

# MONTEREY

2021 - 2022

## ACFR ANNUAL COMPREHENSIVE FINANCIAL REPORT



For the Fiscal Year ending June 30, 2022  
CITY OF MONTEREY, CALIFORNIA, USA

City of Monterey  
California



Annual Comprehensive  
Financial Report

For the Fiscal Year Ended June 30, 2022

## Introductory Section

City Organizational Chart .....	i
City Officials .....	ii
Letter of Transmittal .....	iii

## Financial Section

Independent Auditor's Report .....	1
Management's Discussion and Analysis .....	5

## Basic Financial Statements

## Government Wide Financial Statements

Statement of Net Position .....	19
Statement of Activities .....	20

## Governmental Fund Financial Statements

Balance Sheet – Governmental Funds .....	22
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position .....	23
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	24
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities .....	25

## Proprietary Fund Financial Statements

Statement of Net Position – Proprietary Funds .....	27
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds .....	28
Statement of Cash Flows – Proprietary Funds .....	29

## Fiduciary Funds

Statement of Fiduciary Net Position – Fiduciary Funds .....	32
Statement of Changes in Fiduciary Net Position – Fiduciary Funds .....	33

Index to the Notes to the Financial Statements .....	34
------------------------------------------------------	----

Notes to Financial Statements .....	36
-------------------------------------	----

## Note 1 Summary of Significant Accounting Policies

A. Reporting Entity .....	36
B. Basis of Accounting, Measurement Focus, and Financial Statements Presentation .....	37
C. Cash and Investments .....	40
D. Cash Equivalents .....	40
E. Fair Value Measurements .....	41
F. Prepaid Items .....	41
G. Property Held for Resale .....	41

H. Capital Assets .....	41
I. Deferred Outflows of Resources and Deferred Inflows of Resources .....	42
J. Compensated Absences .....	43
K. Property Tax .....	43
L. Pension Plans .....	43
M. Other Postemployment Benefits .....	44
N. Net Position .....	44
O. Fund Balances .....	45
P. Stabilization Reserve .....	46
Q. Use of Estimates .....	46
R. Implementation of New GASB Pronouncement .....	46
Note 2 Cash and Investments	
A. Demand Deposits .....	47
B. Authorized Investments by California Government Code and the City's Investment Policy .....	48
C. Investments Authorized by Debt Agreement .....	48
D. Fair Value Measurements .....	48
E. Interest Rate Risk .....	49
G. Custodial Credit Risk .....	50
H. Local Agency Investment Fund .....	51
Note 3 Interfund Transactions	
A. Government-Wide Financial Statements .....	51
B. Fund Financial Statements .....	51
Note 4 Loans Receivable	
A. Rehabilitation Loans .....	53
B. Down Payment Assistance Loans .....	54
C. Project Subsidy Loans .....	54
Note 5 Leases	
Note 6 Capital Assets	
A. Governmental Activities .....	55
B. Business-Type Activities .....	56
Note 7 Long-Term Liabilities	
A. Governmental Activities .....	57
B. Business-Type Activities .....	61
C. Pledge Revenue Coverage .....	63
Note 8 Pension Plans	
A. California Public Employees' Retirement System .....	64

B. Deferred Compensation Plan .....	73
Note 9 Other Postemployment Benefits Plan	
A. General Information about the OPEB Plan .....	73
B. Net OPEB Liability.....	74
C. Changes in Net OPEB Liability .....	76
D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB....	77
Note 10 Risk Management	
A. Coverage .....	78
B. Liability for Self-Insured Claims.....	79
Note 11 Fund Balances	
Note 12 Presidio Municipal Services Agency (Jointly Governed Organization)	
Note 13 Commitments and Contingencies	
Note 14 Deficit Fund Balance/Net Position Disclosures	
Note 15 Prior Period Adjustment and Correction of Errors	
Note 16 Subsequent Events	
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund .....	85
Budgetary Comparison Schedule – Presidio of Monterey Public Works Special Revenue Fund.....	86
Budgetary Comparison Schedule – Tidelands Special Revenue Fund .....	87
Notes to the Budgetary Comparison Schedule.....	88
Schedule of Changes in Net Pension Liability and Related Ratios .....	89
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios .....	91
Schedule of Contributions - Pensions .....	93
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios.....	97
Schedule of Contributions - Other Postemployment Benefits Plan .....	98
Supplementary Information	
Nonmajor Governmental Funds .....	99
Combining Balance Sheet –Nonmajor Governmental Fund .....	102
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	108
Nonmajor Governmental Funds .....	108
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	109
Nonmajor Governmental Funds, Continued.....	109
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	110
Nonmajor Governmental Funds, Continued.....	110
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	111
Nonmajor Governmental Funds, Continued.....	111
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	112
Nonmajor Governmental Funds, Continued.....	112
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	113
Nonmajor Governmental Funds, Continued.....	113
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Capital Improvement Capital Projects Fund .....	114
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual .....	115
Conference Center Facility District Capital Projects Fund .....	115

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Debt Service Fund ....	117
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Neighborhood	
Community Improvement Special Revenue Fund .....	118
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Storm Water System	
Improvements Special Revenue Fund .....	119
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Skyline Forest Service	
District Special Revenue Fund.....	120
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Alvarado Street	
Maintenance District Special Revenue Fund .....	121
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Calle Principal	
Maintenance District Special Revenue Fund .....	122
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – State/Federal Grants	
Special Revenue Fund .....	123
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Gas Tax Special Revenue	
Fund .....	124
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual –SB1 Road Maintenance &	
Rehabilitation Special Revenue Fund.....	125
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Transportation & Safety	
Investment Plan Special Revenue Fund.....	126
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Measure P Sales Tax	
Special Revenue Fund .....	127
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Community	
Development Block Grant Special Revenue Fund.....	128
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Housing Grants Special	
Revenue Fund .....	129
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Public Safety Training	
and Services Special Revenue Fund .....	130
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Asset Seizure Special	
Revenue Fund .....	131
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Senior Center Special	
Revenue Fund .....	132
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Library Special Revenue	
Fund .....	133
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Museum Special	
Revenue Fund .....	134
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Special Deposits Special	
Revenue Fund .....	135
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Low/Mod Income	
Housing Asset Special Revenue Fund .....	136
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Navy Services Special	
Revenue Fund .....	137
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Scholze Park Permanent	
Fund .....	138
Nonmajor Enterprise Funds.....	139
Combining Statement of Net Position – Nonmajor Enterprise Funds.....	140
Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Enterprise Funds ...	141
Combining Statement of Cash Flows – Nonmajor Enterprise Funds.....	142
Internal Service Funds.....	143
Combining Statement of Net Position – Internal Service Funds.....	144
Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds.....	146
Combining Statement of Cash Flows – Internal Service Funds.....	148

## Statistical Section Overview

Net Position by Component.....	153
Changes in Net Position .....	155
Fund Balances of Governmental Funds .....	159
Changes in Fund Balances of Governmental Funds.....	161
Changes in Fund Balances of Governmental Funds, Continued .....	162
Transient Occupancy Tax By Category .....	163
Top Ten Principal Transient Occupancy Tax Generators .....	164
Assessed and Estimated Actual Value of Taxable Property.....	165
Property Taxes Rates - Direct and Overlapping Governments ( Per \$100 of Assessed Value).....	166
Principal Property Taxpayers .....	167
Property Tax Levies and Collections (1) .....	168
Computation of Direct and Overlapping Bonded Debt .....	169
Legal Debt Margin.....	170
Ratio of Outstanding Debt by Type.....	171
Demographic Information.....	173
Summary of Major Employers .....	174
Authorized Positions By Department (Full-Time and Part-Time) .....	175
Operating Indicators By Function .....	176
Capital Assets Statistics.....	177



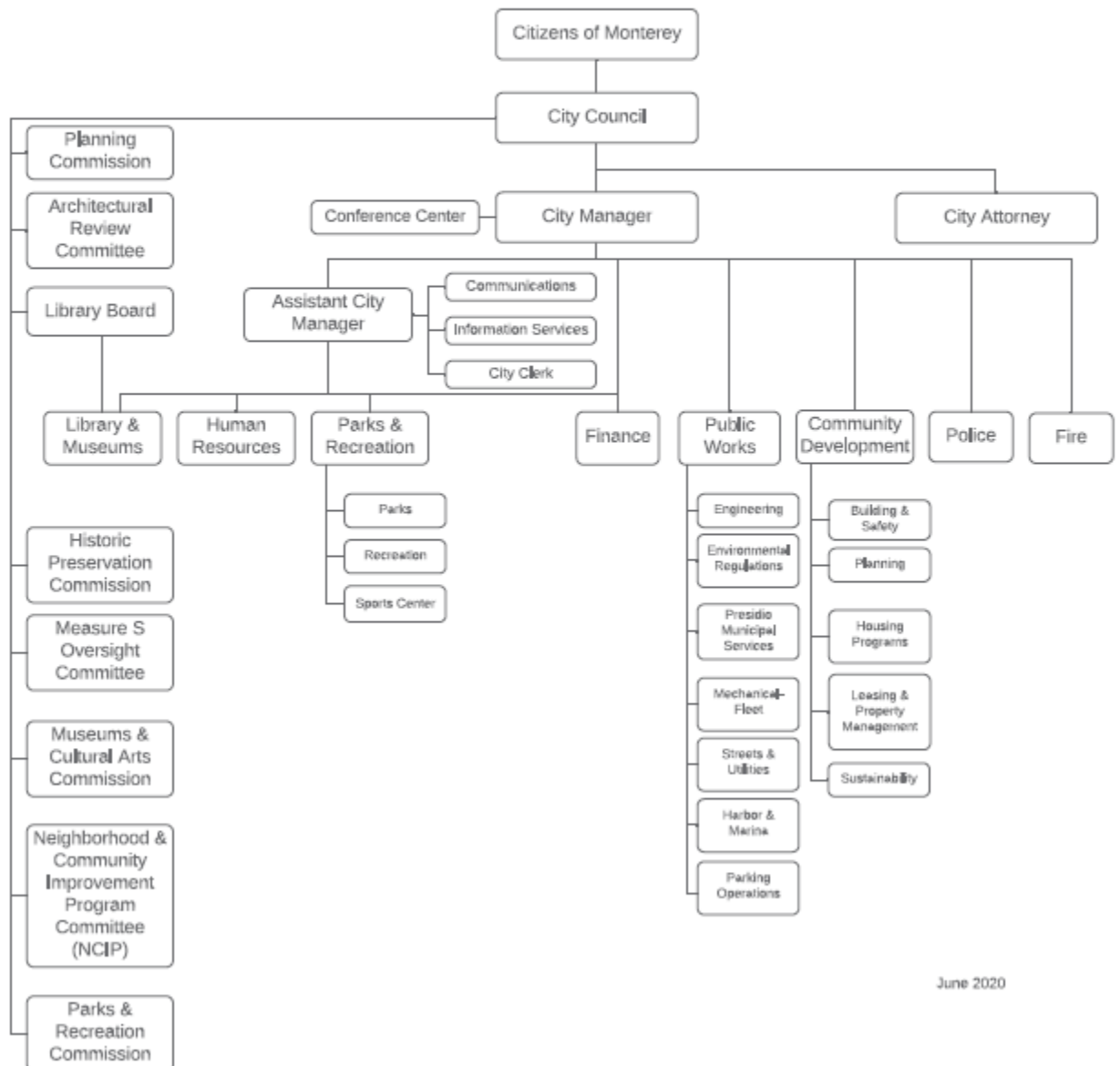
Introductory Section  
June 30, 2022

## City of Monterey





City of Monterey  
Organizational Chart



June 2020

As of June 30, 2022

**City Council**

Clyde Roberson

Mayor

Tyler Williamson

Dan Albert

Alan Haffa

Ed Smith

**Principal Administrative Officers**

City Manager.....	Hans Uslar
Assistant City Manager.....	Nat Rojanasathira
City Attorney.....	Christine Davi
Community Development Director.....	Kimberly Cole
Public Works Director.....	Steve Wittry
Human Resources Director.....	Brette Neal
Library Director.....	Inga Waite
Finance Director.....	Rafaela King
Fire Chief.....	Gaudenz Panholzer
Police Chief.....	David Hober
Parks and Recreation Director.....	Karen Larson



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The Honorable Mayor and City Council  
City Manager  
City of Monterey Citizens

I am pleased to present to you the 2021-22 (FY 22) Annual Comprehensive Financial Report (ACFR) for the City of Monterey. This "comprehensive" report is intended to present information that goes beyond the basic financial statements required by generally accepted accounting principles.

This report has been prepared by the Finance Department in accordance with generally accepted accounting principles (GAAP), as set forth in the pronouncements of the Governmental Accounting Standards Board (GASB). It consists of management's representations concerning the finances of the City. Consequently, responsibility for the accuracy of the data including all disclosures rests with the management of the City.

We believe that the data as presented is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of the various funds, and that all disclosures necessary to enable the reader to gain the full understanding of the City's financial affairs have been included.

To support this representation, management has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements.

This report includes a letter from the City's independent auditor that states they believe that the basic financial statements present fairly the City's financial position as of June 30, 2022, in conformity with GAAP. Eide Bailly, LLP, a firm of licensed certified public accountants, conducted the Financial Statement audit. Their goal and that of any independent auditor is to provide a reasonable assurance that the financial statements of the City of Monterey for the fiscal year ended June 30, 2022, are free of material misstatements. The independent audit involved 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.

This report includes all of the funds of the City of Monterey and the Monterey Joint Powers Financing Authority. GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

## **City Profile**

First incorporated in 1850, and with its present charter adopted in 1925, Monterey is a charter city and operates under the Council-Manager form of government. The Mayor and City Council are responsible for establishing policy and providing direction to the City Manager. The Mayor and City Council appoint the City Manager, who serves as the city government's Chief Executive Officer, as well as the City Attorney, who serves as the City's legal counsel. Currently, the Mayor and City Council are elected at-large and serve staggered four-year terms. The Mayor presides at City Council meetings.

The City of Monterey is a waterfront community where citizens, community organizations, businesses, military partners, nonprofit organizations, and city government work together to ensure that the community retains its hometown identity, high quality of life, and natural beauty. Home to approximately 30,218 residents (according to the U.S. Census Bureau, 2020), Monterey is the third-largest city in Monterey County. The natural beauty, mild climate and unique attractions of Monterey draw an estimated 10 million visitors each year, making our City one of the most popular destinations in the country.

At the same time, the city provides a small-town atmosphere and distinct neighborhoods that range from historic adobes to mid-century modern abodes. Monterey is proud of its 16 neighborhoods, stretching across the City's 8.62 square miles, each with their own distinct character and neighborhood association.

The City of Monterey maintains and offers a variety of community amenities and services. These services include the Monterey Bay Coastal Recreational trail, a harbor and marina, two wharves, the Monterey Sports Center, the world-class Monterey Conference Center, California's first public library, four community centers, 36 dedicated parks and open spaces, three fire stations, one police station, parking facilities and garages, over 100 miles of public streets, the Veterans Park Campground, and El Encinal Cemetery.

## **Local Economy**

Monterey is at the heart of the Monterey Peninsula, serving as the region's business, financial, government, and services core with urban amenities common to a city of much larger size. Monterey is home to the region's community college (Monterey Peninsula College), hospital (Community Hospital of the Monterey Peninsula), Monterey County Fairgrounds, the U.S. Army Garrison Presidio of Monterey (home of the Defense Language Institute), Naval Support Activity Monterey (home of the Naval Postgraduate School), Middlebury Institute of International Studies at Monterey, Cannery Row, and Monterey Bay Aquarium. Monterey's waterfront is second-to-none, featuring Municipal Wharf No. 1 (serving as the region's commercial fishing hub), Old Fisherman's Wharf (attracting 3.9 million visitors per year), the Coast Guard Pier, Breakwater Cove, and U.S. Coast Guard Station Monterey.

In fiscal year 2022, the local economy continued its recovery from the effects of the COVID-19 pandemic, which began in March 2020. Monterey's three main economic pillars of hospitality, education, and government sectors were impacted, directly affecting the City's revenues. Unlike many other cities in California, Monterey's hospitality industry - hotels, conference businesses, and restaurants, were hit disproportionately hard. While many of our visitors, residents and events have returned to 'normal', the pandemic recovery was still a factor.

The City of Monterey's Transient Occupancy Tax (TOT) is rebounding due to a return of leisure travel business and a slow return of group travel business, which are both critical to the City's economy. Tourism market researchers estimated a three to four-year recovery period until the hospitality industry returns to pre-pandemic levels. However, the FY22 increase in TOT revenue over that of the FY21 of \$18.4M exceeded original expectations.

Monterey's coastal setting, small city feel, and big city amenities continues to make the community an attractive place to live. The residential real estate market remained strong in FY22. Property tax revenue in the General Fund increased in FY22 by \$300 thousand over FY21. Sales tax receipts, inclusive of Bradley Burns, Measure P/S and Measure G, reflect a \$7.5 million increase from the previous year.

### **Long-term financial planning and major initiatives**

For long-term financial forecasting and planning purposes the City of Monterey uses historical and research-based estimates for revenue adjustments. As a result of a tax measure that increased the TOT rate in Monterey from 10% to 12% and the passage of a half-cent sales tax in 2020, forecasted revenues are starting to recover which have allowed the City to start funding long-term obligations and reserves for which these tax measures were implemented to address. FY23 is projected to have increases in TOT, sales tax and property taxes compared to FY22, with a full return to pre-pandemic revenues by FY24.

At the end of FY22 the City of Monterey General Fund had \$14.7 million in the reserve for economic uncertainty and \$4.3 million in its capital renewal, general plan updates, cultural arts reserves for various facilities and facilities improvements reserves for multiple city locations. During FY22, the City created and funded additional reserves. Funding was allocated and assigned to reserve accounts for the following, \$1.0 million for pension liability, \$1.5 million for technology infrastructure, \$750,000 for the sports center and \$750,000 for the conference center. The City intends to continue allocating funds to the various reserves as part of its Fiscal Health Response Plan.

Future funding for public safety buildings, the library, recreation centers, and City Hall will be necessary, to both provide funds for critical repairs and upgrades to those facilities that are aging, as well as to establish maintenance reserves throughout the life of all City facilities. Beyond the General Fund, the City maintains working capital to maintain and replace facilities and equipment within separate funding sources such as wharves, parking, marina, sewer system, and vehicle replacement.

The City continues to focus its efforts on funding and rehabilitating its aging infrastructure. These projects, in conjunction with ongoing funding provided by the Neighborhood and Community Improvement Program (NCIP), continue to help the City achieve its goals of fiscal responsibility and sustainability. The City's Capital Improvement Program (CIP) was not funded in FY21, partially funded in FY22 and funded in FY23.

Measure P/S, Fixing Monterey Streets initiative completed its seventh (7<sup>th</sup>) year, with FY22 revenues of \$11.4 million in funds for pavement resurfacing and reconstruction, ADA ramp and signal compliance, storm drain improvements and sidewalk repairs. A total of \$7.2 million was spent on improvements during FY22. These improvements will continue with revenues from the voter approved 1% special transactions and use tax (sales tax) revenues. In November 2018, the City voters approved by 82% Measure S to extend the 1% special sales tax until March 31, 2027.

The Monterey Conference Center shut down for over a year due to the pandemic, starting in March 2020, and resumed operations in June 2021. During that shut down period, revenues plummeted from \$2 million to \$300,000. During FY22, revenue derived from the conference center was \$1.4 million. As business travel and weekday conference bookings continue to come back, the revenues are steadily heading back to pre-pandemic numbers.

The Neighborhood and Community Improvement Program (NCIP), established in 1985, directs tourist-generated dollars directly back into the City's residential neighborhoods. Under a Charter Amendment, 16 percent (16%) of the money collected through TOT must be spent on neighborhood and community improvements. Each fiscal year, a committee consisting of Monterey residents considers all submitted projects and recommends which projects should be funded. In FY22, \$5.4 million of revenue was collected for projects across the City's various neighborhoods.

The City's Emergency Rental Assistance Program (ERAP) was launched in August 2020 in response to financial hardship caused by increased unemployment due to COVID-19 economic impacts. The original program was funded with \$152,000 in Coronavirus Aid, Relief, and Economic Security (CARES) Act Community Development Block Grant (CDBG) funding, \$395,000 in CARES ACT CDBG-CV3 funding, and \$252,000 in existing City of Monterey CDBG Program Income for a total of \$800,000 for Fiscal Year 2021. The City Housing Program provided an additional \$162,287 from Program Income from the sale of two affordable housing units sold during the Fiscal Year. ERAP received an additional infusion of funds via a \$1,250,000 grant to the City of Monterey from Monterey County, consisting of \$687,500 of direct Federal rental assistance funds from the U.S. Treasury and \$562,500 of State of California SB 91 California Business, Consumer Services and Housing Agency which is also originating from Federal rental assistance funds. The Grant Agreement term ran from March 15, 2021 – February 28, 2022, wherein the City was required to have all grant funds distributed no later than December 31, 2021. The purpose of the grant was to distribute funding to provide rental and utility assistance to low income eligible households located in Monterey County that were facing housing instability because of loss or reduction in income due to the COVID-19 crisis. All funds were distributed according to the program guidelines.

### **Relevant Financial Policies**

Based on the Government Finance Officers' Association (GFOA) analysis to determine the appropriate level of reserves and their allocations, the City's policy is to hold a "Reserve for Economic Uncertainty" an amount equivalent to 16.6% of the General Fund annual operating budget.

These reserves address operational risks such as revenue volatility and extreme events such as natural disasters. While the pandemic has significantly affected the City's revenues, disasters such as wildfires, earthquakes, and tsunamis would affect both revenues and expenditures. The reserve for economic uncertainty stood at \$14.7 million on June 30, 2022, which was 18% of General Fund budgeted expenditures.

With General Fund operations in FY22 continuing to replenish fund balances and reserves, the City is working to continue its implementation of its Fiscal Health Response Plan to combat the fiscal challenges that existed even before the onset of the COVID-19 pandemic. The FY21 unassigned fund balance allowed one-time allocations to fund additional reserves.

In November 2019 the City Council voted unanimously to make a declaration of fiscal emergency and place a half-cent (0.5%) general transaction and use tax (sales tax) on the ballot (Measure G), which was approved by voters. In November 2020, Monterey voters also approved Measure Y, a 2% increase of the Transient Occupancy Tax (TOT) rate from 10% to 12%. This funding continues to be a pivotal tool that helps address existing long-term liabilities for pension and other post-employment benefits for employees, capital facility needs, technology and infrastructure modernization, as well as providing resources to continue service delivery for the full suite of City services.

### **Accounting System and Budgetary Control**

The City's accounting records for general government operations are maintained on a modified accrual basis, with revenues being recognized when measurable and available. Expenditures are recorded when the services or goods are received, and the liabilities incurred. Accounting records for the City's proprietary activities are maintained on the full accrual basis, with revenues recognized when earned and expenses recorded when incurred.

In maintaining the City's accounting system, consideration is given to the adequacy of internal controls. Internal controls are designed to provide reasonable assurance regarding the safeguarding of assets and to ensure the reliability of financial records and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived. The evaluation of costs and benefits requires continuing estimates and judgments by City management. We believe that the City's system of internal accounting controls continues to adequately safeguard assets and provide reasonable assurance that financial transactions are properly recorded.

Formal budgetary integration is employed as a management control device. Commitments for materials and services, such as purchase orders and contracts, are recorded as encumbrances in order to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary integration in the General, Special Revenue, and Capital Projects funds. Encumbrances lapse at year-end and are then added to the following year's budgeted appropriations. Encumbrances are reported at year-end as reservations of fund balances.

### **Independent Audit**

Article 6 of the City Charter requires an annual audit of the City's financial records by independent certified public accountants. The accounting firm of Eide Bailly, LLP was selected by the City Council to perform the audit. In addition to meeting the requirements of the City Charter, the audit was also designed to meet the requirements of the Federal Single Audit Act of 1984, Single Audit Act Amendments of 1996 and related U.S. Office of Management and Budget (OMB) Uniform Grant Guidance, "Audits of States, Local Governments and Non-profit Organizations."

The auditor's report on the basic financial statements and combining and individual non-major fund statements and schedules is included in the financial section of the report. The auditor's reports related specifically to the single audit are included in the Single Audit reports, which are separate documents.

### **Acknowledgments**

The preparation of the Annual Comprehensive Financial Report was made possible by the dedicated service of the Finance Department team, including Vicki Courtney, Wendy Davies, Herlinda Franklin, Carol Hewitt, Undine Lauer, Liza Linsao, Melanie Martin, Felicia Ming, Fernando Munoz-Noriega, Vincent Pizzo, Stella Sandoval, Alina Shannon, and Daisy Yepez.

Lastly, the City's Finance Department received leadership and support from the Mayor, City Council Members, and City Manager's Office. Their support of the City's Finance Department and commitment to sound short-term and long-term financial decision making have proven to be invaluable in serving the Monterey community with excellence.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rafaela T. King'.

Rafaela T. King, CPA, MBA  
Finance Director





Financial Section  
June 30, 2022

City of Monterey



## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Monterey, California (the "City") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Emphasis of Matters*

#### *Adoption of New Accounting Standard*

As discussed in Note 15 to the financial statements, the City has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022. Accordingly, a restatement has been made to the Governmental Activities, the Business-Type Activities, the General Fund, the Nonmajor Governmental Funds, the Marina Enterprise Fund, the Parking Enterprise Fund and the Nonmajor Enterprise Funds, as of July 1, 2021, to restate beginning net position and fund balances. Our opinions are not modified with respect to this matter.

## **Correction of Errors**

As discussed in Note 15 to the financial statements, certain errors resulting in an overstatement of amounts previously reported for accounts receivables and revenues as of June 30, 2021, were discovered by management of the City during the current year. Accordingly, a restatement has been made to the State and Federal Grants fund balance and the governmental activities net position as of June 30, 2021. to correct the error. Our opinions are not modified with respect to that matter.

## ***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on page 5 to 18, Budgetary Comparison Schedule – General Fund, Budgetary Comparison Schedule – Presidio of Monterey Public Works Special Revenue Fund, Budgetary Comparison Schedule – Tidelands Special Revenue Fund, Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios, Schedule of Contributions – Pensions, Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios and the Schedule of Contributions - Other Postemployment Benefits Plan on page 85 to 98 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

### ***Other Information***

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2023 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Menlo Park, California  
April 28, 2023

As management of the City of Monterey, we offer readers of the City of Monterey's financial statements this narrative overview and analysis of the financial activities of the City of Monterey for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found at the beginning of the introductory section, immediately following the table of contents.

## Financial Highlights

### Government-Wide Highlights

- The City had a net position (total assets and deferred outflows of resources less total liabilities and deferred inflows of resources) of \$196.6 million as of June 30, 2022. Most of this amount, \$231.4, is made up of net investment in capital assets, such as infrastructure, roads, land and buildings. The restricted net position of \$49.1 million may be used for the City's ongoing obligations related to programs with external restrictions. Unrestricted net position reflects a deficit of \$83.8 million, primarily due to net pension liability of \$112.6 million on the Statement of Net Position.
- Governmental activities revenues increased by \$44.2 million in fiscal year 2022 when compared to prior fiscal year 2021. The increase was attributed to \$6.5 million for COVID-19 funding received through the American Rescue Plan Act, an increase of \$7.5 million in combined sales tax received from the California Department of Tax and Fee Administration (CDTFA), \$4.6 million in other taxes such as Franchise Fees and Utility Users Tax. The City's program revenue from charges-for-services increased by \$3.4 million and other operating grants increased by approximately \$3.0 million in fiscal year 2022. Other miscellaneous revenues increased by \$0.8 million. The City's primary source of discretionary revenue, transient occupancy tax ("TOT"), increased from the prior year by \$18.4 million. The increase in TOT is due to the 2% increase in the TOT rate approved by taxpayers in November 2020 and the economic recovery from the Covid-19 pandemic. Additionally, the City experienced a decrease in investment income of approximately \$0.4 million. This decrease was due to heightened volatility and tighter conditions in the financial markets discussed further below.
- The City's total expenses on the Statement of Activities reflect a *net* increase of \$8.8 million in fiscal year 2022 when compared to the Annual Comprehensive Financial Report from the prior fiscal year 2021. This increase is the total amount of both government activities expenses which increased by \$17.38 million and business-type activities expenses which decreased by \$8.54 million.

Expenses increased in all governmental activities' functions/programs. Public Safety increased expenditures by \$7.8 million, General Government increased by \$3.9 million, Parks and Recreation by \$2.8 million, Community Development by \$1.5 million, Library by \$1.0 million and Public Works by \$0.3 million.

Conversely, the business-type activities' expenses decreased by \$8.5 million when compared to the prior fiscal year 2021. Parking activities decreased \$5.9 million, Marina decreased by \$1.5 million, Sewer activities decreased by \$1.1 million, and the Cemetery and Materials Recovery Facility decreased by a combined total of \$30 thousand. The decreases are largely attributable to the allocations for both Net Pension and Other Post Employment Benefits liabilities and deferrals booked to salaries and benefits at year-end, per the actuarial data. It is anticipated that actuarial totals will reflect a swing in the opposite direction for the next fiscal year ended June 30, 2023.

### **Fund Highlights**

- From the City's fund level statements, the Ending Fund Balance for the General Fund increased by \$6.1 million during fiscal year 2022 to \$36.7 million. \$4.1 million of this ending balance is "non-spendable" in that it represents leases receivable net of deferred inflows of resources and long-term advances to other funds, primarily the Parking Fund. \$24.8 million has been set aside in a variety of reserves for encumbrances and for contingencies such as economic uncertainty and capital renewal.
- Operating revenues from Business Type Activities exceeded operating expenses by \$12.4 million. Notably, the operating surplus was \$10.0 million in the Parking Fund, \$0.7 million in the Sewer Fund, and \$2.2 million in the Marina Fund. The Cemetery and Materials Recovery Funds operating expenses exceeded the operating revenues by a net of \$.43 million.
- Although the combined operating revenues from Internal Service Funds exceeded the combined operating expenses by \$3.6 million, three of the six Internal Service Funds are operating in a deficit. Cost allocations from departments will need to be reviewed and adjusted to ensure inter-departmental charges are fully reimbursing the cost of services between departments. The ending net position for each are as follows: negative \$2.0 million in the Vehicle Maintenance Fund, negative \$2.6 million in the Worker's Compensation Insurance Fund, and negative \$1.4 million in the Liability & Property Insurance Fund. Fund balances will be adjusted during the next one to three fiscal years in order to compensate and rightside negative fund balances.

## Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Monterey's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City of Monterey's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all the City of Monterey's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Monterey is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the City of Monterey that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Monterey include community services, public safety, community development, public works and transportation and policy and administration. The business-type activities of the City of Monterey include a marina, cemetery, parking, sewer, materials recovery facility and the operation of a communication network.

The government-wide financial statements include the City of Monterey itself (known as the primary government), and the Monterey Joint Powers Financing Authority, a component unit of the City of Monterey.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Monterey, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Monterey 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 functions reported as 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 spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial 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 governmental activities.

The City of Monterey maintains 31 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 the General Fund, Capital Improvements Projects Fund, and Presidio of Monterey Public Works Special Revenue Fund, which are major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements that are located after the notes to the financial statements.

A budgetary comparison statement has been provided for Monterey's General Fund and major governmental funds to demonstrate compliance with these budgets.

**Proprietary funds.** The City of Monterey maintains two different types of proprietary funds: Enterprise and Internal Service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Monterey maintains five (5) enterprise funds and six (6) internal service funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Marina, Parking and Sewer Funds, as these are major funds of the City of Monterey. Data from the other two enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these Non-major enterprise funds are provided in the form of combining statements contained in the Supplementary Information section. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the Supplementary Information section.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Monterey's various functions. The City of Monterey uses internal service funds to account for equipment replacement, vehicle maintenance, information services, Workers' Compensation Insurance, Liability and Property Insurance, and Employee Benefit. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in entity-wide financial statements.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Monterey's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has two types of fiduciary funds: City assessment and promotion districts, as well as a trust fund for the Redevelopment Retirement Obligation Fund. The total assets held in the custodial fund on June 30, 2022 were \$288 thousand. The Private Purpose Trust Fund, which holds funds for the Redevelopment Retirement Obligation Fund, had total assets of \$69 thousand at fiscal year-end.

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

**Other information.** The combining statements referred to earlier in connection with non-major governmental funds, non-major enterprise funds, internal service funds, and agency funds are presented in the Supplemental Information section.

### Government-wide Financial Analysis

**Net Position.** Net position may serve as a useful indicator of a government's financial position. In the case of the City of Monterey, total net position was \$196.6 million at the close of the fiscal year ended June 30, 2022.

