



Comprehensive Annual Financial Report For The Year Ended June 30, 2017

**Comprehensive Annual Financial Report
City of El Monte, California
Year ended June 30, 2017
With Report of Independent Auditors**

Prepared by: Finance Department

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CITY OF EL MONTE

CITY MANAGER'S OFFICE

Jesus M. Gomez
City Manager

Alexander Hamilton
Assistant City Manager

December __, 2017

Honorable Mayor and
Members of the City Council
City of El Monte
11333 Valley Boulevard
El Monte, CA 91731

It is with pleasure that we submit to you a Comprehensive Annual Financial Report (CAFR) of the City of El Monte for the year ended June 30, 2017. This report is prepared in accordance with Generally Accepted Accounting Principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation rests with the City. These financial statements have been designed and presented in a manner that enhances your understanding of the City's financial position and activities.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City of El Monte's financial statements have been audited by the independent certified public accounting firm of Vasquez & Company. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of El Monte for the fiscal year ended June 30, 2017 are free of material misstatements. The audit involved examining, on a test basis, the evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and estimates made by management; and evaluating the overall presentation of financial statements. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of El Monte's financial statements for the fiscal year ended June 30, 2017 are fairly presented in conformity with GAAP.

This report was prepared using Governmental Accounting Standards Board Statement No. 34 (GASB 34). The intent of GASB 34 is to present government accounting and financial reporting in a manner closer to the private sector. GASB requires that management provide a narrative and summary of significant financial results, which is presented in the form of the Management's Discussion and Analysis (MD&A) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City of El Monte's finances and to show the City's accountability for the money it receives. It is our opinion 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 its various funds; and that all disclosures necessary to enable the reader to gain understanding of the City's financial affairs have been included.

Profile of the City

The City of El Monte was incorporated on November 18, 1912 as a general law city and operates under a Council/City Manager form of government. It is governed by an elected five-member council. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committee members and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day to day operations of the City and for appointing the heads of the various departments.

The City provides a full range of public services including police, community development, parks and recreation, sewer and sanitation services and the construction and maintenance of public streets and roads. The city also contracts for fire services through Los Angeles County. Water services are provided by the El Monte Water Authority, which functions as a department of the City of El Monte. There are other governmental agencies which are included as component units within the City's Comprehensive Annual Financial Report. For more information on these entities please refer to Note 1 of the financial statements.

Budgetary Process and Administration - General Fund

The fiscal year of the City begins on the first day of July of each year and ends on the thirtieth day of June the following year. On or before the fifteenth of June of each year, the City Manager submits to the City Council a proposed budget for the next ensuing fiscal year based on a detailed financial plan prepared by the heads of the various offices, agencies and departments of the City and its component units. Upon receipt of the proposed budget, the Council may make modifications with the affirmative vote of at least a majority of its members. Before adoption of the budget, the Council holds a public hearing wherein the public is given an opportunity to be heard, after which the Council may make any revisions deemed advisable. On or before July 1 annually, the City Council adopts the budget as amended through a budget resolution passed by the affirmative vote of at least a majority of its members. Upon final adoption, the budget is in effect for the ensuing fiscal year and becomes the authority for the various offices, agencies, and departments to expend subject to controls established by the City's Policy. At any meeting after the adoption of the budget, the City Council may amend or supplement the budget by affirmative vote of the majority of the Council members so as to authorize the transfer of unused balances appropriated for one purpose to another purpose, or to appropriate available revenue not included in the budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level, subject to the authority granted to the City Manager to transfer appropriations from account to account as necessary to assure adequate and proper standards of service and to achieve the intent of the City Council in providing municipal services for the fiscal year.

Factors Affecting Financial Condition

The information in the financial statements is best understood when considered from the broader perspective of the specific environment in which the City operates.

The City of El Monte is located in the eastern portion of Los Angeles County, in the San Gabriel Valley approximately 12 miles east of downtown Los Angeles. The City covers approximately 9.67 square miles and has an estimated 2017 population of approximately 114,268 persons. The City has a rich history, from its original settlement in 1850 and its incorporation in 1912 to its current status as headquarters for a number of companies.

Long Term Financial Planning

The City, through its Economic Development Department, continues to implement the initiatives of the Vision El Monte General Plan, which calls for targeted commercial and industrial development in key districts, mixed-use projects along designated corridors and the preservation of the residential neighborhoods. The City actively engages the business community and has provided guidance to facilitate the approval process and the construction of over a billion dollars of private and public investments. These activities have been focused in El Monte's Downtown Specific Plan, Gateway Transit District, Northwest Industrial District, Auto District and Garvey Mixed-Use Corridor. Major projects recently completed or under construction include the mixed-use project at El Monte's Metro Transit Station with 550 residential units and 25,000 square feet of retail; a 500,000 square foot light industrial business park; a 100,000 office complex to house corporate headquarters for a local news media company; the 133-room national brand hotel; and multiple mixed-use projects along Garvey Avenue totaling over 200 residential units and 35,000 square feet of retail. This diversity in projects serves as a catalyst for future developments, high quality jobs and retail opportunities for residents and visitors.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement in Financial Reporting to the City of El Monte for its Comprehensive Annual Financial Report for the year ended June 30, 2016. This was the fourth year in a row that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the dedicated efforts of the entire staff of the Finance Department of the City of El Monte. I thank the City's independent auditors, Vasquez & Company, for their technical assistance. I wish to express my appreciation to the numerous City employees who assisted in gathering information for the preparation of this report. Finally, I thank the Mayor, Council members, Assistant City Manager and Department Directors for their support and leadership in managing the financial matters of the City.

Respectfully submitted,



JESUS M. GOMEZ
City Manager

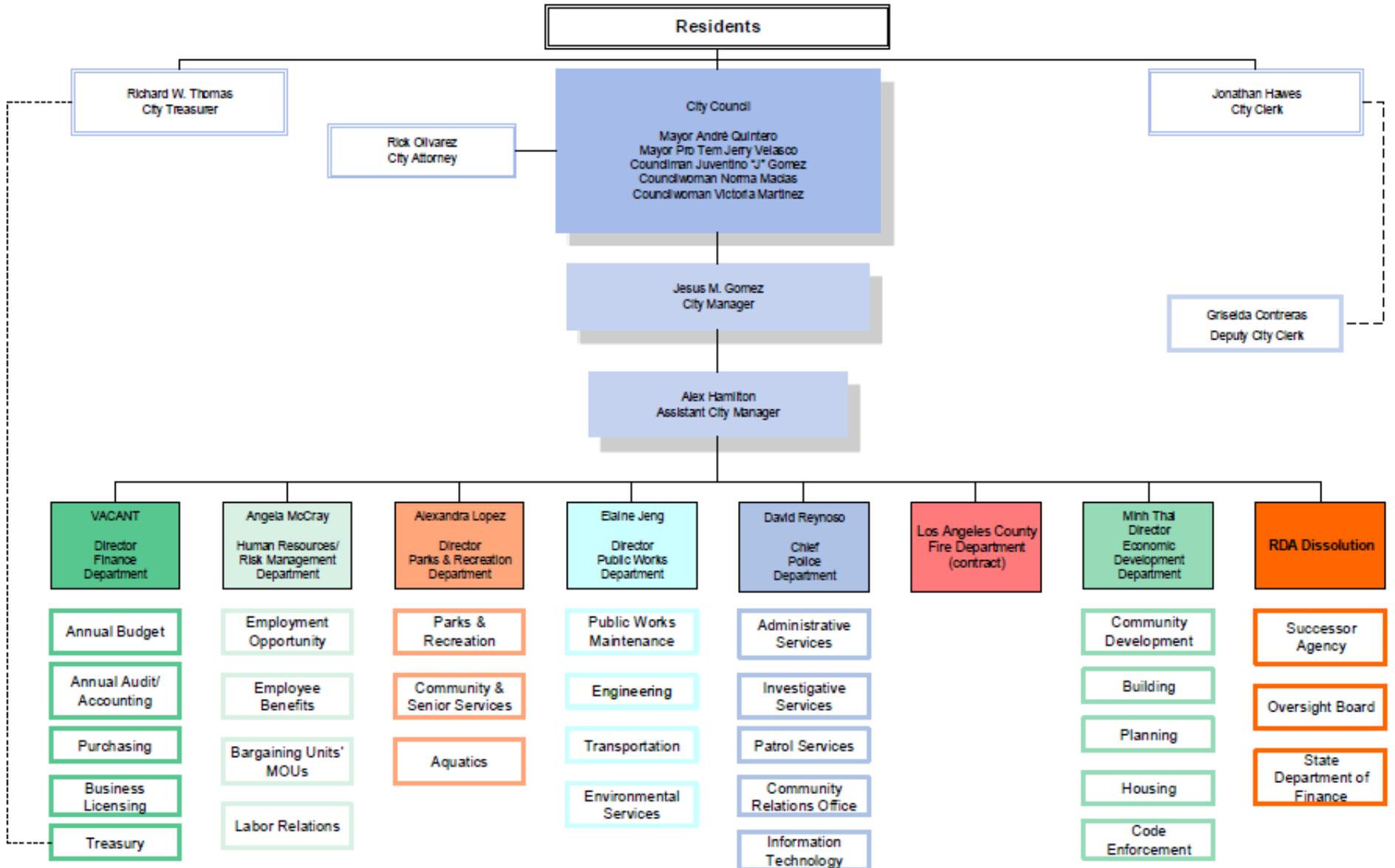
CITY OF EL MONTE

ELECTED OFFICIALS

MAYOR ANDRE QUINTERO
MAYOR PRO-TEM JERRY G. VELASCO
COUNCILMANJUVENTINO “J” GOMEZ
COUNCILWOMAN NORMA MACIAS
COUNCILMAN..... VICTORIA “VICKY” MARTINEZ
CITY TREASURERRICHARD W. THOMAS
CITY CLERKJONATHAN HAWES

