receivables in the Special Revenue Grants Fund with an offset of allowance for uncollectible notes in the fund level financial statement and in the government-wide statements.
- I. *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>

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

4. INTERFUND TRANSACTIONS

There were no internal receivables and payables at June 30, 2015 between the governmental activities and business-type activities.

Individual interfund receivables and payables were as follows at June 30, 2015:

	Due from Other Funds
	Governmental Fund
	General Fund
Due to Other Funds	
Governmental Funds:	
Special Revenue Grants Fund	707,988
Special Revenue Retirement/Pension Fund	449,754
Nonmajor Governmental Funds	116,938
Total	\$ 1,274,680

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

	Advances to Other Funds
	Governmental Fund
	General Fund
Advances from Other Funds	
Governmental Funds:	
Nonmajor Governmental Funds	\$ 741,556

During the year ended June 30, 2015, the General Funds loaned \$240,556 to the Special Revenue Park Facility Fund and \$501,000 to Special Revenue Public Safety Impact Fee Fund for park facility and fire station capital costs, respectively. The loan bears 0% interest rate and to be repay within the next year.

	Transfers In		
	Governmental Funds		
	General Fund	Retirement/ Pension Fund	Total
Transfers Out			
Governmental Funds:			
General Fund	\$ -	1,300,000	\$ 1,300,000
Special Revenue Grants Fund	80,000	-	80,000
Total	<u>\$ 80,000</u>	<u>\$ 1,300,000</u>	<u>\$ 1,380,000</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. Transfers from the Special Revenue Grants Fund to the General Fund were for Ground Emergency Medical Transport (“GEMT”) reimbursements due to General Fund for \$80,000. Transfers from the General Fund to the Special Revenue Retirement/Pension Fund were for the General Fund portion of pension contributions for \$1,300,000.

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

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, 2015 amounted to \$1,921,015. 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).

6. LAND HELD FOR RESALE

Land held for resale is generally acquired for redevelopment through the use of disposition and development agreements.

On August 28, 2014, the Successor Agency sold the Hotel site to Joint Win Development, LLC for total net proceeds of \$5,955,597. The entire net proceeds of \$5,955,597 were transferred to the County of Los Angeles, Auditor-Controller's Office on December 8, 2014 for distribution to the taxing entities. The Hotel site was acquired at \$4,233,000. As a result, the Successor Agency reported a loss on sale of land held for resale in the amount of \$4,233,000 during the year ended June 30, 2015.

At June 30, 2015, the total land held for resale in the amount of \$1,413,937 is reported in the private purpose trust fund. This included the \$1,413,937 Garvey Lot held under the Successor Agency to the Former Monterey Park Redevelopment Agency.

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

7. CAPITAL ASSETS

At June 30, 2015, the capital assets balances for the City are as follows:

	Governmental Activities	Business-Type Activities	Total
Capital Assets, Not Being Depreciated:			
Land	\$ 8,465,051	\$ 499,975	\$ 8,965,026
Construction in progress	1,557,549	452,608	2,010,157
Total Capital Assets, Not Being Depreciated	10,022,600	952,583	10,975,183
Capital Assets, Being Depreciated:			
Buildings	30,391,663	285,050	30,676,713
Improvements	13,322,574	44,143,654	57,466,228
Equipment	23,281,080	2,761,490	26,042,570
Infrastructure	28,274,667	10,066,557	38,341,224
Total Capital Assets, Being Depreciated	95,269,984	57,256,751	152,526,735
Less Accumulated Depreciation:			
Buildings	(11,911,334)	(115,560)	(12,026,894)
Improvements	(3,980,631)	(19,069,863)	(23,050,494)
Equipment	(20,659,546)	(2,478,228)	(23,137,774)
Infrastructure	(19,165,406)	(8,715,009)	(27,880,415)
Total Accumulated Depreciation	(55,716,917)	(30,378,660)	(86,095,577)
Total Capital Assets, Being Depreciated, Net	39,553,067	26,878,091	66,431,158
Total Capital Assets, Net	\$ 49,575,667	\$ 27,830,674	\$ 77,406,341

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

7. CAPITAL ASSETS, CONTINUED

Governmental Activities

A summary of changes in capital asset activity for the year ended June 30, 2015 is as follows:

	Balance July 1, 2014	Additions	Deletions	Reclassifications	Balance June 30, 2015
Capital Assets, Not Being Depreciated:					
Land	\$ 12,613,500	\$ 501,000	\$ (4,649,449)	\$ -	\$ 8,465,051
Construction in progress	1,690,033	1,529,691	-	(1,662,175)	1,557,549
Total Capital Assets, Not Being Depreciated	14,303,533	2,030,691	(4,649,449)	(1,662,175)	10,022,600
Capital Assets, Being Depreciated:					
Buildings	30,391,663	-	-	-	30,391,663
Improvements	11,518,749	141,650	-	1,662,175	13,322,574
Equipment	22,343,178	1,093,484	(155,582)	-	23,281,080
Infrastructure	28,008,028	266,639	-	-	28,274,667
Total Capital Assets, Being Depreciated	92,261,618	1,501,773	(155,582)	1,662,175	95,269,984
Less Accumulated Depreciation:					
Buildings	(11,294,860)	(616,474)	-	-	(11,911,334)
Improvements	(3,650,781)	(329,850)	-	-	(3,980,631)
Equipment	(19,859,269)	(955,859)	155,582	-	(20,659,546)
Infrastructure	(18,557,281)	(608,125)	-	-	(19,165,406)
Total Accumulated Depreciation	(53,362,191)	(2,510,308)	155,582	-	(55,716,917)
Total Capital Assets, Being Depreciated, Net	38,899,427	(1,008,535)	-	1,662,175	39,553,067
Total Capital Assets, Net	\$ 53,202,960	\$ 1,022,156	\$ (4,649,449)	\$ -	\$ 49,575,667

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

7. CAPITAL ASSETS, CONTINUED

Business-Type Activities

A summary of changes in capital asset activity for the year ended June 30, 2015 is as follows:

	Balance				Balance
	July 1, 2014	Additions	Deletions	Reclassifications	June 30, 2015
Capital Assets, Not Being Depreciated:					
Land	\$ 499,975	\$ -	\$ -	\$ -	\$ 499,975
Construction in progress	595,939	-	-	(143,331)	452,608
Total Capital Assets, Not Being Depreciated	1,095,914	-	-	(143,331)	952,583
Capital Assets, Being Depreciated:					
Buildings	285,050	-	-	-	285,050
Improvements	39,422,739	4,577,584	-	143,331	44,143,654
Equipment	2,675,555	171,692	(85,757)	-	2,761,490
Infrastructure	10,008,655	57,902	-	-	10,066,557
Total Capital Assets, Being Depreciated	52,391,999	4,807,178	(85,757)	143,331	57,256,751
Less Accumulated Depreciation:					
Buildings	(109,971)	(5,589)	-	-	(115,560)
Improvements	(17,834,225)	(1,235,638)	-	-	(19,069,863)
Equipment	(2,500,981)	(63,004)	85,757	-	(2,478,228)
Infrastructure	(8,629,879)	(85,130)	-	-	(8,715,009)
Total Accumulated Depreciation	(29,075,056)	(1,389,361)	85,757	-	(30,378,660)
Total Capital Assets, Being Depreciated, Net	23,316,943	3,417,817	-	143,331	26,878,091
Total Capital Assets, Net	\$ 24,412,857	\$ 3,417,817	\$ -	\$ -	\$ 27,830,674

Depreciation expense of \$3,899,669 was charged to the following functions:

	Governmental	Business-Type	Total
	Activities	Activities	Total
General government	\$ 187,123	\$ -	\$ 187,123
Public safety	952,762	-	952,762
Community development	8,263	-	8,263
Culture and recreation	635,793	-	635,793
Street and highways	726,367	-	726,367
Water	-	1,303,505	1,303,505
Sewer	-	85,856	85,856
Total	\$ 2,510,308	\$ 1,389,361	\$ 3,899,669

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

8. LONG-TERM DEBT

Changes in long-term debt for the City for the year ended June 30, 2015 are as follows:

Governmental Activities	Balance July 1, 2014 (As Restated)	Additions	Deletions	Balance June 30, 2015	Amount Due Within One Year	Amount Due In More Than One Year
Bonds Payable:						
2004 Taxable Pension Obligation						
Bonds	\$ 14,890,000	\$ -	\$ (465,000)	\$ 14,425,000	\$ 455,000	\$ 13,970,000
Total bonds payable	14,890,000	-	(465,000)	14,425,000	455,000	13,970,000
Loans and Notes Payable						
HUD Section 108 Loans Payable	3,873,000	-	(335,000)	3,538,000	356,000	3,182,000
Library Special Tax Revenue Notes Series 2005	1,409,307	-	(332,639)	1,076,668	345,433	731,235
Total loans and notes payable	5,282,307	-	(667,639)	4,614,668	701,433	3,913,235
Compensated Absences Payable	4,656,113	1,075	(145,763)	4,511,425	462,905	4,048,520
Capital Lease Obligations (Note 9)	987,956	1,576,783	(123,163)	2,441,576	134,831	2,306,745
Net Pension Liabilities (Note 11)	79,028,162	23,471,445	(37,867,546)	64,632,061	-	64,632,061
Net Other Postemployment Benefits Obligation (Note 12)	11,224,051	259,781	-	11,483,832	-	11,483,832
Claims and Judgments Payable (Note 13)	8,324,331	1,516,247	(999,235)	8,841,343	3,536,537	5,304,806
Total Governmental Activities	\$124,392,920	\$ 26,825,331	\$ (40,268,346)	\$110,949,905	\$ 5,290,706	\$ 105,659,199
Business-Type Activities						
Compensated Absences Payable	\$ 626,095	\$ 35,396	\$ (41,330)	\$ 620,161	\$ 61,790	\$ 558,371
Capital Lease Obligations (Note 9)	4,392,081	8,935,118	(579,737)	12,747,462	620,785	12,126,677
Net Pension Liabilities (Note 11)	8,285,236	2,277,753	(3,548,746)	7,014,243	-	7,014,243
Net Other Postemployment Benefits Obligation (Note 12)	837,949	40,509	-	878,458	-	878,458
Total Business-Type Activities	\$ 14,141,361	\$ 11,288,776	\$ (4,169,813)	\$ 21,260,324	\$ 682,575	\$ 20,577,749

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, 2015, \$86,328 in compensated absences and \$8,841,343 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 the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

8. 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.

\$14,425,000

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. On May 28, 2015, the City participated in the Department of Housing and Urban Development ("HUD") refinancing program and refinanced the Section 108 Loan for a fixed rate note (Series 2015 A Certificates). Interest payments are made semiannually on August 1 and February 1. Principal payments are made on August 1 of each year and continue until August 2022. The aggregate difference in debt service as result of the refinancing was in the amount of \$630,458. The economic gain on the refinancing was \$558,682.

\$3,538,000

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

8. 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, 2015 totaled \$1,149,582. Principal and interest paid for the current year is \$383,195 and the net library tax revenue was \$504,988.

\$1,076,668

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

\$19,039,668

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:

	<u>Pension Obligation Bonds</u>		<u>HUD Section 108 Loan</u>		<u>Library Special Tax</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2016	\$ 455,000	\$ 868,015	\$ 356,000	\$ 37,731	\$ 345,433	\$ 37,762	\$ 2,099,941
2017	450,000	842,589	378,000	54,070	358,719	24,475	2,107,853
2018	445,000	816,057	401,000	50,637	372,516	10,677	2,095,887
2019	440,000	789,820	426,000	45,939	-	-	1,701,759
2020	435,000	763,878	451,000	38,867	-	-	1,688,745
2021-2025	2,485,000	1,989,168	1,526,000	55,663	-	-	6,055,831
2026-2030	4,760,000	1,277,175	-	-	-	-	6,037,175
2031-2034	4,955,000	774,994	-	-	-	-	5,729,994
	<u>\$ 14,425,000</u>	<u>\$ 8,121,696</u>	<u>\$ 3,538,000</u>	<u>\$ 282,907</u>	<u>\$ 1,076,668</u>	<u>\$ 72,914</u>	<u>\$ 27,517,185</u>

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

8. LONG-TERM DEBT, CONTINUED

Changes in long-term debt for the Successor Agency for the year ended June 30, 2015 are as follows:

<u>Successor Agency</u>	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>	<u>Amount Due Within One Year</u>	<u>Amount Due In More Than One Year</u>
Bonds Payable:						
2013A Tax Refunding Bonds -						
Atlantic - Garvey Project						
Redevelopment Project	\$ 13,825,000	\$ -	\$ (1,010,000)	\$ 12,815,000	\$ 845,000	\$ 11,970,000
2013B Tax Refunding Bonds -						
Merged Redevelopment Project	7,080,000	-	(440,000)	6,640,000	345,000	6,295,000
Subtotal	<u>20,905,000</u>	<u>-</u>	<u>(1,450,000)</u>	<u>19,455,000</u>	<u>1,190,000</u>	<u>18,265,000</u>
Add deferred amounts:						
Bond premium	1,188,112	-	(93,419)	1,094,693	-	1,094,693
Total bonds payable	<u>22,093,112</u>	<u>-</u>	<u>(1,543,419)</u>	<u>20,549,693</u>	<u>1,190,000</u>	<u>19,359,693</u>
Loans and Notes Payable						
Tax Increment Deferred Loan -						
Atlantic/Garvey Project	8,605,038	602,535	-	9,207,573	-	9,207,573
Tax Increment Deferred Loan -						
Merged Project	37,579,571	2,630,570	-	40,210,141	-	40,210,141
Low/Mod Housing Deferred Loans	1,186,222	-	-	1,186,222	-	1,186,222
Total loans and notes payable	<u>47,370,831</u>	<u>3,233,105</u>	<u>-</u>	<u>50,603,936</u>	<u>-</u>	<u>50,603,936</u>
Total Successor Agency	<u>\$ 69,463,943</u>	<u>\$ 3,233,105</u>	<u>\$ (1,543,419)</u>	<u>\$ 71,153,629</u>	<u>\$ 1,190,000</u>	<u>\$ 69,963,629</u>

Tax Allocation Bonds

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

On December 1, 2013, the County of Los Angeles Redevelopment Refunding Authority assisted the Successor Agency to issue the \$13,835,000 Tax Allocation Refunding Bond, Series 2013A, for the Atlantic-Garvey Redevelopment Project No. 1. These Bonds were issued to redeem the outstanding 2002 Tax Allocation Revenue Bonds. The bonds are secured by a pledge of the tax revenues from the Project area 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.

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

8. LONG-TERM DEBT, CONTINUED

Tax Allocation Bonds, Continued

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

The bonds are secured by a first and prior lien on tax increment revenues, excluding any portion of revenues that are required to be deposited to 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.

\$ 12,815,000

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.

\$ 6,640,000

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

\$ 19,455,000

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

8. LONG-TERM DEBT, CONTINUED

Tax Allocation Bonds, Continued

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	
2016	\$ 845,000	\$ 586,281	\$ 345,000	\$ 308,731	\$ 2,085,012
2017	875,000	547,506	360,000	292,831	2,075,337
2018	915,000	502,756	380,000	274,331	2,072,087
2019	965,000	455,756	400,000	254,831	2,075,587
2020	1,010,000	406,381	420,000	234,331	2,070,712
2021-2025	5,740,000	1,212,257	2,410,000	832,305	10,194,562
2026-2030	2,465,000	108,072	2,325,000	231,533	5,129,605
	<u>\$ 12,815,000</u>	<u>\$ 3,819,009</u>	<u>\$ 6,640,000</u>	<u>\$ 2,428,893</u>	<u>\$ 25,702,902</u>

Tax Increment Deferred Loan - (Atlantic/Garvey Project)

On August 20, 1987, the former Redevelopment Agency entered into an agreement for reimbursement of tax increment funds with the County of Los Angeles (the "County"). In the Agreement, the County agreed to loan its portion of the tax increment revenues received from the amended area (88 Annex) to the 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.

\$ 9,207,573

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.

\$ 40,210,141

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

8. LONG-TERM DEBT, CONTINUED

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>

9. 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.

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 transactions are shared by the General Fund and the Water Fund.

The assets acquired through capital leases are included in the City's capital assets (Note 7) and are as follows:

Assets	Governmental Activities	Business-Type Activities
Machinery and Equipment	\$ 1,771,926	\$ -
Improvements	-	18,016,801
Construction in Progress	963,392	278,433
	2,735,318	18,295,234
Less: Accumulated Depreciation	(1,771,926)	(4,381,023)
Total	\$ 963,392	\$ 13,914,211

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

9. CAPITALIZED LEASE OBLIGATIONS, CONTINUED

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>
2016	\$ 249,998	\$ 1,142,283	\$ 1,392,281
2017	258,253	1,188,485	1,446,738
2018	265,033	1,226,313	1,491,346
2019	272,408	1,097,499	1,369,907
2020	280,426	1,142,311	1,422,737
2021-2025	840,331	4,554,370	5,394,701
2026-2030	863,639	5,442,252	6,305,891
2031	-	109,411	109,411
Subtotal	3,030,088	15,902,924	18,933,012
Less amount representing interest	(588,516)	(3,155,462)	(3,743,978)
Present Value of Future Minimum Lease Payment	<u>\$ 2,441,572</u>	<u>\$ 12,747,462</u>	<u>\$ 15,189,034</u>

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 \$225,365, and the Pacific Bridge Loan in the amount of \$384,119, described in Note 3 at June 30, 2015 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.