By far the largest portion of the City of Monterey's net position, \$231.4 reflects net investment in capital assets (e.g., infrastructure, land, buildings, machinery, and equipment). The City of Monterey uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Monterey's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. A summary of net position follows:

Condensed Statement of Net Position						
	Governmental Activities		Business-Type Activities		Total	
	FY 2022	FY 2021*	FY 2022	FY 2021*	FY 2022	FY 2021
Current & other assets	\$ 171,199,787	\$ 94,536,905	\$ 18,866,759	\$ 14,250,156	\$ 190,066,546	\$ 108,787,061
Capital assets, net	236,737,730	236,401,254	47,096,387	45,657,783	283,834,117	282,059,037
<b>Total assets</b>	<b>407,937,517</b>	<b>330,938,159</b>	<b>65,963,146</b>	<b>59,907,939</b>	<b>473,900,663</b>	<b>390,846,098</b>
Deferred outflow of resources	28,358,206	26,343,633	662,763	1,915,459	29,020,969	28,259,092
Long-term liabilities outstanding	61,618,324	55,987,662	12,790,720	12,747,478	74,409,044	68,735,140
Net pension liabilities	109,106,175	152,393,941	3,468,196	12,814,884	112,574,371	165,208,825
Net OPEB liabilities	7,790,818	7,620,587	453,434	864,645	8,244,252	8,485,232
Other liabilities	13,522,093	17,136,519	1,143,531	1,700,824	14,665,624	18,837,343
<b>Total liabilities</b>	<b>192,037,410</b>	<b>233,138,709</b>	<b>17,855,881</b>	<b>28,127,831</b>	<b>209,893,291</b>	<b>261,266,540</b>
Deferred inflow of resources	93,740,664	1,479,951	2,653,578	41,609	96,394,242	1,521,560
<b>Net position</b>						
Net investment in capital assets	196,788,190	189,768,934	34,574,582	32,506,984	231,362,772	222,275,918
Restricted	47,865,620	41,313,293	1,211,725	1,106,768	49,077,345	42,420,061
Unrestricted	(94,136,161)	(106,992,358)	10,330,143	40,206	(83,806,018)	(106,952,152)
<b>Total net position</b>	<b>\$ 150,517,649</b>	<b>\$ 124,089,869</b>	<b>\$ 46,116,450</b>	<b>\$ 33,653,958</b>	<b>\$ 196,634,099</b>	<b>\$ 157,743,827</b>

\* Fiscal year ended June 30, 2021 was not restated

Total net position for the Governmental Activities of \$150.5 million was comprised of \$196.8 million in net investment in capital assets (infrastructure, buildings, roads, land, etc.), \$47.9 million in amounts legally restricted, and a deficit of \$94.1 million, classified as Unrestricted for accounting purposes. This deficit is generated due to net pension liability of \$109.1 million. The City's total governmental activities net position increased by \$26.4 million from the fiscal year 2021 ending net position of \$124.1 million, showing a stabilization from the most dramatic period of impact of the pandemic. The table below is a summary of all the City's revenues and expenses. A summary of the top revenues follows this table:

**Condensed Statement of Revenues, Expenses and Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 47,790,604	\$ 44,358,786	\$ 18,782,234	\$ 13,391,199	\$ 66,572,838	\$ 57,749,985
Operating grants & contributions	16,694,400	7,088,180	-	-	16,694,400	7,088,180
Capital grants & Contributions	-	89,417	-	-	-	89,417
General Revenues						
Property taxes	10,416,948	10,089,327	-	-	10,416,948	10,089,327
Sales tax	26,764,975	19,237,235	-	-	26,764,975	19,237,235
Property tax in-lieu of vehicle license t	3,325,975	3,199,106	-	-	3,325,975	3,199,106
Transient occupancy tax	33,780,235	15,369,231	-	-	33,780,235	15,369,231
Other taxes	12,842,708	8,283,053	-	-	12,842,708	8,283,053
Investment income	408,171	781,653	(818,420)	83,457	(410,249)	865,110
Other revenues	651,925	8,654	-	-	651,925	8,654
<b>Total revenues</b>	<b>152,675,941</b>	<b>108,504,642</b>	<b>17,963,814</b>	<b>13,474,656</b>	<b>170,639,755</b>	<b>121,979,298</b>
<b>Expenses</b>						
General government	13,690,465	9,754,245	-	-	13,690,465	9,754,245
Public safety-police and fire	51,341,685	43,519,165	-	-	51,341,685	43,519,165
Public works	34,017,490	33,672,208	-	-	34,017,490	33,672,208
Community development	7,900,495	6,443,985	-	-	7,900,495	6,443,985
Parks and recreation	13,166,251	10,329,431	-	-	13,166,251	10,329,431
Library and museum	2,713,064	1,734,350	-	-	2,713,064	1,734,350
Interest and fiscal charges	1,897,135	1,971,433	-	-	1,897,135	1,971,433
Parking	-	-	2,532,722	8,432,750	2,532,722	8,432,750
Sewer	-	-	1,612,471	2,688,490	1,612,471	2,688,490
Other business-type activities	-	-	2,188,201	3,748,386	2,188,201	3,748,386
<b>Total expenses</b>	<b>124,726,585</b>	<b>107,424,817</b>	<b>6,333,394</b>	<b>14,869,626</b>	<b>131,059,979</b>	<b>122,294,443</b>
<b>Change in net position before transfers</b>	<b>27,949,356</b>	<b>1,079,825</b>	<b>11,630,420</b>	<b>(1,394,970)</b>	<b>39,579,776</b>	<b>(315,145)</b>
<b>Transfers</b>	<b>(832,073)</b>	<b>(950,731)</b>	<b>832,073</b>	<b>950,731</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>27,117,283</b>	<b>129,094</b>	<b>12,462,493</b>	<b>(444,239)</b>	<b>39,579,776</b>	<b>(315,145)</b>
<b>Net position - Beginning*</b>	<b>123,400,366</b>	<b>123,960,775</b>	<b>33,653,957</b>	<b>34,098,197</b>	<b>157,054,323</b>	<b>158,058,972</b>
<b>Net position - Ending</b>	<b>\$ 150,517,649</b>	<b>\$ 124,089,869</b>	<b>\$ 46,116,450</b>	<b>\$ 33,653,958</b>	<b>\$ 196,634,099</b>	<b>\$ 157,743,827</b>

\* Fiscal year ended June 30, 2021 was not restated

The largest components of the City's revenue were as follows:

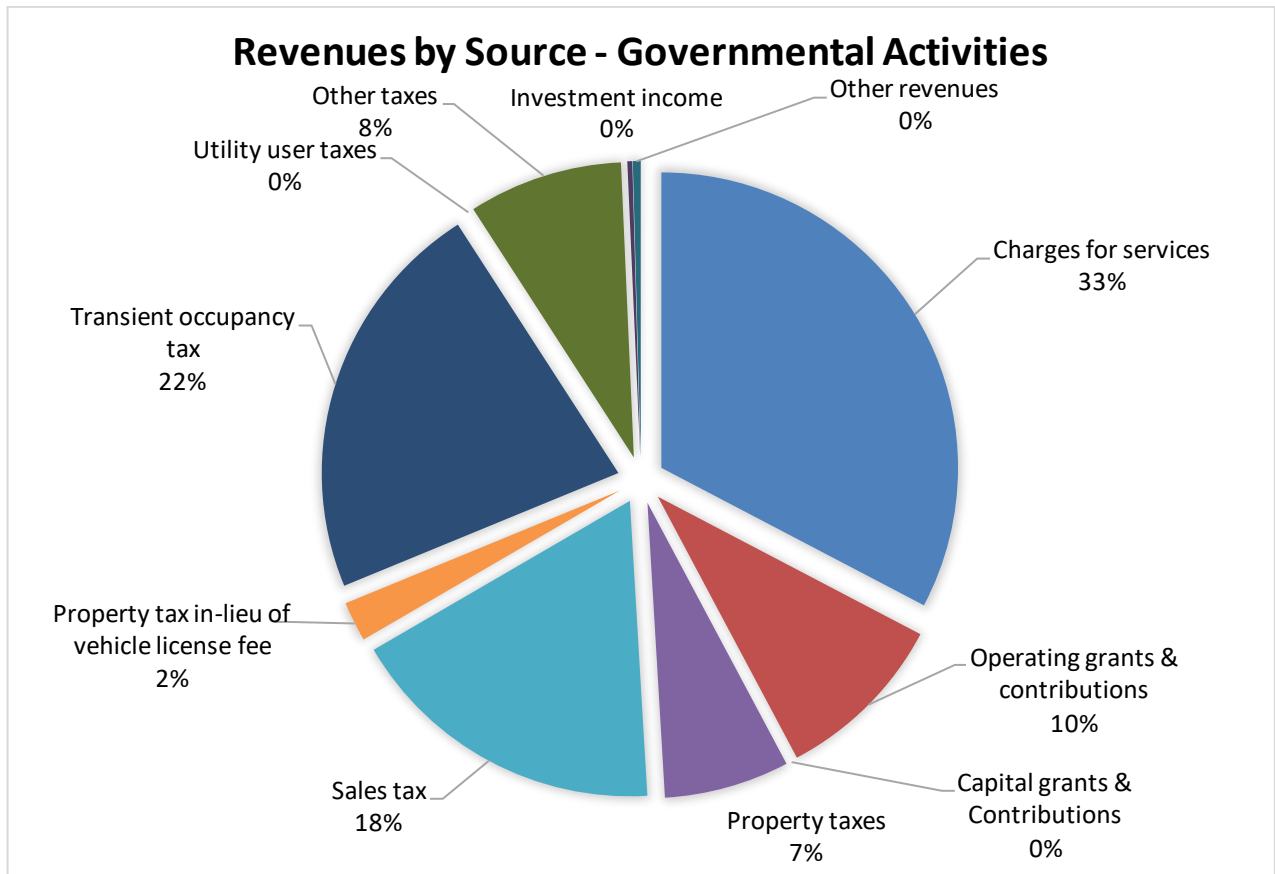
- Transient Occupancy Tax (TOT) receipts were \$33.8 million. For the fiscal year ended June 30, 2022, general revenue TOT increased by \$18.4 million. This is largely attributable to a newly enacted additional 2% rate which increased the TOT rate from 10% to 12% on January 1, 2021 and the on-going recovery from Covid-19 which resulted in an improvement in the economy.
- Sales Tax receipts increased by \$7.5 million for a total of \$26.8 million. This is largely attributable to a newly enacted additional one-half cent sales tax and on-going recovery from Covid resulting in an improvement in the economy. The amount of Bradley Burns sales tax revenue was \$9.3 million, Measure P/S was \$11.5 million, Measure G was \$5.6 million, and sales tax for Proposition 172 was \$0.4 million.
- Property Tax increased by \$0.3 million from prior year, for a total amount of \$10.4 million received in fiscal year 2022. Year-over-year home prices continued to be strong. Tight supply has continued to support prices, but rising mortgage rates and lack of affordability could be setting headwinds for the coming year.
- Charges for Services, as an overall category, consists of individual departmental and program fees collected from users of the City's programs and services (e.g. Fire, Recreation, Planning and Building, Conference Center), cost reimbursement contracts for Fire services with neighboring cities and maintenance services provided at the Presidio of Monterey and Naval Postgraduate School. These revenues reflect an increase of \$3.4 million during the fiscal year.
- Operating Grants and Contributions increased \$9.6 million in fiscal year 2022. The City received one-time funding in the amount of \$6.5 million from the American Rescue Plan Act of 2021. Additionally, intergovernmental funding from sources such as the Transportation Agency for Monterey County (TAMC), United Way passthrough federal/state funds for the Emergency Rental Assistance Program, and the State of California Highway Users Tax and Road Maintenance and Rehabilitation funds from per-gallon excise taxes on gasoline and diesel fuel make up a significant portion of the remaining increase.
- Other Taxes which include utilities users tax, franchise fees and document transfer tax increased by \$1.5 million, revenue went from \$5.9 million to \$7.4 million. For fiscal year 2022, the Conference Center Facility District (CCFD) special tax levy on hotel properties is included in the category of "Other Taxes". In the prior fiscal year 2021, it had been included with the "Property Tax" category. This change was made in order to categorize the revenue as per the purpose. All CCFD tax collected is paid toward debt service per the provision for mandatory redemption if special tax proceeds exceed the amounts required for the debt service and reserves. The CCFD tax collected in fiscal year 2022 increased by \$3.0 million from \$2.4 million to \$5.4 million.
- Investment Income decreased by \$0.4 million in fiscal year 2022. As of June 30, 2022, financial markets were experiencing heightened volatility and tighter conditions as central banks employed more restrictive monetary policies to combat persistent inflation. The conflict between Russia and Ukraine exacerbated inflationary pressures and strict COVID lockdowns in China intensified distressed supply chains.

- It should be noted that revenues have been restated for fiscal year 2021, in this document's table named "Condensed Statement of Revenues, Expenses and Changes in Net Position".

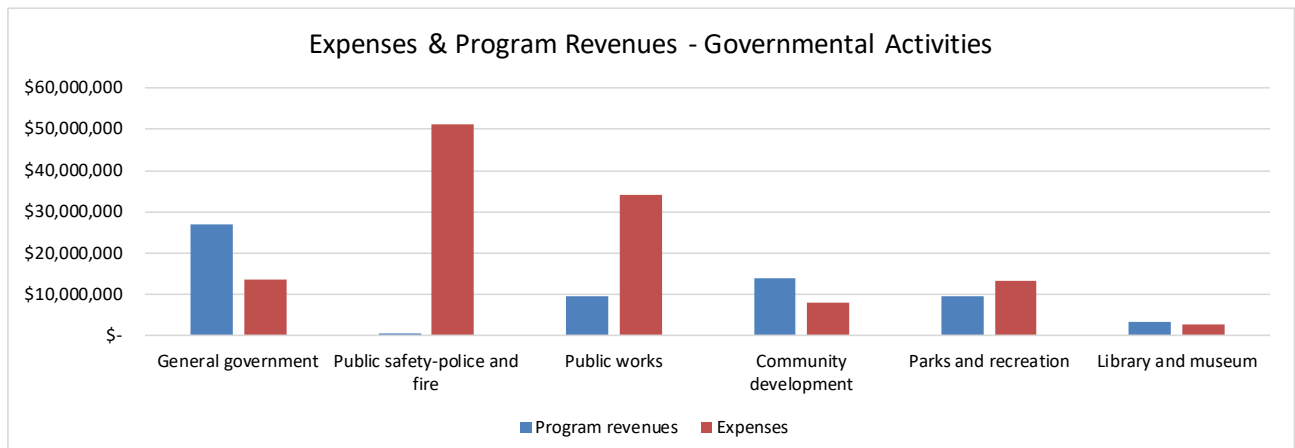
The restatements include TOT revenue in the amount of \$2.5 million which is sixteen percent (16%) of TOT that is allocated to the Neighborhood Capital Improvement Program (NCIP). The NCIP revenue had been reported as "Program Revenue" in the prior year. Sales Tax Measure P/S revenue in the amount of \$8.6 million was also reported as Program Revenue. A total of \$11.1 million was reported as Program Revenues in the fiscal year 2021 MD&A and is restated in General Revenues in FY22's table year-to-year comparison columns for Governmental Activities. The Conference Center Facilities District (CCFD) Revenue in the amount of \$2.4 million was included in the total amount of "Property Tax" in fiscal year 2021. The current year's CCFD revenue is reported in the amount of "Other Taxes" in the restated amount.

These changes are made to more accurately reflect the comparison and variances between the two years. The total amount for fiscal year 2021 remains the same and the Financial Statements, as presented, are not effected.

The pie chart below depicts the percentage of the total governmental revenues allocated by each revenue type.



The chart below provides a comparison by governmental activity of expenses and revenues that are related to each activity. This illustrates the degree to which the City subsidizes its primary services to the Citizens. The difference between the costs and the program revenues is funded by taxes and other general revenues.



### **Fund Level Financial Analysis**

As noted earlier, the City of Monterey uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Monterey's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Monterey's financing requirements. In particular, the unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the City of Monterey. At the end of the fiscal year, all fund balances in the General Fund were either non-spendable, restricted, committed, assigned, or unassigned. The unassigned fund balance was \$7.9 million, while total fund balance was \$36.7 million. Current revenues exceeded current expenditures by \$18.7 million, with after net transfers from/to other funds, primarily for Presidio of Monterey public works, capital projects, debt service, and one-time emergency funding decreasing the fund by \$12.6 million. As a measure of the General Fund's liquidity, total fund balance represented 47% of General Fund expenditures, a decrease of 53.7% from fiscal year 2021; however, this includes the non-spendable fund balance, one-time emergency funds, and greatly reduced General Fund expenditures.

The Tidelands Fund has a total fund balance of \$4.1 million, all of which is restricted.

The Presidio of Monterey Fund has a zero-fund balance. The fund is responsible for carrying out the maintenance contract with the US Army, Presidio of Monterey. As noted in the paragraph above, the General Fund transferred \$10.4 million in fund balance to cover unavailable revenue, billed but not received, from the Army within the accrual period of 60 days after the fiscal year ended on June 30, 2022.

Proprietary funds. The City of Monterey's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The total net position of the major Enterprise funds at the end of the year was as follows: the Parking fund \$21.2 million and the Sewer fund \$15.5 million.

The Statement of Revenues, Expenses, and Changes in Net Position, reflects a positive change in net position for the Parking and Sewer funds by \$9.4 million increase, and \$0.3 million increase, respectively. The Parking Fund has continued to see increases in revenue as a result of the recovery to the local economy and return to tourism in the aftermath of the Covid-19 pandemic shutdowns.

### **General Fund Budgetary Highlights**

Actual General Fund revenues were \$10.1 million higher than the final amended budget. All revenue sources exceeded estimates except for investment income and intergovernmental revenues. The reason revenues came in higher, except as noted, is due to the COVID relief funding and an increase in the economic activities within the City of Monterey.

Actual General Fund expenditures were \$3.9 million lower than the final amended budget. The expenditure categories with the largest favorable variances were community development (\$1.0 million under budget), and parks and recreation (\$1.1 million under budget).

It is important to note that while operating revenues and expenditures are treated separately for budget purposes from non-operating or "one-time" revenues and expenditures (in order to match ongoing revenues with ongoing expenditures), generally accepted accounting principles (GAAP) do not allow for this distinction. In addition, under GAAP, certain transactions are accounted for differently in this report than in the budget (e.g., depreciation of fixed assets, payment of debt principal, market value of investments, etc.). Therefore, the reader should be aware that there may be some differences between how this report and City budget documents categorize and characterize certain revenue and expense items.

### Capital Asset and Debt Administration

Capital assets. The City of Monterey's investment in capital assets for its governmental and business-type activities as of June 30, 2022, amounts to \$283.8 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads and infrastructure. A summary of the City's capital assets at fiscal year-end follows:

	Capital Assets, net of accumulated depreciation					
	Governmental Activities		Business-Type Activities		Total	
	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
Land	\$ 30,193,285	\$ 30,193,285	\$ 9,205,157	\$ 9,205,157	\$ 39,398,442	\$ 39,398,442
Buildings and improvements	73,354,121	77,621,631	4,751,549	3,602,863	78,105,670	81,224,494
Improvements other than buildings	17,335,628	15,010,973	2,652,014	2,899,693	19,987,642	17,910,666
Machinery and equipments	5,052,707	7,178,228	-	-	5,052,707	7,178,228
Infrastructure	44,567,286	43,234,930	16,865,953	17,148,017	61,433,239	60,382,947
Construction in progress	66,234,703	63,162,207	13,621,714	12,802,053	79,856,417	75,964,260
Total Capital Assets	<u>\$ 236,737,730</u>	<u>\$ 236,401,254</u>	<u>\$ 47,096,387</u>	<u>\$ 45,657,783</u>	<u>\$ 283,834,117</u>	<u>\$ 282,059,037</u>

Additional information on the City of Monterey's capital assets can be found in note 6 of this report.



Long-term debt. \$74.4 million in long-term debt was outstanding at the end of the current fiscal year. This includes \$38.8 million in special tax revenue bonds issued by the Conference Center Facilities District, \$4.4 million in a facility lease agreement between the Joint Powers Financing Authority and Capital One Public Funding, and \$13.4 million in loans issued by the State of California and loans for Fire apparatus. Below is a summary of the City's outstanding liabilities:

<b>Outstanding Debt</b>						
	Governmental Activities		Business-Type Activities		Total	
	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
Lease revenue bonds/loans	\$ 4,435,000	\$ 4,795,000	\$ -	\$ -	\$ 4,435,000	\$ 4,795,000
Loans payable	893,583	1,143,739	12,521,805	13,150,799	13,415,388	14,294,538
<b>Total debt of the City</b>	<b>5,328,583</b>	<b>5,938,739</b>	<b>12,521,805</b>	<b>13,150,799</b>	<b>17,850,388</b>	<b>19,089,538</b>
Special tax bonds*	38,807,276	41,168,458	-	-	38,807,276	41,168,458
Claims payable	13,747,913	10,704,014	-	-	13,747,913	10,704,014
Compensated absences	3,734,552	3,777,591	268,915	252,316	4,003,467	4,029,907
<b>Total outstanding debt</b>	<b>\$ 61,618,324</b>	<b>\$ 61,588,802</b>	<b>\$ 12,790,720</b>	<b>\$ 13,403,115</b>	<b>\$ 74,409,044</b>	<b>\$ 74,991,917</b>

\*Special assessment debt - paid with special assessments; however, proceeds are being used to renovate the Monterey Conference Center, an asset of the City of Monterey

Additional information on the City of Monterey's long-term debt can be found in note 6 of this report.

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

The City's estimates for the FY 2023 budget show the general fund operating results trending towards revenue approximating expenditures. With the positive results from the FY22 operating results, the City has plans to use this one-time surplus to replenish the array of reserves that were tapped to sustain operations during the height of the pandemic as well as contribute to reserves for funding the unfunded pension obligations and various other facility improvement reserves. While the City is enjoying the rapid increase in our top revenue producing categories, the City is working to create a new norm for the on-going operations and navigating through the challenges of rising prices that effect out net results. The goal is to always provide service to our community while being fiscally sound in our fiscal decisions.

All significant revenue estimates and the FY23 ending balance are currently being reviewed at mid-year to consider what adjustments should be made. The City is also currently reviewing all budget assumptions, including any projected changes to expenditures, in order to update the estimated operating budget for the remainder of FY23. The projected changes in both revenues and expenditures will be used in developing the FY 24 budget as well as 5-year revenue and expense forecast.

Despite the challenges, it remains the City's firm policy to adopt a balanced budget where ongoing inflows equal or exceed ongoing outflows. In addition, to continue to address the needs of the City's aging infrastructure and other unfunded liability obligations are met.

### **Requests for Information**

This financial report is designed to provide a general overview of the City of Monterey's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: City of Monterey, Finance Department, 735 Pacific Street, Suite A, Monterey, California 93940.

City of Monterey  
Statement of Net Position  
June 30, 2022

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and investments	\$ 77,158,069	\$ 20,109,477	\$ 97,267,546
Taxes receivable	10,083,243	-	10,083,243
Accounts receivable	19,600,853	1,385,383	20,986,236
Interest receivable	281,934	63,564	345,498
Prepaid items	281,424	18,900	300,324
Internal balances	4,122,331	(4,122,331)	-
Restricted cash and investments	9,827,945	-	9,827,945
Rehabilitation loans receivable	2,573,788	-	2,573,788
Downpayment assistance loans receivable	493,310	-	493,310
Project subsidy loans receivable	5,552,842	-	5,552,842
Leases receivable	40,803,777	1,411,766	42,215,543
Property held for resale	420,271	-	420,271
Capital assets:			
Non-depreciable assets	96,427,988	22,826,871	119,254,859
Depreciable assets (net of depreciation)	140,309,742	24,269,516	164,579,258
<b>Total assets</b>	<b>407,937,517</b>	<b>65,963,146</b>	<b>473,900,663</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Pension related	26,933,752	579,858	27,513,610
Other postemployment benefits related	1,424,454	82,905	1,507,359
<b>Total deferred outflow of resources</b>	<b>28,358,206</b>	<b>662,763</b>	<b>29,020,969</b>
<b>LIABILITIES:</b>			
Accounts payable and accrued liabilities	10,033,346	926,195	10,959,541
Accrued interest	1,169,851	217,336	1,387,187
Unearned revenue	1,955,104	-	1,955,104
Deposits payable	363,792	-	363,792
Long-term obligations:			
Long-term liabilities, due within one year	6,409,446	946,126	7,355,572
Long-term liabilities, due in more than one year	55,208,878	11,844,594	67,053,472
Net other postemployment benefits liability	7,790,818	453,434	8,244,252
Aggregate net pension liability	109,106,175	3,468,196	112,574,371
<b>Total liabilities</b>	<b>192,037,410</b>	<b>17,855,881</b>	<b>209,893,291</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Lease related	40,010,891	1,368,780	41,379,671
Pensions related	52,736,971	1,227,016	53,963,987
Other postemployment benefits related	992,802	57,782	1,050,584
<b>Total deferred inflow of resources</b>	<b>93,740,664</b>	<b>2,653,578</b>	<b>96,394,242</b>
<b>NET POSITION:</b>			
Net investment in capital assets	196,788,190	34,574,582	231,362,772
Restricted for:			
Capital projects	682,619	-	682,619
Debt service	7,113,609	1,211,725	8,325,334
Endowments - nonspendable	2,401,184	-	2,401,184
Tidelands	4,109,296	-	4,109,296
Community development	11,473,996	-	11,473,996
Public works	19,925,745	-	19,925,745
Park and recreation	252,153	-	252,153
Library and museum	876,146	-	876,146
Others	1,030,872	-	1,030,872
<b>Total restricted net position</b>	<b>47,865,620</b>	<b>1,211,725</b>	<b>49,077,345</b>
Unrestricted (Deficit)	(94,136,161)	10,330,143	(83,806,018)
<b>Total net position</b>	<b>\$ 150,517,649</b>	<b>\$ 46,116,450</b>	<b>\$ 196,634,099</b>

City of Monterey  
Statement of Activities  
Year Ended June 30, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 13,690,465	\$ 8,257,191	\$ 6,514,171	\$ -	\$ 1,080,897	\$ -	\$ 1,080,897
Public safety-police	22,470,706	404,918	231,010	-	(21,834,778)	-	(21,834,778)
Public safety-fire	28,870,979	7,750,728	1,889,763	-	(19,230,488)	-	(19,230,488)
Public works	34,017,490	20,058,926	6,793,194	-	(7,165,370)	-	(7,165,370)
Community development	7,900,495	7,819,422	1,201,462	-	1,120,389	-	1,120,389
Parks and recreation	13,166,251	3,474,927	-	-	(9,691,324)	-	(9,691,324)
Library and museum	2,713,064	24,492	64,800	-	(2,623,772)	-	(2,623,772)
Interest and fiscal charges	1,897,135	-	-	-	(1,897,135)	-	(1,897,135)
Total governmental activities	124,726,585	47,790,604	16,694,400	-	(60,241,581)	-	(60,241,581)
Business-type Activities:							
Parking	2,532,722	12,484,438	-	-	-	9,951,716	9,951,716
Sewer	1,612,471	2,332,948	-	-	-	720,477	720,477
Marina	1,281,450	3,485,871	-	-	-	2,204,421	2,204,421
Cemetery	805,384	478,977	-	-	-	(326,407)	(326,407)
Materials Recovery	101,367	-	-	-	-	(101,367)	(101,367)
Total business-type activities	6,333,394	18,782,234	-	-	-	12,448,840	12,448,840
Total primary government	\$ 131,059,979	\$ 66,572,838	\$ 16,694,400	\$ -	(60,241,581)	12,448,840	(47,792,741)
General revenues:							
Taxes:							
Property taxes					10,416,948	-	10,416,948
Sales tax					26,764,975	-	26,764,975
Property tax in-lieu of vehicle license fee					3,325,975	-	3,325,975
Transient occupancy tax					33,780,235	-	33,780,235
Utility user taxes					4,184,273	-	4,184,273
Other taxes					8,658,435	-	8,658,435
Total taxes					87,130,841	-	87,130,841
Investment income					408,171	(818,420)	(410,249)
Other revenues					651,925	-	651,925
Transfers					(832,073)	832,073	-
Total general revenues and transfers					87,358,864	13,653	87,372,517
Changes in net position					27,117,283	12,462,493	39,579,776
Net position:							
Beginning of year, as restated (Note 15)					123,400,366	33,653,957	157,054,323
End of year					\$ 150,517,649	\$ 46,116,450	\$ 196,634,099

The Fund Financial Statements only present individual major funds, while nonmajor funds are combined in a single column. Major funds are generally defined as having significant activities or balances in the current year.

The funds described below were determined to be Major Funds. Individual nonmajor funds may be found in the Supplementary Information Section.

**General Fund**

The **General Fund** is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The major revenue sources of this fund include property tax, sales tax, transient occupancy tax, business license tax, utility users tax and charges for services. These revenues support the general operations of the City, which include police, fire, street maintenance, parks, recreation, planning and general government. In addition, the General Fund finances many capital improvements each year.

**Presidio of Monterey Public Works Special Revenue Fund**

**Presidio of Monterey Public Works Special Revenue Fund** was created in 1999 to account for costs and revenues pertaining to the Presidio of Monterey maintenance contract.

**Tidelands Special Revenue Fund**

**Tidelands Fund** was established, as prescribed by the State of California, to account for all revenues and expenditures within the tidelands area of the City.

City of Monterey  
Balance Sheet – Governmental Funds  
June 30, 2022

	General Fund	Presidio of Monterey Public Works	Tidelands	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 15,430,043	\$ 10,404,196	\$ 1,869,521	\$ 29,752,629	\$ 57,456,389
Restricted cash and investments:					
Held by fiscal agent	-	-	-	4,351,817	4,351,817
Held by city	-	-	-	5,476,128	5,476,128
Receivables:					
Taxes receivable	7,237,813	-	-	2,845,430	10,083,243
Accounts receivable	4,966,294	11,311,996	435,110	2,771,444	19,484,844
Interest receivable	184,175	-	6,272	91,487	281,934
Prepaid items	281,424	-	-	-	281,424
Due from other funds	11,317,495	-	-	-	11,317,495
Advances to other funds	3,413,610	-	1,731,761	-	5,145,371
Loans receivable:					
Rehabilitation	-	-	-	2,573,788	2,573,788
Downpayment assistance	-	-	-	493,310	493,310
Project subsidy	-	-	-	5,552,842	5,552,842
Lease receivables	20,190,876	-	14,349,577	6,263,324	40,803,777
Property held for resale	-	-	-	420,271	420,271
<b>Total assets</b>	<u>\$ 63,021,730</u>	<u>\$ 21,716,192</u>	<u>\$ 18,392,241</u>	<u>\$ 60,592,470</u>	<u>\$ 163,722,633</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 4,107,476	\$ 1,337,365	\$ 229,042	\$ 3,206,242	\$ 8,880,125
Due to other funds	-	9,248,077	-	336,754	9,584,831
Unearned revenues	1,955,104	-	-	-	1,955,104
Advances from other funds	445,171	-	-	40,000	485,171
<b>Total Liabilities</b>	<u>6,507,751</u>	<u>10,585,442</u>	<u>229,042</u>	<u>3,582,996</u>	<u>20,905,231</u>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenues	-	11,130,750	-	2,692,340	13,823,090
Lease related	19,764,232	-	14,053,903	6,192,756	40,010,891
<b>Total deferred inflows of resources</b>	<u>19,764,232</u>	<u>11,130,750</u>	<u>14,053,903</u>	<u>8,885,096</u>	<u>53,833,981</u>
<b>Fund Balances:</b>					
Nonspendable	4,121,678	-	-	2,401,184	6,522,862
Restricted	-	-	4,109,296	38,662,800	42,772,096
Committed	23,169,959	-	-	7,152,809	30,322,768
Assigned	1,604,170	-	-	-	1,604,170
Unassigned (deficit)	7,853,940	-	-	(92,415)	7,761,525
<b>Total fund balances (deficit)</b>	<u>36,749,747</u>	<u>-</u>	<u>4,109,296</u>	<u>48,124,378</u>	<u>88,983,421</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 63,021,730</u>	<u>\$ 21,716,192</u>	<u>\$ 18,392,241</u>	<u>\$ 60,592,470</u>	<u>\$ 163,722,633</u>

Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position  
Year Ended June 30, 2022

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<b>Total fund balances reported on the governmental funds balance sheet</b>			\$ 88,983,421
Amounts reported for Governmental Activities in the Statement of Net Position are different from			
Capital assets used in governmental activities are not current assets or provides financial resources and therefore are not reported in the Governmental Funds, net of \$3,711,442 reported in Internal Service Funds.			233,026,288
Internal service funds are not governmental funds. However, they are used by management to charge the costs of certain activities, such as insurance and central services and maintenance to individual governmental funds. The assets and liabilities and related deferrals of these funds are therefore included in Governmental Activities in the following line items in the Statement of Net Position.			2,152,096
Revenues earned but not available to pay for current expenditures for governmental funds are reported as unavailable revenue in the Governmental Funds Balance Sheet.			13,823,090
Compensated absences were not due and payable in the current period; therefore, they were not reported in the governmental fund balance sheets, net of \$219,457 reported in Internal Service Funds.			(3,515,095)
Net other postemployment benefits liability and the related deferred outflows and inflows of resources were not due and payable in the current period; therefore, they were not reported in the governmental fund balance sheets:			
Deferred outflows of resources, net of \$53,360 reported in Internal Service Funds	1,371,094		
Net OPEB liability, net of \$291,847 reported in Internal Service Funds	(7,498,971)		
Deferred inflows of resources, net of \$37,190 reported in Internal Service Funds	(955,612)	(7,083,489)	
Net pension liabilities and the related deferred outflows and inflows of resources were not due and payable in the current period; therefore, they were not reported in the governmental fund balance sheets:			
Deferred outflows of resources, net of \$373,218 reported in Internal Service Funds	26,560,534		
Aggregate net pension liability, net of \$2,232,257 reported in Internal Service Funds	(106,873,918)		
Deferred inflows of resources, net of \$789,752 reported in Internal Service Funds	(51,947,219)	(132,260,603)	
Long-term debts and related payables were not due and payable in the current period; therefore, they were not reported in the governmental fund balance sheets:			
Bonds and loans payable, net of \$692,354 reported in Internal Service Funds	(43,443,505)		
Interest payable, net of \$5,297 reported in Internal Service Funds	(1,164,554)	(44,608,059)	
<b>Net position of governmental activities:</b>			<u>\$150,517,649</u>



City of Monterey

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended June 30, 2022

	General	Presidio of Monterey Public Works	Tidelands	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>					
Property tax	\$ 10,387,604	\$ -	\$ -	\$ 29,344	\$ 10,416,948
Sales tax	15,311,737	-	-	11,453,238	26,764,975
In-lieu sales tax	3,325,975	-	-	-	3,325,975
Transient occupancy tax	28,375,421	-	-	-	28,375,421
Utility users tax	4,184,273	-	-	-	4,184,273
Other taxes	3,236,363	-	-	10,826,886	14,063,249
Intergovernmental	8,709,261	3,055,654	-	8,175,177	19,940,092
Use of money and property	(166,168)	-	387,874	186,465	408,171
Rental income	3,588,401	-	3,045,791	519,780	7,153,972
Licenses and permits	4,657,487	-	-	-	4,657,487
Charges for current services	15,352,159	4,474,344	186,994	1,118,080	21,131,577
Fines	240,812	-	-	-	240,812
Other	272,875	-	1,025	378,025	651,925
<b>Total revenues</b>	<b>97,476,200</b>	<b>7,529,998</b>	<b>3,621,684</b>	<b>32,686,995</b>	<b>141,314,877</b>
<b>EXPENDITURES:</b>					
Current:					
General government:	11,425,095	-	388,262	28,155	11,841,512
Police	18,805,100	-	630,845	-	19,435,945
Fire	24,781,492	-	79,170	111,171	24,971,833
Public works	6,196,510	17,451,743	1,556,882	4,218,152	29,423,287
Community development	4,062,343	-	615,076	2,156,080	6,833,499
Parks and recreation	11,199,330	-	36,633	152,131	11,388,094
Library and museum	2,165,972	-	-	180,681	2,346,653
Capital outlay	-	-	-	8,339,026	8,339,026
Debt service:					
Principal	148,045	-	-	2,721,182	2,869,227
Interest and fiscal charges	36,489	-	-	1,766,466	1,802,955
<b>Total expenditures</b>	<b>78,820,376</b>	<b>17,451,743</b>	<b>3,306,868</b>	<b>19,673,044</b>	<b>119,252,031</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>18,655,824</b>	<b>(9,921,745)</b>	<b>314,816</b>	<b>13,013,951</b>	<b>22,062,846</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	1,038,166	10,393,523	-	11,200,168	22,631,857
Transfers out	(13,608,554)	-	(664,328)	(7,824,180)	(22,097,062)
<b>Total other financing sources (uses)</b>	<b>(12,570,388)</b>	<b>10,393,523</b>	<b>(664,328)</b>	<b>3,375,988</b>	<b>534,795</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>6,085,436</b>	<b>471,778</b>	<b>(349,512)</b>	<b>16,389,939</b>	<b>22,597,641</b>
<b>FUND BALANCES:</b>					
Beginning of year, as restated	30,664,311	(471,778)	4,458,808	31,734,439	66,385,780
End of year	\$ 36,749,747	\$ -	\$ 4,109,296	\$ 48,124,378	\$ 88,983,421

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances  
to the Government-Wide Statement of Activities  
Year Ended June 30, 2022

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**Net change in fund balances - total governmental funds:** \$ 22,597,641

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the portion of the cost attributed to capital assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense. The remaining amounts are expensed and allocated to the programs they support.

The capital outlay expenditures	\$ 8,339,026	
Depreciation expense	<u>(5,464,116)</u>	2,874,910

Revenues that did not meet the criteria for recognition were recorded as unavailable revenues in the governmental funds. In the Government-Wide Financial Statements, these amounts were recorded as revenues. This amount represents the change in unavailable revenue from the prior year.		11,361,063
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Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.

Repayment of debt principal, net of expenses reported in Internal Service Fund	2,869,227	
Interest expense	<u>(94,180)</u>	2,775,047

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds:

OPEB expense, net of contribution made after measurement date and net of OPEB expense reported in Internal Service Funds	(948,299)	
Compensated absences, net of compensated absences expenses reported under Internal Service Funds	43,446	
Pension expense, net of contribution made after measurement date and net of pension expense reported in Internal Service Funds	<u>(13,696,794)</u>	(14,601,647)

Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities.		3,718,052
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Transfer of the Cemetery and Material Recovery Enterprise Fund capital assets from the governmental activities to open the funds.		<u>(1,607,783)</u>
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<b>Change in net position of governmental activities</b>		<u><u>\$ 27,117,283</u></u>
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Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise.

The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The concept of major funds extends to Proprietary Funds. The City has identified the funds below as major proprietary funds. Individual nonmajor funds may be found in the Supplementary Information section.

**Parking Fund**

This fund was established to pay for construction, operation, and maintenance of parking facilities and improvements. The revenue sources include parking fees, permits and fines.

**Sewer Fund**

This fund was established to pay for construction, operation, and maintenance of sewer line and improvements. All revenues collected are from residential and commercial sewer fees.