ADMINISTRATIVE STAFF

CITY MANAGER JESUS M. GOMEZ
ASSISTANT CITY MANAGER ALEXANDER G. HAMILTON
COMMUNITY SERVICES DIRECTOR ALEXANDRA LOPEZ
ECONOMIC DEVELOPMENT DIRECTOR MINH THAI
FINANCE DIRECTORVACANT
HUMAN RESOURCES DIRECTOR ANGELA MCCRAY
DIRECTOR OF PUBLIC WORKS ELAINE JENG
POLICE CHIEFDAVID REYNOSO
CITY ATTORNEY.....RICARDO OLIVAREZ





Government Finance Officers Association

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

Presented to

**City of El Monte
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

FINANCIAL SECTION

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REPORT OF INDEPENDENT AUDITORS

**The Honorable Mayor and the Members of the City Council
City of El Monte, California**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of El Monte, California (the City), as of and for the year ended June 30, 2017, and the related notes to financial statements which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of El Monte, California, as of June 30, 2017, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 15 and Required Supplementary Information on pages 85 through 96, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of El Monte's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules and internal service funds combining financial statements on pages 99 through 150 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules and internal service funds combining financial statements on pages 99 through 150 are fairly stated in all material respects in relation to the basic financial statements as a whole.

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



Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2017, on our consideration of the City of El Monte'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 of El Monte's internal control over financial reporting and compliance.

Vasquez + Company LLP

**Los Angeles, California
December 18, 2017**

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This management's discussion and analysis of the City of El Monte (the "City") is designed to provide you with a narrative explanation of our financial position and results of operations over the fiscal year ended June 30, 2017. We recommend that you read this in conjunction with additional financial information that we have furnished in the financial statements that follow, our letter of transmittal and the City's annual budget in order to develop a more comprehensive perspective of the City's overall financial position.

We have organized our management's discussion and analysis in the following sections:

- Financial Highlights – a brief discussion of our current business
- Using this Annual Report – a discussion on GASB 34 and the information contained in the annual report
- Reporting the City as a Whole – a discussion on how financial information is presented in the government-wide financial statements and fund financial statements
- Results of Operations – a discussion of our current and prior period results of operations
- The City as a Whole – a discussion of our capital assets, long-term debt and governmental funds
- The City as Trustee – a discussion on our fiduciary activities
- Economic Factors and Next Year's Budgets – a discussion of our general fund budget and highlights
- Unmodified Audit Opinion – a discussion of our independent auditor's audit opinion on our financial statements

FINANCIAL HIGHLIGHTS

- The combined assets and deferred outflows of the City exceeded its liabilities and deferred inflows for fiscal year 2016-17 by \$369.0 million. The City's total net position increased by \$13.3 million over fiscal year 2015-16.
- During the year, the City had revenues that were \$13.1 million greater than the \$89.4 million in expenses recorded by the City in its governmental activities.
- In fiscal year 2016-2017, the City's business-type activities (water and sewer) revenues exceeded related expenses by \$161 thousand. A total of \$6.4 million in expenses were recorded for the Water and the Sewer Funds.

USING THIS ANNUAL REPORT

The City reports its financial statements using the Governmental Accounting Standards Board Statement No. 34 (GASB 34). The intent of GASB 34 is to move government accounting and reporting closer to that of the private sector and to present such information in a format which readers can more easily assess the financial health of the City and whether its financial position is improving or deteriorating over time.

This annual report is comprised of three major sections: the introductory section, the financial section and the statistical section. The introductory section includes the letter of transmittal, the organizational chart of the City and the list of City's elected officials and management. The financial section provides the Government-wide Financial Statements, the Fund Financial Statements and Management's Discussion and Analysis (MD&A). Additional details are described in the Notes to the Financial Statements. Finally, the statistical section provides financial trend information based on the information presented in this fiscal year and prior years' annual reports as well as demographic information about the City.

This annual financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives.

REPORTING THE CITY AS A WHOLE

This discussion is intended to provide the reader with a summary perspective of the financial operations of the City as a whole.

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

Statement of Net Position (Balance Sheet) presents information on all of the City's assets, liabilities and deferred inflows and outflows. Deferred inflows are defined as the acquisition of net assets applicable to a future reporting period while deferred outflows are defined as the consumption of net assets applicable to a future reporting period. The difference between net assets plus deferred outflows less liabilities and deferred inflows is 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 is improving or deteriorating.

Statement of Activities (Income Statement) provides a snapshot of the City's annual operating revenues and expenses and the impact of net operating income (deficit) on the Net Position of the City. Revenues include property taxes, sales tax, transient occupancy tax, user fees, interest income, franchise fees, state and federal grants, contributions from other agencies and other revenues that finance the City's activities.

The Statement of Activities covers all of the current year's revenues and expenses taken into account regardless of when cash is received or paid. Net position is the difference between assets plus deferred outflows and liabilities plus deferred outflows, which is one way to measure the City's financial health or financial position. We separate the City's activities into two main activities: Governmental Activities and Business-type Activities

Governmental Activities – The majority of the City's primary functions are reported in this category, including: general government (city manager, city clerk, finance, etc.), public safety, parks, recreation and cultural, public works and economic development. The financial activities of the special revenue funds and grant programs are also incorporated into this category.

Business-type Activities – These represent the City's two enterprise funds: the Water Fund and the Sewer Fund. The City charges a fee to customers to cover all or most of the cost of certain services it provides.

Following these Government-wide Financial Statements, we provide the Fund Financial Statements that summarize the financial activity of the City's major funds categories.

Fund Financial Statements. A fund is a separate account or grouping of related accounts, which is used to maintain control and oversight over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements established by State law, bond covenants or grant/funding guidelines.

All of the City's funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds, which are grouped into the following major funds:

Governmental Funds

- General Fund
- Retirement Fund
- Housing and Community Development Fund
- Housing Assets
- Nonmajor Governmental Funds

Proprietary Funds

- Water Fund
- Sewer Fund
- Self-Insurance Fund

Fiduciary Funds

- Service Employees International Union (SEIU) Retiree Medical Insurance Fund
- Successor Agency to the Dissolved El Monte Redevelopment Agency

Governmental Funds. The majority of the City's basic services are reported in Governmental Funds. Therefore, they are essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements provide a more detailed view of the City's general government operations and the basic services it provides. They have a near-term focus: they report how money flows in and out of each fund and the balance of spendable resources left at the end of each fiscal year.

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 City's near-term financial 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**.

Proprietary Funds. Proprietary Funds are funds that charge customers for the services that they provide. These include the City's business-type activities: Water Authority and the Sewer Fund, plus the City's Internal Service Funds (i.e., Self-Insurance Funds for General Liability and Worker's Compensation Costs). Proprietary Funds are reported on the accrual basis of accounting.

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 statements because the resources of those funds are *not* available to support the City's own programs. The City maintains separate funds to report the activities of the Successor Agency to the Dissolved Redevelopment Agency, and to pay a subsidy for retiree medical insurance cost for members of the SEIU. These assets do not belong to the City. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

RESULTS OF OPERATIONS

Statement of Net Position (Balance Sheet) - As noted earlier, net position may serve over time as a useful indicator of a government's financial position. When compared to the prior fiscal year's combined balance sheet, the City's, net position increased by \$13.3 million from \$363.8 million to \$377.1 million. This \$13.3 million increase in financial position is primarily reflected in the increase of deferred outflows of resources over the increase in the deferred inflows of resources related to the pension liability under GASB #68.

**City of El Monte
Management's Discussion and Analysis
Year ended June 30, 2017**

The largest portion of the City's net position at June 30, 2017 (\$433.3 million or 76.2 % of the total assets) reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery and equipment) less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens. These assets are not available for future spending.

| | Net Position (In thousands) | | | | | |
|--|-----------------------------|-------------------|--------------------------|-----------------|-------------------|-------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| ASSETS | | | | | | |
| Cash and other assets | \$ 136,094 | \$ 134,771 | \$ 10,776 | \$ 12,266 | \$ 146,869 | \$ 147,037 |
| Capital assets net of accumulated depreciation | <u>446,401</u> | <u>447,384</u> | <u>37,817</u> | <u>36,880</u> | <u>484,218</u> | <u>484,265</u> |
| Total assets | <u>582,495</u> | <u>582,155</u> | <u>48,592</u> * | <u>49,146</u> | <u>631,087</u> | <u>631,301</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Unamortized loss on defeasance of debt | - | - | 586 | 617 | 586 | 617 |
| Deferred outflows of resources related to pensions | <u>43,783</u> | <u>26,194</u> | <u>2,389</u> | <u>1,358</u> | <u>46,171</u> | <u>27,552</u> |
| Total deferred outflows of resources | <u>43,783</u> | <u>26,194</u> | <u>2,974</u> | <u>1,975</u> | <u>46,757</u> | <u>28,169</u> |
| LIABILITIES | | | | | | |
| Current and other liabilities | 25,943 | 24,345 | 1,396 | 1,009 | 27,338 | 25,354 |
| Long-term liabilities | <u>214,859</u> | <u>203,217</u> | <u>41,324</u> | <u>41,027</u> | <u>256,184</u> | <u>244,244</u> |
| Total liabilities | <u>240,802</u> | <u>227,562</u> | <u>42,720</u> * | <u>42,036</u> | <u>283,522</u> | <u>269,598</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Deferred inflows of resources related to pensions | <u>16,487</u> | <u>24,928</u> | <u>715</u> | <u>1,114</u> | <u>17,202</u> | <u>26,042</u> |
| Total deferred inflows of resources | <u>16,487</u> | <u>24,928</u> | <u>715</u> | <u>1,114</u> | <u>17,202</u> | <u>26,042</u> |
| NET POSITION | | | | | | |
| Net investment in capital assets | 428,069 | 417,936 | 5,261 | 4,259 | 433,331 | 422,195 |
| Restricted | 60,733 | 59,314 | - | - | 60,733 | 59,314 |
| Unrestricted | <u>(119,814)</u> | <u>(121,391)</u> | <u>2,871</u> | <u>3,712</u> | <u>(116,943)</u> | <u>(117,679)</u> |
| Total net position | <u>\$ 368,988</u> | <u>\$ 355,859</u> | <u>\$ 8,132</u> | <u>\$ 7,971</u> | <u>\$ 377,120</u> | <u>\$ 363,830</u> |

*Total amounts do not agree to amounts in the Statement of Net Position because of elimination of internal balances between business-type and governmental activities.