<u>Due to Other Governmental Agencies</u>	<u>Amount</u>
CDBG Residential Rehabilitation Program	\$ 48,015
State Earthquake Rehabilitation Assistance (SERA) Program	165,535
Pacific Housing Corporation Loan	225,365
Pacific Bridge Loan	384,119
Total	<u>\$ 823,034</u>

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

11. PENSION PLANS

A. Defined Benefit Pension Plans

<u>Governmental Activities</u>	Balance July 1, 2014 (As Restated)	Additions	Deletions	Balance June 30, 2015
Deferred outflows of resources:				
Pension contribution after measurement date:				
CalPERS - Miscellaneous	\$ 1,696,387	\$ 1,898,831	\$ (1,696,387)	\$ 1,898,831
CalPERS - Safety	2,924,318	3,220,567	(2,924,318)	3,220,567
	<u>4,620,705</u>	<u>5,119,398</u>	<u>(4,620,705)</u>	<u>5,119,398</u>
Difference in projected and actual earnings on pension investments:				
MMRP	-	55,000	(11,000)	44,000
Total deferred outflows of resources	<u>\$ 4,620,705</u>	<u>\$ 5,174,398</u>	<u>\$ (4,631,705)</u>	<u>\$ 5,163,398</u>
Net pension liabilities:				
CalPERS - Miscellaneous	\$ 27,737,530	\$ 7,625,521	\$ (11,880,585)	\$ 23,482,466
CalPERS - Safety	46,396,632	15,485,924	(24,979,961)	36,902,595
MMRP	4,894,000	344,000	(991,000)	4,247,000
Total net pension liabilities	<u>\$ 79,028,162</u>	<u>\$ 23,455,445</u>	<u>\$ (37,851,546)</u>	<u>\$ 64,632,061</u>
Deferred inflows of Resources:				
Difference in projected and actual earnings on pension investments:				
CalPERS - Miscellaneous	\$ -	\$ 5,442,614	\$ (1,088,523)	\$ 4,354,091
CalPERS - Safety	-	12,008,152	(2,401,630)	9,606,522
Total deferred inflows of resources	<u>\$ -</u>	<u>\$ 17,450,766</u>	<u>\$ (3,490,153)</u>	<u>\$ 13,960,613</u>
<u>Business-Type Activities</u>	Balance July 1, 2014 (As Restated)	Additions	Deletions	Balance June 30, 2015
Deferred outflows of resources:				
Pension contribution after measurement date:				
CalPERS - Miscellaneous	\$ 506,713	\$ 567,184	\$ (506,713)	\$ 567,184
Total deferred outflows of resources	<u>\$ 506,713</u>	<u>\$ 567,184</u>	<u>\$ (506,713)</u>	<u>\$ 567,184</u>
Net pension liabilities:				
CalPERS - Miscellaneous	\$ 8,285,236	\$ 2,277,753	\$ (3,548,746)	\$ 7,014,243
Total net pension liabilities	<u>\$ 8,285,236</u>	<u>\$ 2,277,753</u>	<u>\$ (3,548,746)</u>	<u>\$ 7,014,243</u>
Deferred inflows of Resources:				
Difference in projected and actual earnings on pension investments:				
CalPERS - Miscellaneous	\$ -	\$ 1,625,716	\$ (325,143)	\$ 1,300,573
Total deferred inflows of resources	<u>\$ -</u>	<u>\$ 1,625,716</u>	<u>\$ (325,143)</u>	<u>\$ 1,300,573</u>

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

11. PENSION PLANS, CONTINUED

A. *Defined Benefit Pension Plans, Continued*

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

General Information about the Pension Plan

Plan Description

The City contributes to the California Public Employees' Retirement System (CalPERS), an agent multiple-employer public employee defined benefit pension plan. CalPERS 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. A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2013 Annual Actuarial Valuation Report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

Benefit Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A classic CalPERS member or PEPRA Safety member becomes eligible for Service Retirement upon attainment of age 55 with at least 5 years of credited service. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 or 12 consecutive months' full-time equivalent monthly pay. Retirement benefits for classic miscellaneous employees are calculated as 2% to 2.7% of the average final 12 months compensation. Retirement benefits for PEPRA miscellaneous employees are calculated as 2% of the average final 36 months compensation. Retirement benefits for classic safety employees are calculated as 3% of the average final 12 months compensation. Retirement benefits for PEPRA safety employees are calculated as 2.7% of the average final 36 months compensation.

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

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

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

11. PENSION PLANS, CONTINUED

A. Defined Benefit Pension Plans, Continued

a. California Public Employees' Retirement System Plan, Continued

General Information about the Pension Plan, Continued

Benefit Provided, Continued

An employee's beneficiary may receive the basic death benefit if the employee dies while actively employed. The employee must be actively employed with the City to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.5 percent per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

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

Employees Covered by Benefit Terms

At June 30, 2013, the valuation date, the following employees were covered by the benefit terms

	Plans	
	Miscellaneous	Safety
Active employees	180	116
Transferred and terminated employees	341	111
Retired Employees and Beneficiaries	255	231
Total	776	458

Contributions

Section 20814(c) of the California Public Employees' Retirement Law ("PERL") requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2014, the average active miscellaneous and safety employee contribution rates were 7.970% and 9.019% of annual pay, respectively, and the employer's contribution rates were 21.676% and 25.887% of miscellaneous and safety employee annual payroll, respectively.

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

11. PENSION PLANS, CONTINUED

A. Defined Benefit Pension Plans, Continued

a. California Public Employees' Retirement System Plan, Continued

Net Pension Liability

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2014, the total pension liability was determined by rolling forward the June 30, 2013 total pension liability. The June 30, 2013 and the June 30, 2014 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds. The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent, which is net of administrative expenses. An investment return excluding administrative expenses would have been 7.65 percent. Management has determined that using the lower discount rate has resulted in a slightly higher total pension liability and net pension liability and the difference was deemed immaterial to the financial statements. The long-term expected rate of return on pension plan investments was determined in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, both short-term and long-term market return expectations as well as the expected pension fund cash flows were considered. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years.

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

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

11. PENSION PLANS, CONTINUED

A. Defined Benefit Pension Plans, Continued

a. California Public Employees' Retirement System Plan, Continued

Net Pension Liability, Continued

Discount Rate, Continued

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 ¹	Real Return Years 11+ ¹
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
	<u>100.00%</u>		

¹ An expected inflation of 2.5% and 3.0% used for Years 1-10 and Years 11+, respectively.

Changes in the Net Pension Liability

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

	Miscellaneous Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2013 (Valuation Date)	\$ 107,676,933	\$ 71,654,167	\$ 36,022,766
Changes Recognized for the Measurement Period:			
Service Cost	1,910,429		1,910,429
Interest on the total pension liability	7,992,845		7,992,845
Changes of benefit terms	-		-
Difference between expected and actual experience	-		-
Changes of assumptions	-		-
Contributions from the employer		2,203,100	(2,203,100)
Contributions from employees		838,784	(838,784)
Net investment income, net of administrative expense		12,387,447	(12,387,447)
Benefit payments, including refunds of employee contributions	(4,121,783)	(4,121,783)	-
Net Changes during July 1, 2013 to June 30, 2014	<u>\$ 5,781,491</u>	<u>\$ 11,307,548</u>	<u>\$ (5,526,057)</u>
Balance at June 30, 2014 (Measurement Date)	<u>\$ 113,458,424</u>	<u>\$ 82,961,715</u>	<u>\$ 30,496,709</u>

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

11. PENSION PLANS, CONTINUED

A. Defined Benefit Pension Plans, Continued

a. California Public Employees' Retirement System Plan, Continued

Changes in the Net Pension Liability, Continued

	Safety Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2013 (Valuation Date)	\$ 168,827,741	\$ 122,431,109	\$ 46,396,632
Changes Recognized for the Measurement Period:			
Service Cost	3,003,645		3,003,645
Interest on the total pension liability	12,482,279		12,482,279
Changes of benefit terms	-		-
Difference between expected and actual experience	-		-
Changes of assumptions	-		-
Contributions from the employer		2,924,318	(2,924,318)
Contributions from employees		1,022,948	(1,022,948)
Net investment income, net of administrative expense		21,032,695	(21,032,695)
Benefit payments, including refunds of employee contributions	(7,798,383)	(7,798,383)	-
Net Changes during July 1, 2013 to June 30, 2014	<u>\$ 7,687,541</u>	<u>\$ 17,181,578</u>	<u>\$ (9,494,037)</u>
Balance at June 30, 2014 (Measurement Date)	<u>\$ 176,515,282</u>	<u>\$ 139,612,687</u>	<u>\$ 36,902,595</u>

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

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.5%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50%) or 1 percentage-point higher (8.50%) than the current rate:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% (6.50%)	Current Discount Rate (7.50%)	Discount Rate + 1% (8.50%)
	Miscellaneous Plan	\$ 45,651,357	\$ 30,496,709
Safety Plan	<u>\$ 60,528,598</u>	<u>\$ 36,902,595</u>	<u>\$ 17,418,752</u>

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued CalPERS financial report.

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

11. PENSION PLANS, CONTINUED

A. Defined Benefit Pension Plans, Continued

a. California Public Employees' Retirement System Plan, Continued

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

For the measurement period ending June 30, 2014, the City incurred a pension expense/(income) of \$2,331,707 and \$3,036,803 for the miscellaneous plan and safety plan, respectively.

As of measurement date of June 30, 2014, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

Miscellaneous Plan		
	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	\$ 2,446,015	\$ -
Difference between expected and actual experience	-	-
Changes of assumptions	-	-
Net difference between projected and actual earning on pension plan investments	-	(5,654,664)
Total	\$ 2,446,015	\$ (5,654,664)
Safety Plan		
	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	\$ 3,220,567	\$ -
Difference between expected and actual experience	-	-
Changes of assumptions	-	-
Net difference between projected and actual earning on pension plan investments	-	(9,606,522)
Total	\$ 3,220,567	\$ (9,606,522)

The amounts above are net of outflows and inflows recognized in the 2013-14 measurement period expense.

The expected average remaining service lifetime ("EARSL") is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). The EARSL for the miscellaneous plan and safety plan for the 2013-14 measurement period is 2 and 3 years, which was obtained by dividing the total service years of 1,589 and 1,360 (the sum of remaining service lifetimes of the active employees) by 776 and 458 (the total number of participants: active, inactive, and retired), respectively.

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

11. PENSION PLANS, CONTINUED

A. Defined Benefit Pension Plans, Continued

a. California Public Employees' Retirement System Plan, Continued

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

\$2,466,015 and \$3,220,567 reported as deferred outflows of resources related to pensions resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended June 30	Deferred Outflows/(Inflows) of Resources	
	Miscellaneous Plan	Safety Plan
2015	\$ (1,413,666)	\$ (2,401,630)
2016	(1,413,666)	(2,401,630)
2017	(1,413,666)	(2,401,630)
2018	(1,413,666)	(2,401,632)
2019	-	-
Thereafter	-	-
	<u>\$ (5,654,664)</u>	<u>\$ (9,606,522)</u>

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

11. PENSION PLANS, CONTINUED

A. *Defined Benefit Pension Plans, Continued*

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

General Information about the Pension Plan

Plan Description

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

The City does not issue a publicly available financial report for the MMRP.

Benefits Provided

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

Employee Covered by Benefit Terms

MMRP is a closed plan. There are 62 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, 2015 was zero.

Contributions

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 City is required to contribute \$950,000 for the year ended June 30, 2015, which was determined as part of the June 30, 2013 actuarial valuation.

Net Pension Liability

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2015, the total pension liability was determined by rolling forward the June 30, 2013 total pension liability to June 30, 2014 based on actual benefit payments made during the year ended June 30, 2014.

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

11. PENSION PLANS, CONTINUED

A. Defined Benefit Pension Plans, Continued

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

Net Pension Liability, Continued

Actuarial Methods and Assumptions Used to Determine Total Pension Liability, Continued

The June 30, 2014 and the June 30, 2015 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	4.75%
Expected Long-term Rate of Return on Investment	4.75
Municipal Bond Rate	3.73%
Inflation	3.00%
Mortality Rate	CalPERS 1997-2011 experience study
Mortality Improvement Scale	Fully generational projection with Scale AA
Cost of Living Adjustment/PPPA	2%; PPPA valued for each annuitant

Discount Rate

Plan assets currently invested in Mass Mutual general investment account. Expected long term return on assets was 4.75% for June 30, 2015 valuation and rounded to nearest 0.25%. Non investment expenses of \$25,000 were added to actuarially determined contribution amount. Cross-over analysis showed benefit payments always fully funded by plan assets based on 4.75% discount rate.

Changes in the Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2014	\$ 7,119,000	\$ 2,225,000	\$ 4,894,000
Changes Recognized for the Measurement Period:			
Service Cost	-		-
Interest on the total pension liability	321,000		321,000
Changes of benefit terms	-		-
Difference between expected and actual experience	23,000		23,000
Changes of assumptions	-		-
Contributions from the employer		950,000	(950,000)
Contributions from employees		-	-
Net investment income		57,000	(57,000)
Benefit payments, including refunds	(702,000)	(702,000)	
Administrative expense	-	(16,000)	16,000
Net Changes during July 1, 2014 to June 30, 2015	<u>\$ (358,000)</u>	<u>\$ 289,000</u>	<u>\$ (647,000)</u>
Balance at June 30, 2015 (Measurement Date)	<u>\$ 6,761,000</u>	<u>\$ 2,514,000</u>	<u>\$ 4,247,000</u>

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

11. PENSION PLANS, CONTINUED

A. Defined Benefit Pension Plans, Continued

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

Changes in the Net Pension Liability, Continued

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

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 4.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (3.75%) or 1 percentage-point higher (5.75%) than the current rate:

	1% Decrease (3.75%)	Discount Rate (4.75%)	1% Increase (5.75%)
Plan's Net Pension Liability/(Asset)	\$ 4,792,000	\$ 4,247,000	\$ 3,776,000

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

For the measurement period ending June 30, 2015, the City incurred a pension expense/(income) of \$259,000 for MMRP. As of measurement date of June 30, 2015, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred outflows of Resources	Deferred inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earning on pension plan investments	44,000	-
Total	\$ 44,000	\$ -

The amounts above are net of outflows and inflows recognized in the 2014-15 measurement period expense.

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

Measurement Period Ended June 30	Deferred Outflows/(Inflows) of Resources
2015	\$ 11,000
2016	11,000
2017	11,000
2018	11,000
2019	-
Thereafter	-

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

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 the year ended June 30, 2015, 223 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 \$85,779 and covered payroll for the year ended June 30, 2015 totaled \$1,143,714. The City contributed \$45,749 (4% of current covered payroll) and employees contributed \$40,030 (3.5% of current covered payroll). Total plan assets at June 30, 2015 were \$765,885. 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 the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

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 the year ended June 30, 2015, the City contributed \$1,038,000 to the irrevocable trust and \$1,291,710 as the pay-as-you-go portion. The breakdown is as follows:

Police	\$ 862,000
Fire	372,710
Miscellaneous	1,095,000
Total	\$ 2,329,710

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	\$ 2,162,750	\$ 337,250	\$ 2,500,000
Interest on Beginning Net OPEB Obligation	756,962	118,038	875,000
Adjustment to the Annual Required Contribution	(644,499)	(100,501)	(745,000)
Annual OPEB Cost	2,275,213	354,787	2,630,000
Contributions Made to Irrevocable Trust	(897,974)	(140,026)	(1,038,000)
Contributions Made Outside of a Trust	(1,117,458)	(174,252)	(1,291,710)
Change in Net OPEB Obligation	259,781	40,509	300,290
Net OPEB Obligation, Beginning of Year	11,224,051	837,949	12,062,000
Net OPEB Obligation, End of Year	\$ 11,483,832	\$ 878,458	\$ 12,362,290

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2015 plus the two preceding years were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	\$ 3,651,000	35.39%	\$ 12,270,000
6/30/2014	2,591,000	108.03%	12,062,000
6/30/2015	2,630,000	88.58%	12,362,290

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

12. OTHER POST EMPLOYMENT BENEFITS, CONTINUED

Funded Status and Funding Progress

As of June 30, 2015, the Actuarial Accrued Liability for benefits was \$32,127,000, and the actuarial value of assets was \$2,661,000, resulting in an UAAL of \$29,466,000. The covered payroll (annual payroll of active employees covered by the plan) was \$19,939,000 and the ratio of UAAL to the covered payroll was 148 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, 2015 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 7.8% 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 28 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 the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

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, 2015, total estimated claims payable were as follows:

General Liability	2,564,175
Workers' Compensation	<u>6,277,168</u>
Total	<u>\$ 8,841,343</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:

	2015	2014	2013
Claims liabilities - beginning balance	\$ 8,324,331	\$ 6,570,107	\$ 6,584,387
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	1,516,247	3,611,158	2,379,896
Payments on claims attributable to events of both the current fiscal year and prior fiscal years	<u>(999,235)</u>	<u>(1,856,934)</u>	<u>(2,394,176)</u>
Claims liabilities - ending balance	<u>\$ 8,841,343</u>	<u>\$ 8,324,331</u>	<u>\$ 6,570,107</u>

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

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

14. OTHER REQUIRED DISCLOSURES

Government-wide Financial Statements

At June 30, 2015, deficit net position was reported for governmental activities in the amount of \$(13,042,071). The deficit is result of GASB 68 implementation for reporting net pension liabilities in the government-wide financial statement. City management intends to eliminate the deficit net position by continuous annual prepayment plan and additional contribution payments towards unfunded liabilities. City management believes the present cash position of the General Fund is adequate to meet current needs.

Fund Financial Statements

At June 30, 2015, deficit net position was reported for the Successor Agency Private-Purpose Trust Fund in the amount of \$(64,539,741). 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.

At June 30, 2015, deficit fund balances were reported for Special Revenue Park Facilities Fund and Special Revenue Public Safety Impact Fee Special Revenue Fund in the amount of \$(143,879) and \$(229,657), respectively. City management intends to eliminate the deficit fund balance by anticipated high revenues in subsequent years due to development projects.

At June 30, 2015, deficit net position was reported for the Workers' Compensation Internal Service Fund in the amount of \$(3,121,795). 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.