City of Monterey  
Statement of Net Position – Proprietary Funds  
June 30, 2022

	Business-type Activities				Governmental Activities
			Nonmajor Enterprise Funds	Total	Internal Service Funds
	Parking	Sewer			
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and investments	\$ 7,752,894	\$ 5,634,106	\$ 6,722,477	\$ 20,109,477	\$ 19,701,680
Accounts receivable	449,121	777,897	158,365	1,385,383	116,009
Interest receivable	21,876	18,978	22,710	63,564	-
Prepaid Items	18,900	-	-	18,900	-
Lease receivables	197,356	-	207,208	404,564	-
<b>Total current assets</b>	<b>8,440,147</b>	<b>6,430,981</b>	<b>7,110,760</b>	<b>21,981,888</b>	<b>19,817,689</b>
<b>Noncurrent assets:</b>					
Advances to other funds	-	-	-	-	113,410
Leases receivable	417,046	-	590,156	1,007,202	-
Capital assets:					
Nondepreciable	15,778,138	4,678,693	2,370,040	22,826,871	-
Depreciable	25,548,900	19,543,034	15,277,842	60,369,776	15,656,287
Accumulated depreciation	(21,148,935)	(2,570,382)	(12,380,943)	(36,100,260)	(11,944,845)
Total capital assets, net	20,178,103	21,651,345	5,266,939	47,096,387	3,711,442
<b>Total noncurrent assets</b>	<b>20,595,149</b>	<b>21,651,345</b>	<b>5,857,095</b>	<b>48,103,589</b>	<b>3,824,852</b>
<b>Total assets</b>	<b>29,035,296</b>	<b>28,082,326</b>	<b>12,967,855</b>	<b>70,085,477</b>	<b>23,642,541</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pensions related	344,752	94,886	140,220	579,858	373,218
Other postemployment benefits related	49,291	13,566	20,048	82,905	53,360
<b>Total deferred outflows of resources</b>	<b>394,043</b>	<b>108,452</b>	<b>160,268</b>	<b>662,763</b>	<b>426,578</b>
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable	536,382	39,751	141,576	717,709	1,042,580
Accrued liabilities	121,931	29,845	36,074	187,850	110,641
Interest payable	-	113,941	103,395	217,336	5,297
Due to other funds	600,000	-	148,721	748,721	983,943
Deposits payable	20,636	-	-	20,636	363,792
Compensated absences	10,311	3,999	4,514	18,824	15,362
Claims payables	-	-	-	-	3,487,913
Bonds and loans payable	-	642,203	285,099	927,302	-
<b>Total current liabilities</b>	<b>1,289,260</b>	<b>829,739</b>	<b>719,379</b>	<b>2,838,378</b>	<b>6,009,528</b>
<b>Noncurrent liabilities:</b>					
Advances from other funds	3,114,227	-	259,383	3,373,610	1,400,000
Compensated absences	136,996	53,133	59,962	250,091	204,095
Claims payable	-	-	-	-	10,260,000
Bonds and loans payable	-	10,985,256	609,247	11,594,503	692,354
Net pension liability	2,062,000	567,523	838,673	3,468,196	2,232,257
Net other postemployment benefits liability	269,587	74,198	109,649	453,434	291,847
<b>Total noncurrent liabilities</b>	<b>5,582,810</b>	<b>11,680,110</b>	<b>1,876,914</b>	<b>19,139,834</b>	<b>15,080,553</b>
<b>Total liabilities</b>	<b>6,872,070</b>	<b>12,509,849</b>	<b>2,596,293</b>	<b>21,978,212</b>	<b>21,090,081</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Lease related	584,011	-	784,769	1,368,780	-
Pensions related	729,517	200,784	296,715	1,227,016	789,752
Other postemployment benefits related	34,354	9,455	13,973	57,782	37,190
<b>Total deferred inflows of resources</b>	<b>1,347,882</b>	<b>210,239</b>	<b>1,095,457</b>	<b>2,653,578</b>	<b>826,942</b>
<b>NET POSITION</b>					
Net investment in capital assets	20,178,103	10,023,886	4,372,593	34,574,582	3,019,088
Restricted	-	886,380	325,345	1,211,725	-
Unrestricted (deficit)	1,031,284	4,560,424	4,738,435	10,330,143	(866,992)
<b>Total net position</b>	<b>\$ 21,209,387</b>	<b>\$ 15,470,690</b>	<b>\$ 9,436,373</b>	<b>\$ 46,116,450</b>	<b>\$ 2,152,096</b>

City of Monterey

Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds

Year Ended June 30, 2022

	Business-type Activities				Governmental Activities
			Nonmajor Enterprise Funds	Total	Internal Service Funds
	Parking	Sewer			
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 12,006,542	\$ 2,332,948	\$ 3,355,921	\$ 17,695,411	\$ 21,026,280
Lease revenue	371,458	-	506,520	877,978	2,449,807
Other revenue	106,438	-	102,407	208,845	1,094,927
<b>Total operating revenues</b>	<b>12,484,438</b>	<b>2,332,948</b>	<b>3,964,848</b>	<b>18,782,234</b>	<b>24,571,014</b>
<b>OPERATING EXPENSES:</b>					
Salaries and benefits	(522,025)	308,371	816,932	603,278	(900,225)
Services and supplies	2,715,742	907,883	1,027,022	4,650,647	3,281,679
Claims and insurance	-	-	-	-	17,385,549
Depreciation	339,005	396,217	344,247	1,079,469	1,182,691
<b>Total operating expenses</b>	<b>2,532,722</b>	<b>1,612,471</b>	<b>2,188,201</b>	<b>6,333,394</b>	<b>20,949,694</b>
<b>Operating income (loss)</b>	<b>9,951,716</b>	<b>720,477</b>	<b>1,776,647</b>	<b>12,448,840</b>	<b>3,621,320</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Investment losses	(145,860)	(74,280)	(99,763)	(319,903)	(98,506)
Interest and fiscal charges	(188,608)	(257,386)	(52,523)	(498,517)	(45,677)
<b>Total nonoperating revenues (expenses)</b>	<b>(334,468)</b>	<b>(331,666)</b>	<b>(152,286)</b>	<b>(818,420)</b>	<b>(144,183)</b>
Income before transfers and contributions	9,617,248	388,811	1,624,361	11,630,420	3,477,137
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>					
Capital contribution	-	-	1,607,783	1,607,783	-
Transfers in	253,670	-	55,313	308,983	240,915
Transfers out	(426,397)	(51,349)	(606,947)	(1,084,693)	-
<b>Net capital contributions and transfers</b>	<b>(172,727)</b>	<b>(51,349)</b>	<b>1,056,149</b>	<b>832,073</b>	<b>240,915</b>
Change in net position	9,444,521	337,462	2,680,510	12,462,493	3,718,052
<b>NET POSITION:</b>					
Beginning of year, as restated (Note 15)	11,764,866	15,133,228	6,755,863	33,653,957	(1,565,956)
End of year	<u>\$ 21,209,387</u>	<u>\$ 15,470,690</u>	<u>\$ 9,436,373</u>	<u>\$ 46,116,450</u>	<u>\$ 2,152,096</u>

City of Monterey  
Statement of Cash Flows – Proprietary Funds  
Year Ended June 30, 2022

	Business-type Activities			Governmental Activities
		Nonmajor Enterprise Funds	Total	Internal Service Funds
	Parking	Sewer		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$12,329,180	\$ 2,388,032	\$ 3,859,770	\$ 18,576,982
Receipts from user departments	-	-	-	24,972,784
Payments to suppliers	(2,278,863)	(972,722)	(1,470,693)	(3,065,643)
Payments to employees	(4,854,297)	(1,096,143)	(1,850,572)	(5,205,068)
Claims and insurance paid	-	-	-	(14,506,890)
<b>Cash flows provided by (used in) operating activities</b>	<b>5,196,020</b>	<b>319,167</b>	<b>538,505</b>	<b>6,053,692</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Interfund loan receipts	-	-	408,104	270,140
Interfund loan payments	(477,051)	-	-	(209,153)
Interfund receipts	-	-	55,313	-
Interfund payments	(172,727)	(51,349)	(606,947)	(200,000)
<b>Cash flows provided by (used for) noncapital financing activities</b>	<b>(649,778)</b>	<b>(51,349)</b>	<b>(143,530)</b>	<b>(844,657)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	(462,008)	(424,794)	(23,489)	(910,291)
Debt principal repayment	-	(628,994)	(1)	(628,995)
Interest paid	(188,608)	(257,386)	-	(445,994)
<b>Cash flows used for capital and related financing activities</b>	<b>(650,616)</b>	<b>(1,311,174)</b>	<b>(23,490)</b>	<b>(1,985,280)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment losses	(157,682)	(70,478)	(49,263)	(277,423)
<b>Cash flows used for investing activities</b>	<b>(157,682)</b>	<b>(70,478)</b>	<b>(49,263)</b>	<b>(277,423)</b>
<b>Net increase (decrease) in cash and cash equivalent</b>	<b>3,737,944</b>	<b>(1,113,834)</b>	<b>322,222</b>	<b>2,946,332</b>
<b>CASH AND CASH EQUIVALENT:</b>				
Beginning of year	4,014,950	6,747,940	6,400,255	17,163,145
End of year	<u>\$ 7,752,894</u>	<u>\$ 5,634,106</u>	<u>\$ 6,722,477</u>	<u>\$ 20,109,477</u>
				<u>\$ 19,701,680</u>

City of Monterey  
Statement of Cash Flows – Proprietary Funds, Continued  
Year Ended June 30, 2022

	Business-type Activities				Governmental Activities - Internal Service Funds
	Parking	Sewer	Nonmajor Enterprise Funds	Total	
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>					
Operating activities:					
Operating income (loss)	\$ 9,951,716	\$ 720,477	\$ 1,776,647	\$ 12,448,840	\$ 3,621,320
Adjustments to reconcile operating income (loss) to net cash flows provided by (used in) operating activities:					
Depreciation	339,005	396,217	344,247	1,079,469	1,182,691
Pension expense	(5,130,059)	(773,287)	(1,056,378)	(6,959,724)	(6,072,321)
OPEB expense	(263,725)	(25,272)	(13,293)	(302,290)	(28,321)
Change in assets and liabilities:					
(Increase) decrease in accounts receivables	(124,867)	55,084	(92,483)	(162,266)	401,770
(Increase) decrease in lease receivables	(614,402)	-	(797,364)	(1,411,766)	-
(Increase) decrease in prepaid expenses	(18,900)	-	-	(18,900)	-
Increase (decrease) in accounts payable	454,394	(64,839)	(443,671)	(54,116)	216,036
Increase (decrease) in accrued expenses	8,087	4,779	12,723	25,589	(5,058)
Decrease in deposits payable	1,385	-	-	1,385	-
Increase (decrease) in compensated absences	9,375	6,008	23,308	38,691	407
Increase (decrease) in claims payable	-	-	-	-	2,878,659
Increase (decrease) in leases related deferred inflows of resources	584,011	-	784,769	1,368,780	-
<b>Cash flows provided by operating activities</b>	<b>\$ 5,196,020</b>	<b>\$ 319,167</b>	<b>\$ 538,505</b>	<b>\$ 6,053,692</b>	<b>\$ 2,195,183</b>
<b>NONCASH ITEMS:</b>					
Capital Contribution	\$ -	\$ -	\$ 1,607,783	\$ 1,607,783	\$ -

The City maintains two types of fiduciary funds: custodial funds and private purpose trust funds. These funds are presented separately from the Entity-wide and Fund financial statements.

A private purpose trust fund is used to report all trust arrangements, other than those properly reported in pension trust funds or investment trust funds, under which principal and income benefit individuals, private organizations or other governments. A summary description of the City's fund is as follows:

**Redevelopment Successor Agency Private Purpose Trust Fund** – This fund was established to account for assets held by the Redevelopment Successor Agency pending distribution to the appropriate taxing entities after the payment of enforceable obligations that were in effect as of the signing of Assembly Bill X1 26.

**Custodial fund** account for assets held by the City as agent for individuals, governmental entities, and other organizations.



City of Monterey  
Statement of Fiduciary Net Position – Fiduciary Funds  
June 30, 2022

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	Private Purpose Trust Fund	District Custodial Fund
<b>ASSETS:</b>		
Cash and investments	\$ 69,005	\$ 286,539
Accounts receivable	-	1,141
Interest receivables	233	-
Total assets	<u>69,238</u>	<u>287,680</u>
<b>LIABILITIES:</b>		
Accounts payable	-	92,251
Total liabilities	<u>-</u>	<u>92,251</u>
<b>NET POSITION</b>		
Held in trust for individuals, organizations, and other governments	<u>\$ 69,238</u>	<u>\$ 195,429</u>

City of Monterey  
Statement of Changes in Fiduciary Net Position – Fiduciary Funds  
June 30, 2022

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	Private Purpose Trust Fund	District Custodial Fund
<b>ADDITIONS:</b>		
Investment income	\$ (1,104)	\$ -
Total additions	<u>(1,104)</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	(1,104)	-
<b>NET POSITION:</b>		
Beginning of year	70,342	195,429
End of year	<u>\$ 69,238</u>	<u>\$ 195,429</u>

	<u>Page</u>
<b>Note 1 – Summary of Significant Accounting Policies.....</b>	<b>36</b>
A. Reporting Entity .....	36
B. Basis of Accounting, Measurement Focus, and Financial Statements Presentation .....	37
C. Cash and Investments .....	40
D. Cash Equivalents.....	40
E. Fair Value Measurements.....	41
F. Prepaid Items .....	41
G. Property Held for Resale .....	41
H. Capital Assets .....	41
I. Deferred Outflows of Resources and Deferred Inflows of Resources .....	42
J. Compensated Absences .....	43
K. Property Tax.....	43
L. Pension Plans .....	43
M. Other Postemployment Benefits (“OPEB”) Plan.....	44
N. Net Position.....	44
O. Fund Balances.....	45
P. Stabilization Reserve .....	46
Q. Use of Estimates.....	46
R. Implementation of New GASB Pronouncement.....	46
 <b>Note 2 – Cash and Investments .....</b>	 <b>46</b>
A. Demand Deposits .....	47
B. Authorized Investments by California Government Code and the City’s Investment Policy.....	48
C. Investments Authorized by Debt Agreement.....	48
D. Fair Value Measurements.....	48
E. Interest Rate Risk.....	49
F. Concentration of Credit Risk.....	50
G. Custodial Credit Risk.....	50
H. Local Agency Investment Fund.....	51
 <b>Note 3 – Interfund Transactions .....</b>	 <b>51</b>
A. Government-Wide Financial Statements .....	51
B. Fund Financial Statements .....	51
 <b>Note 4 –Loans Receivable .....</b>	 <b>53</b>
A. Rehabilitation Loans.....	53
B. Down Payment Assistance Loans .....	54
C. Project Subsidy Loans.....	54

	<u>Page</u>
<b>Note 5 – Leases .....</b>	<b>54</b>
<b>Note 6 – Capital Assets .....</b>	<b>55</b>
A. Governmental Activities .....	55
B. Business-Type Activities .....	56
<b>Note 7 – Long-Term Liabilities .....</b>	<b>57</b>
A. Governmental Activities .....	57
B. Business-Type Activities .....	61
C. Pledged Revenue Coverage .....	63
<b>Note 8 – Pension Plans.....</b>	<b>64</b>
A. California Public Employees Retirement System (“CalPERS”).....	64
B. Deferred Compensation Plan .....	73
<b>Note 9 – Other Postemployment Benefits (“OPEB”) Plan .....</b>	<b>73</b>
A. General Information about the OPEB Plan.....	73
B. Net OPEB Liability .....	74
C. Changes in Net OPEB Liability.....	76
D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB .....	77
E. Retirement Health Savings Plan .....	77
<b>Note 10 – Risk Management .....</b>	<b>78</b>
A. Coverage.....	78
B. Liability for Self-Insured Claims .....	79
<b>Note 11 – Fund Balances .....</b>	<b>80</b>
<b>Note 12 - Presidio Municipal Services Agency (Jointly Governed Organization).....</b>	<b>81</b>
<b>Note 13 – Commitments and Contingencies.....</b>	<b>81</b>
<b>Note 14 – Deficit Fund Balance/Net Position Disclosures .....</b>	<b>82</b>
<b>Note 15 – Prior Period Adjustment and Correction of Errors.....</b>	<b>83</b>
<b>Note 16 – Subsequent Events.....</b>	<b>84</b>

## **Note 1 - Summary of Significant Accounting Policies**

The City of Monterey, California (City) was incorporated in 1850 as a charter city and operates under the Council-Manager form of government. The City provides the following services: public safety (police, fire and building inspection), highways and streets, sewer collection, leisure services, public improvements, planning and zoning, and general administration services.

### **A. Reporting Entity**

The financial statements of the City include the financial activities of the City as well as separate legal entities that are controlled by and dependent on the City. The City Council serves as the governing board of the City of Monterey Joint Powers Financing Authority (Authority), a joint powers authority between the City and Successor Agency to the former Redevelopment Agency. These financial activities are controlled entirely by the City, which also performs all their administrative and accounting functions. Therefore, the financial activities of these component units have been blended with those of the City in the accompanying basic financial statements. Financial statements for the Authority may be obtained from the City of Monterey, 735 Pacific Street, Suite A, Monterey, California, 93940.

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The primary criteria for including a potential component unit within the reporting entity are the governing body's financial accountability and a financial benefit or burden relationship and whether it is misleading to exclude. A primary government is financially accountable and shares a financial benefit or burden relationship, if it appoints a voting majority of an organization's governing body and it is able to impose its will on the organization, or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. A primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

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

**B. Basis of Accounting, Measurement Focus, and Financial Statements Presentation**

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the primary government. These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal service funds and similar activities. The effect of inter-fund services provided and used between functions is not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The government-wide financial statements are reported using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and liabilities, including capital assets (as well as infrastructure assets) and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including most taxes, are presented as general revenues. Certain indirect costs are included in program expenses reported for individual functions and activities.

Fund Financial Statements

The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category - *governmental*, *proprietary*, and *fiduciary* are presented.

The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds in a single column, regardless of their fund-type.

Governmental Fund Financial Statements

Governmental funds 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*.

The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for claims, judgments, compensated absences, and principal and interest on general long-term debt which are recognized as expenditures to the extent they have matured. Financial resources usually are appropriated in other funds for transfer to the debt service fund in the period in which maturing debt principal and interest must be paid. Such amounts are not current liabilities of the debt service funds as their settlement will not require expenditure of existing fund assets. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Issuance of governmental long-term debt and capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual are property and franchise taxes, licenses, certain other intergovernmental revenues, certain charges for services and interest revenue. Sales taxes collected and held by the State at year-end on behalf of the City also are recognized as revenue.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied, assessed, or when underlying transactions take place. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Major funds are those that have assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds. The City reported the following major governmental funds in the accompanying financial statements:

**General Fund** – This is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The major revenue sources of this fund include transient occupancy tax, property tax, sales tax, business license tax, utility user's tax and charges for services. These revenues support the general operations of the City, which include police, fire, street maintenance, parks, recreation, planning and general government. In addition, the General Fund finances many capital improvements.

**Tidelands Fund** – This fund was established, as prescribed by the State of California, to account for all revenues and expenditures within the tidelands area of the City.

**Presidio of Monterey Public Works Special Revenue Fund** – This fund was created in 1999 to account for costs and revenues pertaining to the Presidio of Monterey maintenance contract. Intergovernmental grants are reported in this fund.

### Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows for each proprietary fund.

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

Proprietary fund *operating* revenues and expenses, such as charges for services, and payments to employees and vendors, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Non-operating* revenues and expenses, such as subsidies, investment earnings, changes in fair value of investments and interest charges result from non-exchange transactions or ancillary activities.

The concept of major funds extends to Proprietary Funds. The City has identified the funds below as major proprietary funds. Individual nonmajor funds may be found in the supplemental section.

**Parking Enterprise Fund** – This fund was established to pay for construction, operation, and maintenance of parking facilities and improvements. The revenue sources include parking fees, permits and fines.

**Sewer Enterprise Fund** - This fund was established to pay for construction, operation, and maintenance of sewer lines and improvements. The revenue sources include residential and commercial sewer fees.

**Internal Service Funds** – These funds are established to finance and account for services and commodities furnished by designated department or agency to other departments and agencies within a single governmental unit, or to other governmental units, all of which are provided to other departments on a cost-reimbursement basis. These funds account for automotive services, automotive replacement, data processing and other information services, workers' compensation, general liability and employee benefits.

### Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a statement of Net Position and a Statement of Changes in Fiduciary Net position. The City's fiduciary funds represent custodial fund and a private-purpose trust fund. Both the custodial fund and the private-purpose trust fund are accounted for on the full accrual basis of accounting.



**Private Purpose Trust Fund** – The City has one Private Purpose Trust Fund, which is used to report the resources held and administered by the Successor Agency to the former Redevelopment Agency of the City of Monterey.

**Custodial Funds** – The City uses a District Custodial Fund to account for assets held by the City as an agent for special districts including Ocean View Community Service and Monterey County Tourism Improvement Districts; Cannery Row, North Fremont, and New Monterey Business Districts; and Downtown and Wharf Promotion Districts, and Dubrovnik Sister City Donation.

### ***C. Cash and Investments***

The City's cash are cash on hand and demand deposits with financial institutions.

The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

Certain disclosure requirements, if applicable, for deposits and investment risks in the following areas are presented in the footnotes:

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

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

### ***D. Cash Equivalents***

For purposes of the statement of cash flows, the City considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. Proprietary fund types' cash and investments balances classified as Available for Operations are considered cash equivalents for purposes of the statement of cash flows.

***E. Fair Value Measurements***

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

- Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
- Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities through corroboration with market data at the measurement date. The City uses matrix pricing to quote its level 2 investments.
- Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

***F. Prepaid Items***

Prepaid items are recorded under the consumption method. Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid items in both the government-wide and fund financial statements.

***G. Property Held for Resale***

As part of the City’s previous Low & Moderate Income Housing Program, the former Redevelopment Agency purchased and sold affordable homes in the City to low/moderate income homebuyers in accordance with the affordable housing program. With the dissolution of the Redevelopment Agency, the City has elected to act as the Housing Successor Agency, which now administers this program. Homes are sold at below-market prices, but purchasers must resell these homes only to the City at approximately the same price and in the same condition. Homes owned by the City are accounted for at acquisition cost or at net realizable value, which is below market. Homes are deed restricted units with a City option for purchase. Homes are resold back to the City under an indexed price increase linked to the Consumer Price Index for the San Jose/San Francisco area.

***H. Capital Assets***

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of 3 years or greater. For infrastructure to be capitalized, it must meet the elevated threshold cost of \$150,000 and a useful life of 5 years or greater. All capital assets are valued at historical cost or estimated historical cost that actual historical cost is not available. Contributed capital assets are valued at their acquisition value on the date contributed. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Some capital assets may be acquired using federal and State grant funds, or they may be contributed by developers or other governments. These contributions are accounted for as revenues at the time the capital assets are contributed.

Capital asset depreciation is calculated using mid-year convention, along with the straight-line method for the annual calculation. Depreciation has been provided on capital assets in the government-wide financial statements. Depreciation of all capital assets is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the Statement of Net Position as a reduction in the book value of capital assets. Depreciation is reported using the straight-line method, which means the cost of the asset, is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated.

The City has assigned the useful lives listed below to capital assets:

Bridges, Roadways, Railroads, Bridges, Wharves	50 years
Buildings	40 years
Building Improvements	20 years
Improvements other than Buildings	30 years
Docks, Sea Walls, Bulkheads	30 Years
Vehicles	5-10 years
Machinery and Equipment	5-15 years

Art Collections, Library Reserve Collections, and Museum and Historical Collections, that are considered inexhaustible in that their value does not diminish over time, are not required to be capitalized if all of the following conditions are met:

- The collection is held for public exhibition, education, or research in furtherance of public service, rather than financial gain.
- The collection is protected, kept unencumbered, cared for, and preserved.
- The City maintains a policy that requires proceeds from sales to be used to acquire other items for the collections.

Living things will not be capitalized due to the high level of ongoing maintenance and/or training (animals) to extend its life and/or add usefulness. Some examples are: trees, grass/sod, other vegetation, police/fire dogs, horses or other animals.

Street related infrastructure items such as regular road maintenance with an expected life of less than 1 year (slurry seals) or traffic calming measures (street striping, speed bumps, medians, vegetation) are items that do not materially add to the value of the asset or extend its useful life.

#### ***I. Deferred Outflows of Resources and Deferred Inflows of Resources***

The Statement of Net Position and the Balance Sheet report 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 assets) that apply to future periods; therefore, will not be recognized as an expense until that time.

**Deferred Inflows of Resources** represent inflows of resources (acquisition of net assets) that apply to future periods; therefore, will not be recognized as revenue until that time.

**J. *Compensated Absences***

Compensated absences comprise unused vacation leave and compensated time off, which are accrued as earned, and become "due" upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Unused sick leave does not vest. The long-term liability for compensated absences is determined annually. An estimate has been made of compensated absences due within one year of the date of the statement of net position.

**K. *Property Tax***

Monterey County assesses properties and bills, collects, and distributes the City's portion of actual property taxes collected to the City. Secured and unsecured property taxes are levied on January 1. Property taxes levied are recorded as revenue and receivables in the fiscal year of levy, provided they are collected during the fiscal year or within 30 days of the fiscal year end.

Secured property tax is due in two installments, on November 1 and March 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1, and becomes delinquent on August 31. The term "unsecured" refers to taxes on personal property, which is property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed.

**L. *Pension Plans***

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

The following timeframes are used for pension reporting:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

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 inflows of resources related to pensions and are to be recognized in further pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over five years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

**M. Other Postemployment Benefits (“OPEB”) Plan**

For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City’s OPEB Plan and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at amortized cost.

The following timeframes are reported OPEB reporting:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

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

**N. Net Position**

Net position is measured on the full accrual basis as compared to Fund Balance, which is measured on the modified accrual basis. Net position is the excess of all the City’s assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, regardless of source. Net position is classified as follows:

Net Investment in Capital Assets describes the portion of net position which is represented by the current net book value of the City’s capital assets, less the outstanding balance of any debt issued to finance these assets, net of unspent debt proceeds and retention payable.

Restricted describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These are principally debt service requirements, endowment funds, former redevelopment funds restricted to low and moderate income purposes and grant funding restricted for public works projects.

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

The City may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The City's policy is to first apply restricted resources to such programs, followed by the unrestricted component of net position as needed.

**O. Fund Balances**

In the Governmental Fund Financial Statements, fund balance is displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

*Nonspendable* – nonspendable fund balances are items that are not expected to be converted to cash associated with inventories, prepaid items, unrestricted long-term loans and notes receivable, and property held for resale (unless the proceeds will be restricted, committed, or assigned once they do become available) or items that are required to be maintained intact, such as principal of an endowment.

*Restricted* – restricted fund balances are subject to constraints for specific purposes imposed by external providers (such as grantors, bondholders and higher levels of government), through constitutional provisions or by enabling legislation.

*Committed* – committed fund balances can be used only for specific purposes determined by formal resolution adopted by the City Council (the City's level of decision-making authority) and use of these funds requires the same formal Council action prior to year-end. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally. The City Council is considered the highest authority for the City.

*Assigned* – assigned fund balances are intended by the Council to be used for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned fund balances include unexpended encumbrances not classified at a more restricted level. The City Council adopts the City's Financial Policies as part of the adoption of the annual budget. The Financial Policies include policies on the assignment of fund balance.

*Unassigned* – unassigned fund balance is the residual classification for the government's General Fund and includes all amounts not contained in the other classifications. It is possible for other governmental funds to have negative unassigned fund balance when nonspendable, restricted, committed and assigned fund balances for specific purposes exceed the positive fund balance for that fund.

At year end restricted fund balances for specific purposes are determined (excluding nonspendable amounts). Remaining fund balance, considered spendable, is classified into committed, assigned or unassigned categories depending upon the intended use of the balances. Fund balance amounts for governmental funds are classified as restricted or committed depending upon the purpose and restrictions imposed on each specific fund. The City applies expenditures to the most restrictive available balances first, and then less restricted funds as required in the order of committed, assigned, and then unassigned.

**P. Stabilization Reserve**

The City maintains a stabilization arrangement in the form of the “Reserve for Economic Uncertainty”. The City Council retains the authority to establish the Reserve for Economic Uncertainty as a Committed Fund Balance by Council Resolution. The City goal is to maintain a reserve equivalent to 16.6% of the General Fund annual operating budget. The City Council approves additions to the stabilization arrangements through the adoption of the annual budget, should the reserve fall below 16.6%. The stabilization arrangement is established for the purpose of providing funds for an unforeseen, urgent event that affects the operations or safety of the City (e.g. natural disaster). The recognition of an urgent event must be established by the City Council, and a budget revision must be approved. The balance of the reserve at the end of the fiscal year was \$14,756,207.

**Q. Use of Estimates**

The preparation of the financial statements in accordance with 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.

**R. Implementation of New GASB Pronouncement**

GASB Statement No. 87, *Leases*. This statement establishes standards relating accounting and financial reporting for lessor and lessee transactions. See Note 15 for restatement of beginning net position and fund balances as result of implementation.

**Note 2 - Cash and Investments**

The City maintains a cash and investment pool, which includes cash balances and authorized investments of all funds. Certain restricted funds which are held and invested by independent outside custodians through contractual agreements are not pooled. These restricted funds include the deposits held in escrow.

The City reported cash and investments at June 30, 2022 in the accompanying financial statements as follows:

	Government-Wide Statement of Net Position	Fiduciary Fund Statement of Net Position	Total
Cash and investments	\$ 97,267,546	\$ 355,544	\$ 97,623,090
Restricted cash and investments	9,827,945	-	9,827,945
Total cash and investments	<u>\$ 107,095,491</u>	<u>\$ 355,544</u>	<u>\$ 107,451,035</u>

The City had the following cash and investments at June 30, 2022:

**A. Demand Deposits**

The carrying amounts of the City's deposits with financial institutions were \$10,400,146 at June 30, 2022. Bank balances at that date were \$12,304,000, the total amount of which was collateralized or insured with accounts held by the pledging financial institutions in the City's name as discussed below.

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

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

The City follows the practice of pooling cash and investments of all funds, except for funds deposited in escrow which were required by construction projects. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances.



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

The City's investment policy and the California Government Code allow the following investments:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio**	Maximum Investment in One Issuer
U.S. government obligations	5 years	N/A	N/A
U.S. government sponsored enterprise securities	5 years	N/A	N/A
Bankers' acceptances	180 days	40%	N/A
Commercial paper*	270 days	25%	10%
Negotiable certificates of deposit	5 years	30%	N/A
Repurchase agreements	90 days	N/A	N/A
Reverse repurchase agreements	90 days	20%	N/A
California Local Agency Investment Fund	N/A	N/A	N/A
Certificates of deposit (or time deposits)	N/A	25%	N/A
Medium term corporate notes**	5 years	30%	5%

\* Rated A-1 by Standard & Poor's Corporation or P-1 by Moody's

\*\* Rated A or better by Standard & Poor's Corporation or Moody's N/A - Not Applicable

**C. Investments Authorized by Debt Agreement**

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. Investments authorized for funds held by bond trustee include United States Treasury obligations, United States government sponsored enterprise securities, certificates of deposits, commercial paper, local agency bonds, banker's acceptance, money market mutual funds, investment agreements, repurchase agreements, local agency investment fund of the State of California and any other investments permitted in writing by bond insurer. There were no limitations on the maximum amount that can be invested in one issuer, maximum percentage allowed or the maximum maturity of an investment.

**D. Fair Value Measurements**

At June 30, 2022, investments are reported at fair value. The following table presents the fair value measurements of investments on a recurring basis and the levels with GASB Statement No. 72 fair value hierarchy in which the fair value measurements fall at June 30, 2022.

		Level		Not subject to fair value or Uncategorized
		1	2	
Investments:				
Local Agency Investment Fund	\$ 19,555,614	\$ -	\$ -	\$ 19,555,614
Money market funds	669,561	-	-	669,561
U.S. Treasury notes	32,034,674	32,034,674	-	-
U.S. Agencies	17,629,107	-	17,629,107	-
Negotiable certificates of deposit	3,725,886	-	3,725,886	-
Corporate notes	18,314,901	-	18,314,901	-
Investments with fiscal agent:				
Money market funds	5,083,132	-	-	5,083,132
Total	<u>\$ 97,012,875</u>	<u>\$ 32,034,674</u>	<u>\$ 39,669,894</u>	<u>\$ 25,308,307</u>

**E. 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. The City's investment policy provides that the City manages its exposure to interest rate risks by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. At June 30, 2022, the City had the following investment maturities:

Investment Type	Fair Value	Investment Maturities in Years		
		< 1 Year	1-3 Years	3-5 Years
Investments:				
Local Agency Investment Fund	\$ 19,555,614	\$ 19,555,614	\$ -	\$ -
Money market funds	669,561	669,561	-	-
U.S. Treasury notes	32,034,674	7,461,428	18,967,739	5,605,507
U.S. Agencies	17,629,107	10,899,064	6,730,043	-
Negotiable certificates of deposit	3,725,886	3,725,886	-	-
Corporate notes	18,314,901	3,995,636	9,373,656	4,945,609
Investments with fiscal agent:				
Money market funds	5,083,132	5,083,132	-	-
Total	\$ 97,012,875	\$ 51,390,321	\$ 35,071,438	\$ 10,551,116

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. The City of Monterey's Investment Policy provides that this risk be mitigated by investing in investment grade securities and by diversifying the investment portfolio. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. At June 30, 2022, the City's investments are rated as following:

Investment Type	Amount	Minimum Legal Rating	AAA	AA	A1	A	Unrated
Investments:							
Local Agency Investment							
Fund	\$ 19,555,614	N/A	\$ -	\$ -	\$ -	\$ -	\$19,555,614
Money market funds	669,561	AAA	669,561	-	-	-	-
U.S. Treasury notes	32,034,674	N/A	-	30,035,708	1,998,966	-	-
U.S. Agencies	17,629,107	N/A	-	17,629,107	-	-	-
Negotiable certificates of deposit	3,725,886	A	-	-	3,725,886	-	-
Corporate notes	18,314,901	A	-	2,385,081	-	15,929,820	-
Investments with fiscal agent:							
Money market funds	5,083,132	AAA	5,083,132	-	-	-	-
Total	<u>\$ 97,012,875</u>		<u>\$ 5,752,693</u>	<u>\$ 50,049,896</u>	<u>\$ 5,724,852</u>	<u>\$ 15,929,820</u>	<u>\$19,555,614</u>

#### F. Concentration of Credit Risk

The City's investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

Investment in any one issuer that represent 5% or more of total City investment, excluding investment with fiscal agent, are as follows:

Issuer	Investment Type	Amount	Percentage
Federal Home Loan Bank	U.S. government agency	\$ 4,747,609	5%
Federal Home Loan Mortgage Corporation	U.S. government agency	4,802,199	5%

#### G. Custodial Credit Risk

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 and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system.

**H. Local Agency Investment Fund**

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

**Note 3 - Interfund Transactions**

**A. Government-Wide Financial Statements**

Internal Balances – At June 30, 2022, the City had the following internal receivables and payables, which represents internal borrowing and lending between the governmental activities and business-type activities:

		Internal Payables
		Business-Type Activities
Internal Receivables		
Governmental Activities	\$	4,122,331

Specific details of all transfers are reflected in Note 3B.

**B. Fund Financial Statements**

Due To/From Other Funds – Current inter-fund balances represent short-term loans to cover negative cash balances, which result from timing of cash flows at year end. These inter-fund balances are expected to be repaid in the first quarter of the subsequent year.

At June 30, 2022, the City had the following inter-fund balances:

	Due to Other Funds					Total
	Presidio of Monterey Public Works	Nonmajor Governmental Funds	Parking Funds	Nonmajor Enterprise Funds	Internal Service Funds	
Due from Other Funds						
General Fund	\$ 9,248,077	\$ 336,754	\$ 600,000	\$ 148,721	\$ 983,943	\$11,317,495

The amounts above resulted from temporary borrowing made at June 30, 2022 to cover cash shortfalls.

Advances To/From Other Funds – At June 30, 2022, the City had the following advances to/from other funds:

	Advances from Other Funds					
	Governmental Funds		Proprietary Funds			
	General Fund	Nonmajor Governmental Funds	Parking Fund	Nonmajor Enterprise Funds	Internal Service Funds	Total
Advances to Other Funds						
<b>Governmental Funds</b>						
General Fund	\$ -	\$ 40,000	\$ 3,114,227	\$ 259,383	\$ -	\$ 3,413,610
Tidelands	331,761	-	-	-	1,400,000	1,731,761
<b>Proprietary Funds</b>						
Internal Service Funds	113,410	-	-	-	-	113,410
Total	\$ 445,171	\$ 40,000	\$ 3,114,227	\$ 259,383	\$ 1,400,000	\$ 5,258,781

The General Fund received advances from the Tidelands Special Revenue Fund for the purchase of portable and mobile radio communications equipment for fire and police departments and the advance will be paid off during the fiscal year ending June 30, 2024 with 0.5% interest rate. Additionally, advances were made from the Equipment Replacement Internal Service Fund for the Conference Center renovation, public safety radio, and fire truck loans and loans will be paid off during the year ending June 30, 2028 with 0% interest rate.

The Nonmajor Low Mod Housing Asset Special Revenue Fund received advances from the General Fund for Monterey Hotel/Affordable Housing and the advance will be paid back by the project rent during the year ending June 30, 2024 with 0% interest.

The Parking Enterprise Fund received an advance from the General Fund, per Council Resolution, representing several years of annual debt service payments on the Custom House Parking Garage Bond, made by the General Fund to Parking's benefit and the advance will be paid off during the year ending June 30, 2025 with 4.5% interest rate.

The Internal Service Funds received advances from the Tidelands Special Revenue Fund (nonmajor) for the case of “Custom House vs City of Monterey” settlement and the advance will be repaid during the year ending June 30, 2029 with an interest rate estimated to be 2.5%.

Transfers In/Out – with Council approval, resources may be transferred from one City fund to another. Transfers between funds during the year ended June 30, 2022 were as follows:

Transfers Out	Transfers In						Total
	Governmental Funds			Proprietary Funds			
	General	Presidio of Monterey Public Works	Non-Major Governmental	Parking	Nonmajor Enterprise	Internal Service	
	Fund	Fund	Funds	Fund	Funds	Funds	
Governmental Funds							
General Fund	\$ -	\$ 10,393,523	\$ 2,918,803	\$ -	\$ 55,313	\$ 240,915	\$ 13,608,554
Tidelands	-	-	664,328	-	-	-	664,328
Non-Major Governmental Funds	311,548	-	7,494,835	17,797	-	-	7,824,180
Proprietary Funds							
Sewer	51,349	-	-	-	-	-	51,349
Parking	304,195	-	122,202	-	-	-	426,397
Non-Major Enterprise Funds	371,074	-	-	235,873	-	-	606,947
Total	\$ 1,038,166	\$ 10,393,523	\$ 11,200,168	\$ 253,670	\$ 55,313	\$ 240,915	\$ 23,181,755

Transfers are used to 1) move monies from the nonmajor governmental funds for interfund advance for safety radios & parks and street maintenance, 2) move monies from the various enterprise funds to the General fund for custodial maintenance services; 3) to move monies from Non-Major Enterprise Funds to the General Fund for the long-term debt payments made by the General fund; 4) to move monies from various funds for reimbursement of capital project expenses; 5) to move monies from the General fund to the Non-major governmental funds for lease payments on the 2013 Lease Revenue Bond; 6) to move monies from the CCFD City Revenue Fund (the Nonmajor Governmental Fund) to the Conference Center CIP Fund (the Nonmajor Governmental Fund) for labor cost associated to the Conference Center renovation project; 7) to move monies from the various Nonmajor Governmental Funds and from the Marina fund to the Parking Fund for annual parking support and other parking related services; 8) to move monies from the General Fund to the Nonmajor Enterprise Funds to reopen closed the Cemetery and the Material Recovery funds ; 9) to move monies from the General fund to the Internal Service Funds for costs associated with self-insurance and 10) to move monies from the General fund to Presidio of Monterey Public Works Fund and Internal Service Funds for the deficit fund balances.

#### Note 4 - Loans Receivable

##### A. Rehabilitation Loans

These are loans up to \$90,000 to qualifying low-income homeowners in the City. Such loans bear simple interest at 5% per annum, with principal and interest due upon the sale or transfer of the residence. Due to the long-term nature of the interest receivable, interest on the loans is reported as unavailable revenue in the fund financial statements. At June 30, 2022, the outstanding balance was \$1,131,183.

**B. Down Payment Assistance Loans**

These are loans to qualified moderate income residents of the City or qualified moderate income individuals employed in the City for up to 15% of the purchase price of a residence in the City (to a maximum of \$50,000) to allow the purchasers total housing costs to be under 35% of their gross income. The City provides a 15-year deferred loan with simple interest at 5% (3% for HOME funded loans). At the end of the 15-year period the loan can be extended for an additional 5-year period if the household is still income eligible. Due to the long-term nature of the interest receivable, interest on the loans is recorded only when it becomes available as net current assets. At June 30, 2022, the outstanding balance was \$1,351,527.