City of El Monte
Management's Discussion and Analysis
Year ended June 30, 2017

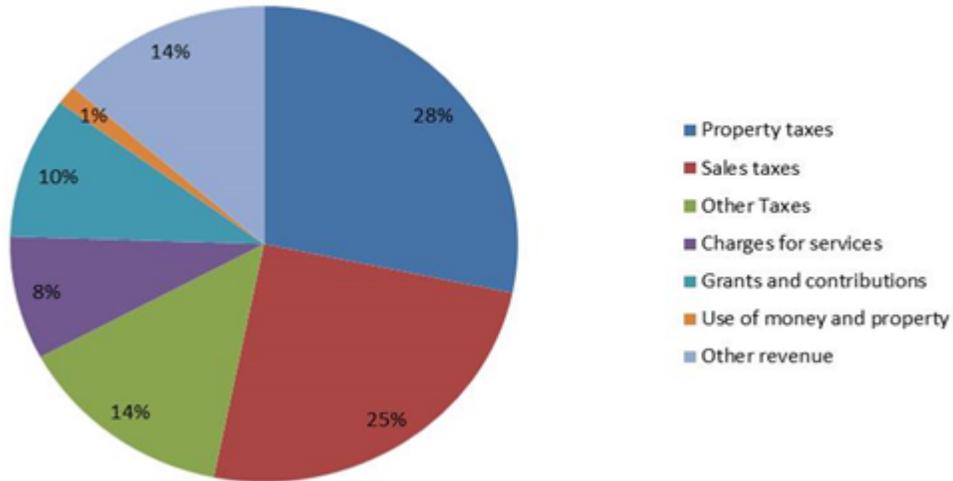
Statement of Activities (Statement of Revenues, Expenses/Expenditures and Changes in Net Assets/Fund Balances) - A review of operating income can provide a telling picture of the City's overall financial health. Overall, the City generated \$13.3 million more in revenues than expenses for the fiscal year 2017 which is an increase from the \$11.3 million generated in fiscal year 2016, as illustrated in Table 2 below.

| | Changes in Net Position (In thousands) | | | | | |
|---|--|-------------------|--------------------------|-----------------|-------------------|-------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Program revenues | | | | | | |
| Charges for services | \$ 8,579 | \$ 7,322 | \$ 6,401 | \$ 6,877 | \$ 14,980 | \$ 14,199 |
| Operating grants and contributions | 7,712 | 9,333 | 8 | - | 7,720 | 9,333 |
| Capital grants and contributions | 2,143 | 3,938 | - | - | 2,143 | 3,938 |
| General revenues | | | | | | |
| Taxes | | | | | | |
| Property taxes | 28,984 | 27,533 | - | - | 28,984 | 27,533 |
| Sales taxes | 25,478 | 25,665 | - | - | 25,478 | 25,665 |
| Franchise taxes | 3,623 | 3,475 | - | - | 3,623 | 3,475 |
| Other taxes | 10,673 | 10,472 | - | - | 10,673 | 10,472 |
| Motor vehicle in-lieu taxes | 51 | 47 | - | - | 51 | 47 |
| Use of money and property | 1,345 | 1,160 | 74 | 61 | 1,419 | 1,221 |
| Other revenue | 1,921 | 1,422 | 30 | 6 | 1,950 | 1,428 |
| Net change in fair value of investments | (123) | 98 | - | - | (123) | 98 |
| Transfer from Successor Agency | 12,036 | 1,166 | - | - | 12,036 | 1,166 |
| Total | <u>102,422</u> | <u>91,631</u> | <u>6,511</u> | <u>6,944</u> | <u>108,934</u> | <u>98,575</u> |
| Expenses | | | | | | |
| Governmental activities | | | | | | |
| General government | 27,107 | 24,849 | - | - | 27,107 | 24,849 |
| Public safety | 35,464 | 33,013 | - | - | 35,464 | 33,013 |
| Community services | 3,038 | 2,791 | - | - | 3,038 | 2,791 |
| Public works | 19,397 | 16,586 | - | - | 19,397 | 16,586 |
| Economic development | 1,912 | 1,635 | - | - | 1,912 | 1,635 |
| Interest on long-term debt | 2,475 | 2,435 | - | - | 2,475 | 2,435 |
| Water and sewer | - | - | 6,250 | 5,958 | 6,250 | 5,958 |
| Total | <u>89,393</u> | <u>81,310</u> | <u>6,250</u> | <u>5,958</u> | <u>95,643</u> | <u>87,267</u> |
| Change in net position before transfers | 13,030 | 10,321 | 261 | 986 | 13,291 | 11,308 |
| Transfers in/(out) | <u>100</u> | <u>100</u> | <u>(100)</u> | <u>(100)</u> | <u>-</u> | <u>-</u> |
| Change in net position | 13,130 | 10,421 | 161 | 886 | 13,291 | 11,308 |
| Net position, beginning | <u>355,858</u> | <u>345,438</u> | <u>7,971</u> | <u>7,085</u> | <u>363,830</u> | <u>352,523</u> |
| Net position, ending | <u>\$ 368,988</u> | <u>\$ 355,859</u> | <u>\$ 8,132</u> | <u>\$ 7,971</u> | <u>\$ 377,120</u> | <u>\$ 363,830</u> |

The revenues and expenditures are presented graphically on the following page.

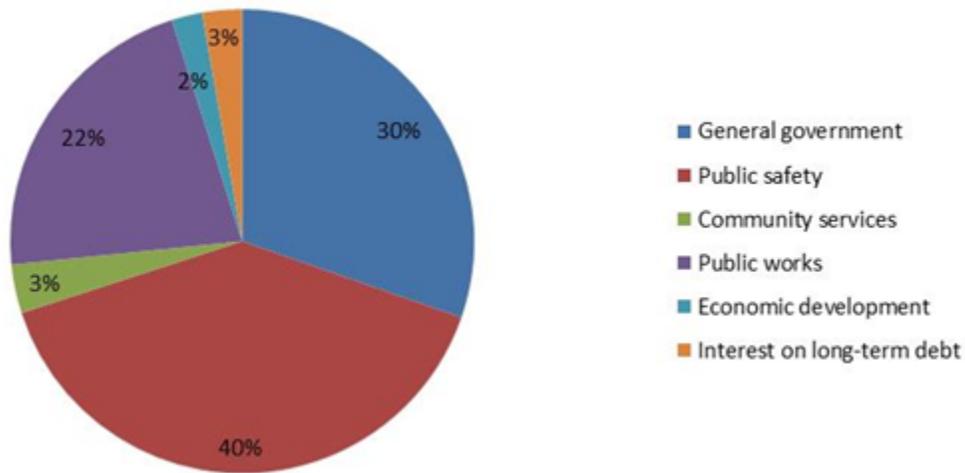
A separate review of the change in net assets in the governmental and business-type activities showed the following: the business-type activities generated a net operating surplus of less than \$1.0 million while the governmental activities had a combined \$13.1 million operating surplus, which resulted from the delay of projected expenditures. A \$3.4 million decrease in grant revenues was offset by increases in property taxes, charges for services and other revenue resulting in an increase in total revenues.

Revenues 2017



Expenditures increased for all functions as vacant positions were filled and projects were started during FY 2017 for an \$8.5 million increase in total expenditures compared to the prior year.

2017 Expenditures



Over time, increases or decreases in the City's net position are an indication of whether its financial health is improving or deteriorating. One still needs to consider other non-financial factors, such as changes in the economy or external factors that will cause a decrease in consumer spending. From the picture presented in these two summary tables, it appears that the City's financial position is stable and growing.