CITY OF MONTEREY PARK
Notes to the Basic Financial Statements, Continued
For the Year Ended June 30, 2015

15. FUND BALANCE CLASSIFICATIONS

	Major Funds					Total
	General	Special Revenue			Nonmajor Funds	
		Grants	Retirement/ Pension	Housing		
Nonspendable:						
Advances to other funds	\$ 741,556	\$ -	\$ -	\$ -	\$ -	\$ 741,556
Advances to Fiduciary Fund	-	-	-	1,921,015	-	1,921,015
Total nonspendable	741,556	-	-	1,921,015	-	2,662,571
Restricted:						
Siemens energy project	610,930	-	-	-	-	610,930
Housing	-	-	-	624,274	-	624,274
Highways and streets	-	425,611	-	-	-	425,611
Public safety	-	327,199	-	-	-	327,199
Economic development	-	648,946	-	-	-	648,946
Other projects under \$300,000 in aggregate	-	189,622	-	-	-	189,622
Retirement	-	-	8,607,032	-	-	8,607,032
OPA Proposition A	-	-	-	-	2,264,365	2,264,365
State Gas Tax	-	-	-	-	2,348,806	2,348,806
Proposition C	-	-	-	-	862,807	862,807
Air Quality Improvement	-	-	-	-	253,738	253,738
Asset Forfeiture	-	-	-	-	694,649	694,649
Business Improvement Area #1	-	-	-	-	206,754	206,754
Maintenance District 93-1	-	-	-	-	139,154	139,154
Measure R	-	-	-	-	1,592,576	1,592,576
Library Tax	-	-	-	-	128,660	128,660
Total restricted	610,930	1,591,378	8,607,032	624,274	8,491,509	19,925,123
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	-	-	-	-	-	-
CERCLA Liability	-	-	-	-	699,188	699,188
Total committed	7,173,519	-	-	-	699,188	7,872,707
Assigned:						
City capital improvements	9,486,264	-	-	-	-	9,486,264
Total assigned	9,486,264	-	-	-	-	9,486,264
Unassigned:						
General Fund	3,554,425	-	-	-	-	3,554,425
Park facilities	-	-	-	-	(143,879)	(143,879)
Public safety	-	-	-	-	(229,657)	(229,657)
Total unassigned	3,554,425	-	-	-	(373,536)	3,180,889
Total	\$ 21,566,694	\$ 1,591,378	\$ 8,607,032	\$ 2,545,289	\$ 8,817,161	\$ 43,127,554

CITY OF MONTEREY PARK
Notes to Basic Financial Statements, Continued
For the Year Ended June 30, 2015

16. PRIOR PERIOD ADJUSTMENT

The City implemented GASB Statement No. 68 and No. 71 during the year ended June 30, 2015. The beginning net position at July 1, 2014 was restated as follows:

	Governmental Activities	Business-type Activities	Enterprise Funds			
			Water Utility	Refuse	Nonmajor (Sewer)	Total
Net Position at July 1, 2014	\$ 80,455,122	\$ 46,217,842	\$ 42,874,744	\$ 1,778,519	\$ 2,335,507	\$ 46,988,770
(1) Net Pension Assets	(19,631,067)	-	-	-	-	-
(1) Net Pension Obligation	669,800	-	-	-	-	-
(2) CalPERS Misc Plan:						
Net Pension Liabilities (Note 11)	(27,737,530)	(8,285,236)	(6,844,325)	(1,080,683)	(360,228)	(8,285,236)
Deferred outflows of Resources	1,696,387	506,713	418,589	66,093	22,031	506,713
(2) CalPERS Safety Plan:						
Net Pension Liabilities (Note 11)	(46,396,632)	-	-	-	-	-
Deferred outflows of Resources	2,924,318					
(2) Net Pension Liabilities - MMRP:						
Net Pension Liabilities (Note 11)	(4,894,000)	-	-	-	-	-
Subtotal	<u>(93,368,724)</u>	<u>(7,778,523)</u>	<u>(6,425,736)</u>	<u>(1,014,590)</u>	<u>(338,197)</u>	<u>(7,778,523)</u>
Net Position at July 1, 2014, as Restated	<u>\$ (12,913,602)</u>	<u>\$ 38,439,319</u>	<u>\$ 36,449,008</u>	<u>\$ 763,929</u>	<u>\$ 1,997,310</u>	<u>\$ 39,210,247</u>

- (1) Restatement to the beginning net position is to remove the previously reported net pension assets for CalPERS plan and net pension obligation for the MMRP. These were reported based on the GASB Statement No. 27, which is amended by GASB Statement No. 68.
- (2) Restatement to the beginning net position is to report the net pension liabilities for CalPERS plans and MMRP in accordance with GASB Statement No. 68 and No. 71 based on measurement date as of June 30, 2014 and 2015, respectively (Note 11).

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, 2015, 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.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios
June 30, 2015

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS) - Miscellaneous Plan

	2013-14 ¹
Measurement period	
Total pension liability	
Service cost	\$ 1,910,429
Interest	7,992,845
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	(4,121,783)
Net change in total pension liability	5,781,491
Total pension liability - beginning	107,676,933
Total pension liability - ending (a)	\$ 113,458,424
Pension fiduciary net position	
Contributions - employer	\$ 2,203,100
Contributions - employee	838,784
Net investment income ²	12,387,447
Benefit payments, including refunds of employee contributions	(4,121,783)
Other	-
Net change in plan fiduciary net position	11,307,548
Plan fiduciary net position - beginning	71,654,167
Plan fiduciary net position - ending (b)	\$ 82,961,715
Plan net pension liability - ending (a) - (b)	\$ 30,496,709
Plan fiduciary net position as a percentage of the total pension liability	73.12%
Covered-employee payroll	\$ 10,708,680
Plan net pension liability as a percentage of covered-employee payroll	284.78%

¹ Historical information is required only for measurement periods for which GASB 68 is applicable.

² Net of administrative expenses.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: There were no changes in assumptions.

CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios, Continued
June 30, 2015

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS) - Safety Plan

	2013-14 ¹
Measurement period	
Total pension liability	
Service cost	\$ 3,003,645
Interest	12,482,279
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	(7,798,383)
Net change in total pension liability	7,687,541
Total pension liability - beginning	168,827,741
Total pension liability - ending (a)	\$ 176,515,282
Pension fiduciary net position	
Contributions - employer	\$ 2,924,318
Contributions - employee	1,022,948
Net investment income ²	21,032,695
Benefit payments, including refunds of employee contributions	(7,798,383)
Other	-
Net change in plan fiduciary net position	17,181,578
Plan fiduciary net position - beginning	122,431,109
Plan fiduciary net position - ending (b)	\$ 139,612,687
Plan net pension liability - ending (a) - (b)	\$ 36,902,595
Plan fiduciary net position as a percentage of the total pension liability	79.09%
Covered-employee payroll	\$ 11,410,291
Net pension liability as a percentage of covered-employee payroll	323.42%

¹ Historical information is required only for measurement periods for which GASB 68 is applicable.

² Net of administrative expenses.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: There were no changes in assumptions.

CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios, Continued
June 30, 2015

Last Ten Fiscal Years

Massachusetts Mutual Retirement Plan (MMRP)

	<u>2014-15¹</u>	<u>2013-14¹</u>
Total pension liability		
Service cost	\$ -	\$ -
Interest	321,000	339,000
Changes of benefit terms	-	-
Differences between expected and actual experience	(53,000)	-
Changes of assumptions	76,000	-
Benefit payments, including refunds of employee contributions	<u>(702,000)</u>	<u>(720,000)</u>
Net change in total pension liability	(358,000)	(381,000)
Total pension liability - beginning	<u>7,119,000</u>	<u>7,500,000</u>
Total pension liability - ending (a)	<u>\$ 6,761,000</u>	<u>\$ 7,119,000</u>
Pension fiduciary net position		
Contributions - employer	\$ 950,000	\$ 900,000
Contributions - employee	-	-
Net investment income	57,000	73,000
Benefit payments, including refunds of employee contributions	(702,000)	(720,000)
Administrative expense	(16,000)	(16,000)
Other	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	289,000	237,000
Plan fiduciary net position - beginning	<u>2,225,000</u>	<u>1,988,000</u>
Plan fiduciary net position - ending (b)	<u>\$ 2,514,000</u>	<u>\$ 2,225,000</u>
Plan's net pension liability - ending (a) - (b)	<u>\$ 4,247,000</u>	<u>\$ 4,894,000</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>37.18%</u>	<u>31.25%</u>
Covered-employee payroll	<u>\$ -</u>	<u>\$ -</u>
Plan's net pension liability as a percentage of covered-employee payroll	<u>n/a</u>	<u>n/a</u>

¹ Historical information is required only for measurement periods for which GASB 68 is applicable.

CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited)
Schedule of Contribution
June 30, 2015

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS) - Miscellaneous Plan

	2014-15 ¹	2013-14 ¹
Actuarially determined contribution	\$ 2,466,015	\$ 2,203,100
Contributions in relation to the actuarially determined contribution ²	(2,466,015)	(2,203,100)
Contribution deficiency (excess)	\$ -	\$ -
Covered-employee payroll ^{3,4}	\$ 11,029,940	\$ 10,708,680
Contributions as a percentage of covered-employee payroll ³	22.36%	20.57%

¹ Historical information is required only for measurement periods for which GASB 68 is applicable.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³ Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

⁴ Payroll from prior year \$10,396,777 was assumed to increase by the 3.00 percent payroll growth assumption.

Notes to Schedule:

Valuation date:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2013-14 were from the June 30, 2011 public agency valuations.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll, closed
Remaining amortization period	24 years
Asset valuation method	15 year smoothed market
Inflation	2.75%
Salary increases	3.30% to 14.20% depending on age, service, and type of employment
Payroll Growth	3.00%
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited)
Schedule of Contribution, Continued
June 30, 2015

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS) - Safety Plan

	2014-15 ¹	2013-14 ¹
Actuarially determined contribution	\$ 3,220,567	\$ 2,924,318
Contributions in relation to the actuarially determined contribution ²	(3,220,567)	(2,924,318)
Contribution deficiency (excess)	\$ -	\$ -
Covered-employee payroll ^{3,4}	\$ 11,752,600	\$ 11,410,291
Contributions as a percentage of covered-employee payroll ³	27.40%	25.63%

¹ Historical information is required only for measurement periods for which GASB 68 is applicable.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³ Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

⁴ Payroll from prior year \$11,077,952 was assumed to increase by the 3.00 percent payroll growth assumption.

Notes to Schedule:

Valuation date:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2013-14 were from the June 30, 2011 public agency valuations.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	30 Years
Asset valuation method	15 Year Smoothed Market
Inflation	2.75%
Salary increases	3.30% to 14.20% depending on age, service, and type of employment
Payroll Growth	3.00%
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited)
Schedule of Contribution, Continued
June 30, 2015

Last Ten Fiscal Years

Massachusetts Mutual Retirement Plan (MMRP)

	2014-15 ¹	2013-14 ¹
Actuarially determined contribution	\$ 950,000	\$ 900,000
Contributions in relation to the actuarially determined contribution	(950,000)	(900,000)
Contribution deficiency (excess)	\$ -	\$ -
Covered-employee payroll	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	n/a	n/a

¹ Historical information is required only for measurement periods for which GASB 68 is applicable.

Notes to Schedule:

Valuation date: June 30, 2013 for FY 2014-15 and 2015-16 contributions

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Remaining amortization period	6.1 years (closed) fresh start of June 30, 2014 UAAL for FY 2014-15 ADC
Asset valuation method	Market value investment gains and losses spreading over 5-year rolling period. No less than 80% nor more than 120% of market value
Non investment expenses	Assumed to average \$25,000 per year
Discount rate	4.75%
Expected long-term rate of return on plan investment	4.75%
Municipal bond rate	3.73%
General inflation	3.00%
Mortality	CalPERS 1997-2011 experience study. Fully generational projection with Scale AA

CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited)
Schedules of Funding Progress (\$ Amount in Thousands)
June 30, 2015

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)}
7/01/11	\$ -	\$ 50,185	\$ 50,185	0.0%	\$ 20,486	244.97%
6/30/13	-	29,054	29,054	0.0%	19,901	145.99%
6/30/15	2,661	32,127	29,466	8.3%	19,939	147.78%

CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited), Continued
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2015

	General Fund			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 25,744,500	\$ 25,744,500	\$ 28,907,866	\$ 3,163,366
Licenses and permits	1,064,000	1,064,000	775,135	(288,865)
Charges for services	4,595,506	4,595,506	5,082,407	486,901
Revenues from use of money and property	768,156	768,156	741,298	(26,858)
Fines and forfeitures	720,000	720,000	606,928	(113,072)
Other	809,350	809,350	1,156,420	347,070
Total Revenues	<u>33,701,512</u>	<u>33,701,512</u>	<u>37,270,054</u>	<u>3,568,542</u>
Expenditures:				
Current:				
General government	3,002,798	3,534,362	3,825,536	(291,174)
Public safety	21,651,162	21,696,833	21,997,259	(300,426)
Community development	1,885,214	1,885,214	1,709,908	175,306
Culture and recreation	5,284,986	4,845,757	4,878,041	(32,284)
Highways and streets	382,685	455,022	485,175	(30,153)
Capital outlay	1,999,742	5,855,173	3,752,745	2,102,428
Debt service:				
Principal retirement	23,000	23,000	23,000	-
Total Expenditures	<u>34,229,587</u>	<u>38,295,361</u>	<u>36,671,664</u>	<u>1,623,697</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(528,075)</u>	<u>(4,593,849)</u>	<u>598,390</u>	<u>5,192,239</u>
Other Financing Sources (Uses):				
Transfers in	-	80,000	80,000	-
Transfers out	(1,300,000)	(1,300,000)	(1,300,000)	-
Issuance of long-term debt	-	1,576,783	1,576,783	-
Proceeds from sale of property	-	562,114	562,114	-
Total Other Financing Sources (Uses)	<u>(1,300,000)</u>	<u>918,897</u>	<u>918,897</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (1,828,075)</u>	<u>\$ (3,674,952)</u>	<u>1,517,287</u>	<u>\$ 5,192,239</u>
Fund Balance, Beginning of Year			<u>20,049,407</u>	
Fund Balance, End of Year			<u>\$ 21,566,694</u>	

CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited), Continued
Special Revenue Grants Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2015

	Special Revenue Grants Fund			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 2,191,517	\$ 3,141,671	\$ 3,072,957	\$ (68,714)
Charges for services	-	-	2,556	2,556
Revenues from use of money and property	-	2,000	84,019	82,019
Other revenues	-	-	5,377	5,377
Total Revenues	<u>2,191,517</u>	<u>3,143,671</u>	<u>3,164,909</u>	<u>21,238</u>
Expenditures:				
Current:				
Public safety	91,756	297,328	343,523	(46,195)
Community development	672,154	1,505,501	777,535	727,966
Culture and recreation	208,194	1,017,968	670,531	347,437
Highways and streets	770,654	970,654	25,118	945,536
Health	322,913	326,550	238,697	
Capital outlay	-	718,383	184,119	534,264
Debt service:				
Principal retirement	435,163	435,163	435,163	-
Interest and fiscal charges	217,687	335,093	335,093	-
Total Expenditures	<u>2,718,521</u>	<u>5,606,640</u>	<u>3,009,779</u>	<u>2,509,008</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (527,004)</u>	<u>\$ (2,462,969)</u>	155,130	<u>\$ 2,618,099</u>
Other Financing Uses:				
Transfers out			(80,000)	
Total Other Financing Uses			<u>(80,000)</u>	
Net Change in Fund Balance			75,130	
Fund Balance, Beginning of Year			<u>1,516,248</u>	
Fund Balance, End of Year			<u>\$ 1,591,378</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, 2015

	Special Revenue Retirement/Pension Liability			
	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		
Revenues:				
Taxes	\$ 5,654,415	\$ 5,654,415	\$ 5,982,302	\$ 327,887
Revenues from use of money and property	-	-	28	28
Total Revenues	5,654,415	5,654,415	5,982,330	327,915
Expenditures:				
Current:				
General government	1,193,215	1,193,215	1,201,549	(8,334)
Public safety	3,852,831	3,852,831	3,753,208	99,623
Community development	279,053	279,053	256,950	22,103
Culture and recreation	517,080	517,080	534,948	(17,868)
Highways and streets	21,076	21,076	27,680	(6,604)
Debt service:				
Principal retirement	465,000	465,000	465,000	-
Interest and fiscal charges	893,627	893,627	893,627	-
Total Expenditures	7,221,882	7,221,882	7,132,962	88,920
Excess (Deficiency) of Revenues Over Expenditures	(1,567,467)	(1,567,467)	(1,150,632)	416,835
Other Financing Sources:				
Transfers in	1,300,000	1,300,000	1,300,000	-
Total Other Financing Sources	1,300,000	1,300,000	1,300,000	-
Net Change in Fund Balance	\$ (267,467)	\$ (267,467)	149,368	\$ 416,835
Fund Balance, Beginning of Year			8,457,664	
Fund Balance, End of Year			\$ 8,607,032	

CITY OF MONTEREY PARK
Required Supplementary Information (Unaudited), Continued
Special Revenue Housing Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2015

	Special Revenue Housing			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Revenues from use of money and property	\$ -	\$ -	\$ 52,870	\$ 52,870
Other	68,671	68,671	10,714	(57,957)
Total Revenues	68,671	68,671	63,584	(5,087)
Expenditures:				
Current:				
Community development	178,000	221,916	192,300	29,616
Total Expenditures	178,000	221,916	192,300	29,616
Excess (Deficiency) of Revenues Over Expenditures	\$ (109,329)	\$ (153,245)	(128,716)	\$ 24,529
Fund Balance, Beginning of Year			2,674,005	
Fund Balance, End of Year			\$ 2,545,289	

CITY OF MONTEREY PARK
Notes to the Required Supplementary Information (Unaudited)
June 30, 2015

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 2014-2015, the City Council approved a \$2,213,520 additional General Fund budgetary appropriation plus the re-budgeted Capital Improvement carryovers of \$1,852,254, a \$2,888,119 increase in the Special Revenue Grants Fund related to various grants received and re-budgeted grant funding for capital improvements.