**C. Project Subsidy Loans**

In October 1997, the former Redevelopment Agency entered into a Development Agreement and Ground Lease with a developer for the C-21 Redevelopment Mixed Use Project in the Custom House Redevelopment Project Area. Under the terms of the agreement, the developer constructed a theater/retail complex, which included affordable housing units. The developer agreed to provide on-site management of the housing units. The Agency agreed to provide a project subsidy loan to implement the project. This asset was transferred to the Housing Successor Agency in 2012. Further, other project subsidy loan included a loan to Carl Outzen for low/moderate income housing at 541 Wave Street, a loan to Interim, Inc. for 504 Franklin Street and 608 Pearl Street housing for low income chronically mentally ill adults with a balance of and a loan to Shelter Plus for a transitional housing project. At June 30, 2022, the outstanding balance was \$6,137,230.

**Note 5 - Leases**

The City, as a lessor, has entered into long-term non-cancelable lease agreements for buildings, parking lots, land, facilities, and cell sites, which expire at various dates through 2061. During the year ended June 30, 2022, the City recognized \$2,967,909 and \$1,262,160 in lease revenue and interest revenue, respectively, pursuant to these contracts. As of June 30, 2022, the City has a receivable for lease payments of \$42,215,543, and a balance of deferred inflow of resources of \$41,379,671. The future lease payments were discounted at a rate of 1.72% to 3.57%, depending on the length of the lease.

## Note 6 - Capital Assets

### A. Governmental Activities

Summary of changes in the governmental activities capital assets for the year ended June 30, 2022 was as follows:

	Balance July 1, 2021	Additions	Deletion	Contribution and Reclassification	Balance June 30, 2022
<b>Governmental Activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 30,193,285	\$ -	\$ -	\$ -	\$ 30,193,285
Construction in progress	63,162,347	8,386,662	-	(5,314,306)	66,234,703
Total capital assets not depreciated	93,355,632	8,386,662	-	(5,314,306)	96,427,988
Capital assets, being depreciated:					
Buildings and improvements	122,164,923	-	-	(4,603,119)	117,561,804
Improvements other than buildings	36,729,672	3,207,458	-	-	39,937,130
Machinery and equipment	20,790,245	627,906	(6,581)	(1,416,921)	19,994,649
Infrastructure	83,834,922	1,683,347	-	1,410,246	86,928,515
Total capital assets depreciated	263,519,762	5,518,711	(6,581)	(4,609,794)	264,422,098
Less accumulated depreciation:					
Buildings and improvements	(44,543,292)	(2,662,351)	-	2,997,960	(44,207,683)
Improvements other than buildings	(21,718,699)	(882,803)	-	-	(22,601,502)
Machinery and equipment	(13,612,018)	(1,340,418)	6,581	3,913	(14,941,942)
Infrastructure	(40,599,992)	(1,761,237)	-	-	(42,361,229)
Total accumulated depreciation	(120,474,001)	(6,646,809)	6,581	3,001,873	(124,112,356)
Total capital assets, depreciated, net	143,045,761	(1,128,098)	-	(1,607,921)	140,309,742
Total capital assets, net	\$ 236,401,393	\$ 7,258,564	\$ -	\$ (6,922,227)	\$ 236,737,730

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or programs are as follows:

General government	\$ 609,025
Public safety-police	999,618
Public safety-Safety	1,284,337
Public works	1,513,282
Community development	351,457
Parks and recreation	585,706
Library and museum	120,691
Total depreciation expense- general government	5,464,116
Internal Service Funds	1,182,691
Total depreciation expense- governmental activities	\$ 6,646,807



**B. Business-Type Activities**

Summary of changes in the business-type activities capital assets for the year ended June 30, 2022 was as follows:

	Balance July 1, 2021	Additions	Deletions	Contribution and Reclassification	Balance June 30, 2022
Business-Type Activities:					
Capital assets, not being depreciated:					
Land	\$ 9,205,157	\$ -	\$ -	\$ -	\$ 9,205,157
Construction in process	12,802,053	819,661	-	-	13,621,714
Subtotal:	22,007,210	819,661	-	-	22,826,871
Capital assets, being depreciated:					
Buildings and improvements	21,815,143	-	-	4,603,119	26,418,262
Improvements other than buildings	13,631,220	84,073	-	-	13,715,293
Machinery and equipment	1,088,338	-	-	-	1,088,338
Infrastructure	19,134,789	6,537	-	6,557	19,147,883
Subtotal:	55,669,490	90,610	-	4,609,676	60,369,776
Total capital assets	77,676,700	910,271	-	4,609,676	83,196,647
Less accumulated depreciation:					
Buildings and improvements	(18,212,280)	(452,560)	-	(3,001,873)	(21,666,713)
Improvements other than buildings	(10,731,527)	(331,752)	-	-	(11,063,279)
Machinery and equipment	(1,088,338)	-	-	-	(1,088,338)
Infrastructure	(1,986,772)	(295,158)	-	-	(2,281,930)
Total accumulated depreciation	(32,018,917)	(1,079,470)	-	(3,001,873)	(36,100,260)
Total capital assets, net	\$ 45,657,783	\$ (169,199)	\$ -	\$ 1,607,803	\$ 47,096,387

Depreciation expenses charged to the business-type activities are as follows:

Parking	339,005
Sewer	396,217
Nonmajor enterprise funds	344,247
Total depreciation expense	<u>\$ 1,079,469</u>

## Note 7 - Long-Term Liabilities

### A. Governmental Activities

The summary of changes in the governmental activities long-term liabilities for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022	Amount Due Within One Year	Amount Due in More Than One Year
<b>Special Tax Bonds Payable:</b>						
Conference Ctr Facilities District, 3.95% due 12/2034	\$ 41,168,458	\$ -	\$ (2,361,182)	\$ 38,807,276	\$ 2,092,340	\$ 36,714,936
<b>Loans and Financing Agreements Payable:</b>						
2013 Refunding-2002 Joint Powers Financing Authority, 3.87% due 5/32	4,795,000	-	(360,000)	4,435,000	370,000	4,065,000
2010 California Energy Commission, 1.0% due 12/22	165,156	-	(109,829)	55,327	55,327	-
2008 California Energy Commission, 3.95% due 6/25	121,045		(28,511)	92,534	29,648	62,886
US Bancorp Pierce Fire Appratus Agreement, 3.06% due 11/2024	134,466	-	(32,112)	102,354	33,095	69,259
Banc of America Fire Truck Loan, 1.53% due 12/2029	660,000	-	(70,000)	590,000	70,000	520,000
PG&E On-Bill Financing Loan	63,072	-	(9,704)	53,368	9,704	43,664
<b>Total loans and financing agreement payables</b>	<b>5,938,739</b>	<b>-</b>	<b>(610,156)</b>	<b>5,328,583</b>	<b>567,774</b>	<b>4,760,809</b>
<b>Compensated absences</b>	<b>3,777,591</b>	<b>217,061</b>	<b>(260,100)</b>	<b>3,734,552</b>	<b>261,419</b>	<b>3,473,133</b>
<b>Claims Payable</b>	<b>10,704,014</b>	<b>6,137,899</b>	<b>(3,094,000)</b>	<b>13,747,913</b>	<b>3,487,913</b>	<b>10,260,000</b>
<b>Total</b>	<b>\$ 61,588,802</b>	<b>\$ 6,354,960</b>	<b>\$ (6,325,438)</b>	<b>\$ 61,618,324</b>	<b>\$ 6,409,446</b>	<b>\$ 55,208,878</b>

#### Special Tax Bonds Payable

On November 19, 2013, the City Council adopted a resolution of formation to create the Conference Center Facilities District No. 2013-1 (the "CCFD") and a resolution deeming it necessary to incur bonded indebtedness of up to \$50 million. On March 4, 2014, the CCFD was finalized following a vote of qualified electors, which authorized the Council to levy a special tax on hotel properties within the City of Monterey, and to issue debt to fund a renovation of the Center. The special tax became effective on July 1, 2014. \$45 million in private placement bonds were issued on May 19, 2015 and were refunded and reissued with an additional \$5 million on September 30, 2015. The bonds bear interest at 3.95% over a period ending December 1, 2034, with a provision for mandatory redemption if special tax proceeds exceed the amounts required for debt service and reserves.

On November 1, 2020, the City entered into amended and restated indenture of trust to reduce the Conference Center Facilities District December 2020 bond payment by 50%, to be repaid in December 2034 in an effort to alleviate the impact of the global coronavirus pandemic on the availability of special tax revenue.

At June 30, 2022, the City had \$3,000,000 maintained in the reserve fund and the outstanding balances for the special tax bonds payable totaled \$38,807,276.

The debt service schedule to maturity is as follows:

For Year Ending June 30,	Principal	Interest	Total
2023	\$ 2,092,340	\$ 1,532,887	\$ 3,625,227
2024	2,250,240	1,450,240	3,700,480
2025	2,416,095	1,361,356	3,777,451
2026	2,589,207	1,265,920	3,855,127
2027	2,770,890	1,163,646	3,934,536
2028-2032	16,903,358	4,020,360	20,923,718
2033-2037	9,785,146	668,457	10,453,603
Total	<u>\$ 38,807,276</u>	<u>\$ 11,462,866</u>	<u>\$ 50,270,142</u>

#### 2013 Financing Agreement

On October 24, 2013, the Joint Powers Financing Authority entered into a \$7,170,000 Financing Agreement with Capital One Public Funding, LLC to refund 2002 Lease Revenue Bonds, which were originally issued to provide funds for the expansion of the Monterey Sports Center and the purchase of the Catellus East parcel. The 2002 Lease Revenue Bonds were refunded with proceeds from a privately placed bank financing and a new lease agreement with Capital One Public Funding, LLC at an interest rate of 3.87% through May 1, 2032. The refunding of the 2002 Lease Revenue Bonds during the year ended June 30, 2014 resulted in a difference in cash flows from debt service payments of \$1,618,297 over the remaining life of the bonds, and an overall net present value savings of \$481,715. Payments are made from the City's General Fund, and are secured by the Police/Fire Station building and Fire Station #3.

At June 30, 2022, the outstanding balance for 2013 financing Agreement was \$4,435,000.

The debt service schedule to maturity is as follows:

For Year Ending June 30,	Principal	Interest	Total
2023	\$ 370,000	\$ 171,634	\$ 541,634
2024	385,000	157,316	542,316
2025	400,000	142,416	542,416
2026	420,000	126,936	546,936
2027	430,000	110,682	540,682
2028-2032	2,430,000	289,089	2,719,089
Total	<u>\$ 4,435,000</u>	<u>\$ 998,073</u>	<u>\$ 5,433,073</u>

2010 California Energy Commission Loan

On March 10, 2010, the City entered into an energy conservation assistance loan agreement with the California Energy Commission. The 1% interest bearing loan in the amount of \$1,104,522 was used to complete the retrofit of the bike path/trail lighting with induction lighting; the retrofit of all City street lights with LED lights, and the replacement of tunnel lights with LED lighting. Principal and interest payments are due semi-annually on December 22 and June 22. The due date for the first payment was December 22, 2012. The loan will be repaid from rebates and energy savings estimated at over \$100,000 annually.

At June 30, 2022, the outstanding balance for 2010 California Energy Commission Loan was \$55,327. The debt service schedule to maturity is as follows:

For Year Ending June 30,	Principal	Interest	Total
2023	\$ 55,327	\$ 278	\$ 55,605

2008 California Energy Commission Loan

On November 24, 2008, an agreement was entered into with the California Energy Commission to complete energy efficiency projects including lighting retrofits and installation of a photovoltaic system. The total amount of funds disbursed through September, 2010 under the agreement was \$337,940 with an interest rate of 3.95%. The loan calls for semi-annual principal and interest payments each December 22 and June 25. The source of these payments comes from energy savings generated by the projects.

At June 30, 2022, the outstanding balance for the 2008 California Energy Commission Loan was \$92,534. The debt service schedule to maturity is as follows:

For Year Ending June 30,	Principal	Interest	Total
2023	\$ 29,648	\$ 3,266	\$ 32,914
2024	30,825	2,188	33,013
2025	32,061	955	33,016
Total	\$ 92,534	\$ 6,409	\$ 98,943

US Bancorp Pierce Fire Apparatus Financing Agreement

On December 10, 2013, the City entered into a financed purchase agreement with U.S. Bancorp for the acquisition of a fire truck. Total principal of the loan amount was \$370,506 with an interest rate of 3.06%. The lease calls for annual principal and interest payments of \$36,227.

At June 30, 2022, the outstanding balance for the US Bancorp Pierce Fire Apparatus agreement was \$102,354. Future minimum payments under the agreement are as follows:

For Year Ending June 30,	Principal	Interest	Total
2023	\$ 33,095	\$ 3,132	\$ 36,227
2024	34,108	2,120	36,228
2025	35,151	1,076	36,227
Total	<u>\$ 102,354</u>	<u>\$ 6,328</u>	<u>\$ 108,682</u>

Banc of America Fire Truck Financing Agreement

In December 2019, the City entered into a financed purchase agreement with Banc of America for the acquisition of a fire truck. Total principal amount was \$705,000 with an interest rate of 1.53%. The agreement calls for annual principal ranges from \$45,000 to \$80,000.

At June 30, 2022, the outstanding balance for the Banc of America Fire Truck Lease was \$590,000. Future payments under the agreement are as follows:

For Year Ending June 30,	Principal	Interest	Total
2023	\$ 70,000	\$ 8,492	\$ 78,492
2024	70,000	7,421	77,421
2025	70,000	6,350	76,350
2026	75,000	5,240	80,240
2027	75,000	4,093	79,093
2028-2032	230,000	5,355	235,355
Total	<u>\$ 590,000</u>	<u>\$ 36,951</u>	<u>\$ 626,951</u>

PG&E On-Bill Financing Loan

On December 12, 2016, the City entered into a loan agreement with Pacific Gas and Electric Company for the energy-efficient retrofit projects implementation. The agreement provides zero- percent interest financing for the installation of certain energy efficient equipment for up to \$92,183, of which is to be repaid over a specified period through the Customer's electric utility bills.

The amount outstanding at June 30, 2022 totaled \$53,368. The annual debt service requirements on this loan as follows:

For Year Ending June 30,	Principal
2023	\$ 9,704
2024	9,704
2025	9,704
2026	9,704
2027	9,704
2028	4,848
Total	<u>\$ 53,368</u>

Compensated Absences

Liabilities for governmental fund compensated absences are liquidated as they incur in the fund where positions are allocated. This year annual additions to the account balance are less than retirements.

**B. Business-Type Activities**

The summary of changes in the business-type activities long-term liabilities for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022	Amount Due Within One Year	Amount Due in More than One Year
Loans Payable:						
State of California Small Craft Harbor Loans, 4.5% due 2024	\$ 894,346	\$ -	\$ -	\$ 894,346	\$ 285,099	\$ 609,247
State Water Resources Control Board						
State Water Resources 110, 2.10% due 8/2035	2,752,185	-	(158,000)	\$ 2,594,185	161,318	2,432,867
State Water Resources 120, 2.10% due 3/2038	9,504,267	-	(470,993)	\$ 9,033,274	480,885	8,552,389
Total loans payable	<u>13,150,798</u>	<u>-</u>	<u>(628,993)</u>	<u>\$ 12,521,805</u>	<u>927,302</u>	<u>11,594,503</u>
Compensated Absences	<u>252,316</u>	<u>21,151</u>	<u>(4,552)</u>	<u>\$ 268,915</u>	<u>18,824</u>	<u>250,091</u>
<b>Total</b>	<u>\$ 13,403,114</u>	<u>\$ 21,151</u>	<u>\$ (633,545)</u>	<u>\$ 12,790,720</u>	<u>\$ 946,126</u>	<u>\$ 11,844,594</u>

State of California Harbor Loans Payable

On various dates from 1975 to 1997, the State of California made loans to the City to finance various marina construction and improvement projects. These Small Craft Harbor loans bear interest at 4.50% and mature 28 to 30 years from the award date. Principal and interest payments are due annually on August 1. The loans will be repaid from fees and rentals charged by the City for marina facilities.

At June 30, 2022, the total outstanding balance for the state of California harbor loans was \$894,347.

The debt service schedule to maturity is as follows:

For Year Ending June 30,	Principal	Interest	Total
2023	\$ 285,099	\$ 40,246	\$ 325,345
2024	297,928	27,416	325,344
2025	311,320	14,009	325,329
Total	<u>\$ 894,347</u>	<u>\$ 81,671</u>	<u>\$ 976,018</u>

State Water Resources Control Board Loan

In February, 2014, the City was approved for a \$16.8 million low interest loan from a Clean Water State Revolving Fund financial assistance agreement administered by the State Water Resources Control Board (the "SWRCB"). The City is currently executing a multi-year capital program with the goal of bringing the entire system up to a grade of "C" or better. Loan repayments, due over twenty years, will not begin until the construction is completed for each portion of the loan. Repayment of this loan is fully funded by a Council approved fee structure, which was implemented in 2011.

The 110 Loan bears an interest rate of 2.10% and is to be repaid in 20 installments in the amounts ranges from \$194,617 to \$215,796 starting on August 30, 2016 and ending on August 30, 2035.

During the year ended June 30, 2019, the SWRCB disbursed additional \$1,541,627 under Agreement No. 13-832- 550 toward Project N. C-06-5228-120 Citywide Sewer Rehabilitation, Phase 3, 5, and 6 (the "120 Loan").

The 120 Loan bears an interest rate of 2.10% and is to be repaid in 20 installments in the amount estimated to be \$454,856 starting on March 12, 2019 and ending on March 12, 2039. The City pledged the sewer revenue for the repayment of the loans.

There is a minimum reserve requirement in the amount of \$886,380, comprised of \$215,796 for the 110 loan and \$670,583 for 120 Loan. At June 30, 2022, the City had maintained a reserve in the Sewer Enterprise Fund in the amount of \$886,380. The outstanding balances for the SWRCB 110 Loan and 120 Loan were \$2,594,185 and \$9,033,274, respectively.

The debt service schedule for 110 Loan to maturity is as follows:

For Year Ending June 30,	Principal	Interest	Total
2023	\$ 161,318	\$ 54,478	\$ 215,796
2024	164,706	51,090	215,796
2025	168,165	47,631	215,796
2026	171,696	44,100	215,796
2027	175,302	40,494	215,796
2028-2032	933,298	145,681	1,078,979
2033-2036	819,700	43,481	863,181
Total	<u>\$ 2,594,185</u>	<u>\$ 426,955</u>	<u>\$ 3,021,140</u>

The debt service schedule for 120 Loan to maturity is as follows:

For Year Ending June 30,	Principal	Interest	Total
2023	\$ 480,885	\$ 189,699	\$ 670,584
2024	490,983	179,600	670,583
2025	501,294	469,290	970,584
2026	511,821	158,762	670,583
2027	522,569	148,014	670,583
2028-2032	2,782,138	570,779	3,352,917
2033-2037	3,086,792	266,125	3,352,917
2038	656,792	13,793	670,585
Total	<u>\$ 9,033,274</u>	<u>\$ 1,996,062</u>	<u>\$ 11,029,336</u>

**C. Pledge Revenue Coverage**

The City pledged its sewer revenue for payment of the state loans. The amount debt service payment for these loans were for a total of \$1,211,724 and the revenues pledged in the sewer fund were at \$2,332,948 for a total coverage of 1.925.



## Note 8 - Pension Plans

### A. California Public Employees' Retirement System ("CalPERS")

The following is the summary of net pension liabilities and the related deferred outflows of resources and deferred inflows of resources at June 30, 2022 pension expenses for the year then ended:

	Governmental Activities	Business-type Activities	Total
<b>Deferred outflows of resources</b>			
Pension contribution after measurement date:			
Miscellaneous	\$ 9,584,146	\$ 557,807	\$ 10,141,953
Safety	8,143,043	-	8,143,043
Total contribution after measurement date	17,727,189	557,807	18,284,996
Difference between expected and actual experience			
Miscellaneous	378,884	22,051	400,935
Safety	8,459,809	-	8,459,809
Total difference between expected and actual experience	8,838,693	22,051	8,860,744
Changes in employer's proportion			
Safety	367,871	-	367,871
<b>Total deferred outflows of resources</b>	<b>\$ 26,933,753</b>	<b>\$ 579,858</b>	<b>\$ 27,513,611</b>
<b>Aggregate net pension liabilities</b>			
Miscellaneous	\$ 59,589,921	\$ 3,468,196	\$ 63,058,117
Safety	49,516,254	-	49,516,254
<b>Total net pension liabilities</b>	<b>\$ 109,106,175</b>	<b>\$ 3,468,196</b>	<b>\$ 112,574,371</b>
<b>Deferred inflows of resources:</b>			
Changes in employer's proportion			
Safety	\$ 454,604	\$ -	\$ 454,604
Total changes in assumptions	454,604	-	454,604
Difference between expected and actual experience			
Miscellaneous	571,693	33,273	604,966
Total difference between expected and actual experience	571,693	33,273	604,966
Actual earnings on pension plan investments in excess of projected earnings:			
Miscellaneous	20,510,666	1,193,742	21,704,408
Safety	29,471,690	-	29,471,690
Total actual earnings on pension plan investments in excess of projected earnings:	49,982,356	1,193,742	51,176,098
Differences between employer's contributions and proportionate share of contribution			
Safety	1,728,318	-	1,728,318
Total differences between employer's contributions and proportionate share of contribution:	1,728,318	-	1,728,318
<b>Total deferred inflows of resources</b>	<b>\$ 52,736,971</b>	<b>\$ 1,227,015</b>	<b>\$ 53,359,020</b>
<b>Pension expenses (credit)</b>			
Miscellaneous	1,698,009	(5,359,705)	(3,661,696)
Safety	7,575,034	-	7,575,034
	<b>\$ 9,273,043</b>	<b>\$ (5,359,705)</b>	<b>\$ 3,913,338</b>

## General Information about the Pension Plan

### Plan Description

The City contribution to the California Public Employees Retirement System ("CalPERS"), an agent multiple-employer defined benefit pension plan for miscellaneous employees and a cost-sharing multiple-employer defined benefit plan for safety employees. 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 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. Benefit provisions under both plans are established by the State statute and City resolution as follows:

Classic (hired prior to January 1, 2013)	Miscellaneous	Safety	
		Fire	Police
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Minimum retirement age	55	50	50
Benefit per year of service, as a percentage of salary	2.0%, 2.7%	3.00%	3.00%
Required employer contribution rates	11.760%	23.700%	23.700%
Required employee contribution rates	8.000%	9.000%	9.000%
Additional UAL Contribution	\$ 8,622,655	\$5,833,533	

PEPRA (hired after January 1, 2013)	Miscellaneous	Safety	
		Fire	Police
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Minimum retirement age	62	57	57
Benefit per year of service, as a percentage of salary	2.00%	2.70%	2.70%
Required employer contribution rates	11.760%	14.130%	14.130%
Required employee contribution rates	7.000%	12.000%	12.000%
Additional UAL Contribution	Included above	\$ 20,755	\$ 11,626

For the year ended June 30, 2022, the contribution for Safety plans reflects the employer normal cost rate only. The employer payment for unfunded liability is a fixed amount.

Participants are eligible for non-industrial disability retirement if they become disabled and have at least 5 years 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.

An employee's beneficiary may receive the basic death benefit if the employee becomes deceased 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.

#### Employees Covered by Benefit Terms

As at June 30, 2022, the following employees were covered by the benefit terms:

Member Type	Miscellaneous Plan	Safety		
		Classic	Fire PERPA	Police PERPA
Active employees	249	82	28	19
Transferred and terminated employees	325	61	1	15
Retired employees and beneficiaries	488	221	0	0
Total	1062	364	29	34

#### 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.

## Net Pension Liability

### Actuarial Methods and Assumption Used to Determine Total Pension Liability

For the measurement period ended June 30, 2021, the total pension liability was determined by rolling forward the June 30, 2020 total pension liability. The June 30, 2021 total pension liabilities were based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value of Assets
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases <sup>(1)</sup>	Varies by Entry Age and Service
Investment Rate of Return <sup>(2)</sup>	7.15%
Mortality Rate Table <sup>(3)</sup>	Derived using CALPERS' membership data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter

<sup>(1)</sup> Annual increases vary by category, entry age, and duration of service.

<sup>(2)</sup> Net of pension plan investment expenses; includes inflation.

<sup>(3)</sup> The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using 90% of Scale MP-2016 published by the Society of Actuaries.

### Long-Term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

Asset Class <sup>(1)</sup>	Assumed Asset Allocation	Real Return Years 1 – 10 <sup>(2)</sup>	Real Return Years 11+ <sup>(3)</sup>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
	<u>100.00%</u>		

<sup>(1)</sup>In the Basic Financial Statements, Fixed Income is included in Global Debt Securities; Liquidities included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities

<sup>(2)</sup>An expected inflation of 2.0% used for this period.

<sup>(3)</sup>An expected inflation of 2.92% used for this period.

## Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### Changes in the Net Pension Liability

The following table shows the changes in net pension liability for the City's miscellaneous plan recognized over the current fiscal year.

Miscellaneous Plan:			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability / (Asset)
Balance at June 30,	\$ 286,266,464	\$ 191,691,676	\$ 94,574,788
Changes Recognized for the Measurement			
Service cost	3,997,862	-	3,997,862
Interest on the total pension liability	19,948,577	-	19,948,577
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(1,109,104)	-	(1,109,104)
Changes of assumptions	-	-	-
Plan to plan resource movement	-	-	-
Contributions from the employer	-	9,249,669	(9,249,669)
Contributions from employees	-	2,041,232	(2,041,232)
Net investment income	-	43,254,592	(43,254,592)
Benefit payments, including refunds of employee contributions	(16,310,421)	(16,310,421)	-
Administrative expense	-	(191,488)	191,488
Net Changes	6,526,914	38,043,584	(31,516,670)
Balance at June 30,	\$ 292,793,378	\$ 229,735,260	\$ 63,058,118

### Proportionate Share of Net Pension Liability and Pension Expense

The City's safety plan's proportionate share of the collective net pension liability was \$49,516,254.

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

- (1) In determining a cost-sharing plan's proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2020). The risk pool's fiduciary net position ("FNP") subtracted from its total pension liability ("TPL") determines the net pension liability ("NPL") at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2021). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30, 2021 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2020-2021).
- (3) The individual plan's TPL, FNP and NPL are also calculated at the valuation date. TPL is allocated based on the rate plan's share of the actuarial accrued liability. FNP is allocated based on the rate plan's share of market value assets.
- (4) Two ratios are created by dividing the plan's individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool's total TPL and FNP, respectively.
- (5) The plan's TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan's FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plan's NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

Deferred outflows of resources, deferred inflows of resources, and pension expense are allocated based on the City's net pension liability at the end of the measurement period.

The City's proportionate share of the net pension liability was as follows:

	Proportions - June 30, 2022	Proportions - June 30, 2021	Change - Increase
Safety	0.91556%	0.64918%	0.26638%

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

The following presents the net pension liability of the plans as of the measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

Plan	Miscellaneous		
	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Net Pension Liability	\$ 97,983,912	\$ 63,058,118	\$ 33,886,673

Plan	Safety		
	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Net Pension Liability	\$ 79,424,995	\$ 49,516,254	\$ 24,949,918

### Pension Plan Fiduciary Net Position

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

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

For the year ended June 30, 2022, the City recognized pension credit in the amounts of \$3,661,696 for the safety plan and pension expense for the amount of \$7,575,034 for the miscellaneous plan.

As of current fiscal year end, the City has deferred outflows of resources and deferred inflows of resources related to pensions as follows:

Miscellaneous Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 10,141,953	\$ -
Differences between expected and actual experiences	400,935	(604,966)
Net difference between projected and actual earnings on pension plan investments	-	(21,704,408)
Total	<u>\$ 10,542,888</u>	<u>\$ (22,309,374)</u>



Safety Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 8,143,043	\$ -
Differences between expected and actual experiences	8,459,809	-
Difference in actual contribution and proportionate share of contribution	-	(1,728,318)
Changes in proportion	367,870	(454,605)
Net difference between projected and actual earnings on pension plan investments	-	(29,471,690)
Total	<u>\$ 16,970,722</u>	<u>\$ (31,654,613)</u>

The deferred outflows of resources and deferred inflows of resources with the exception to the different between projected and actual earning are amortized over the expected average remaining service lifetime ("EARSLS") which is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). The deferred inflows of resources related to the difference between the projected and actual earnings are amortized over a 5 year period.

\$10,141,953 and \$8,143,043 reported as deferred outflows of resources related to pensions for miscellaneous plan and safety plan, respectively, resulting from the City's contributions subsequent to the measurement date are recognized as a reduction of the net pension liability for the miscellaneous plan and collective net pension liability for the safety plan subsequent fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in the future pension expense as follows:

Fiscal Year	Deferred Outflows/(Inflows) of Resources	
	Miscellaneous	Safety
2023	\$ (5,635,978)	\$ (3,648,310)
2024	(5,119,378)	(4,705,879)
2024	(5,198,961)	(6,362,544)
2025	(5,954,122)	(8,110,201)
Total	<u>\$ (21,908,439)</u>	<u>\$ (22,826,934)</u>

**B. Deferred Compensation Plan**

City employees may defer a portion of their compensation under a City sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Plan.

The laws governing deferred compensation plan assets require plan assets to be held by a trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to City control, they have been excluded from the accompanying financial statements. The City was not required to make contributions to the plan.

**Note 9 - Other Postemployment Benefits ("OPEB") Plan**

Net OPEB liability and related deferred outflows of resources and deferred inflows of resources at June 30, 2022 and OPEB expenses for the year then ended are as follow:

	Governmental Activities	Business-type Activities	Total
<b>Deferred outflows of resources:</b>			
OPEB contribution after measurement date	\$ 897,938	\$ 52,261	\$ 950,199
Difference between expected and actual experience	213,030	12,399	225,429
Changes in assumptions	313,486	18,245	331,731
<b>Total deferred outflows of resources</b>	<b>\$ 1,424,454</b>	<b>\$ 82,905</b>	<b>\$ 1,507,359</b>
<b>Net OPEB liability:</b>	<b>\$ 7,790,818</b>	<b>\$ 453,434</b>	<b>\$ 8,244,252</b>
<b>Deferred inflows of resources:</b>			
Difference between expected and actual experience	\$ 231,104	\$ 13,450	\$ 244,554
Changes in assumptions	76,868	4,473	81,341
Net difference between projected and actual earnings in OPEB plan investments	684,830	39,859	724,689
<b>Total deferred inflows of resources</b>	<b>\$ 992,802</b>	<b>\$ 57,782</b>	<b>\$ 1,050,584</b>
<b>OPEB expenses (credit):</b>	<b>\$ 985,912</b>	<b>\$ (159,082)</b>	<b>\$ 826,830</b>

**A. General Information about the OPEB Plan**

**Plan Description**

The City of Monterey Retiree Healthcare Plan ("OPEB Plan") is an agent multiple-employer defined benefit healthcare plan. The plan provides healthcare benefits to eligible retirees and their dependents. Benefit provisions are established and may be amended through agreements and memorandums of understanding between the City and its various bargaining units. The Plan does not issue a financial report.

### Benefit Provided

The City provides retiree healthcare benefits to employees retiring directly from the City under CalPERS. Medical coverage is provided through the Public Employees' Medical and Hospital Care Act (the "PEMHCA"). The City pays a portion of retiree healthcare premiums equal to the PEMHCA required minimum contribution under the unequal method, \$149 and \$143 per month for calendar years of 2022 and 2021, respectively. Retirees and their beneficiaries pay the annual premium cost not paid by the employer. Dental, vision and life insurance benefits are not provided. Eligibility for the City's contribution requires retirement under CalPERS (typically on or after age 50 with at least 5 years of service). The City's contribution will continue for the lifetime of the retiree and any surviving eligible spouse.

### Employees Covered by Benefit Term

At July 1, 2021, the date of the latest actuarial valuation, membership in the RSHP consisted of following:

Active employees	370
Inactive employees or beneficiaries currently receiving benefits payments	206
Inactive employees entitled to, but not yet receiving benefits	298
	874
	874

### Contributions

The City does not requirement contribution from plan members. The City's policy is to fund the plan based on Actuarially Determined Contribution (ADC) which is the target or recommended contribution to a defined benefit OPEB plan, which if paid on an ongoing basis, will provide sufficient resources to fund future costs for services to be earned and liabilities attributed to past services. Contributions to the plan maybe amended by the City council. The City contributed \$950,199 during the fiscal year ended June 30, 2022.

### **B. Net OPEB Liability**

The City's Net OPEB Liability for the fiscal year ended June 30, 2022 was measured as of June 30, 2021 and was also determined by an actuarial valuation as of June 30, 2021.

### Actuarial Assumptions

The total OPEB liability as of June 30, 2022, was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method

Entry Age Normal

Actuarial Assumptions:

Discount Rate	6.80%
Inflation	2.75%
Salary Increases	2.75%
Mortality Rate	Consistent with the most recent CalPERS pension plan valuation
Healthcare Trend Rate	6.75 percent for 2022 decreasing to 6.25 percent for 2023, 6.00 percent for 2024, 5.75 percent for 2025, 5.50 percent for 2026, 5.25 percent for 2027, 5.00 percent for 2028, 4.75 percent for 2029 and 4.50 percent for 2030 and later years. Medicare ages: 4.00 percent for all years.

**Discount Rate**

The long-term expected rate of return on OPEB plan investments is assumed to be 6.80% and was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equities	59.00%	4.56%
Global debt securities	25.00%	0.78%
Inflation assets	5.00%	-0.08%
Commodities	8.00%	4.06%
REITs	3.00%	1.22%
Total	100.00%	

**C. Changes in Net OPEB Liability**

The following table shows the current fiscal year's changes in the net OPEB liability recognized over the measurement year ended June 30, 2021.

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary net Position	Net OPEB Liability
Balance at July 1	\$ 13,520,043	\$ 5,034,811	\$ 8,485,232
Changes recognized for year:			
Service Cost	499,608	-	499,608
Interest	954,972	-	954,972
Changes of benefit terms	-	-	-
Difference in expected and actual experience	74,938	-	74,938
Changes of assumptions	379,121	-	379,121
Contributions	-	767,354	(767,354)
Net investment income	-	1,384,171	(1,384,171)
Administrative expenses	-	(1,906)	1,906
Benefit payments	(767,354)	(767,354)	-
Net changes	1,141,285	1,382,265	(240,980)
Balance at June 30	\$ 14,661,328	\$ 6,417,076	\$ 8,244,252

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

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current discount rate:

Net OPEB Liability		
Discount Rate - 1% (5.80%)	Current Discount Rate (6.80%)	Discount Rate +1% (7.80%)
\$ 9,944,198	\$ 8,244,252	\$ 6,817,146

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.5%) or 1-percentage-point higher (5.5%) than the current healthcare cost trend rates:

Net OPEB Liability		
Trend Rate Decrease of 1% (3.5%)	Current Healthcare Cost Trend Rates (4.5%)	Trend Rate Increase of 1% (5.5%)
\$ 6,613,387	\$ 8,244,252	\$ 10,229,674

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

For the year ended June 30, 2022, the City recognized OPEB expenses of \$948,299. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 950,199	\$ -
Difference between expected and actual experience	225,429	(244,554)
Differences between projected and actual return on investment	-	(724,689)
Changes in assumptions	331,731	(81,341)
	<u>\$ 1,507,359</u>	<u>\$ (1,050,584)</u>

The \$950,199 reported as deferred outflows of resources related to OPEB resulting from the City's contribution subsequent to the measurement date during the year ended June 30, 2022 will be recognized as a reduction of the net OPEB liability in the next fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period while the deferred inflows of resources or deferred outflows of resources related to differences between expected and actual experience and changes of assumptions and other inputs will be amortized over the Expected Average Remaining Service Life (EARS�) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period which will all be recognized in OPEB expense as follows:

Fiscal Year Ending June 30	Deferred Outflows/ (Inflows) of Resources
2023	\$ (135,920)
2024	(136,899)
2025	(138,629)
2026	(170,733)
2027	15,998
Thereafter	72,759
	<u>\$ (493,424)</u>

**E. Retirement Health Savings Plan**

The City has also implemented the Retirement Health Savings Plan (the "RHSP") for Peace Officer Association ("POA"), Police Lieutenants' Management association ("PLMA"), International Association of Fire Fighters ("IAFF"), and Fire Management Association ("FMA") employees. RHSP is an individual account defined contribution retiree healthcare plan with employer contributions.

## Note 10 - Risk Management

### A. Coverage

The City is exposed to various risks of loss related to municipal devices such as torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees, health benefits for employees, and natural disasters. The City self- insures risk for its general liability, auto physical damage, and workers' compensation liability up to a certain retention level. The City shares risk with other public agencies via risk sharing pool joint powers authorities, and purchases excess insurance for the remainder of potential exposure amounts. All risk management activities are accounted for in internal service funds.

	General Liability	Workers' Compensation
Self insured risk	Up to \$1,000,000	Up to \$400,000
Coverage through:		
Pooled insurance	\$1,000,000 to \$5,000,000	\$400,000 to \$50,000,000*
Excess insurance	\$5,000,000 to \$50,000,000	Statutory excess of \$50,000,000

\* Multi-layer pooled insurance

A summary of the City's per-occurrence limits follows:

Coverage above the self insured retention amount for workers' compensation is provided through insurance purchased by the City. Coverage above the self insured retention amount for general liability is provided through a joint purchase of coverage from insurance carriers by the Authority for California Cities Excess Liability ("ACCEL"), a joint powers authority whose purpose is to develop and fund programs of pooled and excess insurance for its members. The Board of Directors of ACCEL consists of risk management representatives of its member cities.

Property risks are covered on an occurrence basis up to \$100,000,000 with a \$50,000 deductible, by commercial public entity property insurance purchased from independent third parties. No settlement amounts have exceeded commercial or ACCEL insurance coverage for each of the past three years. The City's deposits with ACCEL are in accordance with formulas established by ACCEL's Board of Directors. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

**B. Liability for Self-Insured Claims**

The liability for the self insured portion of claims and judgments included in the internal service fund is based on the results of a bi-annual third party actuarial study obtained by the City. The liability includes amount for claims incurred but not reported (“IBNR”). The total liability is calculated by considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts and other economic social factors and is based on a range of 80-90% probability level (IBNR is based on the expected level).