THE CITY AS A WHOLE

Capital Assets

The majority of the City's assets comprised of land and rights of way, totaling \$341.5 million of the total \$484.2 million in Net Capital Assets. At the end of fiscal year 2017, the City had the other \$142.7 million invested in a broad range of capital assets. These amounts approximate the carrying values of the Capital Assets in the previous year.

| | Capital Assets (net of Depreciation, In Thousands) | | | | | |
|----------------------------------|--|-------------------|--------------------------|------------------|-------------------|-------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Land | \$ 74,443 | \$ 74,443 | \$ 311 | \$ 311 | \$ 74,754 | \$ 74,754 |
| Rights-of-way | 266,802 | 266,802 | - | - | 266,802 | 266,802 |
| Construction in progress | 13,130 | 9,314 | 3,886 | 1,665 | 17,015 | 10,979 |
| Improvement other than buildings | 5,655 | 6,027 | 21,858 | 22,541 | 27,513 | 28,567 |
| Structures and improvements | 25,557 | 26,649 | 516 | 530 | 26,072 | 27,178 |
| Land and improvements | - | 95 | 572 | 615 | 572 | 711 |
| Furniture and equipment | 6,588 | 6,990 | 591 | 688 | 7,178 | 7,678 |
| Infrastructure | 54,228 | 57,066 | 10,084 | 10,531 | 64,312 | 67,596 |
| Totals | \$ 446,401 | \$ 447,384 | \$ 37,817 | \$ 36,880 | \$ 484,218 | \$ 484,264 |

Additional information on the City's Capital Assets can be found in the Note 6 in the notes to the basic financial statements.

Long-term Debt

At year-end, the City's combined long-term debt increased by \$19.8 million to \$256.2 million. The net increase in the City's long-term debt resulted from the following as summarized in the Table 4 below:

- \$10.4 million decrease in lease revenue bonds
- \$26.9 million net increase to the net pension liability
- \$3.0 million net increase in OPEB liability.
- \$1.9 million increase in claims and judgments and compensated absence liabilities.
- \$1.6 million in principal payments on bonded indebtedness.

City of El Monte
Management's Discussion and Analysis
Year ended June 30, 2017

A summary of the City's longer term debt follows:

| | Long-Term Debt (In Thousands) | | | | | |
|---------------------------------------|-------------------------------|-------------------|--------------------------|------------------|-------------------|-------------------|
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Lease revenue bonds | \$ 17,355 | \$ 27,730 | \$ - | \$ - | \$ 17,355 | \$ 27,730 |
| Certificates of Participation | 1,335 | 2,170 | - | - | 1,335 | 2,170 |
| Notes payable | 4,129 | 4,389 | - | - | 4,129 | 4,389 |
| Revenue bonds | - | - | 14,665 | 15,170 | 14,665 | 15,170 |
| Capital lease payable | - | - | 17,977 | 17,977 | 17,977 | 17,977 |
| OPEB liability | 31,657 | 28,685 | - | - | 31,657 | 28,685 |
| Net pension liability | 140,785 | 122,237 | 8,300 | 7,484 | 149,085 | 122,237 |
| Compensated absences | 6,242 | 6,013 | 295 | 305 | 6,537 | 6,013 |
| Claims and judgments | 13,801 | 12,445 | - | - | 13,801 | 12,445 |
| Unamortized bond premium and discount | (445) | (452) | 86 | 91 | (358) | (452) |
| Totals | \$ 214,859 | \$ 203,217 | \$ 41,323 | \$ 41,027 | \$ 256,182 | \$ 236,364 |

The capital lease payable of the business-type activities is presented in the government-wide financial statement of net position as an offset against the capital lease receivable of the governmental activities.

Three bond issues comprise the City's long-term debt: the 2010 Lease Revenue Bonds (Recovery Zone Economic Development Bonds (Series A) and Build America bonds (Series B)), the 2006 Water Revenue Refunding Bonds and the 2013 Certificates of Participation. A fourth bond issue, the 2011 Lease Revenue Bond, Series 2011 (EB5 Bonds) were refunded in connection with the Successor Agency's refinancing of the 2007 Tax Allocation Bonds, Senior and Subordinate Issues during FY 2016-17. The City was able to meet all its legal debt covenants and pay its current debt obligations in a timely manner.

Other Postemployment Benefits (OPEB) - The City currently pays the annual pay-as-you-go costs (actual costs of bills) as opposed to the recommended Annual Required Contribution ("ARC") of \$4.9 million. GASB 45 requires the City to accrue the net difference between the ARC and the actual amount paid for pay-as-you-go costs (\$2 million) plus any additional amount set-aside to fund future OPEB payments. A net amount of \$3.0 million was added to the City's Net OPEB liability, which has now increased to \$31.7 million as of June 30, 2017.

This increasing figure effectively illustrates that the City did not make progress toward paying its unfunded actuarial liability for its OPEB costs. As is true for many cities, OPEB is a significant and a growing liability, which is a challenge that the City must address in the future.

Additional information on the City's long-term debt can be found in Note 9 in the notes to the basic financial statements.

Governmental Funds

Although the City has a number of programs and funding sources, a significant amount of attention is focused on the City's General Fund. The City's General Fund pays for the majority of the City's salaries and primary services, such as administration, public works, public safety, and parks and recreation.

These basic costs and services are supplemented by various special revenue funds, which are typically State and Federal grant programs. These include: CDBG and HOME, which pay for community development and affordable housing programs; various transportation-specific funding sources, such as Proposition A and C, Measure R as well as a number of other specific programs (e.g., Senior Nutrition, Emergency Shelter Assistance and Children's Lunch Programs).

The Fund Financial Statements, which provide greater detail about these funds/programs, follow the Government-wide Financial Statements in the annual report. The following section summarizes the financial activity reported in the Governmental Funds.

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$103.3 million. The City's governmental funds report a balance of \$1.1 million in its *unassigned fund balance*. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it has already been allocated for special projects, capital projects or debt service or classified as non-spendable as it represents assets that are long-term in nature and thus, do not represent available spendable resources. Fund balances increased due to operations during the fiscal year as previously described in the *Results of Operations* Section.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the General Fund's total fund balance was \$44.5 million. The fund balance of the General Fund decreased as a result of the results of operations as the City's expenditures exceeded its revenues. Fund balances in the Retirement Fund continue to decrease as the City's special levy generates less revenue than the cost of funding the city's current pension obligation. The city is exploring methods to mitigate such decreases in future years. Housing and Community Development Fund balance increases represent program income which will be utilized in future years, while the fund balances of the Housing Assets Fund increased as collections on notes receivable exceeded amounts used to repay housing obligations in FY2016-17.

Assigned Fund Balance - The City has a formal reserve policy which establishes a series of general fund reserves including a general fund restricted reserve (cash flow reserve) representing between 10% and 20% of the general fund budget and a reserve to set aside a portion of its Special Sales Tax (Measure EM also known as Measure GG) receipts annually. Other reserves established consist of reserves for economic uncertainty, catastrophic emergency, capital projects and to set aside amounts for the City's liabilities for compensated absences and other post-employment benefits. These assignments of fund balance total \$21.8 million of the total \$44.5 million of general fund balance.

Unassigned Fund Balance, Cash on Hand and Working Capital –The General Fund's unassigned fund balance is \$1.8 million, which represents 2.82% of total General Fund expenditures of \$63.7 million. The general fund working capital balance of \$26.9 million consists of \$27.2 million in cash and investments plus \$7.2 million in net accounts receivable and other current assets, less \$7.5 million in current liabilities and deposits on hand. A true measure of General Fund's liquidity is the ending balance of cash and investments. This amount totaled \$27.2 million at the end of the fiscal year as compared to \$25.0 million at the end of the prior fiscal year (June 30, 2016). However, this amount only represents 156 days of cash on hand.

In addition to the General Fund, Governmental Activities include a number of special revenue funds (e.g. CDBG, HOME, Measure R, etc.) that have multi-year projects/funding sources. As such, these funds may spend prior year roll-over amounts to complete a project, which requires the use of "reserves" and creates an apparent operating deficit when simply taking current year revenues and expenses into account.

THE CITY AS TRUSTEE

Reporting the City's Fiduciary Responsibilities - The City is the trustee, or *fiduciary*, for certain funds held on behalf of those entities outside of the government. The City's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

General Fund Revenues are projected to increase by approximately \$2.8 million over Fiscal year 2017 estimates due to estimated increases in sales taxes revenues and development activities. Fiscal year 2018 budgeted expenditures also increase to approximately \$74.5 million from the \$71.6 million adopted budget in fiscal year 2017 largely due to 1) increases in items to provide more efficient and effective operations, 2) an expansion of youth and senior programs, and 3) bargaining unit contract obligations.

Other Funds estimated revenues and appropriations are expected to be approximately \$80.5 million. In July 2017, the City paid \$9.0 million to prepay its FY 2017-18 contributions towards the unfunded actuarial liability of its pension plans for a savings of approximately \$330,000.

General Fund Budgetary Highlights

Revenues - The City received \$0.5 million more in taxes, \$0.7 million more for charges for services and \$0.3 million more in intergovernmental revenues than budgeted due to conservative budget estimates. Total General Fund revenues were \$59.6 million in fiscal year 2016-17, which is higher than the budgeted amount of \$59.3 million.

Expenditures – The City reported a total of \$63.7 million in General Fund expenditures for the fiscal year, which was \$12.0 million less than the final budgeted amount of \$75.7 million. Expenditures for all governmental functions were less than appropriations with general government and public works costs less than budgeted by \$2.3 million and \$2.0 million, respectively.

Economic Development Initiatives

The City, through its Economic Development Department, continues to implement the initiatives of the Vision El Monte General Plan, which calls for targeted commercial and industrial development in key districts, mixed-use projects along designated corridors and the preservation of the residential neighborhoods. The City actively engages the business community and has provided guidance to facilitate the approval process and the construction of over a billion dollars of private and public investments. These activities have been focused in El Monte's Downtown Specific Plan, Gateway Transit District, Northwest Industrial District, Auto District and Garvey Mixed-Use Corridor. Major projects recently completed or under construction include the mixed-use project at El Monte's Metro Transit Station with 550 residential units and 25,000 square feet of retail; a 500,000 square foot light industrial business park; a 100,000 office complex to house corporate headquarters for a local news media company; the 133-room national brand hotel; and multiple mixed-use projects along Garvey Avenue totaling over 200 residential units and 35,000 square feet of retail. This diversity in projects serves as a catalyst for future developments, high quality jobs and retail opportunities for residents and visitors.