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, 2015, 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, 2015

Special Revenue Funds

	Proposition A	Gas Tax	Bike Route	Proposition C	Air Quality Improvement
<u>Assets</u>					
Cash and investments	\$ 2,331,336	\$ 2,380,365	\$ -	\$ 861,893	\$ 253,472
Accounts receivable	-	-	-	-	-
Interest receivable	2,431	2,485	-	914	266
Total Assets	<u>\$ 2,333,767</u>	<u>\$ 2,382,850</u>	<u>\$ -</u>	<u>\$ 862,807</u>	<u>\$ 253,738</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 59,427	\$ 10,655	\$ -	\$ -	\$ -
Accrued payroll	9,975	23,389	-	-	-
Due to other funds	-	-	-	-	-
Advance from other funds	-	-	-	-	-
Total Liabilities	<u>69,402</u>	<u>34,044</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Restricted	2,264,365	2,348,806	-	862,807	253,738
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	<u>2,264,365</u>	<u>2,348,806</u>	<u>-</u>	<u>862,807</u>	<u>253,738</u>
Total Liabilities and Fund Balances	<u>\$ 2,333,767</u>	<u>\$ 2,382,850</u>	<u>\$ -</u>	<u>\$ 862,807</u>	<u>\$ 253,738</u>

CITY OF MONTEREY PARK
Combining Balance Sheet - Nonmajor Governmental Funds, Continued
June 30, 2015

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	\$ 690,883	\$ 102,092	\$ 213,408	\$ 150,707	\$ 272,037
Accounts receivable	4,040	-	-	15,600	-
Interest receivable	719	-	222	-	-
Total Assets	<u>\$ 695,642</u>	<u>\$ 102,092</u>	<u>\$ 213,630</u>	<u>\$ 166,307</u>	<u>\$ 272,037</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 993	\$ 5,415	\$ 6,876	\$ 17,753	\$ 522
Accrued payroll	-	-	-	9,400	172
Due to other funds	-	-	-	-	-
Advance from other funds	-	240,556	-	-	501,000
Total Liabilities	<u>993</u>	<u>245,971</u>	<u>6,876</u>	<u>27,153</u>	<u>501,694</u>
Fund Balances:					
Restricted	694,649	-	206,754	139,154	-
Committed	-	-	-	-	-
Unassigned	-	(143,879)	-	-	(229,657)
Total Fund Balances	<u>694,649</u>	<u>(143,879)</u>	<u>206,754</u>	<u>139,154</u>	<u>(229,657)</u>
Total Liabilities and Fund Balances	<u>\$ 695,642</u>	<u>\$ 102,092</u>	<u>\$ 213,630</u>	<u>\$ 166,307</u>	<u>\$ 272,037</u>

(Continued)

CITY OF MONTEREY PARK
Combining Balance Sheet - Nonmajor Governmental Funds, Continued
June 30, 2015

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Public Safety Augmentation	Measure R	Library Tax	CERCLA Liability	
<u>Assets</u>					
Cash and investments	\$ -	\$ 1,629,188	\$ 126,451	\$ 698,460	\$ 9,710,292
Accounts receivable	116,938	-	7,486	-	144,064
Interest receivable	-	1,739	142	728	9,646
Total Assets	<u>\$ 116,938</u>	<u>\$ 1,630,927</u>	<u>\$ 134,079</u>	<u>\$ 699,188</u>	<u>\$ 9,864,002</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	-	36,885	2,614	-	\$ 141,140
Accrued payroll	-	1,466	2,805	-	47,207
Due to other funds	116,938	-	-	-	116,938
Advance from other funds	-	-	-	-	741,556
Total Liabilities	<u>116,938</u>	<u>38,351</u>	<u>5,419</u>	<u>-</u>	<u>1,046,841</u>
Fund Balances:					
Restricted	-	1,592,576	128,660	-	8,491,509
Committed	-	-	-	699,188	699,188
Unassigned	-	-	-	-	(373,536)
Total Fund Balances	<u>-</u>	<u>1,592,576</u>	<u>128,660</u>	<u>699,188</u>	<u>8,817,161</u>
Total Liabilities and Fund Balances	<u>\$ 116,938</u>	<u>\$ 1,630,927</u>	<u>\$ 134,079</u>	<u>\$ 699,188</u>	<u>\$ 9,864,002</u>

CITY OF MONTEREY PARK
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended June 30, 2015

Special Revenue Funds

	Proposition A	Gas Tax	Bike Route	Proposition C	Air Quality Improvement
Revenues:					
Taxes	\$ 1,199,915	\$ 1,816,944	\$ -	\$ 903,442	\$ 76,330
Charges for services	97,395	-	-	-	-
Revenues from use of money and property	10,440	10,661	-	4,194	1,143
Fines and forfeitures	-	-	-	-	-
Other revenue	-	-	-	-	-
Total Revenues	<u>1,307,750</u>	<u>1,827,605</u>	<u>-</u>	<u>907,636</u>	<u>77,473</u>
Expenditures:					
Current:					
Public safety	-	-	-	-	-
Community development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Highways and streets	940,816	1,449,476	-	752,692	20,472
Health	-	-	-	-	-
Capital outlay	-	-	-	73,853	18,120
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>940,816</u>	<u>1,449,476</u>	<u>-</u>	<u>826,545</u>	<u>38,592</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>366,934</u>	<u>378,129</u>	<u>-</u>	<u>81,091</u>	<u>38,881</u>
Net Changes in Fund Balances	366,934	378,129	-	81,091	38,881
Fund Balances, Beginning of Year	<u>1,897,431</u>	<u>1,970,677</u>	<u>-</u>	<u>781,716</u>	<u>214,857</u>
Fund Balances, End of Year	<u>\$ 2,264,365</u>	<u>\$ 2,348,806</u>	<u>\$ -</u>	<u>\$ 862,807</u>	<u>\$ 253,738</u>

CITY OF MONTEREY PARK
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Nonmajor Governmental Funds, Continued
For the Year Ended June 30, 2015

	Special Revenue Funds				
	Asset Forfeiture	Park Facilities	Business Improvement Area #1	Maintenance District 93-1	Public Safety Impact Fee
Revenues:					
Taxes	\$ -	\$ -	\$ 77,865	\$ 982,171	\$ -
Charges for services	-	27,748	-	-	178,761
Revenues from use of money and property	3,324	-	949	-	-
Fines and forfeitures	436,776	-	-	-	-
Other revenue	6,408	-	1,949	-	-
Total Revenues	446,508	27,748	80,763	982,171	178,761
Expenditures:					
Current:					
Public safety	271,446	-	-	-	91,052
Community development	-	-	78,501	-	-
Culture and recreation	-	31,063	-	-	-
Highways and streets	-	84,984	-	1,010,252	-
Health	-	-	-	-	-
Capital outlay	40,126	122,977	-	13,600	501,000
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	311,572	239,024	78,501	1,023,852	592,052
Excess (Deficiency) of Revenues Over Expenditures	134,936	(211,276)	2,262	(41,681)	(413,291)
Net Changes in Fund Balances	134,936	(211,276)	2,262	(41,681)	(413,291)
Fund Balances, Beginning of Year	559,713	67,397	204,492	180,835	183,634
Fund Balances, End of Year	<u>\$ 694,649</u>	<u>\$ (143,879)</u>	<u>\$ 206,754</u>	<u>\$ 139,154</u>	<u>\$ (229,657)</u>

(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, 2015

	Special Revenue Funds				Total
	Public Safety Augmentation	Measure R	Library Tax	CERCLA Liability	
Revenues:					
Taxes	620,000	676,178	504,988	-	\$ 6,857,833
Charges for services	-	-	-	132,168	436,072
Revenues from use of money and property	-	7,173	456	3,443	41,783
Fines and forfeitures	-	-	-	-	436,776
Other revenue	-	-	-	-	8,357
Total Revenues	620,000	683,351	505,444	135,611	7,780,821
Expenditures:					
Current:					
Public safety	620,000	-	-	-	982,498
Community development	-	-	-	-	78,501
Culture and recreation	-	-	169,852	-	200,915
Highways and streets	-	142,274	-	-	4,400,966
Health	-	-	-	250,000	250,000
Capital outlay	-	185,444	-	-	955,120
Debt service:					
Principal retirement	-	-	332,639	-	332,639
Interest and fiscal charges	-	-	50,556	-	50,556
Total Expenditures	620,000	327,718	553,047	250,000	7,251,195
Excess (Deficiency) of Revenues Over Expenditures	-	355,633	(47,603)	(114,389)	529,626
Net Changes in Fund Balances	-	355,633	(47,603)	(114,389)	529,626
Fund Balances, Beginning of Year	-	1,236,943	176,263	813,577	8,287,535
Fund Balances, End of Year	\$ -	\$ 1,592,576	\$ 128,660	\$ 699,188	\$ 8,817,161

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Proposition A Fund
For the Year Ended June 30, 2015

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 1,183,164	\$ 1,199,915	\$ 16,751
Charges for services	115,000	97,395	(17,605)
Revenues from use of money and property	6,800	10,440	3,640
Total Revenues	1,304,964	1,307,750	2,786
Expenditures:			
Current:			
Highways and streets	1,143,322	940,816	202,506
Total Expenditures	1,143,322	940,816	202,506
Excess of Revenues Over Expenditures	\$ 161,642	366,934	\$ 205,292
Fund Balance, Beginning of Year		1,897,431	
Fund Balance, End of Year		\$ 2,264,365	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Gas Tax Fund
For the Year Ended June 30, 2015

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 1,631,443	\$ 1,816,944	\$ 185,501
Revenues from use of money and property	3,000	10,661	7,661
Total Revenues	1,634,443	1,827,605	193,162
Expenditures:			
Current:			
Highways and streets	1,611,841	1,449,476	162,365
Total Expenditures	1,611,841	1,449,476	162,365
Excess of Revenues Over Expenditures	\$ 22,602	378,129	\$ 355,527
Fund Balance, Beginning of Year		1,970,677	
Fund Balance, End of Year		\$ 2,348,806	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Bike Route Fund
For the Year Ended June 30, 2015

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 49,795	\$ -	\$ (49,795)
Expenditures:			
Capital outlay	35,000	-	35,000
Excess (Deficiency) of Revenues Over Expenditures	\$ 14,795	-	\$ (14,795)
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, 2015

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 892,465	\$ 903,442	\$ 10,977
Revenues from use of money and property	3,200	4,194	994
Total Revenues	895,665	907,636	11,971
Expenditures:			
Current:			
Highways and streets	830,870	752,692	78,178
Capital outlay	-	73,853	(73,853)
Total expenditures	830,870	826,545	4,325
Excess of Revenues Over Expenditures	\$ 64,795	81,091	\$ 16,296
Fund Balance, Beginning of Year		781,716	
Fund Balance, End of Year		\$ 862,807	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Air Quality Improvement Fund
For the Year Ended June 30, 2015

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 75,000	\$ 76,330	\$ 1,330
Revenues from use of money and property	650	1,143	493
Total Revenues	75,650	77,473	1,823
Expenditures:			
Current:			
Highways and streets	28,500	20,472	8,028
Capital outlay	68,500	18,120	50,380
Excess (Deficiency) of Revenues Over Expenditures	\$ (21,350)	38,881	\$ 60,231
Fund Balance, Beginning of Year		214,857	
Fund Balance, End of Year		\$ 253,738	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Asset Forfeiture Fund
For the Year Ended June 30, 2015

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Revenues from use of money and property	\$ 2,500	\$ 3,324	\$ 824
Fines and forfeitures	216,000	436,776	220,776
Other revenue	-	6,408	6,408
Total Revenues	218,500	446,508	228,008
Expenditures:			
Current:			
Public safety	417,530	271,446	146,084
Capital outlay	43,000	40,126	2,874
Total Expenditures	460,530	311,572	148,958
Excess (Deficiency) of Revenues Over Expenditures	\$ (242,030)	134,936	\$ 376,966
Fund Balance, Beginning of Year		559,713	
Fund Balance, End of Year		\$ 694,649	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Park Facilities Fund
For the Year Ended June 30, 2015

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	\$ 300,000	\$ 27,748	\$ (272,252)
Expenditures:			
Current:			
Culture and recreation	59,511	31,063	28,448
Highways and streets	85,000	84,984	16
Capital outlay	254,621	122,977	131,644
Total Expenditures	399,132	239,024	160,108
Deficiency of Revenues Over Expenditures	\$ (99,132)	(211,276)	\$ (112,144)
Fund Balance, Beginning of Year		67,397	
Fund Balance, End of Year		\$ (143,879)	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Business Improvement Area #1 Fund
For the Year Ended June 30, 2015

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 58,584	\$ 77,865	\$ 19,281
Revenues from use of money and property	900	949	49
Other revenue	-	1,949	1,949
Total Revenues	<u>59,484</u>	<u>80,763</u>	<u>21,279</u>
Expenditures:			
Current:			
Community development	<u>140,246</u>	<u>78,501</u>	<u>61,745</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (80,762)</u>	<u>2,262</u>	<u>\$ 83,024</u>
Fund Balance, Beginning of Year		<u>204,492</u>	
Fund Balance, End of Year		<u>\$ 206,754</u>	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Maintenance District 93-1 Fund
For the Year Ended June 30, 2015

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	983,000	\$ 982,171	\$ (829)
Expenditures:			
Current:			
Highways and streets	1,075,485	1,010,252	65,233
Capital outlay	8,853	13,600	(4,747)
Total expenditures	1,084,338	1,023,852	60,486
Excess (Deficiency) of Revenues Over Expenditures	\$ (101,338)	(41,681)	\$ 59,657
Fund Balance, Beginning of Year		180,835	
Fund Balance, End of Year		\$ 139,154	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Public Safety Impact Fee Fund
For the Year Ended June 30, 2015

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	450,000	\$ 178,761	\$ (271,239)
Expenditures:			
Current:			
Public safety	214,295	91,052	123,243
Capital outlay	545,208	501,000	44,208
Total Expenditures	759,503	592,052	167,451
Excess (Deficiency) of Revenues Over Expenditures	\$ (309,503)	(413,291)	\$ 167,451
Fund Balance, Beginning of Year		183,634	
Fund Balance, End of Year		\$ (229,657)	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Public Safety Augmentation Fund
For the Year Ended June 30, 2015

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 620,000	\$ 620,000	\$ -
Expenditures:			
Current:			
Public safety	620,000	620,000	-
Excess 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, 2015

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 669,357	\$ 676,178	\$ 6,821
Revenues from use of money and property	4,600	7,173	2,573
Total Revenues	673,957	683,351	9,394
Expenditures:			
Current:			
Highway and streets	104,290	142,274	(37,984)
Capital outlay	721,549	185,444	536,105
Total Expenditures	825,839	327,718	498,121
Excess (Deficiency) of Revenues Over Expenditures	\$ (151,882)	355,633	\$ 507,515
Fund Balance, Beginning of Year		1,236,943	
Fund Balance, End of Year		\$ 1,592,576	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue Library Tax Fund
For the Year Ended June 30, 2015

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes	\$ 502,000	\$ 504,988	\$ 2,988
Revenues from use of money and property	300	456	156
Total Revenues	<u>502,300</u>	<u>505,444</u>	<u>3,144</u>
Expenditures:			
Current:			
Culture and recreation	170,805	169,852	953
Capital outlay	25,890	-	25,890
Debt service:			
Principal retirement	332,639	332,639	-
Interest and fiscal charges	<u>50,556</u>	<u>50,556</u>	<u>-</u>
Total Expenditures	<u>579,890</u>	<u>553,047</u>	<u>26,843</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (77,590)</u>	<u>(47,603)</u>	<u>\$ 29,987</u>
Fund Balance, Beginning of Year		<u>176,263</u>	
Fund Balance, End of Year		<u>\$ 128,660</u>	

CITY OF MONTEREY PARK
Budgetary Comparison Schedule
Special Revenue CERCLA Liability Fund
For the Year Ended June 30, 2015

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	\$ 124,000	\$ 132,168	\$ 8,168
Revenues from use of money and property	2,100	3,443	1,343
Total Revenues	126,100	135,611	9,511
Expenditures:			
Current:			
Health	250,000	250,000	-
Excess (Deficiency) of Revenues Over Expenditures	\$ (123,900)	(114,389)	\$ 9,511
Fund Balance, Beginning of Year		813,577	
Fund Balance, End of Year		\$ 699,188	

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WATER UTILITY ENTERPRISE FUND

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

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

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

CITY OF MONTEREY PARK
Water Enterprise Fund
Combining Statement of Net Position
June 30, 2015