Claims and judgments, including a provision for claims incurred but not reported are recorded when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable. Internal annual premiums are charged to the City’s funds by the internal service funds using various allocation methods that include actual costs and trends in claims experience.

There are no pending claims and judgments likely to have a material adverse effect on the financial position due within one year of June 30, 2022.

Claims activities for the three years ended June 30, 2022 are presented as follows:

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
<b>Worker's Compensation:</b>				
June 30, 2020	\$ 9,176,532	\$ 1,200,687	\$ (1,499,534)	\$ 8,877,685
June 30, 2021	8,877,685	2,885,154	(2,885,154)	8,877,685
June 30, 2022	8,877,685	5,382,315	(2,317,000)	11,943,000
<b>General Liability:</b>				
June 30, 2020	818,846	684,887	(387,643)	1,116,090
June 30, 2021	1,116,090	1,425,976	(715,737)	1,826,329
June 30, 2022	1,826,329	577,671	(777,000)	1,627,000



## Note 11 - Fund Balances

At June 30, 2022, the City had the following fund balance classifications for the governmental funds:

Fund Balance Category	General Fund	Presidio of Monterey Public Works Fund	Tidelands	Nonmajor Governmental Funds	Total
<b>Nonspendable:</b>					
Prepaid items	\$ 281,424	\$ -	\$ -	\$ -	\$ 281,424
Advances to other funds	3,413,610	-	-	-	3,413,610
Scholze Park Endowment	-	-	-	2,401,184	2,401,184
Lease related	426,644	-	-	-	426,644
<b>Total nonspendable</b>	<b>4,121,678</b>	<b>-</b>	<b>-</b>	<b>2,401,184</b>	<b>6,522,862</b>
<b>Restricted:</b>					
Debt service	-	-	-	7,113,609	7,113,609
Capital projects	-	-	-	682,619	682,619
Tidelands	-	-	4,109,296	-	4,109,296
Community developments	-	-	-	9,399,258	9,399,258
Public works	-	-	-	19,308,143	19,308,143
Park and recreation	-	-	-	252,153	252,153
Library and museum	-	-	-	876,146	876,146
Other	-	-	-	1,030,872	1,030,872
<b>Total restricted</b>	<b>-</b>	<b>-</b>	<b>4,109,296</b>	<b>38,662,800</b>	<b>42,772,096</b>
<b>Committed:</b>					
Economic uncertainty	14,756,207	-	-	-	14,756,207
Capital outlays and cultural arts	8,362,028	-	-	-	8,362,028
Public safety	51,724	-	-	-	51,724
Public works	-	-	-	7,144,445	7,144,445
Debt service	-	-	-	8,364	8,364
<b>Total committed</b>	<b>23,169,959</b>	<b>-</b>	<b>-</b>	<b>7,152,809</b>	<b>30,322,768</b>
<b>Assigned:</b>					
Unexpended encumbrances	1,604,170	-	-	-	1,604,170
<b>Total assigned</b>	<b>1,604,170</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,604,170</b>
<b>Unassigned (deficit)</b>	<b>7,853,940</b>	<b>-</b>	<b>-</b>	<b>(92,415)</b>	<b>7,761,525</b>
<b>Total Fund Balances</b>	<b>\$ 36,749,747</b>	<b>\$ -</b>	<b>\$ 4,109,296</b>	<b>\$ 48,124,378</b>	<b>\$ 88,983,421</b>

**Note 12 - Presidio Municipal Services Agency (Jointly Governed Organization)**

At the request of the U.S. Army in 1997 the City and the City of Seaside formed the Presidio Municipal Services Agency (the “Presidio Agency”) under the Joint Exercise of Powers Act of the State of California. The sole function of the Presidio Agency is to coordinate the provision of services by each member City in the operation and maintenance of the U.S. Army’s Presidio facilities in Monterey. The Presidio Agency has no employees; the City of Monterey provides approximately 80% of the services required along with all the Presidio Agency’s administrative and financing requirements; the City of Seaside provides the remainder. The City’s share of these services is reported in the Presidio of Monterey Public Works Special Revenue Fund.

The governing body of the Presidio Agency consists of two members, one appointed by each member city. As a separate legal entity, the Presidio Authority exercises full powers and authorities within the Joint Powers Agreement. Obligations of the Presidio Authority are not those of the member cities. The Presidio Agency is not reported as part of the City’s financial statements. Financial statements of the Presidio Agency may be obtained from the City of Monterey, Monterey, California, 93940.

**Note 13 - Commitments and Contingencies**

**Grants**

The City participates in several federal and state grant programs. These programs have been audited by the City’s independent accountants in accordance with the provisions of the Uniform Guidance and applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

**Litigations**

The City is subject to litigation in the normal course of business. In the opinion of the City Attorney, the total potential claims against the City, not covered by insurance, resulting from litigation would not materially affect the financial statements of the City as of June 30, 2022.

**Note 14 - Deficit Fund Balance/Net Position Disclosures**

At June 30, 2022, the following funds had deficit fund balance or net position:

	Deficit Fund Balance/ Net Position
<b>Nonmajor Governmental Funds:</b>	
Conference Center Facilities District Capital Projects Fund	\$ (80,933)
Navy Services	(11,482)
<b>Internal Service Funds:</b>	
Vehicle Maintenance Fund	(2,128,648)
Worker's Compensation Insurance Fund	(2,582,198)
Liability & Property Insurance Fund	(1,426,521)

The deficit for Conference Center Facilities District Capital Project Fund and Navy Services Fund will be eliminated when the grant revenue is received and the future budgeted transfers in from other funds. The deficit for the Vehicle Maintenance, Workers' Compensation Insurance, and Liability & Property Insurance Internal Service Funds are primarily due to net pension liabilities and net OPEB liabilities and will be eliminated with future charges to user departments. The deficit for the Worker's Compensation Insurance Internal Service Fund is also due to additional claims accrued during the year and will be eliminated as the claims are paid by charging user departments.

**Note 15 - Prior Period Adjustment due to Adoption of New Standard and Correction of Errors**

As described in Note 1, under the sub-header "effects of new pronouncements", as of July 1, 2021, the City adopted GASB Statement No. 87, *Leases*. As a result of the implementation of GASB 87 Statement No. 87, the City recognized a lease receivable, and a deferred inflows of resources from leases. In fiscal year ended June 30, 2021, the City incorrectly reported certain receivables related to Federal Emergency Management Agency that were uncollectible for \$689,503 and therefore, an adjustment to beginning fund balance of the State/Federal Grants fund and an adjustment to the beginning net position of the City's governmental activities was made to remove these receivables from the financial statements. The effect of the implementation of GASB Statement No. 87 and the correction of the error are summarized below:

	Governmental Activities	Business-Type Activities	
Beginning of year, as previously reported Net Position	\$124,089,869	\$ 33,653,957	
Lease receivables	41,996,616	1,702,238	
Deferred inflows of resources related to leases	(41,996,616)	(1,702,238)	
Restatement of receivables-correction of error	(689,503)	-	
Beginning of year, as restated Net Position	<u>\$123,400,366</u>	<u>\$ 33,653,957</u>	

	General Fund	Tidelands Fund	Nonmajor Governmental Funds
Beginning of year, as previously reported Fund Balance	\$ 30,664,311	\$ 4,458,808	\$ 32,423,942
Lease receivables	20,503,216	15,130,979	6,362,421
Deferred inflows of resources related to leases	(20,503,216)	(15,130,979)	(6,362,421)
Restatement of receivables-correction of error	-	-	(689,503)
Beginning of year, as restated Fund Balance	<u>\$ 30,664,311</u>	<u>\$ 4,458,808</u>	<u>\$ 31,734,439</u>

	Parking	Nonmajor Enterprise Funds
Beginning of year, as previously reported Net Position	\$ 11,764,866	\$ 6,755,863
Lease receivables	709,529	992,709
Deferred inflows of resources related to leases	(709,529)	(992,709)
Beginning of year, as restated Net Position	<u>\$ 11,764,866</u>	<u>\$ 6,755,863</u>

In addition to the restatements noted above, adjustments were necessary for the current year's revenues pertaining to the Presidio of Monterey Public Work fund because these revenues did not meet the 60 day availability requirements as of June 30, 2022. As a result, the revenue was overstated and the deferred inflow of resources-unavailable revenues was understated in the Presidio of Monterey Public Work Fund financial statements totaling \$11,130,750 at June 30, 2022. The amounts were removed from revenues and is now reported as deferred inflows of resources-unavailable revenues.

#### **Note 16 - Subsequent Events**

**Pension investments.** In July of 2022, CalPERS announced a net investment return of negative 6.1% for the fiscal year ending 2021-22. This, along with the change in the discount rate to 6.8%, will negatively impact the net pension liability in future reporting periods. As the investment pool experienced gains in fiscal year 2021, resulting in a drastically reduced liability in fiscal year 2022, the City expects the inverse to be true in fiscal year 2023 as all gains were lost in fiscal year 2022.



Required Supplementary Information  
June 30, 2022

**City of Monterey**

City of Monterey  
Budgetary Comparison Schedule – General Fund  
Fiscal Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Over/(Under)
<b>REVENUES:</b>				
Property tax	\$ 9,822,807	\$ 9,822,807	\$ 10,387,604	\$ 564,797
Sales Tax	11,952,785	14,711,031	15,311,737	600,706
In-lieu sales tax	3,167,612	3,167,612	3,325,975	158,363
Transient occupancy tax	17,560,632	20,364,132	28,375,421	8,011,289
Utility users tax	3,614,736	3,614,736	4,184,273	569,537
Other taxes	2,523,830	2,733,830	3,236,363	502,533
Intergovernmental	7,768,358	9,342,394	8,709,261	(633,133)
Investment income	1,386,404	1,527,306	(166,168)	(1,693,474)
Rental income	2,738,775	2,763,775	3,588,401	824,626
Licenses and permits	4,405,082	4,409,082	4,657,487	248,405
Charges for current services	13,710,969	14,439,273	15,352,159	912,886
Fines	239,257	259,757	240,812	(18,945)
Other revenue	112,787	250,787	272,875	22,088
<b>Total revenues</b>	<b>79,004,034</b>	<b>87,406,522</b>	<b>97,476,200</b>	<b>10,069,678</b>
<b>EXPENDITURES:</b>				
Current:				
General government:				
City council	118,650	118,650	118,973	(323)
City manager	5,474,251	5,967,635	5,953,894	13,741
City attorney	1,212,072	1,211,773	1,019,343	192,430
Finance	3,109,373	3,423,269	2,908,792	514,477
Human resources	921,017	976,462	911,324	65,138
Nondepartmental charges	558,454	720,318	512,769	207,549
Total general government	<b>11,393,817</b>	<b>12,418,107</b>	<b>11,425,095</b>	<b>993,012</b>
Public safety:				
Police	19,560,159	19,560,159	18,805,100	755,059
Fire	23,096,566	24,829,155	24,781,492	47,663
Total public safety	<b>42,656,725</b>	<b>44,389,314</b>	<b>43,586,592</b>	<b>802,722</b>
Public works	3,565,798	5,149,781	6,196,510	(1,046,729)
Community development	3,220,942	5,666,437	4,062,343	1,604,094
Parks and recreation	11,742,397	12,387,200	11,199,330	1,187,870
Library and museum	2,376,407	2,431,885	2,165,972	265,913
Total current	<b>74,956,086</b>	<b>82,442,724</b>	<b>78,635,842</b>	<b>3,806,882</b>
Debt service:				
Principal	241,187	241,187	148,045	93,142
Interest	14,108	14,108	36,489	(22,381)
Total debt service	<b>255,295</b>	<b>255,295</b>	<b>184,534</b>	<b>70,761</b>
<b>Total expenditures</b>	<b>75,211,381</b>	<b>82,698,019</b>	<b>78,820,376</b>	<b>3,877,643</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>3,792,653</b>	<b>4,708,503</b>	<b>18,655,824</b>	<b>13,947,321</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	703,715	703,715	1,038,166	334,451
Transfers out	(600,614)	(600,614)	(13,608,554)	(13,007,940)
<b>Total other financing sources (uses)</b>	<b>103,101</b>	<b>103,101</b>	<b>(12,570,388)</b>	<b>(12,673,489)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 3,895,754</b>	<b>\$ 4,811,604</b>	<b>6,085,436</b>	<b>\$ 1,273,832</b>
<b>FUND BALANCE:</b>				
Beginning of year, as restated			30,664,311	
End of Year			<u>\$ 36,749,747</u>	

City of Monterey

Budgetary Comparison Schedule – Presidio of Monterey Public Works Special Revenue Fund

Fiscal Year Ended June 30, 2022

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	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Over/(Under)
<b>REVENUES:</b>				
Intergovernmental	\$ 13,384,083	\$ 16,426,602	\$ 3,055,654	\$ (13,370,948)
Use of money and property	5,022	5,022	-	(5,022)
Charges for current services	8,631,492	8,631,492	4,474,344	(4,157,148)
<b>Total revenues</b>	<u>22,015,575</u>	<u>25,058,094</u>	<u>7,529,998</u>	<u>(17,528,096)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	<u>14,322,703</u>	<u>27,665,815</u>	<u>17,451,743</u>	<u>10,214,072</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 7,692,872</u>	<u>\$ (2,607,721)</u>	(9,921,745)	<u>\$ (7,314,024)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>(471,778)</u>	
End of year			<u>\$ (10,393,523)</u>	



**City of Monterey**  
**Budgetary Comparison Schedule – Tidelands Special Revenue Fund**  
**Year Ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES:</b>				
Use of money and property	\$ 42,374	\$ 42,374	\$ 387,874	\$ 345,500
Rental income	2,446,137	2,446,137	3,045,791	599,654
Charges for current services	201,550	201,550	186,994	(14,556)
Other	-	-	1,025	1,025
<b>Total revenues</b>	<u>2,690,061</u>	<u>2,690,061</u>	<u>3,621,684</u>	<u>931,623</u>
<b>EXPENDITURES:</b>				
Current:				
General government	387,795	387,795	388,262	(467)
Police	654,991	654,916	630,845	24,071
Fire	84,282	84,282	79,170	5,112
Public works	1,575,041	1,696,216	1,556,882	139,334
Community development	684,910	747,713	615,076	132,637
Parks and recreation	53,436	53,436	36,633	16,803
<b>Total expenditures</b>	<u>3,440,455</u>	<u>3,624,358</u>	<u>3,306,868</u>	<u>317,490</u>
<b>EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES</b>	<u>(750,394)</u>	<u>(934,297)</u>	<u>314,816</u>	<u>1,249,113</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>-</u>	<u>-</u>	<u>(664,328)</u>	<u>(664,328)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (975,011)</u>	<u>\$ (1,158,914)</u>	<u>(349,512)</u>	<u>\$ 809,402</u>
<b>FUND BALANCE:</b>				
Beginning of year, as restated			<u>4,458,808</u>	
End of year			<u>\$ 4,109,296</u>	

### **Budget and Budgetary Accounting**

The City follows these procedures in establishing the operating budgetary data reflected in the financial statements:

- a. Prior to June 30, the City Manager submits to the City Council a proposed biennial operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments.
- b. The budget is legally enacted through passage of a resolution during a City Council meeting in the month of June.
- c. The City Manager may transfer budgeted amounts among accounts within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.
- d. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund, Enterprise Funds and the Capital Projects Fund. These are the only Funds with legally adopted budgets.
- e. Budgets are adopted on a basis consistent with U.S. GAAP, except for Capital Projects Fund capital expenditures which are budgeted on a project length basis.
- f. Budgeted amounts are as originally adopted or as amended by City Council. Individual amendments were not material in relation to the original appropriations.
- g. Encumbrance accounting is employed as an extension of formal budgetary integration in the governmental fund types. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Outstanding encumbrances at year-end are automatically reappropriated the following year. Unexpended appropriations lapse at year-end unless budgeted on a project basis.
- h. For the year ended June 30, 2022, there were no adopted operating budgets for Construction Truck Impact Fee Special Revenue Fund, Asser Seizure Special Revenue Fund, Museum Special Revenue Fund, and Public Education and Government Access Special Revenue Fund.

City of Monterey  
Schedule of Changes in Net Pension Liability and Related Ratios  
Fiscal Year Ended June 30, 2022

**Last Ten Fiscal Years**  
**California Public Employees' Retirement System ("CalPERS") - Miscellaneous Plan**

Fiscal Year	2014-15	2015-16	2016-17	2017-18	2018-19
Measurement year	2013-14 <sup>1</sup>	2014-15	2015-16	2016-17	2017-18
<b>Total pension liability</b>					
Service cost	\$ 4,600,502	\$ 4,506,126	\$ 4,333,862	\$ 4,839,793	\$ 4,982,160
Interest	15,098,053	15,904,500	16,604,300	17,001,092	17,695,821
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual ex	-	(56,679)	(1,034,916)	(2,930,591)	1,630,454
Changes of assumptions	-	(3,663,893)	-	13,297,055	(1,914,478)
Benefit payments, including refunds of employee contributions	(8,864,804)	(9,807,582)	(10,476,155)	(11,183,381)	(12,639,697)
<b>Net change in total pension liability</b>	<b>10,833,751</b>	<b>6,882,472</b>	<b>9,427,091</b>	<b>21,023,968</b>	<b>9,754,260</b>
<b>Total pension liability - beginning</b>	<b>203,439,521</b>	<b>214,273,272</b>	<b>221,155,744</b>	<b>230,582,835</b>	<b>251,606,803</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 214,273,272</b>	<b>\$ 221,155,744</b>	<b>\$ 230,582,835</b>	<b>\$ 251,606,803</b>	<b>\$ 261,361,063</b>
<b>Pension fiduciary net position</b>					
Contributions - employer	\$ 4,082,086	\$ 4,769,858	\$ 5,391,281	\$ 6,231,357	\$ 6,912,076
Contributions - employee	3,282,621	2,526,690	2,500,181	2,586,548	2,521,987
Net investment income <sup>2</sup>	22,937,070	3,485,612	814,144	16,964,986	14,362,315
Benefit payments, including refunds of employee contributions	(8,864,804)	(9,807,582)	(10,476,155)	(11,183,381)	(12,639,697)
Plan to plan resources movement	-	1,986	-	(141)	(414)
Administrative expense	-	(174,586)	(94,522)	(226,233)	(261,171)
Other miscellaneous income/ (expense)	-	-	-	-	(495,969)
<b>Net change in plan fiduciary net position</b>	<b>21,436,973</b>	<b>801,978</b>	<b>(1,865,071)</b>	<b>14,373,136</b>	<b>10,399,127</b>
<b>Plan fiduciary net position - beginning</b>	<b>132,855,844</b>	<b>154,292,817</b>	<b>155,094,795</b>	<b>153,229,724</b>	<b>167,602,860</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 154,292,817</b>	<b>\$ 155,094,795</b>	<b>\$ 153,229,724</b>	<b>\$ 167,602,860</b>	<b>\$ 178,001,987</b>
<b>Plan net pension liability - ending (a) - (b)</b>	<b>\$ 59,980,455</b>	<b>\$ 66,060,949</b>	<b>\$ 77,353,111</b>	<b>\$ 84,003,943</b>	<b>\$ 83,359,076</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>72.01%</b>	<b>70.13%</b>	<b>66.45%</b>	<b>66.61%</b>	<b>68.11%</b>
<b>Covered payroll</b>	<b>\$ 23,972,182</b>	<b>\$ 24,360,068</b>	<b>\$ 23,628,081</b>	<b>\$ 24,614,955</b>	<b>\$ 25,924,448</b>
<b>Plan net pension liability as a percentage of covered payroll</b>	<b>250.21%</b>	<b>271.19%</b>	<b>327.38%</b>	<b>341.27%</b>	<b>321.55%</b>

<sup>1</sup> Historical information is presented only after GASB 68 implementation in 13-14.

<sup>2</sup> Net of administrative expenses for measurement period 2013-14.

**Notes to Schedule:**

Benefit Changes: There were no benefit changes.

Change of Assumptions: In 2021, 2020, and 2019, there were no changes. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate since 2017. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

City of Monterey  
Schedule of Changes in Net Pension Liability and Related Ratios (Continued)  
Year Ended June 30, 2022

**Last Ten Fiscal Years**  
**California Public Employees' Retirement System ("CalPERS") - Miscellaneous Plan**

Fiscal Year	2019-20	2020-21	2021-22
Measurement year	2018-19	2019-20	2020-21
<b>Total pension liability</b>			
Service cost	\$ 4,652,200	\$ 4,836,953	\$ 3,997,862
Interest	18,681,616	19,435,642	19,948,577
Changes of benefit terms	-	-	-
Differences between expected and actual experience	4,463,016	1,403,271	(1,109,104)
Changes of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(13,737,691)	(14,829,606)	(16,310,421)
<b>Net change in total pension liability</b>	14,059,141	10,846,260	6,526,914
<b>Total pension liability - beginning</b>	261,361,063	275,420,204	286,266,464
<b>Total pension liability - ending (a)</b>	<u>\$ 275,420,204</u>	<u>\$ 286,266,464</u>	<u>\$ 292,793,378</u>
<b>Pension fiduciary net position</b>			
Contributions - employer	\$ 7,756,887	\$ 8,721,866	\$ 9,249,669
Contributions - employee	2,556,189	2,606,422	2,041,232
Net investment income <sup>2</sup>	11,651,917	9,352,676	43,254,592
Benefit payments, including refunds of employee contributions	(13,737,691)	(14,829,606)	(16,310,421)
Plan to plan resources movement	-	-	-
Administrative expense	(127,026)	(262,359)	(191,487)
Other miscellaneous income/ (expense)	414	-	-
<b>Net change in plan fiduciary net position</b>	8,100,690	5,588,999	38,043,585
<b>Plan fiduciary net position - beginning</b>	178,001,987	186,102,677	191,691,676
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 186,102,677</u>	<u>\$ 191,691,676</u>	<u>\$ 229,735,261</u>
<b>Plan net pension liability - ending (a) - (b)</b>	<u>\$ 89,317,527</u>	<u>\$ 94,574,788</u>	<u>\$ 63,058,117</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<u>67.57%</u>	<u>66.96%</u>	<u>78.46%</u>
<b>Covered payroll</b>	<u>\$ 24,112,160</u>	<u>\$ 25,271,438</u>	<u>\$ 21,390,382</u>
<b>Plan net pension liability as a percentage of covered payroll</b>	<u>370.43%</u>	<u>374.24%</u>	<u>294.80%</u>

<sup>1</sup> Historical information is presented only after GASB 68 implementation in 13-14.

<sup>2</sup> Net of administrative expenses for measurement period 2013-14.

**Notes to Schedule:**

Benefit Changes: There were no benefit changes.

Change of Assumptions: In 2021, 2020, and 2019, there were no changes. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate since 2017. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

**City of Monterey**

Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios

Year Ended June 30, 2022

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**Last Ten Fiscal Years**  
**California Public Employees' Retirement System ("CalPERS") - Safety Plan**

Fiscal Year	2014-15	2015-16	2016-17	2017-18	2018-19
Measurement year	2013-14 <sup>1</sup>	2014-15	2015-16	2016-17	2017-18
City's proportion of the net pension liability/(asset)	0.644773%	0.653660%	0.624233%	0.613404%	0.638001%
City's proportionate share of the net pension liability/(asset)	\$ 40,120,756	\$ 44,866,643	\$ 54,015,449	\$ 60,832,803	\$ 61,479,477
City's covered payroll	\$ 12,253,098	\$ 12,832,928	\$ 12,930,722	\$ 13,937,961	\$ 15,156,045
City's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	<u>327.43%</u>	<u>349.62%</u>	<u>417.73%</u>	<u>436.45%</u>	<u>405.64%</u>
City's proportionate share of Plan's fiduciary net position	<u>\$ 117,052,375</u>	<u>\$ 116,018,778</u>	<u>\$ 114,199,494</u>	<u>\$ 122,288,785</u>	<u>\$ 129,571,745</u>
City's share of Plan fiduciary net position as a percentage of the City's share of the total pension liability	<u>74.47%</u>	<u>72.11%</u>	<u>67.89%</u>	<u>66.78%</u>	<u>67.82%</u>

<sup>1</sup> Historical information is presented only for measurement periods after GASB 68 implementation in 2013-14.

Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios (Continued)  
Year Ended June 30, 2022

**Last Ten Fiscal Years**  
**California Public Employees' Retirement System ("CalPERS") - Safety Plan**

Fiscal Year	2019-20	2020-21	2021-22
Measurement year	2018-19	2019-20	2020-21
City's proportion of the net pension liability/(asset)	0.640130%	0.649180%	0.915560%
City's proportionate share of the net pension liability/(asset)	\$ 65,594,481	\$ 70,634,037	\$ 49,516,254
City's covered payroll	\$ 15,940,462	\$ 15,776,659	\$ 16,210,517
City's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	<u>411.50%</u>	<u>447.71%</u>	<u>305.46%</u>
City's proportionate share of Plan's fiduciary net position	<u>\$ 138,416,521</u>	<u>\$ 143,295,880</u>	<u>\$ 143,006,709</u>
City's share of Plan fiduciary net position as a percentage of the City's share of the total pension liability	<u>67.85%</u>	<u>67.85%</u>	<u>65.65%</u>

<sup>1</sup> Historical information is presented only for measurement periods after GASB 68 implementation in 2013-14.

City of Monterey  
Schedule of Contributions - Pensions  
Year Ended June 30, 2022

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**Last Ten Fiscal Years**

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

	<u>2013-14<sup>1</sup></u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Actuarially determined contribution	\$ 4,082,086	\$ 4,769,858	\$ 5,391,281	\$ 6,231,357	\$ 6,912,076
Contributions in relation to the actuarially determined contribution	<u>(4,082,086)</u>	<u>(4,769,858)</u>	<u>(5,391,281)</u>	<u>(6,231,357)</u>	<u>(6,912,076)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 23,972,182	\$ 25,051,207	\$ 23,628,081	\$ 24,614,955	\$ 25,924,448
Contributions as a percentage of covered payroll	17.03%	19.58%	22.82%	25.32%	26.66%

<sup>1</sup> Historical information is presented only for measurement periods after GASB 68 implementation in 2013-14.

City of Monterey  
Schedule of Contributions - Pensions (Continued)  
Year Ended June 30, 2022

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**Last Ten Fiscal Years**

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

	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
Actuarially determined contribution	\$ 7,756,887	\$ 8,721,866	\$ 9,249,669	\$ 10,141,953
Contributions in relation to the actuarially determined contribution	<u>(7,756,887)</u>	<u>(8,721,866)</u>	<u>(9,249,669)</u>	<u>(10,141,953)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 24,112,160	\$ 25,271,438	\$ 21,390,382	\$ 21,978,618
Contributions as a percentage of covered payroll	32.17%	34.51%	43.24%	46.14%

<sup>1</sup> Historical information is presented only for measurement periods after GASB 68 implementation in 2013-14.



City of Monterey  
Schedule of Contributions - Pensions (Continued)  
Year Ended June 30, 2022

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**Last Ten Fiscal Years**

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

	2013-14 <sup>1</sup>	2014-15	2015-16	2016-17	2017-18
Actuarially determined contribution	\$ 3,806,512	\$ 3,956,300	\$ 4,110,661	\$ 4,611,867	\$ 5,202,284
Contributions in relation to the actuarially determined contribution	<u>(3,806,512)</u>	<u>(3,956,300)</u>	<u>(4,110,661)</u>	<u>(4,611,867)</u>	<u>(5,202,284)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 12,253,098	\$ 12,832,928	\$ 12,930,722	\$ 13,937,961	\$ 15,156,045
Contributions as a percentage of covered payroll <sup>2</sup>	31.07%	30.83%	31.79%	33.09%	34.32%

<sup>1</sup> Historical information is presented only for measurement periods after GASB 68 implementation in 2013-14.

City of Monterey  
Schedule of Contributions - Pensions (Continued)  
Year Ended June 30, 2022

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**Last Ten Fiscal Years**

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

	2018-19	2019-20	2020-21	2021-22
Actuarially determined contribution	\$ 5,928,285	\$ 6,686,650	\$ 7,371,844	\$ 8,143,043
Contributions in relation to the actuarially determined contribution	<u>(5,928,285)</u>	<u>(6,686,650)</u>	<u>(7,371,844)</u>	<u>(8,143,043)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 15,940,462	\$ 15,776,659	\$ 16,210,517	\$ 16,656,306
Contributions as a percentage of covered payroll <sup>2</sup>	37.98%	42.38%	45.48%	48.89%

<sup>1</sup> Historical information is presented only

City of Monterey

Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios

Year Ended June 30, 2022

Last Ten Fiscal Years Other Postemployment Benefit Plan					
Fiscal year	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Measurement year	2016-2017 <sup>1</sup>	2017-2018	2018-2019	2019-2020	2020-2021
<b>Total OPEB liability</b>					
Service cost	\$ 393,907	\$ 421,479	\$ 433,787	\$ 490,152	\$ 499,608
Interest	778,730	824,846	865,963	926,995	954,972
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	(85,363)	279,753	(326,072)	74,938
Changes of assumptions	-	-	(142,350)	-	379,121
Benefit payments, including refunds of employee contributions	(507,965)	(574,851)	(607,198)	(636,564)	(767,354)
<b>Net change in total OPEB liability</b>	664,672	586,111	829,955	454,511	1,141,285
<b>Total OPEB liability - beginning</b>	10,984,794	11,649,466	12,235,577	13,065,532	13,520,043
<b>Total OPEB liability - ending (a)</b>	<u>\$ 11,649,466</u>	<u>\$ 12,235,577</u>	<u>\$ 13,065,532</u>	<u>\$ 13,520,043</u>	<u>\$ 14,661,328</u>
<b>OPEB fiduciary net position</b>					
Contributions - employer	\$ 1,176,830	\$ 1,235,203	\$ 1,510,259	\$ 1,510,259	\$ 767,354
Contributions - member	-	-	-	-	-
Net investment income	148,405	162,737	224,923	150,365	1,384,171
Benefit payments, including refunds of employee contributions	(507,965)	(574,851)	(607,198)	(636,564)	(767,354)
Plan to plan resources movement	-	-	-	-	-
Administrative expense	(744)	(1,216)	(690)	(2,098)	(1,906)
Other expense	-	(2,735)	-	-	-
<b>Net change in plan fiduciary net position</b>	816,526	819,138	1,127,294	1,021,962	1,382,265
<b>Plan fiduciary net position - beginning</b>	1,249,891	2,066,417	2,885,555	4,012,849	5,034,811
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 2,066,417</u>	<u>\$ 2,885,555</u>	<u>\$ 4,012,849</u>	<u>\$ 5,034,811</u>	<u>\$ 6,417,076</u>
<b>Plan net OPEB liability - ending (a) - (b)</b>	<u>\$ 9,583,049</u>	<u>\$ 9,350,022</u>	<u>\$ 9,052,683</u>	<u>\$ 8,485,232</u>	<u>\$ 8,244,252</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<u>17.74%</u>	<u>23.58%</u>	<u>30.71%</u>	<u>37.24%</u>	<u>43.77%</u>
<b>Covered employee payroll</b>	<u>\$ 38,552,916</u>	<u>\$ 41,080,493</u>	<u>\$ 40,052,622</u>	<u>\$ 41,048,097</u>	<u>\$ 37,600,899</u>
<b>Plan net OPEB liability as a percentage of covered employee payroll</b>	<u>24.86%</u>	<u>22.76%</u>	<u>22.60%</u>	<u>20.67%</u>	<u>21.93%</u>

<sup>1</sup> Historical information is presented only for measurement periods after GASB 75 implementation in 2016-2017

City of Monterey  
Schedule of Contributions - Other Postemployment Benefits Plan  
Year Ended June 30, 2022

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	Last Ten Fiscal Years					
	Other Postemployment Benefit Plan					
	2016-17 <sup>1</sup>	2017-18	2018-19	2019-20	2020-21	2021-22
Actuarially determined contribution	\$ 1,168,213	\$ 1,169,802	\$ 1,204,895	\$ 1,393,662	\$ 1,395,892	\$ 1,432,807
Contributions in relation to the actuarially determined contribution	(1,176,830)	(1,235,203)	(1,204,895)	(1,393,662)	(1,510,259)	(767,354)
Contribution deficiency (excess)	<u>\$ (8,617)</u>	<u>\$ (65,401)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (114,367)</u>	<u>\$ 665,453</u>
Covered payroll	\$ 38,552,916	\$ 41,080,493	\$ 40,052,622	\$ 41,048,097	\$ 37,600,899	\$ 38,634,924
Contributions as a percentage of covered payroll	3.03%	2.85%	3.01%	3.40%	3.71%	3.71%

<sup>1</sup> Historical information is presented only for measurement periods after GASB 75 implementation in 2016-2017



Supplementary Information  
June 30, 2022

**City of Monterey**

### **Capital Projects Fund**

The **Capital Improvement Capital Projects fund** is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary fund types). The City maintains one Capital Projects Fund, which is shown on the Combined Balance Sheet and the Combined Statement of Revenues, Expenditures and Changes in Fund Balances.

**Conference Center Facilities District Capital Projects Fund** – This fund was established to account for Conference Center Facilities District tax revenue and bond proceeds used to fund the renovation of the Monterey Conference Center.

### **Debt Service Funds**

**Conference Center Facilities District Debt Service Fund** – This fund was established to account for Conference Center Facilities District tax revenue for repayment of the Special Tax Bonds.

**Debt Service Fund** – This fund is used to account for the financial resources to be used for the payment of principal and interest on long-term obligations.

### **Special Revenue Funds**

**Neighborhood Community Improvement Fund** – This fund was established to provide a means for financing neighborhood related capital improvements. 16% of all transient occupancy tax revenue collected by the City is deposited in this fund.

**Storm Water System Improvements Fund** – This fund is used to account for revenues and expenditures for improvements, operations and maintenance of the City's storm drain and storm water management systems, Wharf 1 fire sprinkler system, and fire hydrants. Revenues are derived from developer fees and user fees.

**Skyline Forest Service District Fund** – The Skyline Forest Service District was created in 1966 to provide for perpetual landscaping maintenance of the Skyline Forest area. A tax is levied on the properties in the district to pay for the landscape contracts.

**Alvarado Street Maintenance District Fund** – The Alvarado Street District was formed to help pay for the maintenance and upkeep of Alvarado Street. A special assessment is levied on all parcels within the district for this specific purpose.

**Calle Principal Maintenance District Fund** – The Calle Principal Maintenance Districts was formed to help pay for the maintenance and upkeep of Calle Principal Street. A special assessment is levied on all parcels within the district for this specific purpose.

**State/Federal Grants Fund** – This fund accounts for monies received from state and federal agencies for specific purposes.

**Construction Truck Impact Fee Fund** – This fund was established to account for fees collected, based on building permit project valuations, to provide for reconstruction and resurfacing of City streets impacted by construction truck traffic. Fees were discontinued on July 2, 2013, and the remaining funds are dedicated to completion of existing capital projects.

**Gas Tax Fund** – This fund is comprised of state monies made available to the City for general road improvements and for specific road projects.

**SB1 Road Maintenance & Rehabilitation Fund** – This fund accounts for the State Legislature passed SB1 which increases the funding for street projects. Revenue is restricted for street-related construction and/or maintenance projects starting from 2017.

**Transportation Safety & Investment Plan Fund** – This fund was established to account for proceeds from a countywide 3/8% transactions and use tax that was approved by voters in November, 2016 ("Measure X"). Funds are allocated annually by the Transportation Agency for Monterey County (TAMC) based on population and lane miles, and may be used in accordance with TAMC's Transportation Safety and Improvement Plan for transportation safety and mobility projects.

**Measure P Sales Tax** – This fund was established in April 2015 to account for all sales and use tax revenue from Measure P, a 1% add-on district tax effective for four years. The purpose of Measure P is to fund street infrastructure rehabilitation projects.

**Community Development Block Grant Fund** – This fund was created to account for financial transactions relating to the Community Development Block Grant Program of the U.S. Department of Housing and Urban Development. Program income is currently used for low interest housing rehabilitation loans and for grants to non-profit organizations for community services.

**Housing Grants Fund** – This fund was created to account for financial translations relating to the Federal HOME program. Program income from HOME funds is used to meet housing needs for low income households in accordance with federal guidelines.

**Park Dedication Fund** – This fund is used to account for funds dedicated to parks. This fund did not adopt a budget for fiscal year ended June 30, 2022.

**Public Safety Training and Services Fund** – This fund is used to account for revenues and expenditures pertaining to funds received from Monterey County Service Area 74 (CSA 74).

**Asset Seizure Fund** – This fund is a repository for funds received from the sale of assets seized by the Police Department.

**Construction Truck Impact Fee** – This fund is used to account for funds received from construction truck impact fees. This fund did not adopted budget for fiscal year ended June 30, 2022.

**Public Education and Government Access Fund** – This fund is used to account for funds related to public education and government access. This fund did not adopted budget for fiscal year ended June 30, 2022.

**Public Education and Government Access Fund** – The City has a franchise agreement with AT&T for cable services and contracts with Access Monterey Peninsula, Inc. for support of public education and government access services. This fund is used to account for revenues and expenditures pertaining to these agreements.

**Senior Center Programs Fund** – The City accounts for activities related to the senior center program which supports activities related to the City’s senior center.

**Library Fund** – This fund was created so that gifts, bequests and miscellaneous revenues from the library operation could be deposited and reserved for library purposes. All expenditures from the fund are requested by the Library Board of Trustees and approved by the City Council.