UNMODIFIED AUDIT OPINION

The financial statements were audited by the independent public accounting firm of Vasquez & Company LLP, Certified Public Accountants, whose unmodified opinion is included within this annual report.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City of El Monte
Finance Department
11333 Valley Blvd.,
El Monte, CA 91731

Telephone number: (626) 580-2023

BASIC FINANCIAL STATEMENTS

City of El Monte
Statement of Net Position
June 30, 2017

| | Primary Government | | |
|---|----------------------------|-----------------------------|-----------------------|
| | Governmental Activities | Business-type Activities | Total |
| ASSETS | | | |
| Cash and investments | \$ 84,846,126 | \$ 10,689,609 | \$ 95,535,735 |
| Receivables | | | |
| Accounts | 2,170,514 | 872,324 | 3,042,838 |
| Taxes | 4,161,537 | - | 4,161,537 |
| Notes and loans, net | 12,449,815 | - | 12,449,815 |
| Accrued interest - other | 176,298 | 45,704 | 222,002 |
| Internal balances | 1,237,263 | (1,237,263) | - |
| Prepaid costs | 1,351,342 | 1,160 | 1,352,502 |
| Due from other governments | 1,343,768 | - | 1,343,768 |
| Land held for resale | 1,759,645 | - | 1,759,645 |
| Capital lease receivable (payable) | 17,977,364 | (17,977,364) | - |
| Restricted assets: | | | |
| Cash and investments with fiscal agents | 8,620,209 | 404,024 | 9,024,233 |
| Capital assets, not being depreciated | 354,373,944 | 4,196,529 | 358,570,473 |
| Capital assets, net of accumulated depreciation | 92,027,183 | 33,620,231 | 125,647,414 |
| Total assets | <u>582,495,008</u> | <u>30,614,954</u> | <u>613,109,962</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Unamortized loss on defeasance of debt | - | 585,677 | 585,677 |
| Deferred outflows related to pensions | 43,782,660 | 2,388,640 | 46,171,300 |
| Total deferred outflows of resources | <u>43,782,660</u> | <u>2,974,317</u> | <u>46,756,977</u> |
| LIABILITIES | | | |
| Accounts payable | 6,572,789 | 804,830 | 7,377,619 |
| Accrued liabilities | 1,387,201 | - | 1,387,201 |
| Accrued interest | 688,735 | 244,210 | 932,945 |
| Unearned revenues | 113,469 | - | 113,469 |
| Deposits payable | 3,919,595 | 346,512 | 4,266,107 |
| Due to other governments | 13,261,147 | - | 13,261,147 |
| Noncurrent liabilities: | | | |
| Due within one year | 5,023,552 | 598,769 | 5,622,321 |
| Due in more than one year | 69,050,935 | 14,448,494 | 83,499,429 |
| Net pension liability | 140,784,991 | 8,299,555 | 149,084,546 |
| Total liabilities | <u>240,802,414</u> | <u>24,742,370</u> | <u>265,544,784</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflows related to pensions | 16,486,972 | 714,909 | 17,201,881 |
| Total deferred inflows of resources | <u>16,486,972</u> | <u>714,909</u> | <u>17,201,881</u> |
| NET POSITION | | | |
| Net investment in capital assets | 428,069,299 | 5,261,425 | 433,330,724 |
| Restricted for: | | | |
| Public works projects | 16,277,248 | - | 16,277,248 |
| Public safety | 4,706,231 | - | 4,706,231 |
| Parks, recreation and cultural | 4,120,285 | - | 4,120,285 |
| Community development | 20,684,568 | - | 20,684,568 |
| Debt service | 1,771,465 | - | 1,771,465 |
| Retirement | 13,172,800 | - | 13,172,800 |
| Unrestricted (deficit) | (119,813,615) | 2,870,567 | (116,943,047) |
| Total net position \$ | <u>\$ 368,988,282</u> | <u>\$ 8,131,992</u> | <u>\$ 377,120,274</u> |

See notes to financial statements.

**City of El Monte
Statement of Activities
Year ended June 30, 2017**

| | Program Revenues | | | | Net (Expenses) Revenues and Changes in Net Position | | |
|--|----------------------|----------------------------|--|--|---|-----------------------------|-----------------------|
| | Expenses | Charges for Services | Operating Contributions and Grants | Capital Contributions and Grants | Primary Government | | |
| | | | | | Governmental Activities | Business-type Activities | Total |
| Primary Government: | | | | | | | |
| Governmental activities: | | | | | | | |
| General government | \$ 27,106,832 | \$ 326,524 | \$ 1,593,110 | \$ - | \$ (25,187,198) | \$ - | \$ (25,187,198) |
| Public safety | 35,464,248 | 1,130,297 | 1,835,046 | - | (32,498,905) | - | (32,498,905) |
| Parks, recreation and cultural | 3,037,979 | 1,374,211 | 273,160 | - | (1,390,608) | - | (1,390,608) |
| Public works | 19,397,177 | 2,289,590 | 843,895 | 2,143,189 | (14,120,503) | - | (14,120,503) |
| Economic development | 1,911,677 | 3,458,458 | 3,166,824 | - | 4,713,605 | - | 4,713,605 |
| Interest on long-term debt | 2,474,698 | - | - | - | (2,474,698) | - | (2,474,698) |
| Total governmental activities | <u>89,392,611</u> | <u>8,579,080</u> | <u>7,712,035</u> | <u>2,143,189</u> | <u>(70,958,307)</u> | <u>-</u> | <u>(70,958,307)</u> |
| Business-type activities: | | | | | | | |
| Water and Sewer Funds | 6,250,283 | 6,400,515 | 7,500 | - | - | 157,732 | 157,732 |
| Total business-type activities | <u>6,250,283</u> | <u>6,400,515</u> | <u>7,500</u> | <u>-</u> | <u>-</u> | <u>157,732</u> | <u>157,732</u> |
| Total primary government | <u>\$ 95,642,894</u> | <u>\$ 14,979,595</u> | <u>\$ 7,719,535</u> | <u>\$ 2,143,189</u> | <u>(70,958,307)</u> | <u>157,732</u> | <u>(70,800,575)</u> |
| General revenues | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes levied for general purposes | | | | | 28,984,080 | - | 28,984,080 |
| Transient occupancy taxes | | | | | 475,614 | - | 475,614 |
| Sales taxes | | | | | 25,478,114 | - | 25,478,114 |
| Franchise taxes | | | | | 3,623,293 | - | 3,623,293 |
| Business license taxes | | | | | 2,644,494 | - | 2,644,494 |
| Utility users taxes | | | | | 6,824,008 | - | 6,824,008 |
| Other taxes | | | | | 729,201 | - | 729,201 |
| Motor vehicle in lieu - unrestricted | | | | | 51,019 | - | 51,019 |
| Use of money and property | | | | | 1,344,967 | 73,603 | 1,418,570 |
| Other revenue | | | | | 1,920,584 | 29,563 | 1,950,147 |
| Net change in fair value of investments | | | | | (123,407) | - | (123,407) |
| Transfers in/out | | | | | 100,000 | (100,000) | - |
| Transfer from Successor Agency | | | | | 12,036,205 | - | 12,036,205 |
| Total general revenues | | | | | <u>84,088,172</u> | <u>3,166</u> | <u>84,091,338</u> |
| Net change in net position | | | | | 13,129,865 | 160,898 | 13,290,763 |
| Net position - beginning of year | | | | | <u>355,858,417</u> | <u>7,971,094</u> | <u>363,829,511</u> |
| Net position - end of year | | | | | <u>\$ 368,988,282</u> | <u>\$ 8,131,992</u> | <u>\$ 377,120,274</u> |

See notes to financial statements.