<u>Assets</u>	Water Operations Activity	Water Treatment Activity	Totals
Current Assets:			
Cash and investments	\$ 12,300,937	\$ 13,136,921	\$ 25,437,858
Cash and investments with fiscal agent	4,535,742	-	4,535,742
Accounts receivable	1,792,587	-	1,792,587
Due from other funds	-	99,129	99,129
Total Current Assets	18,629,266	13,236,050	31,865,316
Noncurrent Assets:			
Nondepreciable capital assets	674,150	278,433	952,583
Depreciable capital assets, net of accumulated depreciation	19,061,032	6,450,633	25,511,665
Total Noncurrent Assets	19,735,182	6,729,066	26,464,248
Total Assets	38,364,448	19,965,116	58,329,564
 <u>Deferred Outflow of Resources</u>			
Pension contribution after measurement date	394,564	73,980	468,544
 <u>Liabilities</u>			
Current Liabilities:			
Accounts payable	1,043,590	177,741	1,221,331
Accrued payroll	80,561	16,819	97,380
Due to other funds	99,129	-	99,129
Deposits and advances	413,480	-	413,480
Interest payable	-	-	-
Capital lease obligation - current portion	250,785	370,000	620,785
Current compensated absences payable	39,580	8,188	47,768
Total Current Liabilities	1,927,125	572,748	2,499,873
Noncurrent Liabilities:			
Capital lease obligation	10,986,678	1,139,999	12,126,677
Compensated absences payable	356,216	73,687	429,903
OPEB obligations payable	589,991	104,114	694,105
Net pension liabilities	4,879,474	914,901	5,794,375
Total Non Current Liabilities	16,812,359	2,232,701	19,045,060
Total Liabilities	18,739,484	2,805,449	21,544,933
 <u>Deferred Inflow of Resources</u>			
Difference between projected and actual earnings on pension plan investments	904,746	169,640	1,074,386
 <u>Net Position</u>			
Net investment in capital assets	13,033,461	5,219,067	18,252,528
Restricted	4,535,742	-	4,535,742
Unrestricted	1,545,579	11,844,940	13,390,519
Total Net Position	\$ 19,114,782	\$ 17,064,007	\$ 36,178,789
Adjustment to reflect the consolidation of internal service funds activities to related activity	(517,169)	-	(517,169)
Net Position Related to Water Enterprise Activities	\$ 18,597,613	\$ 17,064,007	\$ 35,661,620

CITY OF MONTEREY PARK
Water Enterprise Fund
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2015

	Water Operations Activity	Water Treatment Activity	Totals
Operating Revenues:			
Charges for services	\$ 8,265,122	\$ 3,015,172	\$ 11,280,294
Meter installations	172,298	-	172,298
Other revenue	-	1,258,626	1,258,626
Total Operating Revenues	8,437,420	4,273,798	12,711,218
Operating Expenses:			
Water purchased	40,348	-	40,348
Administration - water	5,277,116	-	5,277,116
Commercial - water	648,755	-	648,755
Production - water	2,070,786	-	2,070,786
Distribution - water	1,175,200	-	1,175,200
Treatment plant operations	-	2,493,179	2,493,179
Depreciation	961,589	341,916	1,303,505
Total Operating Expenses	10,173,794	2,835,095	13,008,889
Operating Income (Loss)	(1,736,374)	1,438,703	(297,671)
Nonoperating Income (Loss):			
Interest income	2,192	-	2,192
Interest expense	(92,001)	-	(92,001)
Gain on sale of surplus property	18,485	-	18,485
Total Nonoperating Income (Loss)	(71,324)	-	(71,324)
Net Income (Loss) Before Contributions	(1,807,698)	1,438,703	(368,995)
Capital contributions	98,776	-	98,776
Total Capital Contributions	98,776	-	98,776
Changes in Net Position	(1,708,922)	1,438,703	(270,219)
Net Position, Beginning of Year, as Restated (Note 16)	20,823,704	15,625,304	36,449,008
Net Position, End of Year	<u>\$ 19,114,782</u>	<u>\$ 17,064,007</u>	<u>\$ 36,178,789</u>
Changes in Net Position	\$ (1,708,922)	\$ 1,438,703	\$ (270,219)
Adjustment to reflect consolidation of internal service fund activities to related enterprise activity	194,038	-	194,038
Changes in Net Activities of Water Enterprise Activities	<u>\$ (1,514,884)</u>	<u>\$ 1,438,703</u>	<u>\$ (76,181)</u>

CITY OF MONTEREY PARK
Water Enterprise Fund
Combining Statement of Cash Flows
For the Year Ended June 30, 2015

	Water Operations Activity	Water Treatment Activity	Totals
Cash Flows from Operating Activities:			
Cash receipts from customers	\$ 8,192,189	\$ 4,494,196	\$ 12,686,385
Cash payments to suppliers for goods and services	(4,384,339)	(1,944,050)	(6,328,389)
Cash payments to employees for services	(4,049,697)	(702,037)	(4,751,734)
Net Cash Provided by (Used in) Operating Activities	(241,847)	1,848,109	1,606,262
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	\$ (4,650,500)	\$ -	\$ (4,650,500)
Proceeds from sale of surplus assets	18,485	-	18,485
Proceeds from lease purchase agreement	8,935,118	-	8,935,118
Principal paid on lease financing	(209,737)	(370,000)	(579,737)
Interest paid on lease financing	(92,001)	-	(92,001)
Net Cash Provided by (Used in) Capital and Related Financing Activities	4,001,365	(370,000)	3,631,365
Cash Flows from Investing Activities:			
Interest income	2,192	-	2,192
Net Cash Provided by (Used in) Noncapital Financing Activities	2,192	-	2,192
Net Increase in Cash and Cash Equivalents	3,761,710	1,478,109	5,239,819
Cash and Cash Equivalents, Beginning of Year	13,074,969	11,658,812	24,733,781
Cash and Cash Equivalents, End of Year	\$ 16,836,679	\$ 13,136,921	\$ 29,973,600
Cash and investments	\$ 12,300,937	\$ 13,136,921	\$ 25,437,858
Cash and investments with fiscal agent	4,535,742	-	4,535,742
Total Cash and Cash Equivalents	\$ 16,836,679	\$ 13,136,921	\$ 29,973,600
Noncash from Capital and Related Financing Activities:			
Capital contributions	\$ 98,776	\$ -	98,776
Reconciliation of Operating Income (Loss) to Net			
Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ (1,736,374)	\$ 1,438,703	\$ (297,671)
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided by (Used in) Operating Activities:			
Depreciation	961,589	341,916	1,303,505
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(253,534)	220,398	(33,136)
(Increase) decrease in deferred outflows of resources - pension	(42,068)	(7,887)	(49,955)
Increase (decrease) in accounts payable	795,110	(158,280)	636,830
Increase (decrease) in accrued payroll	7,945	4,371	12,316
Increase (decrease) in deposits and advances	8,303	-	8,303
Increase (decrease) in due to other funds	99,129	(99,129)	-
Increase (decrease) in compensated absences payable	(31,653)	45	(31,608)
Increase (decrease) in OPEB obligation	(70,872)	104,114	33,242
Increase (decrease) in net pension liabilities	(884,168)	(165,782)	(1,049,950)
Increase (decrease) in deferred inflows of resources - pension	904,746	169,640	1,074,386
Total Adjustments	1,494,527	409,406	1,903,933
Net Cash Provided by (Used in) Operating Activities	\$ (241,847)	\$ 1,848,109	\$ 1,606,262

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.

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, 2015

<u>Assets</u>	<u>Separation Benefits</u>	<u>General Liability</u>	<u>Workers' Compensation</u>
Current Assets:			
Cash and investments	\$ 3,795,612	\$ 2,870,809	\$ 3,212,840
Inventory	-	-	-
Total Current Assets	<u>3,795,612</u>	<u>2,870,809</u>	<u>3,212,840</u>
Noncurrent Assets:			
Nondepreciable capital assets	-	-	-
Depreciable capital assets, net of accumulated depreciation	-	-	-
Total Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>3,795,612</u>	<u>2,870,809</u>	<u>3,212,840</u>
 <u>Liabilities</u>			
Current Liabilities:			
Accounts payable	-	19,975	51,145
Accrued payroll	50,983	1,451	605
Claims and judgments payable - due within one year	-	1,025,670	2,510,867
Compensated absences payable - due within one year	-	872	571
Total Current Liabilities	<u>50,983</u>	<u>1,047,968</u>	<u>2,563,188</u>
Noncurrent:			
Claims and judgments payable - due in more than one year	-	1,538,505	3,766,301
Compensated absences payable - due in more than one year	-	7,851	5,146
Total Noncurrent Liabilities	<u>-</u>	<u>1,546,356</u>	<u>3,771,447</u>
Total Liabilities	<u>50,983</u>	<u>2,594,324</u>	<u>6,334,635</u>
 <u>Net Position</u>			
Net investment in capital assets	-	-	-
Unrestricted	<u>3,744,629</u>	<u>276,485</u>	<u>(3,121,795)</u>
Total Net Position (Deficit)	<u>\$ 3,744,629</u>	<u>\$ 276,485</u>	<u>\$ (3,121,795)</u>

CITY OF MONTEREY PARK
Combining Statement of Net Position - Internal Service Funds, Continued
June 30, 2015

<u>Assets</u>	<u>Shop</u>	<u>Technology</u>	<u>Totals</u>
Current Assets:			
Cash and investments	\$ 1,766,298	\$ 992,055	\$ 12,637,614
Inventory	5,628	-	5,628
Total Current Assets	1,771,926	992,055	12,643,242
Noncurrent Assets:			
Nondepreciable capital assets	-	118,842	118,842
Depreciable capital assets, net of accumulated depreciation	973,171	67,708	1,040,879
Total Capital Assets	973,171	186,550	1,159,721
Total Noncurrent Assets	973,171	186,550	1,159,721
Total Assets	2,745,097	1,178,605	13,802,963
 <u>Liabilities</u>			
Current Liabilities:			
Accounts payable	81,411	1,189	153,720
Accrued payroll	11,991	-	65,030
Claims and judgments payable - due within one year	-	-	3,536,537
Compensated absences payable - due within one year	7,188	-	8,631
Total Current Liabilities	100,590	1,189	3,763,918
Noncurrent:			
Claims and judgments payable - due in more than one year	-	-	5,304,806
Compensated absences payable - due in more than one year	64,700	-	77,697
Total Noncurrent Liabilities	64,700	-	5,382,503
Total Liabilities	165,290	1,189	9,146,421
 <u>Net Position</u>			
Net investment in capital assets	973,171	186,550	1,159,721
Unrestricted	1,606,636	990,866	3,496,821
Total Net Position (Deficit)	\$ 2,579,807	\$ 1,177,416	\$ 4,656,542

CITY OF MONTEREY PARK
Combining Statement of Revenues, Expenses and
Changes in Net Position - Internal Service Funds
For the Year Ended June 30, 2015

	Separation Benefits	General Liability	Workers' Compensation
Operating Revenues:			
Charges for services	\$ 1,270,497	\$ 1,080,000	\$ 1,463,721
Other revenue	-	979,442	-
Total Operating Revenues	<u>1,270,497</u>	<u>2,059,442</u>	<u>1,463,721</u>
Operating Expenses:			
Salaries and benefits	1,101,606	56,184	23,377
Materials and supplies	-	-	-
Insurance and claims	-	1,756,943	949,796
Miscellaneous	-	-	-
Depreciation	-	-	-
Total Operating Expenses	<u>1,101,606</u>	<u>1,813,127</u>	<u>973,173</u>
Operating Income (Loss)	168,891	246,315	490,548
Nonoperating Income:			
Gain on sale of surplus property	-	-	-
Total Nonoperating Income	<u>-</u>	<u>-</u>	<u>-</u>
Net Income Before Capital Contribution	168,891	246,315	490,548
Capital Contributions	<u>-</u>	<u>-</u>	<u>-</u>
Changes in Net Position	168,891	246,315	490,548
Net Position (Deficit), Beginning of Year	<u>3,575,738</u>	<u>30,170</u>	<u>(3,612,343)</u>
Net Position (Deficit), End of Year	<u>\$ 3,744,629</u>	<u>\$ 276,485</u>	<u>\$ (3,121,795)</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, 2015

	<u>Shop</u>	<u>Technology</u>	<u>Totals</u>
Operating Revenues:			
Charges for services	\$ 1,750,170	\$ 151,658	\$ 5,716,046
Other revenue	-	-	979,442
Total Operating Revenues	<u>1,750,170</u>	<u>151,658</u>	<u>6,695,488</u>
Operating Expenses:			
Salaries and benefits	420,982	-	1,602,149
Materials and supplies	865,676	-	865,676
Insurance and claims	-	-	2,706,739
Miscellaneous	232,280	118,300	350,580
Depreciation	311,516	37,892	349,408
Total Operating Expenses	<u>1,830,454</u>	<u>156,192</u>	<u>5,874,552</u>
Operating Income (Loss)	(80,284)	(4,534)	820,936
Nonoperating Income:			
Gain on sale of surplus property	8,325	-	8,325
Total Nonoperating Income	<u>8,325</u>	<u>-</u>	<u>8,325</u>
Net Income Before Transfers and Capital Contribution	(71,959)	(4,534)	829,261
Capital Contributions	<u>112,559</u>	<u>-</u>	<u>112,559</u>
Changes in Net Position	40,600	(4,534)	941,820
Net Position (Deficit), Beginning of Year	<u>2,539,207</u>	<u>1,181,950</u>	<u>3,714,722</u>
Net Position (Deficit), End of Year	<u>\$ 2,579,807</u>	<u>\$ 1,177,416</u>	<u>\$ 4,656,542</u>

CITY OF MONTEREY PARK
Combining Statement of Cash Flows - Internal Service Funds
For the Year Ended June 30, 2015

	Separation Benefits	General Liability	Workers' Compensation
Cash Flows from Operating Activities:			
Cash receipts from interfund services provided	\$ 1,270,497	\$ 1,080,000	\$ 1,463,721
Cash payments to suppliers for goods and services	-		
Cash payments to employees for services	(1,072,234)	(55,120)	(23,141)
Cash payments for insurance premiums and self-insurance claims		(874,248)	(1,260,552)
Cash receipts from insurance recovery		979,442	-
Net Cash Provided by Operating Activities	<u>198,263</u>	<u>1,130,074</u>	<u>180,028</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	-	-
Proceeds from sale of surplus assets	-	-	-
Net Cash Used in Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	198,263	1,130,074	180,028
Cash and Cash Equivalents, Beginning of Year	<u>3,597,349</u>	<u>1,740,735</u>	<u>3,032,812</u>
Cash and Cash Equivalents, End of Year	<u>\$ 3,795,612</u>	<u>\$ 2,870,809</u>	<u>\$ 3,212,840</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Operating income (loss)	<u>\$ 168,891</u>	<u>\$ 246,315</u>	<u>\$ 490,548</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 inventory	-	-	-
Increase (decrease) in accounts payable	-	10,649	44,278
Increase (decrease) in accrued payroll	29,372	170	55
Increase (decrease) in claims and judgments payable	-	872,046	(355,034)
Increase (decrease) in compensated absences payable	-	894	181
Total Adjustments	<u>29,372</u>	<u>883,759</u>	<u>(310,520)</u>
Net Cash Provided by Operating Activities	<u>\$ 198,263</u>	<u>\$ 1,130,074</u>	<u>\$ 180,028</u>

CITY OF MONTEREY PARK
Combining Statement of Cash Flows - Internal Service Funds, Continued
For the Year Ended June 30, 2015

	<u>Shop</u>	<u>Technology</u>	<u>Totals</u>
Cash Flows from Operating Activities:			
Cash receipts from interfund services provided	\$ 1,750,170	\$ 151,658	\$ 5,716,046
Cash payments to suppliers for goods and services	(1,137,660)	(117,111)	(1,254,771)
Cash payments to employees for services	(419,051)	-	(1,569,546)
Cash payments for insurance premiums and self-insurance claims	-	-	(2,134,800)
Cash receipts from insurance recovery	-	-	979,442
Net Cash Provided by Operating Activities	<u>193,459</u>	<u>34,547</u>	<u>1,736,371</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(139,879)	(117,575)	(257,454)
Proceeds from sale of surplus assets	8,325	-	8,325
Net Cash Used in Capital and Related Financing Activities	<u>(131,554)</u>	<u>(117,575)</u>	<u>(249,129)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	61,905	(83,028)	1,487,242
Cash and Cash Equivalents, Beginning of Year	<u>1,704,393</u>	<u>1,075,083</u>	<u>11,150,372</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,766,298</u>	<u>\$ 992,055</u>	<u>\$ 12,637,614</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Operating income (loss)	<u>\$ (80,284)</u>	<u>\$ (4,534)</u>	<u>\$ 820,936</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation	311,516	37,892	349,408
Changes in assets and liabilities:			
(Increase) decrease in inventory	(2,079)	-	(2,079)
Increase (decrease) in accounts payable	(37,625)	1,189	18,491
Increase (decrease) in accrued payroll	2,836	-	32,433
Increase (decrease) in claims and judgments payable	-	-	517,012
Increase (decrease) in compensated absences payable	(905)	-	170
Total Adjustments	<u>273,743</u>	<u>39,081</u>	<u>915,435</u>
Net Cash Provided by Operating Activities	<u>\$ 193,459</u>	<u>\$ 34,547</u>	<u>\$ 1,736,371</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, 2015

<u>Assets</u>	Deposits Fund	Construction Agency Fund	Totals
Cash and investments	\$ 2,231,497	\$ 6,028	\$ 2,237,525
Total Assets	\$ 2,231,497	\$ 6,028	\$ 2,237,525
<u>Liabilities</u>			
Accounts payable	\$ 26,935	\$ 5,980	\$ 32,915
Deposits payable	2,204,562	48	2,204,610
Total Liabilities	\$ 2,231,497	\$ 6,028	\$ 2,237,525

CITY OF MONTEREY PARK
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended June 30, 2015

<u>Deposits Fund</u>	<u>Balance at July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2015</u>
Assets:				
Cash and investments	2,092,524	\$ 1,513,985	\$ (1,375,012)	\$ 2,231,497
Liabilities:				
Accounts payable	91,361	\$ 585,093	\$ (649,519)	\$ 26,935
Deposits payable	2,001,163	928,892	(725,493)	2,204,562
Total Liabilities	\$ 2,092,524	\$ 1,513,985	\$ (1,375,012)	\$ 2,231,497
 <u>Construction Agency Fund</u>				
Assets:				
Cash and investments	17,605	\$ 124,242	\$ (135,819)	\$ 6,028
Liabilities:				
Accounts payable	1,687	\$ 73,046	\$ (68,753)	\$ 5,980
Deposits payable	15,918	51,196	(67,066)	48
Total Liabilities	\$ 17,605	\$ 124,242	\$ (135,819)	\$ 6,028
 <u>Total - All Agency Funds</u>				
Assets:				
Cash and investments	\$ 2,110,129	\$ 1,638,227	\$ (1,510,831)	\$ 2,237,525
Liabilities:				
Accounts payable	\$ 93,048	\$ 658,139	\$ (718,272)	\$ 32,915
Deposits payable	2,017,081	980,088	(792,559)	2,204,610
Total Liabilities	\$ 2,110,129	\$ 1,638,227	\$ (1,510,831)	\$ 2,237,525