**Museum Fund** – This fund is comprised of donations from visitors to the Colton Hall Museum and contributions by individual donors. The monies are used for the acquisition and preservation of historical artifacts.

**Special Deposits Fund** – This fund was established to account for various contributions received by the City to be used to support Monterey citizens.

**Low/Mod Income Housing Asset Fund** – This fund is used to account for transfers from the Low and Moderate Income Housing Fund upon elimination of redevelopment. This fund administers the remaining low interest loans issued under the previous Low and Moderate Income Housing Fund, and manages affordable housing opportunities.

**Navy Services Fund** – This fund was established to account for costs and revenues pertaining to the Navy Services contract.

#### **Permanent Fund**

**Scholze Park Trust Fund** – This fund was created for the purpose of maintaining and improving parks and playgrounds owned by the City. It is funded by Scholze Estate and specified by ordinance that only income from assets be distributed and divided 50% for park and 50% for playground purposes.



City of Monterey  
Combining Balance Sheet –Nonmajor Governmental Fund  
Year Ended June 30, 2022

	Capital Improvement Capital Projects Fund	Conference Center Facilities District Capital Projects Fund	Debt Service Funds		Special Revenue Funds
			Conference Center Facilities District	Debt Service Fund	Neighborhood Community Improvement
<b>ASSETS</b>					
Cash and investments	\$ 50,880	\$ (118,065)	\$ 1,757,378	\$ 25,868	\$ 6,607,433
Restricted cash and investments:					
Held by fiscal agent	-	2,567,336	1,765,024	-	-
Held by City	-	-	3,000,000	-	-
Receivables:					
Taxes receivable	-	-	-	-	574,589
Accounts receivable	866,007	1,676	577,725	-	116,128
Interest receivable	-	-	13,482	87	21,925
Loans receivable:					
Rehabilitation	-	-	-	-	-
Downpayment assistance	-	-	-	-	-
Project subsidy loans	-	-	-	-	-
Leases receivable	-	-	-	-	-
Property held for resale	-	-	-	-	-
<b>Total assets</b>	<u>\$ 916,887</u>	<u>\$ 2,450,947</u>	<u>\$ 7,113,609</u>	<u>\$ 25,955</u>	<u>\$ 7,320,075</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ -	\$ 2,531,880	\$ -	\$ 17,591	\$ 62,528
Due to other funds	234,268	-	-	-	-
Advance from other funds	-	-	-	-	-
<b>Total liabilities</b>	<u>234,268</u>	<u>2,531,880</u>	<u>-</u>	<u>17,591</u>	<u>62,528</u>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	-	-	-	-	113,102
Lease related	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,102</u>
<b>Fund Balances:</b>					
Nonspendable	-	-	-	-	-
Restricted	682,619	-	7,113,609	-	-
Committed	-	-	-	8,364	7,144,445
Unassigned (deficit)	-	(80,933)	-	-	-
<b>Total fund balances (deficit)</b>	<u>682,619</u>	<u>(80,933)</u>	<u>7,113,609</u>	<u>8,364</u>	<u>7,144,445</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 916,887</u>	<u>\$ 2,450,947</u>	<u>\$ 7,113,609</u>	<u>\$ 25,955</u>	<u>\$ 7,320,075</u>

(Continued)

City of Monterey  
Combining Balance Sheet –Nonmajor Governmental Fund, Continued  
Year Ended June 30, 2022

	Special Revenue Funds				
	Storm Water System Improvements	Skyline Forest Service District	Alvarado Street Maintenance District	Calle Principal Maintenance District	State/Federal Grants
<b>ASSETS</b>					
Cash and investments	\$ 1,677,509	\$ 220,984	\$ 7,523	\$ 29,423	\$ 318,834
Restricted cash and investments:					
Held by fiscal agent	-	-	-	-	-
Held by City	-	-	-	-	-
Receivables:					
Taxes receivable	-	-	-	895	-
Accounts receivable	330,125	739	1,181	-	16,667
Interest receivable	4,595	746	25	99	8
Loans receivable:					
Rehabilitation	-	-	-	-	-
Downpayment assistance	-	-	-	-	-
Project subsidy loans	-	-	-	-	-
Leases receivable	-	-	-	-	-
Property held for resale	-	-	-	-	-
<b>Total assets</b>	<u>\$ 2,012,229</u>	<u>\$ 222,469</u>	<u>\$ 8,729</u>	<u>\$ 30,417</u>	<u>\$ 335,509</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 18,560	\$ 838	\$ 6,885	\$ 1,739	\$ -
Due to other funds	-	-	-	-	8,068
Advance from other funds	-	-	-	-	-
<b>Total liabilities</b>	<u>18,560</u>	<u>838</u>	<u>6,885</u>	<u>1,739</u>	<u>8,068</u>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	154,224	-	-	-	-
Lease related	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>154,224</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>					
Nonspendable	-	-	-	-	-
Restricted	1,839,445	221,631	1,844	28,678	327,441
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
<b>Total fund balances (deficit)</b>	<u>1,839,445</u>	<u>221,631</u>	<u>1,844</u>	<u>28,678</u>	<u>327,441</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 2,012,229</u>	<u>\$ 222,469</u>	<u>\$ 8,729</u>	<u>\$ 30,417</u>	<u>\$ 335,509</u>

(Continued)

City of Monterey  
Combining Balance Sheet –Nonmajor Governmental Fund, Continued  
Year Ended June 30, 2022

	Special Revenue Funds				
	Construction Truck Impact Fee	Gas Tax	SB1 Road Maintenance & Rehabilitation	Transportation Safety & Investment Plan	Measure P Sales Tax
<b>ASSETS</b>					
Cash and investments	\$ 354	\$ 1,477,966	\$ 1,768,639	\$ 3,921,041	\$ 7,798,548
Restricted cash and investments:					
Held by fiscal agent	-	-	-	-	-
Held by City	-	-	-	-	-
Receivables:					
Taxes receivable	-	51,156	-	-	2,218,790
Accounts receivable	-	-	51,466	648,777	-
Interest receivable	-	4,970	-	-	26,200
Loans receivable:					
Rehabilitation	-	-	-	-	-
Downpayment assistance	-	-	-	-	-
Project subsidy loans	-	-	-	-	-
Leases receivable	-	-	-	-	-
Property held for resale	-	-	-	-	-
<b>Total assets</b>	<b>\$ 354</b>	<b>\$ 1,534,092</b>	<b>\$ 1,820,105</b>	<b>\$ 4,569,818</b>	<b>\$ 10,043,538</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 1,200	\$ 147,379
Due to other funds	-	-	-	-	-
Advance from other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,200</b>	<b>147,379</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	-	-	-	350,276	-
Lease related	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>350,276</b>	<b>-</b>
<b>Fund Balances:</b>					
Nonspendable	-	-	-	-	-
Restricted	354	1,534,092	1,820,105	4,218,342	9,896,159
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>354</b>	<b>1,534,092</b>	<b>1,820,105</b>	<b>4,218,342</b>	<b>9,896,159</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 354</b>	<b>\$ 1,534,092</b>	<b>\$ 1,820,105</b>	<b>\$ 4,569,818</b>	<b>\$ 10,043,538</b>
	(Continued)				(Continued)

City of Monterey  
Combining Balance Sheet –Nonmajor Governmental Fund, Continued  
Year Ended June 30, 2022

	Special Revenue Funds				
	Community Development Block Grant	Housing Grants	Park Dedication	Public Safety Training and Services	Asset Seizure
<b>ASSETS</b>					
Cash and investments	\$ 317,731	\$ 505,588	\$ 176	\$ 314,120	\$ 137,487
Restricted cash and investments:					
Held by fiscal agent	2,705	15,939	-	-	-
Held by City	-	-	-	-	-
Receivables:					
Taxes receivable	-	-	-	-	-
Accounts receivable	52,439	4,358	-	-	-
Interest receivable	1,742	1,824	2	-	-
Loans receivable:					
Rehabilitation	2,573,788	-	-	-	-
Downpayment assistance	-	493,310	-	-	-
Project subsidy loans	-	-	-	-	-
Leases receivable	6,263,324	-	-	-	-
Property held for resale	420,271	-	-	-	-
<b>Total assets</b>	<b>\$ 9,632,000</b>	<b>\$ 1,021,019</b>	<b>\$ 178</b>	<b>\$ 314,120</b>	<b>\$ 137,487</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 36,911	\$ -	\$ -	\$ 2,922	\$ 126,668
Due to other funds	-	-	-	-	-
Advance from other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>36,911</b>	<b>-</b>	<b>-</b>	<b>2,922</b>	<b>126,668</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	548,505	-	-	-	-
Lease related	6,192,756	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>6,741,261</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
Nonspendable	-	-	-	-	-
Restricted	2,853,828	1,021,019	178	311,198	10,819
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>2,853,828</b>	<b>1,021,019</b>	<b>178</b>	<b>311,198</b>	<b>10,819</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 9,632,000</b>	<b>\$ 1,021,019</b>	<b>\$ 178</b>	<b>\$ 314,120</b>	<b>\$ 137,487</b>

(Continued)

City of Monterey  
Combining Balance Sheet –Nonmajor Governmental Fund, Continued  
Year Ended June 30, 2022

	Special Revenue Funds				
	Public Education and Government Access	Senior Center Programs	Library	Museum	Special Deposits
<b>ASSETS</b>					
Cash and investments	\$ 9,670	\$ 46,770	\$ 667,079	\$ 207,743	\$ 526,187
Restricted cash and investments:					
Held by fiscal agent	-	-	-	-	-
Held by City	-	-	-	-	-
Receivables:					
Taxes receivable	-	-	-	-	-
Accounts receivable	-	-	3,799	-	-
Interest receivable	-	158	2,250	703	137
Loans receivable:					
Rehabilitation	-	-	-	-	-
Downpayment assistance	-	-	-	-	-
Project subsidy loans	-	-	-	-	-
Leases receivable	-	-	-	-	-
Property held for resale	-	-	-	-	-
<b>Total assets</b>	<u>\$ 9,670</u>	<u>\$ 46,928</u>	<u>\$ 673,128</u>	<u>\$ 208,446</u>	<u>\$ 526,324</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 5,428	\$ -	\$ 202,040
Due to other funds	-	-	-	-	-
Advance from other funds	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>5,428</u>	<u>-</u>	<u>202,040</u>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	-	-	-	-	-
Lease related	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>					
Nonspendable	-	-	-	-	-
Restricted	9,670	46,928	667,700	208,446	324,284
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
<b>Total fund balances (deficit)</b>	<u>9,670</u>	<u>46,928</u>	<u>667,700</u>	<u>208,446</u>	<u>324,284</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 9,670</u>	<u>\$ 46,928</u>	<u>\$ 673,128</u>	<u>\$ 208,446</u>	<u>\$ 526,324</u>

(Continued)

City of Monterey  
Combining Balance Sheet –Nonmajor Governmental Fund, Continued  
Year Ended June 30, 2022

	Special Revenue Funds		Scholze Park	
	Low/Mod		Trust	
	Income	Navy	Permanent	
	Housing	Services	Fund	
	Assets			Total
<b>ASSETS</b>				
Cash and investments	\$ 1,519,548	\$ (1,368)	\$ (42,417)	\$ 29,752,629
Restricted cash and investments:				
Held by fiscal agent	813	-	-	4,351,817
Held by City	-	-	2,476,128	5,476,128
Receivables:				
Taxes receivable	-	-	-	2,845,430
Accounts receivable	32,194	68,163	-	2,771,444
Interest receivable	4,315	-	8,219	91,487
Loans receivable:				
Rehabilitation	-	-	-	2,573,788
Downpayment assistance	-	-	-	493,310
Project subsidy loans	5,552,842	-	-	5,552,842
Leases receivable	-	-	-	6,263,324
Property held for resale	-	-	-	420,271
<b>Total assets</b>	<b>\$ 7,109,712</b>	<b>\$ 66,795</b>	<b>\$ 2,441,930</b>	<b>\$ 60,592,470</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 19,068	\$ 24,605	\$ -	\$ 3,206,242
Due to other funds	-	53,672	40,746	336,754
Advance from other funds	40,000	-	-	40,000
<b>Total liabilities</b>	<b>59,068</b>	<b>78,277</b>	<b>40,746</b>	<b>3,582,996</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue	1,526,233	-	-	2,692,340
Lease related	-	-	-	6,192,756
<b>Total deferred inflows of resources</b>	<b>1,526,233</b>	<b>-</b>	<b>-</b>	<b>8,885,096</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	2,401,184	2,401,184
Restricted	5,524,411	-	-	38,662,800
Committed	-	-	-	7,152,809
Unassigned (deficit)	-	(11,482)	-	(92,415)
<b>Total fund balances (deficit)</b>	<b>5,524,411</b>	<b>(11,482)</b>	<b>2,401,184</b>	<b>48,124,378</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 7,109,712</b>	<b>\$ 66,795</b>	<b>\$ 2,441,930</b>	<b>\$ 60,592,470</b>

(Concluded)

**City of Monterey**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended June 30, 2022**

	Capital Improvement Capital Projects Fund	Conference Center Facilities District Capital Projects Fund	Debt Service Funds Conference Center Facilities District	Debt Service Fund	Special Revenue Funds Neighborhood Community Improvement
<b>REVENUES:</b>					
Special assessment	\$ -	\$ -	\$ -	\$ -	\$ -
Measure P sales tax	-	-	-	-	-
Other taxes	-	-	5,422,072	-	5,404,814
Intergovernmental	3,724,726	-	-	-	268,350
Use of money and property	(66,366)	(1,390)	(52,099)	3,022	44,296
Rental income	-	-	-	-	-
Charges for services	-	-	-	-	-
Other	-	-	-	-	-
<b>Total revenues</b>	<b>3,658,360</b>	<b>(1,390)</b>	<b>5,369,973</b>	<b>3,022</b>	<b>5,717,460</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	28,155	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Public works	2,178,390	16,655	-	-	701,552
Community development	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Library and museum	-	-	-	-	-
Capital outlay	8,329,026	-	-	-	-
Debt service:					
Principal payment	-	-	2,361,182	360,000	-
Interest and fiscal charges	-	-	1,580,900	185,566	-
<b>Total expenditures</b>	<b>10,507,416</b>	<b>16,655</b>	<b>3,970,237</b>	<b>545,566</b>	<b>701,552</b>
<b>EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES</b>	<b>(6,849,056)</b>	<b>(18,045)</b>	<b>1,399,736</b>	<b>(542,544)</b>	<b>5,015,908</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	10,599,797	16,790	-	541,689	-
Transfers out	-	-	(16,790)	-	-
<b>Total other financing sources (uses)</b>	<b>10,599,797</b>	<b>16,790</b>	<b>(16,790)</b>	<b>541,689</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>3,750,741</b>	<b>(1,255)</b>	<b>1,382,946</b>	<b>(855)</b>	<b>5,015,908</b>
<b>FUND BALANCES:</b>					
Beginning of year, as restated	(3,068,122)	(79,678)	5,730,663	9,219	2,128,537
End of year	\$ 682,619	\$ (80,933)	\$ 7,113,609	\$ 8,364	\$ 7,144,445

(Continued)

**City of Monterey**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds, Continued  
Year Ended June 30, 2022

	Special Revenue Funds				
	Storm Water System Improvements	Skyline Forest Service District	Alvarado Street Maintenance District	Calle Principal Maintenance District	State/Federal Grants
<b>REVENUES:</b>					
Special assessment	\$ -	\$ 29,344	\$ -	\$ -	\$ -
Measure P sales tax	-	-	-	-	-
Other taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	1,101,806
Use of money and property	(13,978)	(3,038)	36	(373)	(1,554)
Rental income	-	-	-	-	-
Charges for services	980,870	-	49,021	25,503	-
Other	-	-	-	-	-
<b>Total revenues</b>	<b>966,892</b>	<b>26,306</b>	<b>49,057</b>	<b>25,130</b>	<b>1,100,252</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Public works	1,014,908	-	-	-	-
Community development	-	-	-	-	894,644
Parks and recreation	-	21,303	101,280	29,548	-
Library and museum	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal payment	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>1,014,908</b>	<b>21,303</b>	<b>101,280</b>	<b>29,548</b>	<b>894,644</b>
<b>EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES</b>	<b>(48,016)</b>	<b>5,003</b>	<b>(52,223)</b>	<b>(4,418)</b>	<b>205,608</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	41,892	-	-
Transfers out	(5,042)	-	-	-	(171,000)
<b>Total other financing sources (uses)</b>	<b>(5,042)</b>	<b>-</b>	<b>41,892</b>	<b>-</b>	<b>(171,000)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>(53,058)</b>	<b>5,003</b>	<b>(10,331)</b>	<b>(4,418)</b>	<b>34,608</b>
<b>FUND BALANCES:</b>					
Beginning of year, as restated	1,892,503	216,628	12,175	33,096	292,833
End of year	\$ 1,839,445	\$ 221,631	\$ 1,844	\$ 28,678	\$ 327,441

(Continued)



City of Monterey

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds, Continued

Year Ended June 30, 2022

	Special Revenue Funds				
	Construction Truck Impact Fee	Gas Tax	SB1 Road Maintenance & Rehabilitation	Transportation Safety & Investment Plan	Measure P Sales Tax
<b>REVENUES:</b>					
Special assessment	\$ -	\$ -	\$ -	\$ -	\$ -
Measure P sales tax	-	-	-	-	11,453,238
Other taxes	-	-	-	-	-
Intergovernmental	-	649,027	568,773	1,280,008	-
Use of money and property	-	(13,047)	16,271	37,811	(160,253)
Rental income	-	-	-	-	-
Charges for services	-	-	-	-	-
Other	-	29,785	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>665,765</b>	<b>585,044</b>	<b>1,317,819</b>	<b>11,292,985</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Public works	-	-	-	-	-
Community development	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Library and museum	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal payment	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES</b>	<b>-</b>	<b>665,765</b>	<b>585,044</b>	<b>1,317,819</b>	<b>11,292,985</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	(268,408)	-	(126,438)	(7,246,360)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(268,408)</b>	<b>-</b>	<b>(126,438)</b>	<b>(7,246,360)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>-</b>	<b>397,357</b>	<b>585,044</b>	<b>1,191,381</b>	<b>4,046,625</b>
<b>FUND BALANCES:</b>					
Beginning of year, as restated	354	1,136,735	1,235,061	3,026,961	5,849,534
End of year	\$ 354	\$ 1,534,092	\$ 1,820,105	\$ 4,218,342	\$ 9,896,159

(Continued)

City of Monterey

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds, Continued

Year Ended June 30, 2022

	Special Revenue Funds				
	Community Development Block Grant	Housing Grants	Park Dedication	Public Safety Training and Services	Asset Seizure
<b>REVENUES:</b>					
Special assessment	\$ -	\$ -	\$ -	\$ -	\$ -
Measure P sales tax	-	-	-	-	-
Other taxes	-	-	-	-	-
Intergovernmental	263,657	-	-	-	2,823
Use of money and property	269,801	(6,761)	(589)	-	-
Rental income	359,466	92,992	-	-	-
Charges for services	-	-	-	59,687	-
Other	-	1,829	-	-	-
<b>Total revenues</b>	<b>892,924</b>	<b>88,060</b>	<b>(589)</b>	<b>59,687</b>	<b>2,823</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	111,171	-
Public works	-	-	-	-	-
Community development	953,855	52,628	-	-	-
Parks and recreation	-	-	-	-	-
Library and museum	-	-	-	-	-
Capital outlay	-	-	-	-	10,000
Debt service:					
Principal payment	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>953,855</b>	<b>52,628</b>	<b>-</b>	<b>111,171</b>	<b>10,000</b>
<b>EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES</b>	<b>(60,931)</b>	<b>35,432</b>	<b>(589)</b>	<b>(51,484)</b>	<b>(7,177)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	767	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>767</b>	<b>-</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>(60,931)</b>	<b>35,432</b>	<b>178</b>	<b>(51,484)</b>	<b>(7,177)</b>
<b>FUND BALANCES:</b>					
Beginning of year, as restated	2,914,759	985,587	-	362,682	17,996
End of year	\$ 2,853,828	\$ 1,021,019	\$ 178	\$ 311,198	\$ 10,819

(Continued)

City of Monterey

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds, Continued

Year Ended June 30, 2022

	Special Revenue Funds				
	Public Education and Government Access	Senior Center Programs	Library	Museum	Special Deposits
<b>REVENUES:</b>					
Special assessment	\$ -	\$ -	\$ -	\$ -	\$ -
Measure P sales tax	-	-	-	-	-
Other taxes	-	-	-	-	-
Intergovernmental	-	-	64,800	-	-
Use of money and property	(71)	(677)	(9,201)	(3,454)	(5,930)
Rental income	-	-	-	-	-
Charges for services	-	-	2,999	-	-
Other	-	-	202,387	8,352	135,672
Total revenues	(71)	(677)	260,985	4,898	129,742
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Public works	-	-	-	-	-
Community development	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Library and museum	-	-	178,776	1,905	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal payment	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	-	178,776	1,905	-
<b>EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES</b>	(71)	(677)	82,209	2,993	129,742
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	47,605	-	-	-
Total other financing sources (uses)	-	47,605	-	-	-
<b>NET CHANGES IN FUND BALANCES</b>	(71)	46,928	82,209	2,993	129,742
<b>FUND BALANCES:</b>					
Beginning of year, as restated	9,741	-	585,491	205,453	194,542
End of year	\$ 9,670	\$ 46,928	\$ 667,700	\$ 208,446	\$ 324,284

(Continued)

City of Monterey

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds, Continued

Year Ended June 30, 2022

	Special Revenue Funds		Scholze Park	
	Low/Mod		Trust	
	Income		Permanent	
	Housing	Navy	Fund	Total
	Assets	Services		
<b>REVENUES:</b>				
Special assessment	\$ -	\$ -	\$ -	\$ 29,344
Measure P sales tax	-	-	-	11,453,238
Other taxes	-	-	-	10,826,886
Intergovernmental	-	251,207	-	8,175,177
Use of money and property	191,807	(1,369)	(36,429)	186,465
Rental income	67,322	-	-	519,780
Charges for services	-	-	-	1,118,080
Other	-	-	-	378,025
<b>Total revenues</b>	<b>259,129</b>	<b>249,838</b>	<b>(36,429)</b>	<b>32,686,995</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	-	28,155
Police	-	-	-	-
Fire	-	-	-	111,171
Public works	-	306,647	-	4,218,152
Community development	254,953	-	-	2,156,080
Parks and recreation	-	-	-	152,131
Library and museum	-	-	-	180,681
Capital outlay	-	-	-	8,339,026
Debt service:				
Principal payment	-	-	-	2,721,182
Interest and fiscal charges	-	-	-	1,766,466
<b>Total expenditures</b>	<b>254,953</b>	<b>306,647</b>	<b>-</b>	<b>19,673,044</b>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>				
<b>(UNDER) EXPENDITURES</b>	<b>4,176</b>	<b>(56,809)</b>	<b>(36,429)</b>	<b>13,013,951</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	11,200,168
Transfers out	-	-	(38,514)	(7,824,180)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(38,514)</b>	<b>3,375,988</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>4,176</b>	<b>(56,809)</b>	<b>(74,943)</b>	<b>16,389,939</b>
<b>FUND BALANCES:</b>				
Beginning of year, as restated	5,520,235	45,327	2,476,127	31,734,439
End of year	\$ 5,524,411	\$ (11,482)	\$ 2,401,184	\$ 48,124,378

(Concluded)

City of Monterey

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Capital Improvement  
Capital Projects Fund  
June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 3,724,726	\$ 3,724,726
Use of money and property	-	-	(66,366)	(66,366)
Total revenues	-	-	3,658,360	3,658,360
<b>EXPENDITURES</b>				
Public works	5,226,363	42,728,581	2,178,390	40,550,191
Capital outlay	-	8,329,026	8,329,026	-
Total expenditures	5,226,363	51,057,607	10,507,416	40,550,191
<b>EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES</b>	(5,226,363)	(51,057,607)	(6,849,056)	44,208,551
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	10,599,797	10,599,797
Total other financing sources	-	-	10,599,797	10,599,797
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (5,226,363)</u>	<u>\$ (51,057,607)</u>	3,750,741	<u>\$ 54,808,348</u>
<b>FUND BALANCE</b>				
Beginning of year			(3,068,122)	
End of year			<u>\$ 682,619</u>	

**City of Monterey**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Conference Center Facility District Capital Projects Fund  
Year Ended June 30, 2022

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	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES:</b>				
Use of money and property	\$ 155	\$ 155	\$ (1,390)	\$ (1,545)
<b>EXPENDITURES:</b>				
Current:				
Public works	-	3,912,208	16,655	3,895,553
<b>EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES</b>	<u>155</u>	<u>(3,912,053)</u>	<u>(18,045)</u>	<u>3,894,008</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	-	16,790	16,790
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 155</u>	<u>\$ (3,912,053)</u>	<u>(1,255)</u>	<u>\$ 3,910,798</u>
<b>FUND BALANCE</b>				
Beginning of year			(79,678)	
End of year			<u>\$ (80,933)</u>	

**City of Monterey**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Conference Center Facility District Debt Service Fund  
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES:</b>				
Other taxes	\$ 2,824,971	\$ 2,824,971	\$ 5,422,072	\$ 2,597,101
Use of money and property	43,931	43,931	(52,099)	(96,030)
Total revenues	<u>2,868,902</u>	<u>2,868,902</u>	<u>5,369,973</u>	<u>2,501,071</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	28,155	(28,155)
Debt services:				
Principal payment	1,942,106	1,942,106	2,361,182	(419,076)
Interest and fiscal charges	1,615,952	1,615,952	1,580,900	35,052
Total expenditures	<u>3,558,058</u>	<u>3,558,058</u>	<u>3,970,237</u>	<u>(412,179)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES</b>	<u>(689,156)</u>	<u>(689,156)</u>	<u>1,399,736</u>	<u>2,088,892</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	-	-	(16,790)	(16,790)
<b>NET CHANGES IN FUND BALANCE</b>	<u>\$ (689,156)</u>	<u>\$ (689,156)</u>	<u>1,382,946</u>	<u>\$ 2,072,102</u>
<b>FUND BALANCE</b>				
Beginning of year			<u>5,730,663</u>	
End of year			<u>\$ 7,113,609</u>	

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Debt Service Fund  
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES:</b>				
Use of money and property	\$ 4,091	\$ 4,091	\$ 3,022	\$ (1,069)
<b>EXPENDITURES:</b>				
Debt service:				
Principal payment	360,000	360,000	360,000	-
Interest and fiscal charges	189,066	191,318	185,566	5,752
<b>Total expenditures</b>	<b>549,066</b>	<b>551,318</b>	<b>545,566</b>	<b>5,752</b>
<b>EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES</b>	<b>(544,975)</b>	<b>(547,227)</b>	<b>(542,544)</b>	<b>4,683</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	-	541,689	541,689
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (544,975)</b>	<b>\$ (547,227)</b>	<b>(855)</b>	<b>\$ 546,372</b>
<b>FUND BALANCE:</b>				
Beginning of year			9,219	
End of year			\$ 8,364	



City of Monterey

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Neighborhood Community  
Improvement Special Revenue Fund  
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Over/(Under)
<b>REVENUES:</b>				
Other taxes	\$ 3,344,882	\$ 3,878,882	\$ 5,404,814	\$ 1,525,932
Intergovernmental	-	-	268,350	268,350
Use of money and property	40,949	40,949	44,296	3,347
<b>Total revenues</b>	<u>3,385,831</u>	<u>3,919,831</u>	<u>5,717,460</u>	<u>1,797,629</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	<u>417,723</u>	<u>7,827,594</u>	<u>701,552</u>	<u>7,126,042</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>2,968,108</u>	<u>(3,907,763)</u>	<u>5,015,908</u>	<u>8,923,671</u>
<b>NET CHANGES IN FUND BALANCE</b>	<u>\$ 2,968,108</u>	<u>\$ (3,907,763)</u>	<u>5,015,908</u>	<u>\$ 8,923,671</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>2,128,537</u>	
End of year			<u>\$ 7,144,445</u>	

City of Monterey

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Storm Water System  
Improvements Special Revenue Fund  
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES:</b>				
Use of money and property	\$ 9,018	\$ 9,018	\$ (13,978)	\$ (22,996)
Charges for services	1,128,000	1,128,000	980,870	(147,130)
Other	-	(11,300)	-	11,300
<b>Total revenues</b>	<u>1,137,018</u>	<u>1,137,018</u>	<u>966,892</u>	<u>(170,126)</u>
<b>EXPENDITURES:</b>				
Current:				
Fire	25,750	25,750	-	25,750
Public works	1,363,292	1,508,693	1,014,908	493,785
<b>Total expenditures</b>	<u>1,389,042</u>	<u>1,534,443</u>	<u>1,014,908</u>	<u>519,535</u>
<b>EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES</b>	<u>(252,024)</u>	<u>(397,425)</u>	<u>(48,016)</u>	<u>349,409</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers out	-	-	(5,042)	(5,042)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (252,024)</u>	<u>\$ (397,425)</u>	<u>(53,058)</u>	<u>\$ 344,367</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,892,503</u>	
End of year			<u>\$ 1,839,445</u>	

City of Monterey

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Skyline Forest Service  
District Special Revenue Fund  
June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES:</b>				
Special assessment	\$ 25,000	\$ 25,000	\$ 29,344	\$ 4,344
Use of money and property	1,953	1,953	(3,038)	(4,991)
<b>Total revenues</b>	<u>26,953</u>	<u>26,953</u>	<u>26,306</u>	<u>(647)</u>
<b>EXPENDITURES:</b>				
Current:				
Parks and recreation	17,135	24,515	21,303	3,212
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 9,818</u>	<u>\$ 2,438</u>	5,003	<u>\$ 2,565</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>216,628</u>	
End of year			<u>\$ 221,631</u>	

City of Monterey

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Alvarado Street  
Maintenance District Special Revenue Fund  
June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES:</b>				
Use of money and property	\$ 327	\$ 327	\$ 36	\$ (291)
Charges for services	48,500	48,500	49,021	521
<b>Total revenues</b>	<b>48,827</b>	<b>48,827</b>	<b>49,057</b>	<b>230</b>
<b>EXPENDITURES:</b>				
Current:				
Parks and recreation	103,666	113,025	101,280	11,745
<b>Total expenditures</b>	<b>103,666</b>	<b>113,025</b>	<b>101,280</b>	<b>11,745</b>
<b>EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES</b>	<b>(54,839)</b>	<b>(64,198)</b>	<b>(52,223)</b>	<b>11,975</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	-	41,892	41,892
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>41,892</b>	<b>41,892</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (54,839)</b>	<b>\$ (64,198)</b>	<b>(10,331)</b>	<b>\$ 53,867</b>
<b>FUND BALANCE:</b>				
Beginning of year			12,175	
End of year			\$ 1,844	

City of Monterey

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Calle Principal  
Maintenance District Special Revenue Fund  
Year Ended June 30, 2022

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	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES:</b>				
Use of money and property	\$ 256	\$ 256	\$ (373)	\$ (629)
Charges for services	27,500	27,500	25,503	(1,997)
<b>Total revenues</b>	<u>27,756</u>	<u>27,756</u>	<u>25,130</u>	<u>(2,626)</u>
<b>EXPENDITURES:</b>				
Current:				
Parks and recreation	26,963	29,872	29,548	324
<b>Total expenditures</b>	<u>37,832</u>	<u>38,427</u>	<u>29,548</u>	<u>13,359</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (10,076)</u>	<u>\$ (10,671)</u>	<u>(4,418)</u>	<u>\$ (15,985)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>33,096</u>	
End of year			<u>\$ 28,678</u>	

City of Monterey

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – State/Federal Grants  
Special Revenue Fund  
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES:</b>				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 1,101,806	\$ 1,001,806
Use of money and property	524	524	(1,554)	(2,078)
<b>Total revenues</b>	<u>100,524</u>	<u>100,524</u>	<u>1,100,252</u>	<u>999,728</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	-	239,560	-	239,560
Community development	-	975,477	894,644	80,833
<b>Total expenditures</b>	<u>-</u>	<u>1,215,037</u>	<u>894,644</u>	<u>320,393</u>
<b>EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES</b>	<u>100,524</u>	<u>(1,114,513)</u>	<u>205,608</u>	<u>1,320,121</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	-	-	(171,000)	(171,000)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 100,524</u>	<u>\$ (1,114,513)</u>	<u>34,608</u>	<u>\$ 1,149,121</u>
<b>FUND BALANCE:</b>				
Beginning of year			292,833	
End of year			<u>\$ 327,441</u>	

City of Monterey

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Gas Tax Special Revenue

Fund

June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES:</b>				
Intergovernmental	\$ 701,952	\$ 701,952	\$ 649,027	\$ (52,925)
Use of money and property	7,875	7,875	(13,047)	(20,922)
Other	-	-	29,785	29,785
<b>Total Revenues</b>	<u>709,827</u>	<u>709,827</u>	<u>665,765</u>	<u>(44,062)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	<u>20,000</u>	<u>73,143</u>	<u>-</u>	<u>73,143</u>
<b>Total Expenditures</b>	<u>20,000</u>	<u>73,143</u>	<u>-</u>	<u>73,143</u>
<b>EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES</b>	<u>689,827</u>	<u>636,684</u>	<u>665,765</u>	<u>29,081</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	<u>-</u>	<u>-</u>	<u>(268,408)</u>	<u>(268,408)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 689,827</u>	<u>\$ 636,684</u>	<u>397,357</u>	<u>\$ (239,327)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,136,735</u>	
End of year			<u>\$ 1,534,092</u>	

City of Monterey

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual –SB1 Road Maintenance & Rehabilitation Special Revenue Fund  
June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES:</b>				
Intergovernmental	\$ 556,007	\$ 556,007	\$ 568,773	\$ 12,766
Use of money and property	12,207	12,207	16,271	4,064
<b>Total revenues</b>	<u>568,214</u>	<u>568,214</u>	<u>585,044</u>	<u>16,830</u>
<b>OTHER FINANCING (USES):</b>				
Transfers out	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 568,214</u>	<u>\$ 568,214</u>	<u>585,044</u>	<u>\$ 16,830</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,235,061</u>	
End of year			<u>\$ 1,820,105</u>	



City of Monterey

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Transportation & Safety  
Investment Plan Special Revenue Fund  
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES:</b>				
Intergovernmental	\$ 900,000	\$ 900,000	\$ 1,280,008	\$ 380,008
Use of money and property	21,424	21,424	37,811	16,387
<b>Total revenues</b>	<b>921,424</b>	<b>921,424</b>	<b>1,317,819</b>	<b>396,395</b>
<b>OTHER FINANCING USES</b>				
Transfers out	-	-	(126,438)	(126,438)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 921,424</b>	<b>\$ 921,424</b>	<b>1,191,381</b>	<b>\$ 269,957</b>
<b>FUND BALANCE:</b>				
Beginning of year			3,026,961	
End of year			<u>\$ 4,218,342</u>	

City of Monterey

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Measure P Sales Tax  
Special Revenue Fund  
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES:</b>				
Measure P sales tax	\$ 9,188,905	\$ 11,000,965	\$ 11,453,238	\$ 452,273
Use of money and property	43,148	43,148	(160,253)	(203,401)
<b>Total revenues</b>	<u>9,232,053</u>	<u>11,044,113</u>	<u>11,292,985</u>	<u>248,872</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	-	-	(7,246,360)	(7,246,360)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 9,232,053</u>	<u>\$ 11,044,113</u>	4,046,625	<u>\$ (6,997,488)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>5,849,534</u>	
End of year			<u>\$ 9,896,159</u>	

City of Monterey

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Community Development  
Block Grant Special Revenue Fund  
Year Ended June 30, 2022

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	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES:</b>				
Intergovernmental	\$ 259,829	\$ 259,829	\$ 263,657	\$ 3,828
Use of money and property	55,023	55,023	269,801	214,778
Rental income	446,925	446,925	359,466	(87,459)
<b>Total revenues</b>	<u>761,777</u>	<u>761,777</u>	<u>892,924</u>	<u>131,147</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	<u>1,243,668</u>	<u>1,370,109</u>	<u>953,855</u>	<u>416,254</u>
<b>EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES</b>	<u>(481,891)</u>	<u>(608,332)</u>	<u>(60,931)</u>	<u>547,401</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (481,891)</u>	<u>\$ (608,332)</u>	<u>(60,931)</u>	<u>\$ 547,401</u>
<b>FUND BALANCE:</b>				
Beginning of year, as restated, as restated			<u>2,914,759</u>	
End of year			<u>\$ 2,853,828</u>	

City of Monterey

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Housing Grants Special  
Revenue Fund  
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES:</b>				
Use of money and property	\$ 8,776	\$ 8,776	\$ (6,761)	\$ (15,537)
Rental income	85,000	85,000	92,992	7,992
Other	-	-	1,829	1,829
<b>Total revenues</b>	<u>93,776</u>	<u>93,776</u>	<u>88,060</u>	<u>(5,716)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	<u>125,340</u>	<u>125,338</u>	<u>52,628</u>	<u>72,710</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (31,564)</u>	<u>\$ (31,562)</u>	<u>35,432</u>	<u>\$ 66,994</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>985,587</u>	
End of year			<u>\$ 1,021,019</u>	

City of Monterey

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Public Safety Training and  
Services Special Revenue Fund  
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES:</b>				
Charges for services	\$ 55,000	\$ 55,000	\$ 59,687	\$ 4,687
<b>Total revenues</b>	<u>55,000</u>	<u>55,000</u>	<u>59,687</u>	<u>4,687</u>
<b>EXPENDITURES:</b>				
Current:				
Fire	<u>66,275</u>	<u>104,880</u>	<u>111,171</u>	<u>(6,291)</u>
<b>Total Expenditures</b>	<u>66,275</u>	<u>104,880</u>	<u>111,171</u>	<u>(6,291)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (11,275)</u>	<u>\$ (49,880)</u>	<u>(51,484)</u>	<u>\$ (1,604)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>362,682</u>	
End of year			<u>\$ 311,198</u>	

City of Monterey

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Asset Seizure Special  
Revenue Fund  
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 2,823	\$ -
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>2,823</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Current:				
Capital outlay	-	10,000	10,000	-
<b>Total Expenditures</b>	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ (10,000)</u>	<u>(7,177)</u>	<u>\$ -</u>
<b>FUND BALANCE:</b>				
Beginning of year			17,996	
End of year			<u>\$ 10,819</u>	

City of Monterey

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Senior Center Special  
Revenue Fund  
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	(677)	\$ (677)
<b>Total revenues</b>	-	-	(677)	(677)
<b>EXPENDITURES:</b>				
Current:				
Parks and recreation	12,500	12,500	-	12,500
<b>Total Expenditures</b>	12,500	12,500	-	12,500
<b>OTHER FINANCING USES:</b>				
Transfers out	-	-	47,605	47,605
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (12,500)</u>	<u>\$ (12,500)</u>	46,928	<u>\$ 59,428</u>
<b>FUND BALANCE:</b>				
Beginning of year			-	
End of year			<u>\$ 46,928</u>	

City of Monterey

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Library Special Revenue Fund  
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 64,800	\$ 64,800
Use of money and property	5,400	5,400	(9,201)	(14,601)
Charges for services	-	2,100	2,999	899
Other	-	96,000	202,387	106,387
<b>Total revenues</b>	<u>5,400</u>	<u>103,500</u>	<u>260,985</u>	<u>157,485</u>
<b>EXPENDITURES:</b>				
Current:				
Library and museum	<u>178,061</u>	<u>309,744</u>	<u>178,776</u>	<u>130,968</u>
<b>EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES</b>	<u>\$ (172,661)</u>	<u>\$ (206,244)</u>	82,209	<u>\$ 26,517</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>585,491</u>	
End of year			<u>\$ 667,700</u>	



City of Monterey

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Museum Special Revenue Fund  
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ (3,454)	\$ (3,454)
Other	-	-	8,352	8,352
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>4,898</u>	<u>4,898</u>
<b>EXPENDITURES:</b>				
Current:				
Library and museum	<u>6,450</u>	<u>6,450</u>	<u>1,905</u>	<u>4,545</u>
<b>EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES</b>	<u>(98,636)</u>	<u>(199,351)</u>	<u>23,765</u>	<u>223,116</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (6,450)</u>	<u>\$ (6,450)</u>	<u>2,993</u>	<u>\$ 9,443</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>205,453</u>	
End of year			<u>\$ 208,446</u>	

City of Monterey

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Special Deposits Special  
Revenue Fund  
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ (5,930)	\$ (5,930)
Rental income	-	-	135,672	135,672
<b>Total revenues</b>	-	-	129,742	129,742
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	129,742	<u>\$ 129,742</u>
<b>FUND BALANCE:</b>				
Beginning of year			194,542	
End of year			<u>\$ 324,284</u>	

City of Monterey

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Low/Mod Income Housing  
Asset Special Revenue Fund  
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES</b>				
Use of money and property	\$ 517,646	\$ 517,646	\$ 191,807	\$ (325,839)
Rental income	75,000	75,000	67,322	(7,678)
Total revenues	592,646	592,646	259,129	(333,517)
<b>EXPENDITURES:</b>				
Current:				
Community development	326,110	326,002	254,953	71,049
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 266,536</u>	<u>\$ 266,644</u>	4,176	<u>\$ (262,468)</u>
<b>FUND BALANCE:</b>				
Beginning of year			5,520,235	
End of year			<u>\$ 5,524,411</u>	

City of Monterey

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Navy Services Special  
Revenue Fund  
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES:</b>				
Intergovernmental	\$ 354,050	\$ 354,050	\$ 251,207	\$ (102,843)
Use of money and property	-	-	(1,369)	(1,369)
<b>Total revenues</b>	<u>354,050</u>	<u>354,050</u>	<u>249,838</u>	<u>(104,212)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	<u>354,050</u>	<u>354,050</u>	<u>306,647</u>	<u>47,403</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(56,809)</u>	<u>\$ (56,809)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>45,327</u>	
End of year			<u>\$ (11,482)</u>	

City of Monterey

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget Actual – Scholze Park Permanent Fund  
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
<b>REVENUES:</b>				
Use of money and property	\$ 23,344	\$ 23,344	\$ (36,429)	\$ (59,773)
<b>EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES</b>	<u>23,344</u>	<u>23,344</u>	<u>(36,429)</u>	<u>(59,773)</u>
<b>OTHER FINANCING USES</b>				
Transfers out	-	-	(38,514)	(38,514)
<b>Total Other Financing Uses</b>	<u>-</u>	<u>-</u>	<u>(38,514)</u>	<u>(38,514)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 23,344</u>	<u>\$ 23,344</u>	<u>(74,943)</u>	<u>\$ (98,287)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>2,476,127</u>	
End of year			<u>\$ 2,401,184</u>	

**Marina Fund** – This fund was created in 1960 to account for all Marina related revenues and expenditures. All revenues collected in the Marina area are used for operation, maintenance and improvements to the Marina.