**City of El Monte
Governmental Funds
Balance Sheet
June 30, 2017**

| | Special Revenue Funds | | | | | Total |
|--|-----------------------|----------------------|---|---------------------|-----------------------------------|-----------------------|
| | General | Retirement | Housing and Community Development | Housing Assets | Nonmajor Governmental Funds | |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Assets: | | | | | | |
| Cash and investments | \$ 27,167,435 | \$ 14,084,201 | \$ 4,882,826 | \$ 919,458 | \$ 31,124,098 | \$ 78,178,018 |
| Receivables: | | | | | | |
| Accounts | 1,637,454 | 28,614 | 4,442 | - | 475,004 | 2,145,514 |
| Taxes | 3,875,598 | 265,158 | - | - | 20,781 | 4,161,537 |
| Notes and loans, net | 18,749 | - | 10,819,294 | 943,599 | 668,173 | 12,449,815 |
| Accrued interest | 176,298 | - | - | - | - | 176,298 |
| Prepaid items | 1,340,704 | - | 6,250 | - | 4,388 | 1,351,342 |
| Due from other governments | - | - | 86,196 | - | 1,257,572 | 1,343,768 |
| Due from other funds | 212,409 | - | - | - | - | 212,409 |
| Advances to other funds | 1,115,483 | - | - | - | - | 1,115,483 |
| Land held for resale | - | - | 420,000 | 1,339,645 | - | 1,759,645 |
| Capital lease receivable | 17,977,364 | - | - | - | - | 17,977,364 |
| Restricted assets: | | | | | | |
| Cash and investments with fiscal agents | 508,609 | - | - | - | 8,111,600 | 8,620,209 |
| Total assets | <u>54,030,103</u> | <u>14,377,973</u> | <u>16,219,008</u> | <u>\$ 3,202,702</u> | <u>41,661,616</u> | <u>129,491,402</u> |
| Deferred outflows of resources | | | | | | |
| Total assets and deferred outflows of resources | <u>\$ 54,030,103</u> | <u>\$ 14,377,973</u> | <u>\$ 16,219,008</u> | <u>\$ 3,202,702</u> | <u>\$ 41,661,616</u> | <u>\$ 129,491,402</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 2,397,650 | \$ 1,205,173 | 50,342 | 1,297 | \$ 2,901,183 | \$ 6,555,645 |
| Accrued liabilities | 1,387,201 | - | - | - | - | 1,387,201 |
| Advances from grantors | - | - | - | - | 113,469 | 113,469 |
| Deposits payable | 3,719,262 | - | 88,557 | 8,525 | 103,251 | 3,919,595 |
| Due to other governments | 2,051,165 | - | 10,464,294 | - | 745,688 | 13,261,147 |
| Due to other funds | - | - | - | - | 212,409 | 212,409 |
| Total liabilities | <u>9,555,278</u> | <u>1,205,173</u> | <u>10,603,193</u> | <u>9,822</u> | <u>4,076,000</u> | <u>25,449,466</u> |
| Deferred inflows of resources: | | | | | | |
| Unavailable revenue | 14,136 | - | - | - | 739,623 | 753,759 |
| Total deferred inflows of resources | <u>14,136</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>739,623</u> | <u>753,759</u> |
| Fund Balances: | | | | | | |
| Nonspendable | | | | | | |
| Loans receivable | 4,613 | - | 355,000 | 943,599 | - | 1,303,212 |
| Prepaid items | 1,340,704 | - | 6,250 | - | 4,388 | 1,351,342 |
| Advances to other funds | 1,115,483 | - | - | - | - | 1,115,483 |
| Land held for resale | - | - | 420,000 | 1,339,645 | - | 1,759,645 |
| Capital lease receivable | 17,977,364 | - | - | - | - | 17,977,364 |
| Restricted | | | | | | |
| Special revenue funds | - | 13,172,800 | 4,834,565 | 909,636 | 36,235,626 | 55,152,627 |
| Debt service funds | 508,609 | - | - | - | 1,262,856 | 1,771,465 |
| Assigned | 21,756,795 | - | - | - | - | 21,756,795 |
| Unassigned | 1,757,121 | - | - | - | (656,877) | 1,100,244 |
| Total fund balances | <u>44,460,689</u> | <u>13,172,800</u> | <u>5,615,815</u> | <u>3,192,880</u> | <u>36,845,993</u> | <u>103,288,177</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 54,030,103</u> | <u>\$ 14,377,973</u> | <u>\$ 16,219,008</u> | <u>\$ 3,202,702</u> | <u>\$ 41,661,616</u> | <u>\$ 129,491,402</u> |

See notes to financial statements.

City of El Monte
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2017

| | | |
|--|----------------------|-----------------------|
| Fund balance of governmental funds | | \$ 103,288,177 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Capital assets of governmental activities are not financial resources and are not reported in the governmental funds. | | |
| Capital assets | \$ 556,597,175 | |
| Accumulated depreciation | <u>(110,282,585)</u> | 446,314,590 |
| Deferred outflows of resources related to pension are not recognized in the governmental funds. | | |
| | | 43,782,660 |
| Long-term liabilities are not due and payable in the current period and are not reported in the governmental funds. | | |
| Long-term liabilities | (54,031,277) | |
| Compensated absences | <u>(6,242,210)</u> | (60,273,487) |
| Deferred inflows of resources related to pension are not reported in the governmental funds. | | |
| | | (16,486,972) |
| Net pension liability is not due and payable in the current period and therefore, are not reported in the governmental funds. | | |
| | | (140,784,991) |
| Accrued interest payable for the interest due on bonds bonds that has not been reported in the governmental funds. | | |
| | | (688,735) |
| Revenues reported as unavailable revenue in the governmental funds are recognized as intergovernmental revenues in the Statement of Activities. | | |
| | | 753,759 |
| Internal service funds are used by management to charge the costs of certain activities, such as self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the Statement of Net Position. | | |
| | | <u>(6,916,719)</u> |
| Net position of governmental activities | | <u>\$ 368,988,282</u> |

See notes to financial statements.

**City of El Monte
Governmental Funds**

Statement of Revenues, Expenditures, and Changes in Fund Balances
Year ended June 30, 2017

| | Special Revenue Funds | | | | | Total |
|--|-----------------------|----------------------|---|---------------------|-----------------------------------|-----------------------|
| | General Fund | Retirement Fund | Housing and Community Development | Housing Assets | Nonmajor Governmental Funds | |
| Revenues | | | | | | |
| Taxes | \$ 52,798,913 | \$ 10,992,356 | \$ - | \$ - | \$ 8,037,562 | \$ 71,828,831 |
| Licenses and permits | 1,378,163 | - | - | - | - | 1,378,163 |
| Intergovernmental | 88,779 | - | 772,526 | - | 5,363,732 | 6,225,037 |
| Charges for services | 3,283,685 | - | - | - | 1,539,034 | 4,822,719 |
| Use of money and property | 374,130 | 80,928 | 36,872 | 32,485 | 742,683 | 1,267,098 |
| Fines and forfeitures | 1,059,160 | - | - | - | 183,369 | 1,242,529 |
| Contributions | 9,689 | - | - | - | 664,396 | 674,085 |
| Miscellaneous | 736,827 | 69,515 | 1,681,860 | 267,928 | 582,564 | 3,338,694 |
| Net change in fair value of investments | (123,407) | - | - | - | - | (123,407) |
| Total revenues | <u>59,605,939</u> | <u>11,142,799</u> | <u>2,491,258</u> | <u>300,413</u> | <u>17,113,340</u> | <u>90,653,749</u> |
| Expenditures | | | | | | |
| Current: | | | | | | |
| General government | 10,179,455 | 13,774,388 | 31,214 | - | 238,869 | 24,223,926 |
| Public safety | 36,461,156 | - | - | - | 546,455 | 37,007,611 |
| Parks, recreation and cultural | 2,757,858 | - | 30,500 | - | 357,139 | 3,145,497 |
| Public works | 11,694,233 | - | 547 | - | 4,347,861 | 16,042,641 |
| Economic development | - | - | 719,540 | 7,460 | 1,295,309 | 2,022,309 |
| Capital outlay | 1,715,561 | - | 504,401 | - | 3,096,278 | 5,316,240 |
| Debt service: | | | | | | |
| Principal retirement | 835,000 | - | 110,000 | 150,000 | 10,375,000 | 11,470,000 |
| Interest and fiscal charges | 85,658 | - | 149,780 | - | 2,320,907 | 2,556,345 |
| Total expenditures | <u>63,728,921</u> | <u>13,774,388</u> | <u>1,545,982</u> | <u>157,460</u> | <u>22,577,818</u> | <u>101,784,569</u> |
| Excess (deficiency) of revenues over expenditures | <u>(4,122,982)</u> | <u>(2,631,589)</u> | <u>945,276</u> | <u>142,953</u> | <u>(5,464,478)</u> | <u>(11,130,820)</u> |
| Other financing sources (uses) | | | | | | |
| Transfers in | 3,550,238 | - | 31,214 | - | 431,348 | 4,012,800 |
| Transfers out | (515,741) | - | - | - | (3,597,059) | (4,112,800) |
| Transfers from Successor Agency | - | - | - | - | 12,036,205 | 12,036,205 |
| Net other financing sources (uses) | <u>3,034,497</u> | <u>-</u> | <u>31,214</u> | <u>-</u> | <u>8,870,494</u> | <u>11,936,205</u> |
| Net change in fund balances | (1,088,485) | (2,631,589) | 976,490 | 142,953 | 3,406,016 | 805,385 |
| Fund balance, beginning of year | <u>45,549,174</u> | <u>15,804,389</u> | <u>4,639,325</u> | <u>3,049,927</u> | <u>33,439,977</u> | <u>102,482,792</u> |
| Fund balance, end of year | <u>\$ 44,460,689</u> | <u>\$ 13,172,800</u> | <u>\$ 5,615,815</u> | <u>\$ 3,192,880</u> | <u>\$ 36,845,993</u> | <u>\$ 103,288,177</u> |

See notes to financial statements.

**City of El Monte
Governmental Funds**

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year ended June 30, 2017**

| | | |
|---|-----------------|-------------------|
| Change in fund balance - governmental funds | \$ | 805,385 |
| <p>Amounts reported for governmental activities in the Statement of Activities differs from the amounts reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances because:</p> <p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows:</p> | | |
| Capital outlay, net of disposals | | 4,773,547 |
| Depreciation expense | | (5,843,115) |
| <p>Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Costs associated with the issuance of long-term debt are reported as expenditures in the governmental funds, but deferred and amortized throughout the period during which the related debt is outstanding in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in Statement of Net Position .</p> | | |
| Principal repayment of bonds | \$ 11,210,000 | |
| Principal repayment of notes payable | 260,000 | |
| Amortization of deferred bond premium | 13,034 | |
| Amortization of deferred bond discount | <u>(20,184)</u> | 11,462,850 |
| <p>Governmental funds report only contributions in relation to the Annual Required Contribution (ARC) for OPEB as expenditures; however, in the Statement of Activities, the total ARC is an expense. This is the change in OPEB liability for the current period.</p> | | |
| | | (2,971,696) |
| <p>Pension expense reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported in the governmental funds. This is the net amount of adjustment to pension expense, deferred outflows of resources, deferred inflows of resources and net pension liability during the year.</p> | | |
| | | 7,481,724 |
| <p>Accrued interest for long-term liabilities is not reported in the governmental fund financial until due. This is the net change in accrued interest for the current period.</p> | | |
| | | 88,797 |
| <p>Compensated absences liability reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the change in compensated absences for the current period.</p> | | |
| | | (229,235) |
| <p>Certain revenues are reported as unavailable revenue in the governmental funds and recognized as intergovernmental revenues in the Statement of Activities.</p> | | |
| | | (267,478) |
| <p>Internal service funds are used by management to charge the costs of certain activities, such as self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities.</p> | | |
| | | (2,170,914) |
| Change in net position of governmental activities | \$ | <u>13,129,865</u> |

See notes to financial statements.