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STATISTICAL SECTION
(Unaudited)

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

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

	Fiscal Year				
	2005/06	2006/07	2007/08	2008/09	2009/10
Governmental Activities:					
Net investment in capital assets	\$ 39,935,338	\$ 41,243,683	\$ 42,188,514	\$ 40,863,652	\$ 44,779,820
Restricted	40,358,826	41,256,879	50,363,018	57,279,208	54,638,570
Unrestricted	<u>(31,003,360)</u>	<u>(28,542,889)</u>	<u>(29,746,073)</u>	<u>(37,034,912)</u>	<u>(43,282,599)</u>
Total governmental activities net position	<u>\$ 49,290,804</u>	<u>\$ 53,957,673</u>	<u>\$ 62,805,459</u>	<u>\$ 61,107,948</u>	<u>\$ 56,135,791</u>
Business-Type Activities:					
Net investment in capital assets	\$ 19,700,171	\$ 20,202,373	\$ 19,228,082	\$ 17,370,937	\$ 17,254,986
Restricted	-	-	-	-	-
Unrestricted	<u>2,099,749</u>	<u>2,704,071</u>	<u>5,798,733</u>	<u>9,077,541</u>	<u>10,911,685</u>
Total business-type activities net position	<u>\$ 21,799,920</u>	<u>\$ 22,906,444</u>	<u>\$ 25,026,815</u>	<u>\$ 26,448,478</u>	<u>\$ 28,166,671</u>
Primary Government:					
Net investment in capital assets	\$ 59,635,509	\$ 61,446,056	\$ 61,416,596	\$ 58,234,589	\$ 62,034,806
Restricted	40,358,826	41,256,879	50,363,018	57,279,208	54,638,570
Unrestricted	<u>(28,903,611)</u>	<u>(25,838,818)</u>	<u>(23,947,340)</u>	<u>(27,957,371)</u>	<u>(32,370,914)</u>
Total primary government net position	<u>\$ 71,090,724</u>	<u>\$ 76,864,117</u>	<u>\$ 87,832,274</u>	<u>\$ 87,556,426</u>	<u>\$ 84,302,462</u>

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

	Fiscal Year				
	2010/11	2011/12	2012/13	2013/14	2014/15
Governmental Activities:					
Net investment in capital assets	\$ 42,184,114	\$ 47,380,971	\$ 50,018,559	\$ 50,805,697	\$ 46,668,353
Restricted	29,449,081	26,824,487	20,629,264	18,330,529	20,250,775
Unrestricted	<u>(21,658,335)</u>	<u>6,298,370</u>	<u>9,341,223</u>	<u>11,318,896</u>	<u>(79,961,199)</u>
Total governmental activities net position	<u>\$ 49,974,860</u>	<u>\$ 80,503,828</u>	<u>\$ 79,989,046</u>	<u>\$ 80,455,122</u>	<u>\$ (13,042,071)</u>
Business-Type Activities:					
Net investment in capital assets	\$ 19,372,272	\$ 20,439,644	\$ 20,381,489	\$ 20,020,776	\$ 19,618,954
Restricted	-	-	-	-	4,535,742
Unrestricted	<u>17,752,724</u>	<u>19,943,174</u>	<u>25,700,563</u>	<u>26,197,066</u>	<u>15,114,611</u>
Total business-type activities net position	<u>\$ 37,124,996</u>	<u>\$ 40,382,818</u>	<u>\$ 46,082,052</u>	<u>\$ 46,217,842</u>	<u>\$ 39,269,307</u>
Primary Government:					
Net investment in capital assets	\$ 61,556,386	\$ 67,820,615	\$ 70,400,048	\$ 70,826,473	\$ 66,287,307
Restricted	29,449,081	26,824,487	20,629,264	18,330,529	24,786,517
Unrestricted	<u>(3,905,611)</u>	<u>26,241,544</u>	<u>35,041,786</u>	<u>37,515,962</u>	<u>(64,846,588)</u>
Total primary government net position	<u>\$ 87,099,856</u>	<u>\$ 120,886,646</u>	<u>\$ 126,071,098</u>	<u>\$ 126,672,964</u>	<u>\$ 26,227,236</u>

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

	Fiscal Year				
	2005/06	2006/07	2007/08	2008/09	2009/10
Expenses:					
Governmental activities:					
General government	\$ 3,805,164	\$ 5,740,916	\$ 4,338,308	\$ 3,879,270	\$ 3,393,846
Public safety	22,168,220	23,991,371	25,259,657	28,781,812	29,652,341
Community development	7,206,979	9,550,291	8,388,572	11,507,775	13,427,547
Culture and recreation	5,536,176	5,776,367	6,914,716	7,411,985	7,009,277
Highway and streets	5,283,276	6,550,763	5,184,431	5,812,714	5,981,608
Health	60,109	141,672	70,590	98,918	88,940
Interest and fiscal charges	4,292,781	3,211,151	3,040,769	2,975,762	2,909,194
Total governmental activities expenses	<u>48,352,705</u>	<u>54,962,531</u>	<u>53,197,043</u>	<u>60,468,236</u>	<u>62,462,753</u>
Business-type activities:					
Water	8,594,316	10,253,822	9,549,450	9,724,233	9,506,799
Refuse	5,051,358	5,208,786	5,465,893	5,676,667	5,793,221
Sewer	178,053	224,847	193,391	229,524	181,271
Total business-type activities expenses	<u>13,823,727</u>	<u>15,687,455</u>	<u>15,208,734</u>	<u>15,630,424</u>	<u>15,481,291</u>
Total primary government expenses	<u>62,176,432</u>	<u>70,649,986</u>	<u>68,405,777</u>	<u>76,098,660</u>	<u>77,944,044</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	1,458,109	1,469,072	765,334	766,402	640,487
Public safety	3,309,549	3,521,884	4,961,930	5,058,340	3,292,950
Community development	2,166,424	1,840,229	3,960,929	2,410,056	2,250,642
Culture and recreation	697,239	766,051	801,478	818,438	816,852
Highway and Streets	1,457,019	1,422,080	1,569,903	1,421,473	1,400,245
Health	-	-	-	-	-
Operating grants and contributions	2,572,146	6,794,692	4,472,472	5,402,260	5,394,275
Capital grants and contributions	2,955,297	2,055,895	1,620,031	546,077	2,929,631
Total government activities program revenues	<u>14,615,783</u>	<u>17,869,903</u>	<u>18,152,077</u>	<u>16,423,046</u>	<u>16,725,082</u>
Business-type activities:					
Charges for services:					
Water	8,842,158	10,729,127	10,523,615	10,498,868	9,740,486
Refuse	5,252,977	5,498,006	5,773,306	5,949,179	5,796,888
Sewer	297,400	294,888	293,650	294,574	269,338
Operating grants and contributions	-	-	-	-	336,862
Capital grants and contributions	319,059	287,506	444,903	-	80,322
Total business-type activities revenues	<u>14,711,594</u>	<u>16,809,527</u>	<u>17,035,474</u>	<u>16,742,621</u>	<u>16,223,896</u>
Total primary government revenues	<u>\$ 29,327,377</u>	<u>\$ 34,679,430</u>	<u>\$ 35,187,551</u>	<u>\$ 33,165,667</u>	<u>\$ 32,948,978</u>

Source: City of Monterey Park Management Services Department

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

	Fiscal Year				
	2010/11	2011/12	2012/2013	2013/2014	2014/2015
Expenses:					
Governmental activities:					
General government	\$ 3,497,432	\$ 4,405,489	\$ 6,522,107	\$ 4,050,482	\$ 5,027,516
Public safety	27,575,013	27,764,258	26,233,074	27,352,152	26,907,556
Community development	11,027,820	5,673,116	8,521,044	2,343,881	7,049,958
Culture and recreation	6,685,623	6,378,055	5,909,468	6,277,461	8,247,795
Highway and streets	5,209,925	4,886,331	5,380,336	6,434,924	5,512,170
Health	120,000	120,000	119,999	120,000	488,697
Interest and fiscal charges	2,785,485	2,128,198	1,275,063	1,207,716	1,269,034
Total governmental activities expenses	<u>56,901,298</u>	<u>51,355,447</u>	<u>53,961,091</u>	<u>47,786,616</u>	<u>54,502,726</u>
Business-type activities:					
Water	10,907,990	11,542,663	10,706,980	11,775,078	12,906,852
Refuse	5,812,305	5,944,116	6,040,457	6,985,344	6,657,089
Sewer	310,115	331,683	238,551	221,078	522,245
Total business-type activities expenses	<u>17,030,410</u>	<u>17,818,462</u>	<u>16,985,988</u>	<u>18,981,500</u>	<u>20,086,186</u>
Total primary government expenses	<u>73,931,708</u>	<u>69,173,909</u>	<u>70,947,079</u>	<u>66,768,116</u>	<u>74,588,912</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	626,842	627,769	909,328	907,537	1,005,102
Public safety	3,186,391	2,926,775	3,037,155	3,076,644	2,956,084
Community development	1,567,774	1,608,072	1,541,110	1,442,835	1,945,407
Culture and recreation	770,602	692,083	738,884	690,289	815,383
Highway and Streets	1,360,611	369,180	451,744	400,382	480,153
Health	-	-	-	-	-
Operating grants and contributions	4,952,726	4,667,552	5,258,202	1,516,481	2,538,745
Capital grants and contributions	1,646,048	3,725,194	1,988,468	627,628	670,184
Total government activities program revenues	<u>14,110,994</u>	<u>14,616,625</u>	<u>13,924,891</u>	<u>8,661,796</u>	<u>10,411,058</u>
Business-type activities:					
Charges for services:					
Water	10,533,780	12,853,684	13,302,811	10,747,045	11,452,592
Refuse	5,980,597	6,001,641	5,832,841	6,028,436	6,371,405
Sewer	271,984	273,496	273,556	287,548	1,714,098
Operating grants and contributions	225,000	-	-	-	-
Capital grants and contributions	74,414	91,894	41,834	169,783	98,776
Total business-type activities revenues	<u>17,085,775</u>	<u>19,220,715</u>	<u>19,451,042</u>	<u>17,232,812</u>	<u>19,636,871</u>
Total primary government revenues	<u>\$ 31,196,769</u>	<u>\$ 33,837,340</u>	<u>\$ 33,375,933</u>	<u>\$ 25,894,608</u>	<u>\$ 30,047,929</u>

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

	Fiscal Year				
	2005/06	2006/07	2007/08	2008/09	2009/10
Net (expense)/revenue:					
Governmental activities:	\$ (33,736,922)	\$ (37,092,628)	\$ (35,044,966)	\$ (44,045,190)	\$ (45,737,671)
Business-type activities:	887,867	1,122,072	1,826,740	1,112,197	742,605
Total primary government revenues	<u>\$ (32,849,055)</u>	<u>\$ (35,970,556)</u>	<u>\$ (33,218,226)</u>	<u>\$ (42,932,993)</u>	<u>\$ (44,995,066)</u>
General revenues and other					
Changes in net assets:					
Governmental activities:					
Taxes:					
Property taxes	\$ 21,338,420	\$ 23,059,597	\$ 25,506,057	\$ 26,741,260	\$ 27,059,553
Sales tax	5,255,486	5,620,979	5,407,689	4,546,028	4,100,798
Vehicle in-lieu tax	386,524	429,693	275,591	185,693	191,604
Vehicle in-lieu tax gap loan repayment	-	-	-	-	-
Utility users tax	3,186,345	3,330,631	3,417,647	3,516,748	3,349,907
Utility franchise tax	1,023,947	1,073,341	1,043,237	1,087,602	934,505
Business license tax	957,513	996,629	1,028,436	963,068	925,037
Transient occupancy tax	608,376	783,505	908,694	785,331	660,897
Other taxes	3,794,098	1,607,587	1,763,576	1,557,516	1,263,874
Revenues from use of money and property	2,709,920	3,797,283	3,540,097	2,145,238	1,021,730
Other	407,783	450,990	332,056	219,979	917,403
Gain/(Loss) on sale of property	(3,587)	-	-	(3,346)	(29,528)
Transfers	<u>250,000</u>	<u>250,000</u>	<u>262,000</u>	<u>265,000</u>	<u>278,000</u>
Total general revenues and transfers	<u>39,914,825</u>	<u>41,400,235</u>	<u>43,485,080</u>	<u>42,010,117</u>	<u>40,673,780</u>
Extraordinary item					
Dissolution of Redevelopment Agency	-	-	-	-	-
Business-type activities:					
Other	391,902	593,713	963,303	537,971	1,345,322
Gain/(Loss) on sale of property					
Transfers	<u>(250,000)</u>	<u>(250,000)</u>	<u>(262,000)</u>	<u>(265,000)</u>	<u>(278,000)</u>
Total business-type activities	<u>141,902</u>	<u>343,713</u>	<u>701,303</u>	<u>272,971</u>	<u>1,067,322</u>
Total primary government	<u>40,056,727</u>	<u>41,743,948</u>	<u>44,186,383</u>	<u>42,283,088</u>	<u>41,741,102</u>
Changes in net position					
Governmental activities	6,177,903	4,307,607	8,440,114	(2,035,073)	(5,063,891)
Business-type activities	<u>1,029,769</u>	<u>1,465,785</u>	<u>2,528,043</u>	<u>1,385,168</u>	<u>1,809,927</u>
Total primary government	<u>\$ 7,207,672</u>	<u>\$ 5,773,392</u>	<u>\$ 10,968,157</u>	<u>\$ (649,905)</u>	<u>\$ (3,253,964)</u>

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

	Fiscal Year				
	2010/11	2011/12	2012/2013	2013/2014	2014/2015
Net (expense)/revenue:					
Governmental activities:	\$ (42,790,304)	\$ (36,738,822)	\$ (40,036,200)	\$ (39,124,820)	\$ (44,091,668)
Business-type activities:	55,365	1,402,253	2,465,054	(1,748,688)	(449,315)
Total primary government revenues	<u>\$ (42,734,939)</u>	<u>\$ (35,336,569)</u>	<u>\$ (37,571,146)</u>	<u>\$ (40,873,508)</u>	<u>\$ (44,540,983)</u>
General revenues and other					
Changes in net assets:					
Governmental activities:					
Taxes:					
Property taxes	\$ 27,331,232	\$ 24,537,300	\$ 24,066,354	\$ 19,794,165	\$ 22,600,233
Sales tax	4,803,406	5,057,132	5,437,244	4,942,821	5,245,208
Vehicle in-lieu tax	345,406	32,170	33,334	27,588	26,649
Vehicle in-lieu tax gap loan repayment	-	-	-	-	-
Utility users tax	3,219,600	3,092,796	3,041,163	3,202,264	3,257,450
Utility franchise tax	967,322	942,985	942,736	970,212	1,028,025
Business license tax	944,837	945,367	941,005	974,816	1,340,197
Transient occupancy tax	756,873	876,482	957,024	1,049,070	1,158,767
Other taxes	1,837,784	1,868,862	2,760,446	7,282,605	7,223,640
Revenues from use of money and property	891,671	776,649	827,781	872,174	929,648
Other	249,075	685,026	499,923	731,679	1,153,382
Gain/(Loss) on sale of property	6,627	1,842,182	14,408	-	-
Transfers	<u>281,400</u>	<u>350,000</u>	<u>-</u>	<u>18,000</u>	<u>-</u>
Total general revenues and transfers	<u>41,635,233</u>	<u>41,006,951</u>	<u>39,521,418</u>	<u>39,865,394</u>	<u>43,963,199</u>
Extraordinary item					
Dissolution of Redevelopment Agency	<u>-</u>	<u>26,752,439</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type activities:					
Other	4,168,640	2,205,569	3,230,138	1,897,638	2,192
Gain/(Loss) on sale of property	9,865	-	4,042	4,840	1,258,626
Transfers	<u>(281,400)</u>	<u>(350,000)</u>	<u>-</u>	<u>(18,000)</u>	<u>18,485</u>
Total business-type activities	<u>3,897,105</u>	<u>1,855,569</u>	<u>3,234,180</u>	<u>1,884,478</u>	<u>1,279,303</u>
Total primary government	<u>45,532,338</u>	<u>42,862,520</u>	<u>42,755,598</u>	<u>41,749,872</u>	<u>45,242,502</u>
Changes in net position					
Governmental activities	(1,155,071)	31,020,568	(514,782)	740,574	(128,469)
Business-type activities	<u>3,952,470</u>	<u>3,257,822</u>	<u>5,699,234</u>	<u>135,790</u>	<u>829,988</u>
Total primary government	<u>\$ 2,797,399</u>	<u>\$ 34,278,390</u>	<u>\$ 5,184,452</u>	<u>\$ 876,364</u>	<u>\$ 701,519</u>

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

	Fiscal Year				
	2005/06	2006/07	2007/08	2008/09	2009/10
General Fund:					
Nonspendable	\$ 785,000	\$ 3,159,557	\$ 2,076,039	\$ 1,429,902	\$ 695,930
Restricted	-	-	-	-	-
Committed	2,690,000	1,435,443	4,318,961	5,115,098	5,340,000
Assigned	6,174,501	5,306,462	5,356,963	5,307,662	5,207,133
Unassigned	<u>5,460,149</u>	<u>6,171,922</u>	<u>6,697,819</u>	<u>5,246,912</u>	<u>2,519,641</u>
Total general fund	<u>\$ 15,109,650</u>	<u>\$ 16,073,384</u>	<u>\$ 18,449,782</u>	<u>\$ 17,099,574</u>	<u>\$ 13,762,704</u>
All other governmental funds:					
Nonspendable	\$ 10,183,415	\$ 8,523,237	\$ 14,599,871	\$ 17,415,373	\$ 22,447,581
Restricted	16,020,307	21,663,489	25,986,245	28,018,812	21,025,370
Committed		4,375,578	5,577,800	3,354,156	2,524,270
Assigned	24,816,003	20,373,844	16,195,751	19,418,934	17,344,673
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 51,019,725</u>	<u>\$ 54,936,148</u>	<u>\$ 62,359,667</u>	<u>\$ 68,207,275</u>	<u>\$ 63,341,894</u>
Total for Governmental Funds:	<u>\$ 66,129,375</u>	<u>\$ 71,009,532</u>	<u>\$ 80,809,449</u>	<u>\$ 85,306,849</u>	<u>\$ 77,104,598</u>