**Cemetery Fund** – All cemetery related revenues and expenditures are accounted for in this fund.

**Materials Recovery Fund** – In fiscal year 1994-95, this fund was established to account for the revenues and leases payments for the Materials Recovery Facility.

City of Monterey  
Combining Statement of Net Position – Nonmajor Enterprise Funds  
Year Ended June 30, 2022

	Marina	Cemetery	Materials Recovery	Total
<b>ASSETS:</b>				
<b>Current Assets:</b>				
Cash and investments	\$ 6,681,300	\$ (5,014)	\$ 46,191	\$ 6,722,477
Accounts receivable	117,948	40,417	-	158,365
Interest receivable	22,553	-	157	22,710
Lease receivables, due within one year	168,987	38,221	-	207,208
<b>Total current assets</b>	<b>6,990,788</b>	<b>73,624</b>	<b>46,348</b>	<b>7,110,760</b>
<b>Noncurrent assets:</b>				
Lease receivables, due more than one year	469,884	120,272	-	590,156
Capital assets:				
Nondepreciable	2,370,040	-	-	2,370,040
Depreciable	10,668,186	1,106,382	3,503,274	15,277,842
Accumulated depreciation	(9,258,473)	(689,580)	(2,432,890)	(12,380,943)
Total capital assets, net	3,779,753	416,802	1,070,384	5,266,939
<b>Total noncurrent assets</b>	<b>4,249,637</b>	<b>537,074</b>	<b>1,070,384</b>	<b>5,857,095</b>
<b>Total assets</b>	<b>11,240,425</b>	<b>610,698</b>	<b>1,116,732</b>	<b>12,967,855</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Pensions related deferred outflows of resources	106,483	33,737	-	140,220
Other postemployment benefits related deferred outflows of resources	15,224	4,824	-	20,048
<b>Total deferred outflows of resources</b>	<b>121,707</b>	<b>38,561</b>	<b>-</b>	<b>160,268</b>
<b>LIABILITIES:</b>				
<b>Current liabilities:</b>				
Accounts payable	128,233	13,343	-	141,576
Accrued liabilities	36,074	-	-	36,074
Interest payable	103,395	-	-	103,395
Due to other funds	-	148,721	-	148,721
Compensated absences, due within one year	2,604	1,910	-	4,514
Bonds and loans payable	285,099	-	-	285,099
<b>Total current liabilities</b>	<b>555,405</b>	<b>163,974</b>	<b>-</b>	<b>719,379</b>
<b>Noncurrent liabilities:</b>				
Advances from other funds	-	259,383	-	259,383
Compensated absences, due in more than one year	34,593	25,369	-	59,962
Bonds and loans payable	609,247	-	-	609,247
Net pension liability	636,887	201,786	-	838,673
Net other postemployment benefits liability	83,267	26,382	-	109,649
<b>Total noncurrent liabilities</b>	<b>1,363,994</b>	<b>512,920</b>	<b>-</b>	<b>1,876,914</b>
<b>Total liabilities</b>	<b>1,919,399</b>	<b>676,894</b>	<b>-</b>	<b>2,596,293</b>
<b>DEFERRED INFLOW OF RESOURCES:</b>				
Lease related	629,371	155,398	-	784,769
Pensions related deferred inflows of resources	225,325	71,390	-	296,715
Other postemployment benefits related deferred inflows of resources	10,611	3,362	-	13,973
<b>Total deferred inflows of resources</b>	<b>865,307</b>	<b>230,150</b>	<b>-</b>	<b>1,095,457</b>
<b>NET POSITION:</b>				
Net investment in capital assets	2,885,407	416,802	1,070,384	4,372,593
Restricted	325,345	-	-	325,345
Unrestricted (deficit)	5,366,674	(674,587)	46,348	4,738,435
<b>Total net position</b>	<b>\$ 8,577,426</b>	<b>\$ (257,785)</b>	<b>\$ 1,116,732</b>	<b>\$ 9,436,373</b>

City of Monterey

Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Enterprise Funds  
Year Ended June 30, 2022

	Marina	Cemetery	Materials Recovery	Total
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 2,929,675	\$ 426,246	\$ -	\$ 3,355,921
Lease revenue	506,520	-	-	506,520
Other revenue	49,676	52,731	-	102,407
<b>Total operating revenues</b>	<b>3,485,871</b>	<b>478,977</b>	<b>-</b>	<b>3,964,848</b>
<b>OPERATING EXPENSES:</b>				
Salaries and benefits	26,754	790,178	-	816,932
Services and supplies	1,031,046	(12,064)	8,040	1,027,022
Depreciation	223,650	27,270	93,327	344,247
<b>Total operating expenses</b>	<b>1,281,450</b>	<b>805,384</b>	<b>101,367</b>	<b>2,188,201</b>
<b>Operating gain (loss)</b>	<b>2,204,421</b>	<b>(326,407)</b>	<b>(101,367)</b>	<b>1,776,647</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment losses	(93,865)	(4,973)	(925)	(99,763)
Interest and fiscal charges	(52,523)	-	-	(52,523)
<b>Total nonoperating revenues</b>	<b>(146,388)</b>	<b>(4,973)</b>	<b>(925)</b>	<b>(152,286)</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>2,058,033</b>	<b>(331,380)</b>	<b>(102,292)</b>	<b>1,624,361</b>
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS:</b>				
Capital Contribution	-	444,072	1,163,711	1,607,783
Transfers in	-	-	55,313	55,313
Transfers out	(236,470)	(370,477)	-	(606,947)
<b>Total transfers</b>	<b>(236,470)</b>	<b>73,595</b>	<b>1,219,024</b>	<b>1,056,149</b>
<b>CHANGES IN NET POSITION</b>	<b>1,821,563</b>	<b>(257,785)</b>	<b>1,116,732</b>	<b>2,680,510</b>
<b>NET POSITION:</b>				
Beginning of year, as restated	6,755,863	-	-	6,755,863
End of year	<u>\$ 8,577,426</u>	<u>\$ (257,785)</u>	<u>\$ 1,116,732</u>	<u>\$ 9,436,373</u>



**City of Monterey**  
Combining Statement of Cash Flows – Nonmajor Enterprise Funds  
Year Ended June 30, 2022

	Marina	Cemetery	Materials Recovery	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers	\$ 3,424,305	\$ 435,465	\$ -	\$ 3,859,770
Payments to suppliers	(1,475,506)	12,853	(8,040)	\$ (1,470,693)
Payments to employees	(1,364,586)	(485,986)	-	\$ (1,850,572)
<b>Cash flows provided by (used in) operating activities</b>	<b>584,213</b>	<b>(37,668)</b>	<b>(8,040)</b>	<b>538,505</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Interfund loan receipts	\$ -	\$ 408,104	\$ -	\$ 408,104
Interfund receipts	-	-	55,313	55,313
Interfund payments	(236,470)	(370,477)	-	(606,947)
<b>Cash flows provided by (used in) noncapital financing activities</b>	<b>(236,470)</b>	<b>37,627</b>	<b>55,313</b>	<b>(143,530)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition of capital assets	(23,489)	-	-	\$ (23,489)
Debt principal repayment	(1)	-	-	(1)
<b>Cash flows used in capital related financing activities</b>	<b>(23,490)</b>	<b>-</b>	<b>-</b>	<b>(23,490)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment losses	(43,208)	(4,973)	(1,082)	\$ (49,263)
<b>Cash flows provided by (used in) investing activities</b>	<b>(43,208)</b>	<b>(4,973)</b>	<b>(1,082)</b>	<b>(49,263)</b>
<b>Net change in cash and cash equivalents</b>	<b>281,045</b>	<b>(5,014)</b>	<b>46,191</b>	<b>322,222</b>
<b>CASH AND CASH EQUIVALENT:</b>				
Beginning of year	6,400,255	-	-	\$ 6,400,255
End of year	\$ 6,681,300	\$ (5,014)	\$ 46,191	\$ 6,722,477
<b>Reconciliation of operating (loss) to net cash flows (used in) operating activities:</b>				
Operating gain (loss)	\$ 2,204,421	\$ (326,407)	\$ (101,367)	\$ 1,776,647
Adjustments to reconcile operating income to net cash flows provided by operating activities:				
Depreciation	223,650	27,270	93,327	\$ 344,247
Pension expense	(1,295,817)	239,439	-	(1,056,378)
OPEB expense	(38,213)	24,920	-	(13,293)
Change in assets, liabilities and deferred inflows of resources:				
(Increase) in accounts receivables	(52,066)	(40,417)	-	(92,483)
Increase in lease receivables	(638,871)	(158,493)	-	(797,364)
Increase in accounts payable	(444,460)	789	-	(443,671)
Increase in accrued expenses	169	12,554	-	12,723
Increase in compensated absences	(3,971)	27,279	-	23,308
Increase in lease related deferred inflows of resources	629,371	155,398	-	784,769
<b>Cash flows (used in) operating activities</b>	<b>\$ 584,213</b>	<b>\$ (37,668)</b>	<b>\$ (8,040)</b>	<b>\$ 538,505</b>
<b>NONCASH ITEMS:</b>				
Capital Contribution	\$ -	\$ 444,072	\$ 1,163,711	\$ 1,607,783

Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

**Equipment Replacement Fund** – This fund serves to centrally account for the new or replacement costs for all vehicle apparatus, and heavy equipment assets. The cost of this service is charged back to the operating departments.

**Vehicle Maintenance Fund** – This fund serves to centrally account for the costs of maintenance operations for all vehicle apparatus, and heavy equipment assets. The cost of this service is charged back to the operating departments.

**Information Services Fund** – This fund centralizes data processing and other information services costs. The user departments are assessed a charge for these services and to accumulate funds for equipment replacement and enhancements as needed.

**Workers' Compensation Insurance Fund** – This fund captures the costs and revenues for workers' compensation insurance programs. The operating departments are charged the cost of insurance as well as for the accumulation of requisite reserve funds.

**Liability & Property Insurance Fund** – This fund captures the costs and revenues for liability & property insurance programs. The operating departments are charged the cost of insurance as well as for the accumulation of requisite reserve funds.

**Employee Benefits Fund** – This fund captures the costs and revenues for employee benefits programs.

City of Monterey  
Combining Statement of Net Position – Internal Service Funds  
Year Ended June 30, 2022

	Equipment Replacement	Vehicle Maintenance	Information Services	Workers' Compensation Insurance
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and investments	\$ 3,745,466	\$ -	\$ 2,804,774	\$ 9,836,564
Accounts receivable	-	26,217	18,224	3,722
<b>Total current assets</b>	<b>3,745,466</b>	<b>26,217</b>	<b>2,822,998</b>	<b>9,840,286</b>
<b>Noncurrent assets:</b>				
Advances to other funds	113,410	-	-	-
Capital assets:				
Depreciable	13,448,703	149,037	2,058,547	-
Accumulated depreciation	(9,663,272)	(31,691)	(2,249,882)	-
Total capital assets, net	3,785,431	117,346	(191,335)	-
<b>Total noncurrent assets</b>	<b>3,898,841</b>	<b>117,346</b>	<b>(191,335)</b>	<b>-</b>
<b>Total assets</b>	<b>7,644,307</b>	<b>143,563</b>	<b>2,631,663</b>	<b>9,840,286</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Pensions related deferred outflows of resources	-	121,243	187,663	42,172
Other postemployment benefits related deferred outflows of resources	-	17,335	26,831	6,029
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>138,578</b>	<b>214,494</b>	<b>48,201</b>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable	-	114,828	171,838	119,395
Accrued liabilities	-	40,778	54,119	11,689
Interest payable	5,297	-	-	-
Due to other funds	-	983,943	-	-
Deposits payable	363,792	-	-	-
Compensated absences, due within one year	-	4,569	9,194	1,257
Claims payable, due within one year	-	-	-	2,743,000
<b>Total current liabilities</b>	<b>369,089</b>	<b>1,144,118</b>	<b>235,151</b>	<b>2,875,341</b>
<b>Noncurrent liabilities:</b>				
Advances from other funds	-	-	-	-
Compensated absences, due in more than one year	-	60,708	122,151	16,696
Claims payable, due in more than one year	-	-	-	9,200,000
Loans payable, due in more than one year	692,354	-	-	-
Net pension liabilities	-	725,168	1,122,435	252,232
Net other postemployment benefits liabilities	-	94,809	146,748	32,977
<b>Total noncurrent liabilities</b>	<b>692,354</b>	<b>880,685</b>	<b>1,391,334</b>	<b>9,501,905</b>
<b>Total liabilities</b>	<b>1,061,443</b>	<b>2,024,803</b>	<b>1,626,485</b>	<b>12,377,246</b>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Pensions related deferred outflows of resources	-	256,558	397,107	89,237
Other postemployment benefits related deferred inflows of resources	-	12,082	18,700	4,202
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>268,640</b>	<b>415,807</b>	<b>93,439</b>
<b>NET POSITION</b>				
Net investment in capital assets	3,093,077	117,346	(191,335)	-
Unrestricted (deficit)	3,489,787	(2,128,648)	995,200	(2,582,198)
<b>Total net position</b>	<b>\$ 6,582,864</b>	<b>\$ (2,011,302)</b>	<b>\$ 803,865</b>	<b>\$ (2,582,198)</b>

(continued)

City of Monterey

Combining Statement of Net Position – Internal Service Funds, Continued

Year Ended June 30, 2022

	Liability & Property Insurance	Employee Benefits	Total
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and investments	\$ 2,282,944	\$ 1,031,932	\$ 19,701,680
Accounts receivable	68,236	(390)	116,009
<b>Total current assets</b>	<b>2,351,180</b>	<b>1,031,542</b>	<b>19,817,689</b>
<b>Noncurrent assets:</b>			
Advances to other funds	-	-	113,410
Capital assets:			
Depreciable	-	-	15,656,287
Accumulated depreciation	-	-	(11,944,845)
Total capital assets, net	-	-	3,711,442
<b>Total noncurrent assets</b>	<b>-</b>	<b>-</b>	<b>3,824,852</b>
<b>Total assets</b>	<b>2,351,180</b>	<b>1,031,542</b>	<b>23,642,541</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Pensions related deferred outflows of resources	22,140	-	373,218
Other postemployment benefits related deferred outflows of resources	3,165	-	53,360
<b>Total deferred outflows of resources</b>	<b>25,305</b>	<b>-</b>	<b>426,578</b>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable	568,278	68,241	1,042,580
Accrued liabilities	4,055	-	110,641
Interest payable	-	-	5,297
Due to other funds	-	-	983,943
Deposits payable	-	-	363,792
Compensated absences, due within one year	342	-	15,362
Claims payable, due within one year	567,000	177,913	3,487,913
<b>Total current liabilities</b>	<b>1,139,675</b>	<b>246,154</b>	<b>6,009,528</b>
<b>Noncurrent liabilities:</b>			
Advances from other funds	1,400,000	-	1,400,000
Compensated absences, due in more than one year	4,540	-	204,095
Claims payable, due in more than one year	1,060,000	-	10,260,000
Loans payable, due in more than one year	-	-	692,354
Net pension liabilities	132,422	-	2,232,257
Net other postemployment benefits liabilities	17,313	-	291,847
<b>Total noncurrent liabilities</b>	<b>2,614,275</b>	<b>-</b>	<b>15,080,553</b>
<b>Total liabilities</b>	<b>3,753,950</b>	<b>246,154</b>	<b>21,090,081</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Pensions related deferred outflows of resources	46,850	-	789,752
Other postemployment benefits related deferred inflows of resources	2,206	-	37,190
<b>Total deferred inflows of resources</b>	<b>49,056</b>	<b>-</b>	<b>826,942</b>
<b>NET POSITION</b>			
Net investment in capital assets	-	-	3,019,088
Unrestricted (deficit)	(1,426,521)	785,388	(866,992)
<b>Total net position</b>	<b>\$ (1,426,521)</b>	<b>\$ 785,388</b>	<b>\$ 2,152,096</b>
(Concluded)			

**City of Monterey**

Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds

Year Ended June 30, 2022

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	Equipment Replacement	Vehicle Maintenance	Information Services	Workers' Compensation Insurance
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 731,527	\$ 95,215	\$ 4,383,682	\$ 3,143,534
Lease revenue	-	2,449,807	-	-
Other revenue	-	1,385	13,131	320,961
<b>Total operating revenues</b>	<u>731,527</u>	<u>2,546,407</u>	<u>4,396,813</u>	<u>3,464,495</u>
<b>OPERATING EXPENSES:</b>				
Salaries and benefits	-	(296,355)	(383,938)	(316,600)
Services and supplies	82,778	853,255	1,755,933	(793,096)
Claims and insurance	-	-	-	6,120,209
Depreciation	983,867	2,466	196,358	-
<b>Total operating expenses</b>	<u>1,066,645</u>	<u>559,366</u>	<u>1,568,353</u>	<u>5,010,513</u>
<b>Operating income (loss)</b>	<u>(335,118)</u>	<u>1,987,041</u>	<u>2,828,460</u>	<u>(1,546,018)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment income	(98,506)	-	-	-
Interest and fiscal charges	(13,677)	-	-	-
<b>Total nonoperating revenues (expenses)</b>	<u>(112,183)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Income before transfers</b>	<u>(447,301)</u>	<u>1,987,041</u>	<u>2,828,460</u>	<u>(1,546,018)</u>
<b>TRANSFERS:</b>				
Transfers in	-	155,331	-	-
<b>Net transfers</b>	<u>-</u>	<u>155,331</u>	<u>-</u>	<u>-</u>
<b>Change in net position</b>	<u>(447,301)</u>	<u>2,142,372</u>	<u>2,828,460</u>	<u>(1,546,018)</u>
<b>NET POSITION:</b>				
Beginning of year	7,030,165	(4,153,674)	(2,024,595)	(1,036,180)
End of year	<u>\$ 6,582,864</u>	<u>\$ (2,011,302)</u>	<u>\$ 803,865</u>	<u>\$ (2,582,198)</u>

(Continued)

City of Monterey

Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds, Continued  
Year Ended June 30, 2022

	Liability & Property Insurance	Employee Benefits	Total
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 3,161,530	\$ 9,510,792	\$ 21,026,280
Lease revenue	-	-	2,449,807
Other revenue	759,450	-	1,094,927
<b>Total operating revenues</b>	<b>3,920,980</b>	<b>9,510,792</b>	<b>24,571,014</b>
<b>OPERATING EXPENSES:</b>			
Salaries and benefits	12,756	83,912	(900,225)
Services and supplies	1,322,810	59,999	3,281,679
Claims and insurance	1,742,077	9,523,263	17,385,549
Depreciation	-	-	1,182,691
<b>Total operating expenses</b>	<b>3,077,643</b>	<b>9,667,174</b>	<b>20,949,694</b>
<b>Operating income (loss)</b>	<b>843,337</b>	<b>(156,382)</b>	<b>3,621,320</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Investment income	-	-	(98,506)
Interest and fiscal charges	(32,000)	-	(45,677)
<b>Total nonoperating revenues (expenses)</b>	<b>(32,000)</b>	<b>-</b>	<b>(144,183)</b>
<b>Income before transfers</b>	<b>811,337</b>	<b>(156,382)</b>	<b>3,477,137</b>
<b>TRANSFERS:</b>			
Transfers in	-	85,584	240,915
<b>Net transfers</b>	<b>-</b>	<b>85,584</b>	<b>240,915</b>
<b>Change in net position</b>	<b>811,337</b>	<b>(70,798)</b>	<b>3,718,052</b>
<b>NET POSITION:</b>			
Beginning of year	(2,237,858)	856,186	(1,565,956)
End of year	\$ (1,426,521)	\$ 785,388	\$ 2,152,096

(Concluded)

City of Monterey  
Combining Statement of Cash Flows – Internal Service Funds  
Year Ended June 30, 2022

	Equipment Replacement	Vehicle Maintenance	Information Resources	Workers' Compensation Insurance
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from user departments	\$ 731,527	\$ 2,534,380	\$ 4,383,682	\$ 3,878,100
Payments to suppliers	(102,503)	(741,398)	(1,657,767)	293,550
Payments to employees	-	(1,656,598)	(2,532,098)	(609,865)
Claims and insurance paid	-	-	-	(3,054,894)
<b>Cash flows provided by (used in) operating activities</b>	<u>629,024</u>	<u>136,384</u>	<u>193,817</u>	<u>506,891</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Interfund loan receipts	29,225	155,331	-	-
Interfund payments	-	-	-	-
Interfund loan payments	-	(209,153)	-	-
<b>Cash flows provided by (used in) noncapital financing activities</b>	<u>29,225</u>	<u>(53,822)</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition of capital assets	(164,455)	(82,562)	(5,023)	-
Debt principal repayment	(102,112)	-	-	-
Interest paid	(11,942)	-	-	-
<b>Cash flows provided by (used in) capital and related financing activities</b>	<u>(278,509)</u>	<u>(82,562)</u>	<u>(5,023)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment losses	(98,506)	-	-	-
<b>Cash flows provided by investing activities</b>	<u>(98,506)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in cash and cash equivalents</b>	281,234	-	188,794	506,891
<b>CASH AND CASH EQUIVALENT:</b>				
Beginning of year	3,464,232	-	2,615,980	9,329,673
End of year	<u>\$ 3,745,466</u>	<u>\$ -</u>	<u>\$ 2,804,774</u>	<u>\$ 9,836,564</u>

City of Monterey  
Combining Statement of Cash Flows – Internal Service Funds, Continued  
Year Ended June 30, 2022

	Liability & Property Insurance	Employee Benefits	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from user departments	\$ 3,933,415	\$ 9,511,680	\$ 24,972,784
Payments to suppliers	(856,480)	(1,045)	(3,065,643)
Payments to employees	(322,595)	(83,912)	(5,205,068)
Claims and insurance paid	(1,941,406)	(9,510,590)	(14,506,890)
<b>Cash flows provided by (used in) operating activities</b>	<b>812,934</b>	<b>(83,867)</b>	<b>2,195,183</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Interfund loan receipts	-	85,584	270,140
Interfund payments	(200,000)	-	(200,000)
Interfund loan payments	-	-	(209,153)
<b>Cash flows provided by (used in) noncapital financing activities</b>	<b>(200,000)</b>	<b>85,584</b>	<b>(139,013)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition of capital assets	-	-	(252,040)
Debt principal repayment	-	-	(102,112)
Interest paid	(32,000)	-	(43,942)
<b>Cash flows provided by (used in) capital and related financing activities</b>	<b>(32,000)</b>	<b>-</b>	<b>(398,094)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment losses	-	-	(98,506)
<b>Cash flows provided by investing activities</b>	<b>-</b>	<b>-</b>	<b>(98,506)</b>
<b>Net change in cash and cash equivalents</b>	<b>580,934</b>	<b>1,717</b>	<b>1,559,570</b>
<b>CASH AND CASH EQUIVALENT:</b>			
Beginning of year	1,702,010	1,030,215	18,142,110
End of year	<u>\$ 2,282,944</u>	<u>\$ 1,031,932</u>	<u>\$ 19,701,680</u>



City of Monterey  
Combining Statement of Cash Flows – Internal Service Funds, Continued  
Year Ended June 30, 2022

	Equipment Replacement	Vehicle Maintenance	Information Resources	Workers' Compensation Insurance
<b>Reconciliation of operating income (loss) to net cash flows provided by (used in) operating activities:</b>				
Operating income (loss)	\$ (335,118)	\$ 1,987,041	\$ 2,828,460	\$ (1,546,018)
Adjustments to reconcile operating income to net cash flows from operating activities:				
Depreciation	983,867	2,466	196,358	-
Pension expense	-	(1,951,198)	(2,910,161)	(902,205)
OPEB expense	-	(11,538)	(11,231)	(2,548)
Change in assets and liabilities:				
(Increase) decrease in accounts receivables	-	(12,027)	(13,131)	413,605
Increase (decrease) in accounts payable	(19,725)	111,857	98,166	(499,546)
Increase (decrease) in accrued expenses	-	1,962	(3,191)	(4,288)
Increase (decrease) in compensated absences	-	7,821	8,547	(17,424)
Increase (decrease) in claims payable	-	-	-	3,065,315
<b>Cash flows provided by (used in) operating activities</b>	<b>\$ 629,024</b>	<b>\$ 136,384</b>	<b>\$ 193,817</b>	<b>\$ 506,891</b>

(Continued)

City of Monterey  
Combining Statement of Cash Flows – Internal Service Funds, Continued  
Year Ended June 30, 2022

	Liability & Property Insurance	Employee Benefits	Total
<b>Reconciliation of operating income (loss) to net cash flows provided by (used in) operating activities:</b>			
Operating income (loss)	\$ 843,337	\$ (156,382)	\$ 3,621,320
Adjustments to reconcile operating income to net cash flows from operating activities:			
Depreciation	-	-	1,182,691
Pension expense	(308,757)	-	(6,072,321)
OPEB expense	(3,004)	-	(28,321)
Change in assets and liabilities:			
(Increase) decrease in accounts receivables	12,435	888	401,770
Increase (decrease) in accounts payable	466,330	58,954	216,036
Increase (decrease) in accrued expenses	459	-	(5,058)
Increase (decrease) in compensated absences	1,463	-	407
Increase (decrease) in claims payable	(199,329)	12,673	2,878,659
<b>Cash flows provided by (used in) operating activities</b>	<b>\$ 812,934</b>	<b>\$ (83,867)</b>	<b>\$ 2,195,183</b>
			(Concluded)



Statistical Section (Unaudited)  
June 30, 2022

**City of Monterey**

This part of the City's comprehensive annual financial report is not covered by the Independent Auditor's Report, but presents supplemental detailed information for the benefit of readers in understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

**Financial Trends**

These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time.

**Revenue Capacity**

These schedules contain information to help the reader assess the City's most significant local revenue sources, transient occupancy tax ("TOT") and property taxes.

**Debt Capacity**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment with which the City's financial activities take place.

**Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.

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

	2012-13	2013-14	2014-15	2015-16	2016-17
Governmental activities					
Net investment in capital assets	\$ 117,782,513	\$ 121,163,828	\$ 81,573,354	\$ 135,062,968	\$ 129,531,992
Restricted	36,180,564	35,418,022	41,852,947	55,127,684	59,385,118
Unrestricted	37,585,610	41,697,391	5,565,630	(60,147,498)	(73,816,480)
Total governmental activities net position	<u>\$ 191,548,687</u>	<u>\$ 198,279,241</u>	<u>\$ 128,991,931</u>	<u>\$ 130,043,154</u>	<u>\$ 115,100,630</u>
Business-type activities					
Net investment in capital assets	\$ 17,988,110	\$ 17,907,867	\$ 17,701,350	\$ 17,585,832	\$ 24,301,739
Restricted	416,065	407,139	406,976	407,029	406,907
Unrestricted	(5,564,425)	(3,120,898)	(6,206,979)	(3,602,125)	5,354,241
Total business-type activities net position	<u>\$ 12,839,750</u>	<u>\$ 15,194,108</u>	<u>\$ 11,901,347</u>	<u>\$ 14,390,736</u>	<u>\$ 30,062,887</u>
Primary Government					
Net investment in capital assets	\$ 135,770,623	\$ 139,071,695	\$ 99,274,704	\$ 152,648,800	\$ 153,833,731
Restricted	36,596,629	35,825,161	42,259,923	55,534,713	59,792,025
Unrestricted	32,021,185	38,576,493	(641,349)	(63,749,623)	(68,462,239)
Total primary Government	<u>\$ 204,388,437</u>	<u>\$ 213,473,349</u>	<u>\$ 140,893,278</u>	<u>\$ 144,433,890</u>	<u>\$ 145,163,517</u>

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

	2017-18	2018-19	2019-20	2020-21	2021-22
Governmental activities					
Net investment in capital assets	\$ 137,503,581	\$ 162,668,178	\$ 177,783,019	\$ 189,768,934	\$ 196,788,190
Restricted	57,132,729	58,998,097	42,224,103	41,313,293	47,865,620
Unrestricted	(91,011,646)	(94,180,895)	(96,387,556)	(106,992,358)	(94,136,161)
Total governmental activities net position	<u>\$ 103,624,664</u>	<u>\$ 127,485,380</u>	<u>\$ 123,619,566</u>	<u>\$ 124,089,869</u>	<u>\$ 150,517,649</u>
Business-type activities					
Net investment in capital assets	\$ 23,167,028	\$ 27,043,763	\$ 30,480,816	\$ 32,506,984	\$ 34,574,582
Restricted	1,106,768	886,379	1,106,768	1,106,768	1,211,725
Unrestricted	7,175,285	8,965,600	2,510,613	40,206	10,330,143
Total business-type activities net position	<u>\$ 31,449,081</u>	<u>\$ 36,895,742</u>	<u>\$ 34,098,197</u>	<u>\$ 33,653,958</u>	<u>\$ 46,116,450</u>
Primary Government					
Net investment in capital assets	\$ 160,670,609	\$ 189,711,941	\$ 208,263,835	\$ 222,275,918	\$ 231,362,772
Restricted	58,239,497	59,884,476	43,330,871	42,420,061	49,077,345
Unrestricted	(83,836,361)	(85,215,295)	(93,876,943)	(106,952,152)	(83,806,018)
Total primary Government	<u>\$ 135,073,745</u>	<u>\$ 164,381,122</u>	<u>\$ 157,717,763</u>	<u>\$ 157,743,827</u>	<u>\$ 196,634,099</u>

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

	2012-13	2013-14	2014-15	2015-16	2016-17
Expenses					
Governmental activities:					
General government	\$ 9,052,121	\$ 12,352,952	\$ 5,468,878	\$ 6,242,043	\$ 6,440,218
Public safety	28,230,175	27,656,343	18,354,580	31,413,958	34,598,683
Public works	19,952,596	9,486,246	15,002,729	35,996,616	49,867,441
Community development	1,255,059	1,229,500	953,917	1,244,516	4,026,511
Recreation and community service	13,022,994	12,713,595	11,104,192	14,633,159	14,179,688
Library	3,362,875	3,068,552	2,028,633	2,992,626	3,106,859
Interest and fiscal charges	392,114	463,574	519,893	3,617,864	2,325,866
Total governmental activities expenses	75,267,934	66,970,762	53,432,822	96,140,782	114,545,266
Business-type activities:					
Parking	6,826,056	7,502,409	6,469,521	5,466,454	6,733,325
Sewer	-	-	-	-	1,593,559
Presidio of Monterey Public Works	11,571,576	8,474,449	8,815,978	-	-
Marina	2,324,992	2,228,058	1,845,966	1,624,701	1,825,353
Cemetery	192,412	242,726	176,973	161,489	201,536
Material Recovery	207,232	192,067	251,362	140,695	147,636
Navy Services	309,906	236,848	337,131	-	-
Institutional Network	2,734	-	65	-	-
Total business-type activities expenses	21,434,908	18,876,557	17,896,996	7,393,339	10,501,409
Total primary government expenses	96,702,842	85,847,319	71,329,818	103,534,121	125,046,675
Program revenues					
Governmental activities:					
Charges for services:					
General government	6,169,847	8,148,244	7,238,903	7,222,860	6,072,895
Public safety	5,353,928	7,905,213	7,232,624	7,299,691	7,877,786
Public works	5,333,070	6,055,328	6,277,294	20,371,202	15,807,678
Community development	74,142	83,067	(2,216)	66,516	1,037,010
Community service	7,006,731	6,989,209	7,019,594	6,808,314	9,134,011
Library	103,797	100,694	76,351	48,131	43,325
Operating grants and contributions	1,386,277	1,187,188	1,271,917	14,269,674	17,507,346
Capital grants and contributions	724,793	1,218,043	2,873,609	7,322,237	6,205,949
Total governmental activities program revenues	26,152,585	31,686,986	31,988,076	63,408,625	63,686,000