City of El Monte
Statement of Net Position
Proprietary Funds
June 30, 2017

| | Business-type Activities - Enterprise Funds | | | Governmental |
|---|---|----------------------|---------------------|---------------------------|
| | Water | Sewer | Total | Activities |
| | Fund | Fund | | Internal Service Funds |
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | \$ 568,008 | \$ 10,121,601 | \$ 10,689,609 | \$ 6,668,108 |
| Receivables: | | | | |
| Accounts | 807,551 | 64,773 | 872,324 | 25,000 |
| Other | 45,704 | - | 45,704 | - |
| Prepaid accounts | 1,160 | - | 1,160 | - |
| Restricted: | | | | |
| Cash with fiscal agents | 404,024 | - | 404,024 | - |
| Total current assets | <u>1,826,447</u> | <u>10,186,374</u> | <u>12,012,821</u> | <u>6,693,108</u> |
| Noncurrent assets | | | | |
| Capital assets | 45,203,004 | 22,405,679 | 67,608,683 | 86,537 |
| Accumulated depreciation | <u>(19,594,201)</u> | <u>(10,197,722)</u> | <u>(29,791,923)</u> | <u>-</u> |
| Net capital assets | <u>25,608,803</u> | <u>12,207,957</u> | <u>37,816,760</u> | <u>86,537</u> |
| Total noncurrent assets | <u>25,608,803</u> | <u>12,207,957</u> | <u>37,816,760</u> | <u>86,537</u> |
| Total assets | <u>27,435,250</u> | <u>22,394,331</u> | <u>49,829,581</u> | <u>6,779,645</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Unamortized loss on defeasance of debt | 585,677 | - | 585,677 | - |
| Deferred outflows related to pensions | <u>1,153,376</u> | <u>1,235,264</u> | <u>2,388,640</u> | <u>-</u> |
| Total deferred outflows of resources | <u>1,739,053</u> | <u>1,235,264</u> | <u>2,974,317</u> | <u>-</u> |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Accounts payable | 338,913 | 465,917 | 804,830 | 17,144 |
| Accrued interest | 244,210 | - | 244,210 | - |
| Deposits payable | 346,512 | - | 346,512 | - |
| Accrued compensated absences, current portion | 45,502 | 28,267 | 73,769 | - |
| Accrued claims and judgments | - | - | - | 2,088,000 |
| Bonds, notes, and capital leases | <u>525,000</u> | <u>-</u> | <u>525,000</u> | <u>-</u> |
| Total current liabilities | <u>1,500,137</u> | <u>494,184</u> | <u>1,994,321</u> | <u>2,105,144</u> |
| Noncurrent liabilities | | | | |
| Advances from other funds | 815,483 | - | 815,483 | 300,000 |
| Accrued compensated absences | 136,506 | 84,799 | 221,305 | - |
| Accrued claims and judgments | - | - | - | 11,713,000 |
| Capital lease payable | 17,977,364 | - | 17,977,364 | - |
| Net pension liability | 3,983,194 | 4,316,361 | 8,299,555 | - |
| Bonds and notes | <u>14,227,189</u> | <u>-</u> | <u>14,227,189</u> | <u>-</u> |
| Total liabilities | <u>38,639,873</u> | <u>4,895,344</u> | <u>43,535,217</u> | <u>14,118,144</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred inflows related to pensions | <u>348,479</u> | <u>366,430</u> | <u>714,909</u> | <u>-</u> |
| Total deferred inflows of resources | <u>348,479</u> | <u>366,430</u> | <u>714,909</u> | <u>-</u> |
| NET POSITION | | | | |
| Net investment in capital assets | (6,946,532) | 12,207,957 | 5,261,425 | - |
| Unrestricted | <u>(2,867,517)</u> | <u>6,159,864</u> | <u>3,292,347</u> | <u>(7,338,499)</u> |
| Total net position | <u>\$ (9,814,049)</u> | <u>\$ 18,367,821</u> | <u>\$ 8,553,772</u> | <u>\$ (7,338,499)</u> |

10,856,614

Reconciliation of net position to statement of net position:

| | |
|---|---------------------|
| Net position per statement of net position for proprietary funds | \$ 8,553,772 |
| Prior year's accumulated adjustment to reflect the consolidation of internal service funds activities related to enterprise funds | (286,692) |
| Current year's accumulated adjustment to reflect the consolidation of internal service funds activities related to enterprise funds | <u>(135,088)</u> |
| Net position per statement of net position | <u>\$ 8,131,992</u> |

See notes to financial statements.

City of El Monte
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year ended June 30, 2017

| | Business-type Activities - Enterprise Funds | | | Governmental |
|---|---|----------------------|---------------------|---------------------------|
| | Water Fund | Sewer Fund | Total | Internal Service Funds |
| Operating revenues | | | | |
| Sales and service charges | \$ 3,926,310 | \$ 2,474,205 | \$ 6,400,515 | \$ - |
| Interdepartmental charges | - | - | - | 2,594,550 |
| Total operating revenues | <u>3,926,310</u> | <u>2,474,205</u> | <u>6,400,515</u> | <u>2,594,550</u> |
| Operating expenses | | | | |
| Personnel services | 919,199 | 691,425 | 1,610,624 | - |
| Contractual services | 404,366 | 334,775 | 739,141 | - |
| Maintenance and supplies | 173,890 | 103,131 | 277,021 | - |
| Public works | 9,923 | 25,154 | 35,077 | - |
| Administrative and general | 591,381 | 299,298 | 890,679 | - |
| Facility lease | 199,398 | 299,096 | 498,494 | - |
| Claims expenses | - | - | - | 5,100,552 |
| Depreciation expense | 861,436 | 439,000 | 1,300,436 | - |
| Total operating expenses | <u>3,159,593</u> | <u>2,191,879</u> | <u>5,351,472</u> | <u>5,100,552</u> |
| Operating income (loss) | 766,717 | 282,326 | 1,049,043 | (2,506,002) |
| Nonoperating revenues (expenses) | | | | |
| Intergovernmental | 7,500 | - | 7,500 | - |
| Interest revenue | 3,113 | 70,490 | 73,603 | - |
| Interest expense | (763,723) | - | (763,723) | - |
| Miscellaneous | 26,194 | 3,369 | 29,563 | - |
| Net nonoperating revenues (expenses) | <u>(726,916)</u> | <u>73,859</u> | <u>(653,057)</u> | <u>-</u> |
| Operating income (loss) before other financing sources | 39,801 | 356,185 | 395,986 | (2,506,002) |
| Transfers | | | | |
| Transfers in | - | - | - | 200,000 |
| Transfers out | - | (100,000) | (100,000) | - |
| | <u>-</u> | <u>(100,000)</u> | <u>(100,000)</u> | <u>200,000</u> |
| Net changes in net position | 39,801 | 256,185 | 295,986 | (2,306,002) |
| Net position, beginning of year | <u>(9,853,850)</u> | <u>18,111,636</u> | <u>8,257,786</u> | <u>(5,032,497)</u> |
| Net position, end of year | <u>\$ (9,814,049)</u> | <u>\$ 18,367,821</u> | <u>\$ 8,553,772</u> | <u>\$ (7,338,499)</u> |
| Reconciliation of Statement of Changes in Net Position to the Statement of Activities: | | | | |
| Change in Net Position per Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds | | | \$ 295,986 | |
| Adjustment to reflect the consolidation of current fiscal year internal service fund activities related to enterprise funds | | | (135,088) | |
| Change in Net Position Business-type Activities Statement of Activities | | | <u>\$ 160,898</u> | |

See notes to financial statements.