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

	Fiscal Year				
	2010/11	2011/12	2012/13	2013/14	2014/15
General Fund:					
Nonspendable	\$ 710,330	\$ 703,230	\$ -	\$ -	\$ 741,556
Restricted	-	-	-	-	610,930
Committed	5,340,000	7,173,519	7,173,519	7,173,519	7,173,519
Assigned	4,589,465	5,145,940	9,653,901	9,321,463	9,486,264
Unassigned	<u>2,505,441</u>	<u>2,505,441</u>	<u>3,554,425</u>	<u>3,554,425</u>	<u>3,554,425</u>
Total general fund	<u>\$ 13,145,236</u>	<u>\$ 15,528,130</u>	<u>\$ 20,381,845</u>	<u>\$ 20,049,407</u>	<u>\$ 21,566,694</u>
All other governmental funds:					
Nonspendable	\$ 22,336,060	-	\$ 1,989,686	\$ 1,989,686	\$ 1,921,015
Restricted	29,449,081	\$ 26,824,487	18,684,533	17,449,555	19,314,193
Committed	3,524,270			1,496,211	699,188
Assigned	10,523,233	-	-	-	-
Unassigned	<u>(105,492)</u>	<u>(153,120)</u>	<u>-</u>	<u>-</u>	<u>(373,536)</u>
Total all other governmental funds	<u>\$ 65,727,152</u>	<u>\$ 26,671,367</u>	<u>\$ 20,674,219</u>	<u>\$ 20,935,452</u>	<u>\$ 21,560,860</u>
Total for Governmental Funds:	<u>\$ 78,872,388</u>	<u>\$ 42,199,497</u>	<u>\$ 41,056,064</u>	<u>\$ 40,984,859</u>	<u>\$ 43,127,554</u>

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

	Fiscal Year				
	2005/06	2006/07	2007/08	2008/09	2009/10
Revenues:					
Taxes	\$ 35,533,276	\$ 37,981,560	\$ 40,432,674	\$ 40,316,886	\$ 38,619,421
Licenses and permits	2,355,310	2,151,806	2,929,898	2,797,953	2,419,414
Intergovernmental revenues	5,147,213	6,311,434	4,185,040	5,036,290	6,318,925
Charges for services	12,087,372	12,243,396	13,878,802	13,125,471	11,584,210
Revenues from use of money & property	2,695,272	3,786,117	3,540,095	2,137,057	939,476
Fines and forfeitures	1,218,183	1,484,320	2,347,916	1,687,318	1,393,098
Other	446,828	441,725	332,155	304,985	996,867
Total revenues	<u>59,483,454</u>	<u>64,400,358</u>	<u>67,646,580</u>	<u>65,405,960</u>	<u>62,271,411</u>
Expenditures					
Current:					
General government	3,617,431	4,175,114	3,543,528	3,585,033	3,633,847
Public safety	21,702,423	22,882,590	24,843,834	25,873,335	26,459,263
Community development	4,887,781	6,954,496	5,990,947	8,085,618	11,424,004
Culture and recreation	5,153,714	5,449,379	5,953,354	6,151,628	5,870,577
Highways and streets	4,251,299	4,372,836	4,602,434	4,688,134	4,721,343
Health	5,289,411	5,523,633	5,749,284	6,026,191	6,094,492
Capital outlay	10,488,775	9,164,797	5,189,775	5,385,481	9,045,208
Debt service:					
Principal retirement	1,801,611	1,776,129	1,753,079	1,677,419	2,229,221
Interest and fiscal charges	4,229,442	3,148,785	2,979,373	2,916,198	2,853,313
Cost of issuance	-	-	-	-	-
Total expenditures	<u>61,421,887</u>	<u>63,447,759</u>	<u>60,605,608</u>	<u>64,389,037</u>	<u>72,331,268</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,938,433)</u>	<u>952,599</u>	<u>7,040,972</u>	<u>1,016,923</u>	<u>(10,059,857)</u>
Other financing sources (uses):					
Transfers in	3,131,496	6,059,430	5,801,280	6,501,942	5,344,657
Transfers out	(2,881,496)	(6,009,430)	(6,039,280)	(6,236,942)	(5,066,657)
(Loss) on sale of property	-	(510,178)	-	-	-
Proceeds from sale of property	6,306	-	1,337	1,345	599,751
Proceeds from tax increment deferred	-	-	2,995,608	3,214,132	3,705,856
Proceeds from section 108 loan	2,239,985	2,587,736	-	-	-
Issue of long term debt	-	1,800,000	-	-	-
Issuance of bonds	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-
Total other financing	<u>2,496,291</u>	<u>3,927,558</u>	<u>2,758,945</u>	<u>3,480,477</u>	<u>4,583,607</u>
Sources (uses)	<u>2,496,291</u>	<u>3,927,558</u>	<u>2,758,945</u>	<u>3,480,477</u>	<u>4,583,607</u>
Net change in fund balances before Extraordinary Item	<u>\$ 557,858</u>	<u>\$ 4,880,157</u>	<u>\$ 9,799,917</u>	<u>\$ 4,497,400</u>	<u>\$ (5,476,250)</u>
Extraordinary Items					
Dissolution of Redevelopment Agency	-	-	-	-	-
Net change in fund balances	<u>\$ 557,858</u>	<u>\$ 4,880,157</u>	<u>\$ 9,799,917</u>	<u>\$ 4,497,400</u>	<u>\$ (5,476,250)</u>
Debt services as a percentage of noncapital expenditures	11.84%	9.07%	8.54%	7.79%	8.03%

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

Source: City of Monterey Park Management Services Department

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

	Fiscal Year				
	2010/11	2011/12	2012/13	2013/14	2014/15
Revenues:					
Taxes	\$ 42,568,610	\$ 37,442,373	\$ 41,087,434	\$ 38,059,146	\$ 41,748,001
Licenses and permits	1,661,496	1,856,887	967,662	848,949	775,135
Intergovernmental revenues	4,262,737	6,006,714	4,693,489	2,035,035	3,072,957
Charges for services	4,554,131	4,360,368	4,981,641	4,922,983	5,521,035
Revenues from use of money & property	767,652	744,346	822,143	943,369	919,998
Fines and forfeitures	1,272,417	952,992	822,779	931,718	1,043,704
Other	376,314	720,230	1,374,275	767,790	1,180,868
Total revenues	<u>55,463,357</u>	<u>52,083,910</u>	<u>54,749,423</u>	<u>48,508,990</u>	<u>54,261,698</u>
Expenditures					
Current:					
General government	3,771,085	3,621,179	4,454,906	3,859,127	5,027,085
Public safety	25,692,272	25,681,372	25,080,613	25,647,992	27,076,488
Community development	10,826,979	5,633,982	7,808,273	2,345,099	3,015,194
Culture and recreation	5,561,337	5,577,207	5,677,937	5,587,721	6,284,435
Highways and streets	4,434,810	4,207,740	4,362,120	5,672,512	4,938,939
Health	120,000	120,000	119,999	120,000	488,697
Capital outlay	8,114,199	8,114,199	5,928,361	2,957,442	4,891,984
Debt service:					
Principal retirement	2,284,269	2,020,927	1,204,215	1,229,166	1,255,802
Interest and fiscal charges	2,731,427	1,990,861	1,270,840	1,217,331	1,279,276
Cost of issuance	-	-	-	-	-
Total expenditures	<u>63,536,378</u>	<u>56,967,467</u>	<u>55,907,264</u>	<u>48,636,390</u>	<u>54,257,900</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,073,021)</u>	<u>(4,883,557)</u>	<u>(1,157,841)</u>	<u>(127,400)</u>	<u>3,798</u>
Other financing sources (uses):					
Transfers in	13,451,752	776,146	9,466	943,350	1,380,000
Transfers out	(13,170,352)	(426,146)	(9,466)	(903,905)	(1,380,000)
(Loss) on sale of property	-	-	-	-	-
Proceeds from sale of property	6,627	1,842,182	14,408	16,750	562,114
Proceeds from tax increment deferred	3,775,724	-	-	-	-
Proceeds from section 108 loan	-	-	-	-	-
Issue of long term debt	-	-	-	-	1,576,783
Issuance of bonds	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-
Total other financing	<u>4,063,751</u>	<u>2,192,182</u>	<u>14,408</u>	<u>56,195</u>	<u>2,138,897</u>
Sources (uses)	<u>4,063,751</u>	<u>2,192,182</u>	<u>14,408</u>	<u>56,195</u>	<u>2,138,897</u>
Net change in fund balances before Extraordinary Item	<u>\$ (4,009,270)</u>	<u>\$ (2,691,375)</u>	<u>\$ (1,143,433)</u>	<u>\$ (71,205)</u>	<u>\$ 2,142,695</u>
Extraordinary Items					
Dissolution of Redevelopment Agency	-	(33,981,516)	-	-	-
Net change in fund balances	<u>\$ (4,009,270)</u>	<u>\$ (36,672,891)</u>	<u>\$ (1,143,433)</u>	<u>\$ (71,205)</u>	<u>\$ 2,142,695</u>
Debt services as a percentage of noncapital expenditures	9.05%	8.21%	5.13%	5.36%	5.14%

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

Source: City of Monterey Park Management Services Department

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CITY OF MONTEREY PARK
Assessed Value of Taxable Property ⁽¹⁾
Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property	Tax-Exempt Property⁽²⁾	Total Taxable Assessed Value	Total Direct Tax Rate⁽³⁾⁽⁴⁾
2005/06	3,227,568,429	695,340,401	126,744,528	224,406,538	30,209,747	4,274,059,896	0.36622
2006/07	3,534,309,866	742,415,041	137,520,717	226,638,453	30,469,846	4,640,884,077	0.37065
2007/08	3,778,205,339	843,606,146	146,557,103	230,266,047	31,575,891	4,998,634,635	0.37404
2008/09	3,992,520,537	935,272,734	125,418,879	269,631,912	29,710,040	5,322,844,062	0.38473
2009/10	3,987,237,477	954,666,779	138,347,522	316,094,962	29,710,040	5,396,346,740	0.39330
2010/11	4,063,980,933	919,141,515	136,429,404	329,231,172	43,696,766	5,448,783,024	0.39312
2011/12	4,176,308,316	914,084,645	141,375,663	330,098,283	34,278,620	5,561,866,907	0.39069
2012/13	4,392,899,226	1,016,937,428	146,514,412	265,303,532	33,633,996	5,821,654,598	0.40086
2013/14	4,589,336,142	1,037,976,948	156,760,121	268,842,451	33,633,996	6,052,915,662	0.24388
2014/15	4,819,968,671	1,058,583,010	160,416,355	276,605,994	29,479,877	6,315,574,030	0.24412

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

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

Agency	Fiscal Year				
	2005/06	2006/07	2007/08	2008/09	2009/10
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 Unified School District	0.06378	0.05942	0.05460	0.03625	0.05151
County Detention Facilities 1987 Debt	0.00080	0.00066	0.00000	0.00000	0.00000
Garvey School District	0.05221	0.05074	0.05060	0.06835	0.07836
Los Angeles Community College District 2008 2012 Series F	0.00000	0.00000	0.00000	0.00000	0.00000
Los Angeles Community College District	0.01429	0.02146	0.00879	0.02212	0.02311
Los Angeles County Flood Control District	0.00005	0.00005	0.00000	0.00000	0.00000
Los Angeles Unified School District	0.08435	0.10681	0.12334	0.12478	0.15181
Metropolitan Water District	0.00520	0.00470	0.00450	0.00430	0.00430
Montebello Unified School District	0.07054	0.06731	0.06681	0.08063	0.09673
Monterey Park Go Debt	0.09117	0.09117	0.09117	0.09117	0.09117
San Gabriel Vly Mwd State Water Bond	0.03230	0.03230	0.03230	0.02830	0.02830
Total Direct & Overlapping ⁽²⁾ Tax Rates	<u>1.50586</u>	<u>1.52579</u>	<u>1.52328</u>	<u>1.54707</u>	<u>1.61646</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⁾	1.11202	1.11189	1.11118	1.10918	1.10918
Total Direct Rate ⁽⁵⁾	0.36622	0.37065	0.37404	0.38473	0.39330

Notes:

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

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

Agency	Fiscal Year				
	2010/11	2011/12	2012/13	2013/14	2014/15
Basic Levy ⁽¹⁾	1.00000	1.00000	1.00000	1.00000	0.00000
City Direct Rates:					
Monterey Park	0.09117	0.09117	0.09117	0.09117	0.00000
Overlapping Rates:					
Alhambra Unified School District	0.05996	0.07411	0.06760	0.06666	0.06595
County Detention Facilities 1987 Debt	0.00000	0.00000	0.00000	0.00000	0.00000
Garvey School District	0.08503	0.08404	0.08832	0.09131	0.08860
Los Angeles Community College District 2008 2012 Series F	0.00000	0.00000	0.01119	0.00000	0.00000
Los Angeles Community College District	0.04031	0.03530	0.03756	0.04454	0.04017
Los Angeles County Flood Control District	0.00000	0.00000	0.00000	0.00000	0.00000
Los Angeles Unified School District	0.18695	0.16819	0.17561	0.14644	0.14688
Metropolitan Water District	0.00370	0.00370	0.00350	0.00350	0.00350
Montebello Unified School District	0.09792	0.10001	0.09630	0.09457	0.08750
Monterey Park Go Debt	0.09117	0.09117	0.09117	0.09117	0.09117
San Gabriel Vly Mwd State Water Bond	0.02830	0.02830	0.02830	0.02830	0.02830
Total Direct & Overlapping ⁽²⁾ Tax Rates	<u>1.68451</u>	<u>1.67599</u>	<u>1.69072</u>	<u>1.65766</u>	<u>0.55207</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	0.00000	0.00000	0.00000
Total Direct Rate ⁽⁵⁾	0.39312	0.39069	0.40086	0.24388	0.24412

Notes:

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

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

Taxpayers	2014/15	
	Taxable Assessed Valuation	Percent of Total City Taxable Assessed Valuation
Atlantic Times Square II LLC	\$ 167,072,043	2.65%
Los Angeles Corporate Center LLC	65,596,458	1.04%
Union Bank	61,362,122	0.97%
Garfield Calmed Investment LP	53,082,095	0.84%
1977 Saturn LLC	46,900,000	0.74%
GMS Five LLC	44,974,050	0.71%
Emerald Hills LLC	31,588,976	0.50%
MPM Partners LLC	26,573,477	0.42%
Care 1st Health Plan	25,835,771	0.41%
Real Estate Investors 1984 1 ET AL	21,000,000	0.33%
	\$ 543,984,992	8.61%
 Total City Assessed Value	 \$ 6,315,574,030	

Sources: 1. HDL Coren & Cone

2. County of Los Angeles Department of Auditor-Controller

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

Taxpayers	2005/06	
	Taxable Assessed Valuation	Percent of Total City Taxable Assessed Valuation
Arden Realty Finance Partnership	\$ 48,948,519	1.15%
Garfield Medical Center	47,783,145	1.12%
Union Bank	39,551,839	0.93%
GMS Five LLC	32,112,674	0.75%
Lloyds Bank California	19,873,563	0.46%
Mars Center LLC	18,896,567	0.44%
Real Estate Investors 1984 ET AL	17,064,300	0.40%
Monterey Park Calmed	16,473,000	0.39%
NNN 901 Corporate Center 14 LLC	14,980,000	0.35%
TSL Development Inc	12,610,176	0.30%
	\$ 268,293,783	6.28%
 Total City Assessed Value	 \$ 4,274,059,896	

Sources: 1. HDL Coren & Cone

2. County of Los Angeles Department of Auditor-Controller

(Continued)

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

Fiscal Year	Original Levy			1% - CY PER BOOK			
	Taxes Levied for the Fiscal Year			Collected within the Fiscal Year of Levy			Percentage of Levy
	1%	D.S.	Amount	1%	D.S.	Amount	
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%
2014/15	8,065,770	4,540,488	12,606,259	7,796,253	4,443,105	12,239,358	97.09%

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

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

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

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

Fiscal Year	1% - PY PER BOOK			Total Collections to Date			
	Collections in Subsequent Years						Percentage of Levy ⁽¹⁾
	1%	D.S.	Amount	1%	D.S.	Amount	
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%
2013/14	273,471	95,500	368,971	7,699,039	4,532,770	12,231,809	101%
2014/15	143,686	77,728	221,414	7,939,938	4,520,833	12,460,772	99%

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

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

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

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

Fiscal Year	Governmental Activities						
	Pension Obligation Bonds	Tax Allocation Bonds	Tax Increment Deferred Loan	HUD Section 108 Loans	Library Special Tax Revenue Note	Capital Lease Obligation	Total Governmental Activities
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⁽³⁾	15,850	-	-	4,487	2,038	1,219	23,594
2012/13	15,365	-	-	4,189	1,729	1,106	22,389
2013/14	14,890	-	-	3,873	1,409	988	21,160
2014/15	14,425	-	-	3,538	1,077	2,442	21,482

Notes:

- (1) Percentage of Personal Income was based on data from Los Angeles County State of California Employment Department.
- (2) Debt per capita data was based on the number of population within the City of Monterey Park.
- (3) Starting February 1, 2012, Redevelopment Agency was dissolved and the City became the Successor Agency for the former Redevelopment Agency.