Continued

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

	2017-18	2018-19	2019-20	2020-21	2021-22
Expenses					
Governmental activities:					
General government	\$ 7,632,951	\$ 7,638,953	\$ 7,975,464	\$ 9,754,245	\$ 13,690,465
Public safety	43,535,737	47,219,679	48,613,887	43,519,165	\$ 51,341,685
Public works	46,929,655	23,999,169	35,971,240	33,672,208	\$ 34,017,490
Community development	3,053,804	2,017,833	1,699,140	6,443,985	\$ 7,900,495
Recreation and community service	15,967,720	16,546,498	20,239,312	10,329,431	\$ 13,166,251
Library	3,471,277	3,465,600	3,361,023	1,734,350	\$ 2,713,064
Interest and fiscal charges	2,277,343	2,171,080	2,025,957	1,971,433	1,897,135
Total governmental activities expenses	122,868,487	103,058,812	119,886,023	107,424,817	124,726,585
Business-type activities:					
Parking	8,835,074	6,903,684	8,873,103	8,432,750	2,532,722
Sewer	1,701,290	762,209	1,899,708	2,688,490	1,612,471
Presidio of Monterey Public Works	-	-	-	-	-
Marina	2,603,399	3,097,641	1,995,071	2,812,087	1,281,450
Cemetery	245,043	222,766	729,380	833,476	805,384
Material Recovery	123,873	97,949	102,823	102,823	101,367
Navy Services	-	-	-	-	-
Institutional Network	-	-	-	-	-
Total business-type activities expenses	13,508,679	11,084,249	13,600,085	14,869,626	6,333,394
Total primary government expenses	136,377,166	114,143,061	133,486,108	122,294,443	131,059,979
Program revenues					
Governmental activities:					
Charges for services:					
General government	5,918,038	6,721,670	6,798,049	6,748,693	8,257,191
Public safety	8,361,306	8,503,276	8,705,646	8,343,809	8,155,646
Public works	15,462,868	13,820,468	17,758,937	19,300,910	20,058,926
Community development	941,302	3,316,723	3,031,774	8,679,736	7,819,422
Community service	10,039,739	10,807,275	8,739,479	1,279,697	3,474,927
Library	41,250	38,752	27,865	5,941	24,492
Operating grants and contributions	19,481,638	20,143,868	16,272,346	18,190,742	16,694,400
Capital grants and contributions	6,894,489	9,564,731	6,163,752	89,417	-
Total governmental activities program revenues	67,140,630	72,916,763	67,497,848	62,638,945	64,485,004

Continued



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

	2012-13	2013-14	2014-15	2015-16	2016-17
Business-type activities:					
Charges for services:					
Parking	7,858,075	8,463,429	8,944,423	9,291,528	9,268,334
Sewer	-	-	-	-	2,561,703
Presidio of Monterey Public Works	11,284,765	9,120,880	8,631,601	-	-
Marina	2,714,930	2,948,031	3,054,187	3,107,731	3,052,843
Cemetery	347,321	365,707	218,289	203,675	229,357
Material Recovery	378,845	385,298	395,435	410,559	417,184
Navy Services	329,826	221,742	317,654	-	-
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities					
program revenues	22,913,762	21,505,087	21,561,589	13,013,493	15,529,421
Total primary government					
program revenues	49,066,347	53,192,073	53,549,665	76,422,118	79,215,421
Net revenues (expenses):					
Governmental activities	(49,115,349)	(35,283,776)	(21,444,746)	(32,732,157)	(50,859,266)
Business-type activities	1,478,854	2,628,530	3,664,593	5,620,154	5,028,012
Total net revenues (expenses)	(47,636,495)	(32,655,246)	(17,780,153)	(27,112,003)	(45,831,254)
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	7,009,683	7,390,529	7,287,199	7,973,011	8,238,549
Sales tax	7,928,999	8,557,600	9,835,269	9,241,167	8,590,013
Transient occupancy taxes	17,601,144	19,320,052	20,827,778	18,890,094	19,476,470
Other taxes	5,985,960	6,288,542	9,944,547	4,913,625	5,166,317
User utility taxes	-	-	-	-	-
Motor vehicle in lieu, unrestricted	2,251,469	2,289,995	2,392,180	2,545,491	2,651,567
Investment income	4,758,794	5,066,372	5,177,382	5,583,028	702,388
Other general revenues	229,695	150,849	189,910	348,113	1,591,232
Transfers	362,272	373,704	459,090	738,512	(10,499,794)
Extraordinary Event	(406,136)	(7,423,313)	-	-	-
Total governmental activities	45,721,880	42,014,330	56,113,355	50,233,041	35,916,742
Business-type activities:					
Investment income	103,941	94,132	397,812	186,467	144,345
Transfers	(362,272)	(373,704)	(459,090)	(738,512)	10,499,794
Total business-type activities	(258,331)	(279,572)	(61,278)	(552,045)	10,644,139
Total primary government	45,463,549	41,734,758	56,052,077	49,680,996	46,560,881
Changes in net position:					
Governmental activities	(3,393,469)	6,730,554	34,668,609	17,500,884	(14,942,524)
Business-type activities	1,220,523	2,348,958	3,603,315	5,068,109	15,672,151
Total primary government	\$ (2,172,946)	\$ 9,079,512	\$ 38,271,924	\$ 22,568,993	\$ 729,627

Continued

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

	2017-18	2018-19	2019-20	2020-21	2021-22
Business-type activities:					
Charges for services:					
Parking	9,569,804	9,821,563	7,401,459	6,152,643	12,484,438
Sewer	2,595,064	2,467,889	1,045,531	3,909,581	2,332,948
Presidio of Monterey Public Works	-	-	-	-	-
Marina	3,171,005	3,244,047	2,986,779	3,082,448	3,485,871
Cemetery	344,534	305,444	284,777	246,527	478,977
Material Recovery	317,250	-	-	-	-
Navy Services	-	-	-	-	-
Operating grants and contributions	8,982	96,137	84,760	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities					
program revenues	16,006,639	15,935,080	11,803,306	13,391,199	18,782,234
Total primary government					
program revenues	83,147,269	88,851,843	79,301,154	76,030,144	83,267,238
Net revenues (expenses):					
Governmental activities	(55,727,857)	(30,142,049)	(52,388,175)	(44,785,872)	(60,241,581)
Business-type activities	2,497,960	4,850,831	(1,796,779)	(1,478,427)	12,448,840
Total net revenues (expenses)	(53,229,897)	(25,291,218)	(54,184,954)	(46,264,299)	(47,792,741)
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	8,601,373	9,219,070	9,452,431	12,475,245	10,416,948
Sales tax	8,750,802	9,343,487	7,492,974	10,594,210	26,764,975
Transient occupancy taxes	20,625,414	22,405,070	16,189,342	12,909,693	33,780,235
Other taxes	5,553,617	5,538,012	2,068,849	2,242,383	8,658,435
User utility taxes	-	-	3,614,737	3,654,753	4,184,273
Motor vehicle in lieu, unrestricted	2,749,263	2,929,837	3,075,635	3,199,106	3,325,975
Investment income	657,734	1,731,418	2,488,562	781,653	408,171
Other general revenues	1,939,379	2,577,484	2,511,835	8,654	651,925
Transfers	669,132	258,387	1,627,996	(950,731)	(832,073)
Extraordinary Event	-	-	-	-	-
Total governmental activities	49,546,714	54,002,765	48,522,361	44,914,966	87,358,864
Business-type activities:					
Investment income	164,516	854,217	627,230	83,457	(818,420)
Transfers	(669,132)	(258,387)	(1,627,996)	950,731	832,073
Total business-type activities	(504,616)	595,830	(1,000,766)	1,034,188	13,653
Total primary government	49,042,098	54,598,595	47,521,595	45,949,154	87,372,517
Changes in net position:					
Governmental activities	(6,181,143)	23,860,716	(3,865,814)	129,094	27,117,283
Business-type activities	1,993,344	5,446,661	(2,797,545)	(444,239)	12,462,493
Total primary government	\$ (4,187,799)	\$ 29,307,377	\$ (6,663,359)	\$ (315,145)	\$ 39,579,776
					Concluded

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

	2012-13	2013-14	2014-15	2015-16	2016-17
General Fund:					
Nonspendable fund balance	\$ 20,427,925	\$ 15,868,931	\$ 15,183,203	\$ 14,686,984	\$ 14,168,569
Restricted fund balance	-	-	-	1,343,207	-
Committed fund balance	9,994,916	13,837,690	14,511,940	14,992,220	13,992,585
Assigned fund balance	708,603	786,659	652,705	1,073,523	2,486,736
Unassigned fund balance	77,555	2,169,049	5,240,666	-	-
Total General Fund	31,208,999	32,662,329	35,588,514	32,095,934	30,647,890
All other governmental funds:					
Nonspendable fund balance	17,203,665	13,566,341	13,410,067	2,726,127	2,476,127
Restricted fund balance	18,286,708	21,216,171	77,021,864	90,580,300	51,921,017
Committed fund balance	7,792,559	9,466,130	11,192,933	10,757,117	10,822,149
Unassigned fund balance	-	(1,202,400)	(9,378,178)	(4,670,636)	(3,017,933)
Total all other governmental funds	\$ 43,282,932	\$ 43,046,242	\$ 92,246,686	\$ 99,392,908	\$ 62,201,360

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

	2017-18	2018-19	2019-20	2020-21	2021-22
General Fund:					
Nonspendable fund balance	\$ 13,509,762	\$ 6,792,865	\$ 5,862,625	\$ 4,266,478	\$ 4,121,678
Restricted fund balance	-	-	-	-	-
Committed fund balance	13,972,854	17,674,145	18,350,936	16,682,053	23,169,959
Assigned fund balance	1,716,517	2,372,002	3,319,691	3,328,255	1,604,170
Unassigned fund balance	-	4,282,047	4,045,241	6,387,525	7,853,940
Total General Fund	29,199,133	31,121,059	31,578,493	30,664,311	36,749,747
All other governmental funds:					
Nonspendable fund balance	2,476,127	2,476,127	2,476,127	2,476,127	2,401,184
Restricted fund balance	41,008,139	41,541,470	37,179,568	35,416,666	42,772,096
Committed fund balance	10,662,622	11,872,375	3,261,452	2,137,756	7,152,809
Unassigned fund balance	(3,021,691)	(4,046,927)	(3,205,617)	(3,619,578)	(92,415)
Total all other governmental funds	\$ 51,125,197	\$ 51,843,045	\$ 39,711,530	\$ 36,410,971	\$ 52,233,674

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

	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Revenues:</b>					
Taxes	\$ 38,525,786	\$ 41,556,723	\$ 47,894,793	\$ 59,277,927	\$ 62,202,426
Licenses and permits	4,061,033	4,130,607	4,291,703	6,572,787	4,931,773
Fines and forfeitures	286,646	265,537	225,164	247,599	230,611
Investment income	1,305,930	1,317,917	1,322,855	1,840,186	1,361,864
Rental income	4,040,251	4,360,750	4,695,949	2,113,573	3,719,603
Intergovernmental	4,124,701	4,684,315	6,949,729	14,572,648	18,587,770
Charge for services	18,655,576	23,581,715	21,417,792	21,438,207	18,879,964
Other	834,874	835,477	45,824,962	4,660,958	2,304,523
<b>Total revenues</b>	<b>71,834,797</b>	<b>80,733,041</b>	<b>132,622,947</b>	<b>110,723,885</b>	<b>112,218,534</b>
<b>Expenditures:</b>					
Current:					
General government	6,680,979	6,571,149	6,153,711	6,049,397	6,390,675
Public safety	27,176,682	29,050,139	30,196,694	31,769,842	33,801,647
Public works	15,341,914	15,190,101	15,793,546	34,199,015	31,293,285
Community development	1,204,372	1,222,203	1,216,059	1,207,709	4,000,100
Community services	11,346,083	11,781,212	12,251,900	13,126,769	13,254,828
Library	3,182,378	3,202,152	2,765,271	2,921,043	3,067,378
Capital outlays	4,759,109	5,009,599	11,642,924	23,370,162	52,629,953
Debt Service					
Principal retirement	401,569	845,648	417,572	441,674	962,637
Interest and fiscal charges	386,418	463,574	504,268	2,366,665	2,326,767
<b>Total expenditures</b>	<b>70,479,504</b>	<b>73,335,777</b>	<b>80,941,945</b>	<b>115,452,276</b>	<b>147,727,270</b>
Excess (deficiency) of revenues over (under) expenditures	1,355,293	7,397,264	51,681,002	(4,728,391)	(35,508,736)
<b>Other financing sources (uses):</b>					
Transfers in	4,225,761	4,598,998	8,934,600	22,409,229	17,992,342
Transfers out	(4,333,375)	(3,963,388)	(8,488,973)	(22,314,689)	(25,045,920)
Debt Issuance	-	-	-	8,171,875	3,922,722
Extraordinary event	28,319,142	(7,423,313)	-	-	-
<b>Total other financing sources (uses)</b>	<b>28,211,528</b>	<b>(6,787,703)</b>	<b>445,627</b>	<b>8,266,415</b>	<b>(3,130,856)</b>
<b>Net change in fund balances</b>	<b>\$ 29,566,821</b>	<b>\$ 609,561</b>	<b>\$ 52,126,629</b>	<b>\$ 3,538,024</b>	<b>\$ (38,639,592)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>1.2%</b>	<b>1.9%</b>	<b>1.3%</b>	<b>3.0%</b>	<b>3.5%</b>

# City of Monterey

## Changes in Fund Balances of Governmental Funds, Continued Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Revenues:</b>					
Taxes	\$ 65,432,837	\$ 69,016,855	\$ 57,607,607	\$ 56,524,123	\$ 87,130,841
Licenses and permits	5,437,404	5,387,543	5,197,802	5,236,016	4,657,487
Fines and forfeitures	224,007	246,221	256,792	260,823	240,812
Investment income	1,263,880	2,735,135	4,083,447	1,739,057	408,171
Rental income	4,416,782	4,662,535	4,156,695	3,576,266	7,153,972
Intergovernmental	17,890,156	20,020,466	23,138,413	22,870,557	19,940,092
Charge for services	19,405,607	20,662,177	18,488,283	15,737,313	21,131,577
Other	2,344,474	2,999,827	3,241,577	2,706,540	651,925
<b>Total revenues</b>	<b>116,415,147</b>	<b>125,730,759</b>	<b>116,170,616</b>	<b>108,650,695</b>	<b>141,314,877</b>
<b>Expenditures:</b>					
Current:					
General government	7,251,712	7,251,413	7,793,077	9,708,216	11,841,512
Public safety	37,544,057	40,710,479	42,644,478	40,706,673	44,407,778
Public works	32,513,550	31,895,639	30,160,597	29,306,834	29,423,287
Community development	3,030,649	1,981,773	1,661,088	6,418,539	6,833,499
Community services	14,282,598	14,603,515	17,978,728	7,670,110	11,388,094
Library	3,174,647	3,260,379	3,257,172	1,641,921	2,346,653
Capital outlays	27,094,396	19,268,411	19,854,602	14,004,386	8,339,026
Debt Service					
Principal retirement	2,330,314	2,603,924	3,861,922	1,390,491	2,869,227
Interest and fiscal charges	2,285,009	2,201,638	2,025,446	1,916,146	1,802,955
<b>Total expenditures</b>	<b>129,506,932</b>	<b>123,777,171</b>	<b>129,237,110</b>	<b>112,763,316</b>	<b>119,252,031</b>
Excess (deficiency) of revenues over (under) expenditures	(13,091,785)	1,953,588	(13,066,494)	(4,112,621)	22,062,846
<b>Other financing sources (uses):</b>					
Transfers in	16,405,425	15,349,504	27,963,493	16,658,757	22,631,857
Transfers out	(15,838,560)	(14,755,500)	(26,571,081)	(16,760,877)	(22,097,062)
Debt Issuance	-	92,183	-	-	-
Extraordinary event	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>566,865</b>	<b>686,187</b>	<b>1,392,412</b>	<b>(102,120)</b>	<b>534,795</b>
<b>Net change in fund balances</b>	<b>\$ (12,524,920)</b>	<b>\$ 2,639,775</b>	<b>\$ (11,674,082)</b>	<b>\$ (4,214,741)</b>	<b>\$ 22,597,641</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>4.5%</b>	<b>4.6%</b>	<b>5.4%</b>	<b>3.3%</b>	<b>4.2%</b>

**City of Monterey**  
**Transient Occupancy Tax By Category**  
**Last Ten Fiscal Years (In Thousands)**

CATEGORY	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Full Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cannery Row	5,002	5,430	5,943	6,014	5,941	6,383	6,771	5,176	4,834	9,315
Downtown	4,491	4,820	4,975	5,506	5,704	6,138	6,976	4,808	3,025	8,947
Fremont Street Munras Avenue/	1,163	1,380	1,592	1,823	1,956	2,013	2,154	1,506	1,389	2,444
Abrego Street	2,384	2,595	2,869	3,185	3,283	3,428	3,658	2,633	2,187	4,328
Other	4,543	5,100	5,449	5,958	6,297	6,592	7,045	5,083	3,885	8,665
Totals	\$17,582	\$19,325	\$20,828	\$22,486	\$23,180	\$24,554	\$26,604	\$19,206	\$15,320	\$33,699

***On January 1, 2021, Transient Occupancy Tax (TOT) increased from 10% to 12%. City Ordinance §35-11***

84% of Transient Occupancy Tax is categorized as General Revenues, while 16% restricted for the Neighborhood Improvement Program is categorized as Operating Grants and Contributions Due.

**Notes:**

TOT base information by individual establishment is confidential and therefore is not available to the public.

TOT is the City's largest "own source" revenue, as defined by GASB Statement No. 44.

"Full Service" is defined as all lodging facilities having in-house restaurants and are categorized regardless of location. Use of this category for reporting was discontinued in FY12 and all lodging establishments are reported in FY12 by geographic location or summarized as "Other"

Source: City of Monterey Finance Department

City of Monterey  
Top Ten Principal Transient Occupancy Tax Generators  
Current Fiscal Year and Nine Years Ago

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Fiscal Year 2022	Fiscal Year 2014
Casa Munras Garden Hotel	Casa Munras Garden Hotel
Hilton Garden Inn	Hilton Inn
Hotel Abrego	Hotel Pacific
Hotel Pacific	Hyatt Regency Monterey
Hyatt Regency Monterey	Intercontinental the Clement
Intercontinental The Clement	Monterey Bay Inn
Monterey Marriott Hotel	Monterey Beach Hotel
Monterey Plaza Hotel	Monterey Marriott Hotel
Monterey Tides Hotel	Monterey Plaza Hotel
Portola Hotel & Spa	Portola Plaza Hotel

Note: All tax generators are listed in alphabetical order; tax generators above account for over 50% of transient occupancy tax

Sources: City of Monterey Finance Department



City of Monterey  
Assessed and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year	Secured	Unsecured	Total	Estimated Actual Value	Total Direct Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a % of Actual Taxable Value
2021-22	\$ 6,101,304,200	\$ 376,676,286	\$ 6,477,980,486	\$ 6,477,980,486	1.00	\$ 6,477,980,486	100%
2020-21	5,881,941,990	370,331,522	6,252,273,512	6,252,273,512	1.00	6,252,273,512	100%
2019-20	5,650,867,970	354,886,802	6,005,754,772	6,005,754,772	1.00	6,005,754,772	100%
2018-19	5,396,467,410	340,029,042	5,736,496,452	5,736,496,452	1.00	5,736,496,452	100%
2017-18	5,061,957,358	316,227,135	5,378,184,493	5,378,184,493	1.00	5,378,184,493	100%
2016-17	4,862,251,945	328,394,791	5,190,646,736	5,190,646,736	1.00	5,190,646,736	100%
2015-16	4,652,548,847	332,297,598	4,984,846,445	4,984,846,445	1.00	4,984,846,445	100%
2014-15	4,388,074,434	318,622,785	4,706,697,219	4,706,697,219	1.00	4,706,697,219	100%
2013-14	4,192,187,315	313,379,264	4,505,566,579	4,505,566,579	1.00	4,505,566,579	100%
2012-13	4,060,213,408	312,974,363	4,373,187,771	4,373,187,771	1.00	4,373,187,771	100%

Note: 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 reassessed 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 the respect to the actual market value or taxable property and is subject to the limitations described

Source: Monterey County Auditor-Controller

**City of Monterey**  
**Property Taxes Rates - Direct and Overlapping Governments ( Per \$100 of Assessed Value)**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Basic Levy</u>	<u>General Obligation Debt Service</u>	<u>Total Direct Rate</u>	<u>Monterey Peninsula Community College</u>	<u>Monterey Peninsula Unified School District</u>	<u>Total</u>
2021-22	1.00	-	1.00	0.032006	0.060422	1.09243
2020-21	1.00	-	1.00	0.020166	0.041454	1.06162
2019-20	1.00	-	1.00	0.020484	0.117071	1.13756
2018-19	1.00	-	1.00	0.021187	0.091957	1.11314
2017-18	1.00	-	1.00	0.021655	0.028902	1.05056
2016-17	1.00	-	1.00	0.022336	0.030000	1.05234
2015-16	1.00	-	1.00	0.023039	0.030000	1.05304
2014-15	1.00	-	1.00	0.032471	0.022774	1.05525
2013-14	1.00	-	1.00	0.015772	0.021309	1.03708
2012-13	1.00	-	1.00	0.022367	0.027965	1.05033

Source: Monterey County Auditor-Controller

**City of Monterey**  
Principal Property Taxpayers  
Current Fiscal Year and Nine Years Ago

Fiscal Year 2022		Taxable Secured Assessments	Secured Taxable Value	Taxable Unsecured Assessments	Unsecured Taxable Value	Combined Taxable Value	Pct. Of Total City Assessed Value
<u>Taxpayer</u>	<u>Type of Business</u>						
Cannery Row Hotel Development	Commercial, Motels & Hotels	21	\$ 128,159,309	4	\$ 672,707	\$ 128,832,016	2.00%
AAT Del Monte LLC	Commercial, Shopping Centers	2	115,254,228	0	-	115,254,228	1.79%
FWREF Monterey LLC	Commercial, Motels & Hotels	5	68,967,581	1	198,407	69,165,988	1.07%
San Carlos Associates LLC	Commercial, Motels & Hotels	1	60,726,314	0	-	60,726,314	0.94%
Pacific Abrego LLC	Commercial, Motels & Hotels	1	27,803,937	2	23,840,929	51,644,866	0.80%
SWVP Monterey LLC	Commercial, Motels & Hotels	3	46,183,766	0	-	46,183,766	0.72%
P Monterey LP	Residential, Apartments	1	43,471,770	0	-	43,471,770	0.67%
Custom House Hotel Co Ltd.	Commercial, Motels & Hotels	4	40,942,021	0	-	40,942,021	0.63%
ARC Hospitality NBL MNTCA001 O	Commercial, Motels & Hotels	1	35,307,675	0	-	35,307,675	0.55%
Merrill Gardens at Monterey LLC	Residential, Apartments	1	34,402,478	0	-	34,402,478	0.53%
Top 10 Totals		40	\$ 601,219,079	7	\$ 24,712,043	\$ 625,931,122	9.69%
2021/22 CITY-WIDE TOTALS			\$ 6,079,005,000		\$ 376,619,766	\$ 6,455,624,766	
Fiscal Year 2014							
1000 Aguajito LLC	Commercial, Motels & Hotels	1	\$ 36,547,150	0	\$ -	\$ 36,547,150	0.63%
Cannery Row Company	Commercial/Industrial Property	49	190,998,191	3	497,407	191,495,598	2.45%
Custom House Hotel Co Ltd.	Commercial, Motels & Hotels	4	34,820,790	1	6,277	34,827,067	0.79%
Muller-Ryan LLC	Commercial/Office Property	4	30,799,800	0	-	30,799,800	0.76%
Outzen, Carl M	Commercial, Store & Office or Res.	30	25,376,320	0	-	25,376,320	1.49%
P Monterey LP	Residential, Apartments	1	42,089,468	0	-	42,089,468	0.97%
Pacific Holdings LP	Commercial, Shopping Centers	1	93,825,010	0	-	93,825,010	2.21%
Pebble Beach Co	Commercial, Motels & Hotels	15	23,176,264	0	-	23,176,264	0.55%
San Carlos Associates	Commercial, Motels & Hotels	1	46,911,760	0	-	46,911,760	0.89%
SWVP Monterey LLC	Commercial, Motels & Hotels	3	39,901,806	0	-	39,901,806	0.91%
Top 10 Totals		109	\$ 564,446,559	4	\$ 503,684	\$ 564,950,243	
2013/14 CITY-WIDE TOTALS			4,169,257,808		336,975,505	4,506,233,313	

Note: Listed in alphabetical order

Source: MBIA MuniServices Company, Municipal Resource Consultants

City of Monterey  
Property Tax Levies and Collections (1)  
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Supplemental Tax Collections	Delinquent Tax Collections (2)	Total Tax Collections
2021-22	\$ 8,918,300	\$ 8,765,086	98.3	\$ 208,380	\$ 103,101	\$ 9,076,567
2020-21	8,579,709	8,476,900	98.8	190,033	110,965	8,777,898
2019-20	8,266,287	8,001,015	96.8	183,838	78,163	8,263,016
2018-19	7,883,221	7,698,634	97.7	191,991	110,141	8,000,766
2017-18	7,361,871	7,215,939	98.0	184,574	90,103	7,490,616
2016-17	7,052,832	6,892,644	97.7	174,102	98,232	7,164,978
2015-16	6,742,529	6,619,709	98.2	166,947	101,467	6,888,123
2014-15	6,087,447	5,971,175	98.1	113,601	88,545	6,173,321
2013-14	6,040,799	5,913,945	97.9	121,900	113,721	6,149,566
2012-13	5,884,593	5,731,092	97.4	90,374	118,409	5,939,875

Sources: (1) Monterey County Auditor-Controller  
(2) Monterey County reports collections as current period, regardless of original levy year.

City of Monterey  
Computation of Direct and Overlapping Bonded Debt  
June 30, 2022

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2020-21 Assessed Valuation: \$5,499,685,203 (after deducting \$978,295,283 redevelopment incremental valuation) (3

OVERLAPPING TAX AND ASSESSMENT DEBT:	<u>%Applicable</u>	<u>Debt 6/30/21</u>
DIRECT AND OVERLAPPING BONDED DEBT:		
City of Monterey Long Term Debt (1)		\$ 45,385,289
Monterey County General Fund Obligations (2)	8.31% **	8,959,611
TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		<u>54,344,900</u>
COMBINED TOTAL DEBT		<u>\$ 54,344,900 *</u>

Ratios to Assessed Valuation:

Total Overlapping Tax and Assessment Debt .....	0.84%
Combined Total Debt .....	0.84%

\* Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds and non-bonded lease obligations.

\*\* Percentages calculated with assessed property values of applicable entities

Sources

- (1) City of Monterey Finance Department
- (2) Monterey County CAFR
- (3) Monterey County Auditor-Controller

\*Percentages calculated with property values

City of Monterey  
Legal Debt Margin  
June 30, 2022

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Total assessed value of all real/personal property	\$ 6,477,980,486
Debt limit percentage (per Government Code)	<u>15%</u>
Total debt limit	971,697,073
Amount of debt applicable to debt limit	<u>-</u>
Legal debt margin	<u>\$ 971,697,073</u>

Section 43605 of the Government Code of the State of California limits the amount of general bonded indebtedness for public improvements to 15% of the assessed valuation of all real and personal property in the City.

The City of Monterey has no general bonded indebtedness.

Source: Monterey County Auditor-Controller

City of Monterey  
Ratio of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		
	Bonds	Loans*	Total Governmental Activities
2021-22	\$ 44,491,704	\$ 893,585	\$ 45,385,289
2020-21	46,793,810	1,143,739	47,937,549
2019-20	48,938,069	1,365,758	50,303,827
2018-19	50,930,601	834,696	51,765,297
2017-18	53,388,579	913,499	54,302,078
2016-17	55,588,977	1,071,879	56,660,856
2015-16	56,395,000	1,256,111	57,651,111
2014-15	51,680,000	1,436,669	53,116,669
2013-14	6,950,000	1,279,081	8,229,081
2012-13	7,635,000	1,439,730	9,074,730

State Department of Finance (population included in calculation)

U.S. Department of Commerce (per capita income included in calculation)

\*Loans include Private Placement/Lease Revenue Agreements

City of Monterey  
Ratio of Outstanding Debt by Type, Continued  
Last Ten Fiscal Years

Fiscal Year	Business-Type Activities				Total Primary Government			
	Bonds	Marina Loans	Sewer Loans	Total Business-type Activities	Total Primary Government	Debt Per Capita	Percent of Personal Income	Prop. Value
2020-22	\$ -	\$ 894,346	\$ 11,627,459	\$ 12,521,805	\$ 57,907,094	1,938	3.8%	0.9%
2020-21	-	1,167,168	12,256,454	13,423,622	61,361,171	2,162	4.5%	1.0%
2019-20	-	1,428,241	12,872,510	14,300,751	64,604,578	2,293	4.8%	1.1%
2018-19	-	1,678,072	13,475,895	15,153,967	66,919,264	2,366	5.6%	1.2%
2017-18	-	1,917,145	12,537,574	14,454,719	68,756,797	2,401	6.1%	1.3%
2016-17	400,000	2,145,923	10,945,856	13,491,779	70,152,635	2,465	6.5%	1.4%
2015-16	770,000	2,364,849		3,134,849	60,785,960	2,120	5.8%	1.2%
2014-15	1,110,000	2,574,347		3,684,347	56,801,016	2,017	5.7%	1.2%
2013-14	1,420,000	2,843,717		4,263,717	12,492,798	442	1.2%	0.3%
2012-13	1,705,000	3,101,491		4,806,491	13,881,221	491	1.0%	0.3%

\*Loans include Private Placement/Lease Revenue Agreements



	Population (1)	Per Capita Income (2)	Total Personal Income (000's) (3)	Estimated Labor Force (4)	Estimated Unemployment Rate (4)
2022	29,874	\$ 50,603 *	\$ 1,511,714	16,000	3.0%
2021	28,382	47,902	1,359,555	15,900	5.2%
2020	28,178	47,902	1,349,783	15,000	8.5%
2019	28,789	41,846	1,204,704	16,700	3.2%
2018	28,639	39,462	1,130,152	16,400	3.2%
2017	28,454	37,915	1,078,833	15,900	3.3%
2016	28,672	36,812	1,055,474	15,700	5.8%
2015	28,163	37,128	1,045,636	16,600	4.2%
2014	28,294	36,042	1,019,772	18,900	3.0%
2013	28,252	36,148	1,021,253	19,300	3.4%

Sources:

- (1) CA State Department of Finance estimates
- (2) U.S. Department of Commerce, Census Bureau
- (3) Estimated by combining items (1) and (2)
- (4) State of California Employment Development Department

\* in 2020 dollars

City of Monterey  
Summary of Major Employers  
Current Fiscal Year and Nine Years Ago

		<u>FY 2022</u>	<u>FY 2013</u>
<u>Employer</u>	<u>Product/Function</u>	<u>Employee Size Range</u>	<u>Employee Size Range</u>
<b>PRIVATE SECTOR</b>			
Community Hospital of Monterey Peninsula	Health Care	1000 to 4999	1000 to 4999
Dole Fresh Vegetables Co	Agricultural Growers & Shippers	150 to 499	250 to 499
DRC/CTB	Educational Consultants	250 to 999	500 to 999
Hyatt Regency-Monterey	Lodging/Visitor Services	100 to 299	250 to 499
Monterey Marriott	Lodging/Visitor Services	100 to 299	N/A*
Macy's	Department Stores	250 to 499	250 to 499
Monterey Bay Aquarium	Ecotourism	250 to 499	N/A*
Middlebury Institute of International Studies	Education	500 to 999	N/A*
Monterey Plaza Hotel & Spa	Lodging/Visitor Services	250 to 499	250 to 499
Portola Hotel & Spa	Lodging/Visitor Services	250 to 499	250 to 499
Robert Talbott, Inc	Clothing-Manufacturer	20 to 100	250 to 499
<b>PUBLIC SECTOR</b>			
City of Monterey	Government	400 to 799	250 to 499
Defense Language Institute	Education	1000 to 2999	250 to 499
Monterey Peninsula College	Education	500 to 999	500 to 999
Monterey-Salinas Transit	Public Transportation	200 to 599	250 to 499
Naval Postgraduate School	Education	1000 to 4999	1000 to 4999

As of FY2012, employer size is reported as a range instead of an actual amount, due to source data available

\*not reported in the FY2013 CAFR for comparison

Source: EDD, State of California; Duns & Bradstreet

City of Monterey  
Authorized Positions By Department (Full-Time and Part-Time)  
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police	68.50	68.50	68.50	70.00	70.00	65.00	65.00	65.00	66.00	68.00
Fire	72.00	82.00	82.00	80.75	80.75	85.75	85.75	84.00	78.00	85.00
Plans & Public Works*,**	152.50	153.50	154.00	156.00	154.00	155.00	155.00	134.90	111.58	107.01
Parks & Recreation	-	-	-	-	-	-	-	35.00	31.75	38.75
Library and Museum	21.75	20.25	19.92	19.50	19.25	19.25	19.25	4.00	8.40	10.00
Public Facilities	-	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	20.00	22.00	21.00
Community Services***	109.17	110.92	110.50	111.25	110.50	110.50	110.50	14.85	58.92	54.24
General Government*	46.50	46.50	47.00	46.25	46.25	46.25	46.25	52.00	53.00	42.00
Total	<u>470.42</u>	<u>481.67</u>	<u>481.92</u>	<u>483.75</u>	<u>480.75</u>	<u>480.75</u>	<u>480.75</u>	<u>409.75</u>	<u>429.65</u>	<u>426.00</u>

\* Includes positions related to Internal Service divisions

\*\* Planning and Public Works departments combined in 2008/09

\*\*\* Recreation and Public Facilities combined in FY13

FY20 Community Services includes Conference Ctr & Marina/Harbor

Source: City of Monterey Adopted Budget

**City of Monterey**  
**Operating Indicators By Function**  
**June 30, 2022 Last Ten Fiscal Years**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Police (calendar year)</b>										
Adult Bookings - Felony	430	340	368	279	251	305	356	354	329	334
Adult Bookings - Misdemeanor	1,359	956	1,741	1,241	1,638	1,164	1,086	1,429	738	756
Juvenile Bookings - Felony*	54	18	31	16	10	31	10	1	-	-
Juvenile Bookings - Misdemeanor*	123	16	101	55	71	74	12	39	-	-
DUI Bookings	202	210	239	221	218	192	181	111	113	171
Traffic Citations	2,934	2,836	2,030	1,524	1,658	1,359	3,070	1,725	1,725	1,230
<b>Fire (calendar year)***</b>										
Rescue and Emergency Medical Calls	4,508	4,584	4,888	5,077	5,149	5,174	5,258	4,488	4,232	4,670
Fire & Explosion Calls	147	185	142	151	177	163	160	159	79	141
False Alarm Calls	586	576	655	683	626	775	703	671	343	687
Other Calls	1,650	1,836	2,195	2,253	2,344	2,591	2,505	2,565	1,740	2,939
<b>Finance</b>										
Accounts Payable Checks Issued	7,199	6,990	6,622	6,640	6,641	6,298	5,822	6,038	4,544	4,467
Payroll Checks/Direct Deposit Notices	17,548	17,845	17,960	18,439	18,395	18,996	19,032	17,179	11,098	13,742
Purchase Orders Issued	400	410	455	500	461	527	549	512	392	512
<b>Recreation</b>										
Monterey Sports Center:										
Average Daily Attendance	3,000	3,000	3,000	3,000	3,000	3,000	3,000	1,360	437	735
Number of programs offered (2)	1,262	1,147	1,145	1,103	1,117	1,208	1,111	531	112	221
Number of program participants **	7,748	7,703	7,202	7,231	7,063	7,032	7,347	5,577	2,419	1,663
Community Center, Sports & Camp Programs:										
Number of programs offered	787	819	767	713	729	702	797	653	111	298
Number of program participants **	8,939	8,732	8,632	8,225	8,056	7,789	8,366	4,190	73,672	30,928
Activity Guide editions published †	2	2	2	2	2	2	2	1	-	-
Activity Guide copies distributed †	12,000	12,000	11,000	10,500	10,000	9,000	8,000	2,700	-	-
<b>Library</b>										
Visitors	335,134	360,794	363,496	305,780	289,618	297,861	297,861	182,625	50,927	99,479
Reference questions answered	31,949	27,016	26,271	24,257	28,765	21,140	21,140	19,197	11,635	10,354
Items checked out	507,346	511,453	495,435	412,131	420,604	417,042	417,042	200,040	225,061	260,650
Volunteer hours worked	3,562	2,920	3,071	3,451	3,105	2,978	2,978	2,213	3,910	3,964

Source - internal records of City Departments:

Police Department

Fire Department

Finance Department

Recreation & Community Services (\*last average daily attendance taken in 2008)

\* Juvenile Booking records for FY21 and FY22 were combined with Adult Booking records

\*\* Summer and Fall program statistics added in 2012; for FY21, the increase was for the Meals on Wheels and Weekly Food Distributions due to Covid-19 Monterey Public Library

\*\*\* Fire department's statistics include:

City of Pacific Grove (start date 12/16/08)

City of Carmel (start date 01/01/12)

Monterey Airport (start date 01/01/14)

† Activity Guides were posted online and not printed for FY21 and FY22

### General

Founded . . . . .	1770
Date of incorporation . . . . .	1850 *
Form of government. . . . .	Council/Manager
Area. . . . .	8.67 square miles
Water area . . . . .	3.64 square miles

\* California admitted as the 31st state of the Union. Actual date of incorporation is March 9, 1925

### Fire Protection

Number of stations. . . . .	6 **
Number of commissioned fire personnel (actual) . . . . .	79 **

\*\* Includes Fire Services provided to the City of Pacific Grove, the City of Carmel, and Monterey Airport by contract. One PG fire station, one Carmel station, and one Monterey Airport station included in above total. All employees are now employed by the City of Monterey .

### Police Protection

Number of stations. . . . .	1
Number of sworn police personnel (actual). . . . .	53

### Infrastructure Facilities \*\*\*

Miles of streets (centerline). . . . .	101
Miles of sewers . . . . .	104
Storm Drain (miles). . . . .	43

\*\*\* Does not include Presidio of Monterey or Naval Postgraduate School

### Recreation and Culture

Number of community centers. . . . .	4
Sports centers. . . . .	1
Museums . . . . .	4
Parks. . . . .	545 acres
City beaches. . . . .	2.5 miles/36 acres

### Libraries

Number of libraries . . . . .	1
Number of bookmobiles . . . . .	1
Number of items (books, videos, tapes, etc) . . . . .	89,956

Source: City of Monterey