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

Fiscal Year	Business-Type Activity	Total Primary Government	⁽¹⁾ Percentage of Personal Income	Population	⁽²⁾ Debt Per Capita
	Capital Lease Obligation				
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⁽³⁾	5,533	29,127	0.01%	61,153	476
2012/13	4,966	27,355	0.01%	61,445	445
2013/14	4,392	25,552	N/A	61,777	414
2014/15	12,747	34,229	N/A	62,063	552

Notes:

- (1) Percentage of Personal Income was based on data from Los Angeles County State of California Employment Department.
- (2) Debt per capita data was based on the number of population within the City of Monterey Park.
- (3) Starting February 1, 2012, Redevelopment Agency was dissolved and the City became the Successor Agency for the former Redevelopment Agency.

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

Fiscal Year	Pension Obligation Bonds ⁽¹⁾	Actual Taxable Value of Property	Percent of Actual Taxable Value of Property ⁽²⁾	Population	Net Bonded Debt Per Capita
2005/06	17,405	4,274,060	0.41%	64,387	270
2006/07	17,405	4,640,884	0.38%	64,508	270
2007/08	17,405	4,998,635	0.35%	64,434	270
2008/09	17,380	5,322,844	0.33%	64,874	268
2009/10	16,855	5,396,347	0.31%	65,027	259
2010/11	16,345	5,448,783	0.30%	60,435	270
2011/12 ⁽³⁾	15,850	5,561,867	0.28%	61,153	259
2012/13	15,365	5,821,655	0.26%	61,445	250
2013/14	14,890	6,052,916	0.25%	61,777	241
2014/15	14,425	6,315,574	0.23%	62,063	232

Note:

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

CITY OF MONTEREY PARK
Direct and Overlapping Debt
As of June 30, 2015

	<u>Gross Bonded Debt Balance</u>	<u>Percent Applicable To City</u>	<u>Net Bonded Debt</u>
Overlapping Debt			
METROPOLITAN WATER DISTRICT	53,296,395	0.032	16,901
GARVEY SD DS 2004 SERIES 2005	5,398,255	29.032	1,567,247
GARVEY SD DS 2004 SERIES 2006	9,479,168	29.032	2,752,036
GARVEY SD DS 2004 SERIES C	8,812,964	29.032	2,558,621
GARVEY SD DS 2011 REFUND BONDS	5,030,000	29.032	1,460,333
GARVEY SD DS 2013 REF BONDS	7,460,000	29.032	2,165,822
LA CCD DS 2003 TAXABLE SERIES 2004B	2,115,000	0.957	20,235
LA CCD DS 2001 TAXABLE SERIES 2004A	31,555,000	0.957	301,895
LA CCD DS REFUNDING 2001 SERIES 2005A	18,140,000	0.957	173,550
LA CCD DS 2001, 2006 SERIES B	20,360,000	0.957	194,790
LA CCD DS 2003, 2006 SERIES C	10,265,000	0.957	98,208
LA CCD DS 2001, 2008 SER E-1	26,160,000	0.957	250,280
LA CCD DS 2003, 2008 SER F-1	25,525,000	0.957	244,205
LA CCD DS 2008, 2009 TAXABLE SER A	75,000,000	0.957	717,546
LA CCD DS 2008, 2009 TAXABLE SER B	175,000,000	0.957	1,674,273
LA CCD DS 2008, 2010 TAX SERIES D	125,000,000	0.957	1,195,909
LA CCD DS 2008, 2010 TAX SER E (BABS)	900,000,000	0.957	8,610,546
LA CCD DS 2013 REF BONDS	268,075,000	0.957	2,564,747
LA CCD DS 2008 SERIES G	2,205,070,000	0.957	21,096,508
LOS ANGELES UNIF DS 1997 SERIES A	17,500,000	0.038	6,683
LOS ANGELES UNIF DS 2002 REF BOND	98,160,000	0.038	37,485
LOS ANGELES UNIF DS 2004 SERIES E	100,070,000	0.038	38,214
LOS ANGELES UNIF DS 2004 SERIES F	73,960,000	0.038	28,243
LOS ANGELES UNIF DS 2005 SERIES A (2006)	124,290,000	0.038	47,463
LOS ANGELES UNIF DS 2005 SERIES B (2006)	1,861,670,000	0.038	710,925
LOS ANGELES UNIF DS 2005 SERIES C (2006)	283,220,000	0.038	108,155
LOS ANGELES UNIF DS 2004 SERIES G (2006)	446,535,000	0.038	170,520
LOS ANGELES UNIF DS 2002 SERIES B (2007)	800,305,000	0.038	305,616
LOS ANGELES UNIF DS 2002 SERIES C	123,575,000	0.038	47,190
LOS ANGELES UNIF DS 2004 SERIES H	485,155,000	0.038	185,268
Sub-Total Overlapping Debt			\$ 49,349,414

2014/15 Assessed Valuation: \$5,143,472,851 After Deducting \$1,172,101,179 Incremental Value.

Debt to Assessed Valuation Ratios:	Direct Debt	0.00%
	Overlapping debt	2.12%
	Total debt	2.12%

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
As of June 30, 2015

	<u>Gross Bonded Debt Balance</u>	<u>Percent Applicable To City</u>	<u>Net Bonded Debt</u>
Overlapping Debt (Continued)			
LOS ANGELES UNIF DS 2005 SERIES E	81,360,000	0.038	31,069
LAUSD MEASURE R SERIES 2009	346,065,000	0.038	132,153
LAUSD MEASURE R SERIES KRY BABS	200,000,000	0.038	76,375
LAUSD MEASURE Y 2009 SERIES KRY BABS	363,005,000	0.038	138,622
LAUSD MEASURE R 2010 SERIES RY BABS	806,795,000	0.038	308,095
LAUSD MEASURE Y 2010 SERIES RY BABS	1,250,585,000	0.038	477,567
LOS ANGELES UNIF DS 2010 SERIES QSCBS	608,995,000	0.038	232,560
LOS ANGELES UNIF DS 2014 REF BOND SERIES A	141,345,000	0.038	53,976
LOS ANGELES UNIF DS 2014 REF BOND SERIES B	1,622,200,000	0.038	619,477
LOS ANGELES UNIF DS 2014 REF BOND SERIES C	135,830,000	0.038	51,870
LOS ANGELES UNIF DS 2014 BOND SERIES D	326,045,000	0.038	124,508
MONTEBELLO USD DS 1998 SERIES 1998	6,882,989	8.336	573,756
MONTEBELLO USD DS 1998 SERIES 1999	8,825,915	8.336	735,716
MONTEBELLO USD DS 1998 SERIES 2002	15,035,551	8.336	1,253,343
MONTEBELLO USD DS 2004 SERIES 2008	2,665,000	8.336	222,151
MONTEBELLO USD DS 2004 SERIES 2009-1	18,585,000	8.336	1,549,220
MONTEBELLO USD DS 2004 SERIES 2009A-2 BABS	12,640,000	8.336	1,053,653
MONTEBELLO USD DS 2010 REFUNDING BONDS	9,380,000	8.336	781,904
MONTEBELLO USD DS REF 2004 SERIES 2013A	50,130,000	8.336	4,178,768
ALHAMBRA USD DS 1999 SERIES A	4,619,036	33.328	1,539,448
ALHAMBRA USD DS 1999 SERIES B	5,593,864	33.328	1,864,343
ALHAMBRA USD DS 2005 REFUND BONDS	4,565,000	33.328	1,521,439
ALHAMBRA USD DS 2004 SERIES A	23,674,987	33.328	7,890,483
ALHAMBRA USD DS 2008 SERIES A SFID	13,199,721	33.328	4,399,249
ALHAMBRA USD-GARVEY DS 2004 SERIES B	5,950,000	33.328	1,983,037
ALHAMBRA USD DS 2008 SERIES B	3,555,000	33.328	1,184,823
ALHAMBRA USD DS 2008 SERIES B-1 QSCB	10,409,000	33.328	3,469,148
ALHAMBRA USD-GARVEY DS 2012 REF SERIES A	34,774,695	33.328	11,589,832
ALHAMBRA USD-GARVEY DS 2012 REF SERIES B	34,315,000	33.328	11,436,623
Sub-Total Overlapping Debt			\$ 59,473,208
Total Overlapping Debt			\$ 108,822,622
Direct Debt:			
Pension Obligation Bonds	14,425,000	100%	14,425,000
HUD Section 108 Loan	3,538,000	100%	3,538,000
Library Special Tax Revenue Note	1,076,668	100%	1,076,668
Capital Lease Obligation	15,189,037	100%	15,189,037
Total Direct Debt			34,228,705
Total Direct and Overlapping Debt			\$ 143,051,327

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

	Fiscal Year				
	2005/06	2006/07	2007/08	2008/09	2009/10
Assessed valuation	4,274,060	4,640,884	4,998,635	5,322,844	5,396,347
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	641,109	696,133	749,795	798,427	809,452
Total net debt applicable to limit:					
Pension obligation bonds	<u>17,405</u>	<u>17,405</u>	<u>17,405</u>	<u>17,380</u>	<u>16,855</u>
Legal debt margin	<u>\$ 623,704</u>	<u>\$ 678,728</u>	<u>\$ 732,390</u>	<u>\$ 781,047</u>	<u>\$ 792,597</u>
Total debt applicable to the limit as a percentage of debt limit	2.7148%	2.5002%	2.3213%	2.1768%	2.0823%

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
Last Ten Fiscal Years
(In Thousands)

	Fiscal Year				
	2010/11	2011/12	2012/13	2013/14	2014/15
Assessed valuation	5,448,783	5,561,867	5,821,655	6,052,916	6,315,574
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	817,317	834,280	873,248	907,937	947,336
Total net debt applicable to limit:					
Pension obligation bonds	<u>16,345</u>	<u>15,850</u>	<u>15,365</u>	<u>14,890</u>	<u>14,425</u>
Legal debt margin	<u>\$ 800,972</u>	<u>\$ 818,430</u>	<u>\$ 857,883</u>	<u>\$ 893,047</u>	<u>\$ 932,911</u>
Total debt applicable to the limit as a percentage of debt limit	1.9998%	1.8998%	1.7595%	1.6400%	1.5227%

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

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

Fiscal Year	Tax Allocation Bonds			
	Tax Increment	Debt Service		Coverage
		Principal	Interest	
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	-	-	-	-
2014/15	-	-	-	-

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

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

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
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	443,088,010	44,474	9.0%
2012/13	61,445	466,098,988	46,530	8.0%
2013/14	61,777	N/A	N/A	7.4%
2014/15	62,063	N/A	N/A	6.6%

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 Nine Years Ago)

Employers	2014/15	
	Number of Employees	Percent of Total Employment
Garfield Medical Center	976	0.021%
Care 1st Health Plan	541	0.012%
Southern California Gas Company	387	0.008%
Syner Med Inc	356	0.008%
Monterey Park Hospital	320	0.007%
Remitco LLC	187	0.004%
Ralphs Grocery (2 locations)	171	0.004%
24 Hour Fitness #867	143	0.003%
Chinese Daily News	142	0.003%
California Psychcare Inc	103	0.002%
Camino Real Chevrolet	100	0.002%
Monterey Park Convalescent	92	0.002%
Southern California Edison	90	0.002%
Heritage Manor Healthcare	90	0.002%
La Colonial Tortilla Products Inc	85	0.002%

Note: "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
(Current Year and Nine Years Ago)

Employers	2005/06	
	Number of Employees	Percent of Total Employment
East Los Angeles Community College	1,969	0.043%
Union Bank Processing Center	1,800	0.039%
Garfield Medical Center	1,006	0.022%
Los Angeles County Sheriff's Department	791	0.017%
L.A. County Children's Court	736	0.016%
United California Bank Processing Center	700	0.015%
City of Monterey Park	538	0.012%
Monterey Park Hospital	364	0.008%
Southern California Gas Company	241	0.005%
Chinese Daily News	164	0.004%
Remitco L L C	153	0.003%
Ralph's Grocery Store (2 Locations)	146	0.003%
California Highway Patrol	131	0.003%
La Colonial Tortilla Products, Inc.	131	0.003%
Sierra Madre Foods Inc.	122	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

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CITY OF MONTEREY PARK
City Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15
General Government	38	38	38	37	32	35	32	32	32	31
Public Safety										
Police	131	132	132	131	123	113	113	114	114	114
Fire	63	64	64	64	62	59	58	58	58	58
Public Works	63	63	63	62	59	70	70	70	70	71
Culture and Recreation										
Library	20	30	31	31	25	24	24	25	25	26
Recreation/Community Services	58	58	59	54	49	36	36	36	36	37
Community/Economic Development	28	28	28	27	24	15	12	13	13	14
Total	401	413	415	406	374	352	345	348	347	350

Note: Numbers represent Full-Time-Equivalent positions.

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

	Fiscal Year				
	2005/06	2006/07	2007/08	2008/09	2009/10
Police:					
Number of service calls	56,197	50,908	54,696	54,925	53,863
Response time priority I (emergency) (minutes/seconds)	4:24	4:05	4:17	4:25	4:00
Fire:					
Number of emergency calls	3,640	3,895	4,163	4,094	4,378
Inspections	2,566	2,597	2,747	3,372	3,438
Public works:					
Street resurfacing (miles)	-	2.22	2.38	-	7.66
Parks and recreation:					
Hours of recreation classes	770	770	770	770	700
Number of facility rentals	269	235	235	241	141
Water:					
Meters changed and upgrades	641	653	712	518	513
Water turn-ons and turn-offs	3,574	3,744	2,905	2,939	2,521
Average daily consumption (thousand of gallons)	11,000	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
Last Ten Fiscal Years

	Fiscal Year				
	2010/11	2011/12	2012/13	2013/14	2014/15
Police:					
Number of service calls	54,363	54,128	51,130	51,735	54,828
Response time priority I (emergency) (minutes/seconds)	4:03	4:10	3:55	4:28	4:03
Fire:					
Number of emergency calls	3,757	4,103	4,565	4,538	4,756
Inspections	3,438	2,570	2,385	2,955	2,955
Public works:					
Street resurfacing (miles)	0.47	2.05	14.68	0.48	0.16
Parks and recreation:					
Hours of recreation classes	770	770	540	640	770
Number of facility rentals	141	177	145	167	175
Water:					
Meters changed and upgrades	564	1,149	739	329	11,187
Water turn-ons and turn-offs	2,079	2,436	2,856	2,412	2,641
Average daily consumption (thousand of gallons)	8,000	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

(Continued)

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

	Fiscal Year				
	2005/06	2006/07	2007/08	2008/09	2009/10
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	3	3	3	3	3
Public works:					
Streets (miles)	119	119	119	119	119
Streetlights	3,359	3,359	3,359	3,359	3,359
Traffic signals	75	75	75	75	75
Parks and recreation:					
Parks	14	14	14	14	14
Community centers					
Water:					
Water mains (miles)	134	134	134	134	134
Maximum Actual Daily Pumped (thousands of gallons)	13,000	13,130	13,540	12,140	11,733
Wastewater:					
Sanitary sewers (miles)	126	126	126	126	126
Storm sewers (miles)	12.43	12.43	12.43	12.43	12.43

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

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

	Fiscal Year				
	2010/11	2011/12	2012/13	2013/14	2014/15
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	3	3	3	3	3
Public works:					
Streets (miles)	119	119	119	119	119
Streetlights	3,359	3,359	3,359	3,359	3,359
Traffic signals	75	75	75	75	75
Parks and recreation:					
Parks	14	14	14	14	14
Community centers					
Water:					
Water mains (miles)	134	134	134	134	134
Maximum Actual Daily Pumped (thousands of gallons)	11,140	11,340	12,810	11,510	9,680
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

(Continued)

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

	Fiscal Year				
	2005/06	2006/07	2007/08	2008/09	2009/10
Type of Customers:					
Residential	2,390.2	2,442.3	2,482.5	2,814.1	2,693.5
Commercial	891.4	916.4	874.0	924.6	925.8
Institutional	76.7	81.2	76.7	132.3	127.8
Government	52.4	61.8	62.0	87.6	90.1
Total	<u>3,410.7</u>	<u>3,501.7</u>	<u>3,495.2</u>	<u>3,958.6</u>	<u>3,837.2</u>

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

	Fiscal Year				
	2010/11	2011/12	2012/13	2013/14	2014/15
Type of Customers:					
Residential	2,718.3	2,570.3	2,825.1	2,824.1	2,431.1
Commercial	935.0	861.8	893.6	893.8	896.6
Institutional	130.0	175.0	163.0	160.0	159.1
Government	89.1	90.0	88.0	82.0	80.0
Total	<u>3,872.4</u>	<u>3,697.1</u>	<u>3,969.7</u>	<u>3,959.9</u>	<u>3,566.8</u>

CITY OF MONTEREY PARK
Water Rates
Last Ten Fiscal Years

Fiscal Year	Monthly Base Rate	Rate per 1,000 Gallons
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
2014/15	14.50	2.39

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.

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

Water Customer	2014/15		2010/11	
	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues
Atlantic Times Square	\$ 72,841	0.96%	\$ 222	0.00%
Aespace America Inc.	55,395	0.73%	60,788	0.80%
M P Golf Course	48,739	0.64%	36,291	0.48%
Lincoln Best Hotel Inc.	36,000	0.47%	32,198	0.42%
Garfield Medical Ctr	32,532	0.43%	56,010	0.73%
Union Bank of CA #240	28,721	0.38%	29,577	0.39%
Garfield Estates	26,460	0.35%	34,983	0.46%
So. California Gas Co.	23,424	0.31%	9,768	0.13%
Ridgewood Apts Mgr	22,848	0.30%	24,355	0.32%
Continental Homes	21,469	0.28%	25,691	0.34%
	\$ 368,429	4.83%	\$ 309,884	4.06%