City of El Monte
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2017

| | Business-type Activities - Enterprise Funds | | | Governmental Activities |
|--|---|----------------------|----------------------|----------------------------|
| | Water | Sewer | Total | Internal |
| | Fund | Fund | | Service Funds |
| Cash flows from operating activities | | | | |
| Cash received from customers and users | \$ 3,746,539 | \$ 2,479,822 | \$ 6,226,361 | \$ - |
| Cash received for interfund charges | - | - | - | 2,570,821 |
| Cash paid to suppliers for goods and services | (967,440) | (458,848) | (1,426,288) | (3,728,088) |
| Cash paid to employees for services | (1,563,652) | (1,286,238) | (2,849,890) | - |
| Net cash provided by operating activities | <u>1,215,447</u> | <u>734,736</u> | <u>1,950,183</u> | <u>(1,157,267)</u> |
| Cash flows from non-capital and related financing activities | | | | |
| Intergovernmental | 7,500 | - | 7,500 | - |
| Net transfers from (to) other funds | - | (100,000) | (100,000) | 200,000 |
| Net cash provided by (used in) non-capital and related financing activities | <u>7,500</u> | <u>(100,000)</u> | <u>(92,500)</u> | <u>200,000</u> |
| Cash flows from capital and related financing activities | | | | |
| Acquisition and construction of capital assets | (16,456) | (2,220,786) | (2,237,242) | (86,537) |
| Principal paid on capital debt | (505,000) | - | (505,000) | - |
| Interest paid on capital debt | (705,247) | - | (705,247) | - |
| Principal paid on advances | (184,517) | - | (184,517) | - |
| Interest paid on advances | (40,110) | - | (40,110) | - |
| Miscellaneous | 26,194 | 3,369 | 29,563 | - |
| Net cash provided by (used in) capital and related financing activities | <u>(1,425,136)</u> | <u>(2,217,417)</u> | <u>(3,642,553)</u> | <u>(86,537)</u> |
| Cash flows from investing activities | | | | |
| Interest received | 3,113 | 70,490 | 73,603 | - |
| Change in cash and cash equivalents | (199,076) | (1,512,191) | (1,711,267) | (1,043,804) |
| Beginning cash and cash equivalents | <u>1,171,108</u> | <u>11,633,792</u> | <u>12,804,900</u> | <u>7,711,912</u> |
| Ending cash and cash equivalents | <u>\$ 972,032</u> | <u>\$ 10,121,601</u> | <u>\$ 11,093,633</u> | <u>\$ 6,668,108</u> |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Operating income (loss) | \$ 766,717 | \$ 282,326 | \$ 1,049,043 | \$ (2,506,002) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Depreciation | 861,436 | 439,000 | 1,300,436 | - |
| (Increase) decrease in: | | | | |
| Accounts receivable | (179,563) | 5,617 | (173,946) | (23,729) |
| Other receivable | (208) | - | (208.00) | - |
| Prepaid accounts | 2,601 | - | 2,601.00 | - |
| Deferred outflows of resources | (495,214) | (535,784) | (1,030,998) | - |
| Increase (decrease): | | | | |
| Accounts payable | 53,343 | 323,635 | 376,978 | 16,464 |
| Deposits payable | 20,194 | - | 20,194 | - |
| Deferred inflows of resources | (194,639) | (204,667) | (399,306) | - |
| Compensated absences payable | (16,743) | 6,608 | (10,135) | - |
| Accrued claims and judgments | - | - | - | 1,356,000 |
| Net pension liability | 397,523 | 418,001 | 815,524 | - |
| Net cash provided by operating activities | <u>\$ 1,215,447</u> | <u>\$ 734,736</u> | <u>\$ 1,950,183</u> | <u>\$ (1,157,267)</u> |
| Non-cash investing, capital and financing activities: | | | | |
| Amortization of premium and loss on defeasance of long-term liabilities | \$ 28,154 | \$ - | \$ 28,154 | \$ - |

See notes to financial statements.

City of El Monte
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

| | Successor Agency to the Dissolved Redevelopment Agency Private-purpose Trust Fund | | Pension Trust Fund Service Employees International Union (SEIU) Retiree Insurance |
|--------------------------------------|---|----|---|
| ASSETS | | | |
| Cash and investments | \$ 3,905,206 | \$ | 646,417 |
| Cash with fiscal agents | 22,477 | | - |
| Cash held in escrow accounts | 1,441,105 | | - |
| Receivables: | | | |
| Accounts | 5,000 | | 2,400 |
| Notes and loans | 377,730 | | - |
| Land held for resale | 6,178,496 | | - |
| Total assets | 11,930,014 | | 648,817 |
| LIABILITIES | | | |
| Accounts payable | 13,735 | | - |
| Interest payable | 167,393 | | - |
| Deposits payable | 6,600 | | - |
| Due to other governments | 548,284 | | - |
| Long-term liabilities | | | |
| Due within one year | 75,000 | | - |
| Due in more than one year | 31,956,815 | | - |
| Advances from City of El Monte | 42,406,284 | | - |
| Total liabilities | 75,174,111 | | - |
| NET POSITION | | | |
| Net position restricted for pensions | - | | 648,817 |
| Net position (deficit) | (63,244,097) | | - |
| Total net position (deficit) | \$ (63,244,097) | \$ | 648,817 |

See notes to financial statements.

City of El Monte
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year ended June 30, 2017

| | Successor Agency to the Dissolved Redevelopment Agency Private-purpose Trust Fund | Pension Trust Fund Service Employees International Union (SEIU) Retiree Insurance |
|--|---|---|
| Revenues and additions: | | |
| Taxes | \$ 5,911,962 | \$ - |
| Use of money and property | 36,501 | - |
| Rental income | 44,554 | - |
| Contributions: | | |
| Employers | - | 235,000 |
| Employees | - | 54,960 |
| Retirees | - | 33,880 |
| Investment earnings: | | |
| Interest and change in fair value of investments | - | 3,558 |
| Total additions | 5,993,017 | 327,398 |
| Expenses and deductions: | | |
| Community development | 1,058,991 | - |
| Debt service | | |
| Bond issue cost | 927,498 | - |
| Interest and fiscal charges | 1,228,704 | - |
| Benefits | - | 225,348 |
| Total deductions | 3,215,193 | 225,348 |
| Change in net assets before transfers | 2,777,824 | 102,050 |
| Transfers | | |
| Transfers to Debt Service Fund of the City | (10,773,049) | - |
| Transfers to Capital Projects Fund of the City | (1,263,156) | - |
| Change in net position | (9,258,381) | 102,050 |
| Net position (deficit) held in trust - beginning of the year, | (53,985,716) | 546,767 |
| Net position (deficit) held in trust - end of the year | \$ (63,244,097) | \$ 648,817 |

See notes to financial statements.

NOTE 1 REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

Description of Reporting Entity

The City of El Monte (the City) was incorporated on November 18, 1912, as a general law city and operates under a Council/City Manager form of government. It is governed by an elected five-member council.

As required by generally accepted accounting principles, these financial statements present the City of El Monte (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. These entities are legally separate from each other. However, the City of El Monte elected officials have a continuing full or partial accountability for fiscal matters of the other entities. The financial reporting entity consists of: 1) the City, 2) organizations for which the City is financially accountable, and 3) organizations for which the nature and significance of their relationship with the City are such that exclusions would cause the City's financial statements to be misleading or incomplete.

An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the primary government. In a blended presentation, component units' balances and transactions are reported in a manner similar to the balances and transactions of the City. Component units are presented on a blended basis when the component unit's body is substantially the same as the City's or the component unit provides services almost entirely to the City. The following component units of the City have been included in the financial reporting entity as blended component units because the City Council serves as the governing board for most and management has operational responsibility for these component units and the component units provide services entirely within the City of El Monte:

El Monte Public Financing Authority (Authority)

The Authority is a joint powers authority whose members are the City and the Agency. The Authority is duly organized and existing under a Joint Exercise of Powers agreement dated April 27, 1993, by and between the City and the former Redevelopment Agency, under the provisions of Chapter 5 of Division 7 of Title 1 of the California Government Code. Its purpose is to assist the City and the Agency in providing financing for capital projects and improvements. The officers of the City and the Agency serve as the officers of the Authority. The Authority has no taxing power and has no source of revenue other than the revenues for paying the debt service on the bonds. Separate financial statements are not prepared for the Authority.

**NOTE 1 REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

El Monte Community Development Corporation (Corporation)

The El Monte Community Development Corporation was formed on April 2, 2002, pursuant to the Non-Profit Public Benefit Corporation law of the State of California. Its purpose is to spend 15% of the City's annual HOME Partnership Investment allocation to increase and improve the community's supply of affordable housing for persons of low and moderate income. The City Council members act as the Agency's directors. There are no separate financial statements prepared for the Corporation.

El Monte Water Authority (Water Authority)

The El Monte Water Authority was formed July 13, 1999, by the City of El Monte and the former El Monte Community Redevelopment Agency under Article 1 (commencing with Section 6500) of the Joint Powers Law. Its purpose is to provide an entity to assist in providing financing, for purposes which are authorized by law, and which could lease, own, operate and maintain the water system of the City of El Monte. The City Council members act as the members of the Governing Board of the Water Authority. The financial activity of the Authority is reported in the City's financial statements as a business-type activity. There are no separate financial statements prepared for the Water Authority.

El Monte Economic Development Corporation

The El Monte Economic Development Corporation (Corporation) was formed on March 18, 2011 for the purpose of lessening governmental burdens by providing assistance to the City of El Monte and the Successor Agency to the former El Monte Community Redevelopment Agency (the Agency) in development efforts to promote economic development, including the provision of financial assistance to private business and public works projects in the City for the creation of new jobs to be held by persons of low and moderate income, to promote the expansion and preservation in the City of Affordable housing reserved for persons and families of low and moderate income, and to eliminate blighting influences within the City. The City Council members act as the Board of Directors of the Corporation and management has operational responsibility over this component unit. The Corporation provides services entirely within the City. There are no separate financial statements prepared for the Corporation.

El Monte Housing Authority

The El Monte Housing Authority was formed on July 28, 1997 for the purpose of assisting the City in the implementation of the policies and goals of the City of El Monte General Plan by providing affordable rental housing within the City. The City Council acts as the governing board of the Authority. The City Council members act as the members of the Governing Board and management has operational responsibility over the Authority. The Authority provides services entirely within the City. There are no separate financial statements prepared for the Housing Authority.

**NOTE 1 REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

El Monte Parking Authority

The El Monte Parking Authority was formed on November 1, 2016 for the purpose of administering the public Parking lots lands owned by the City in accordance with California Streets and Highways Code. The City Council members act as the members of the Governing Board of the Parking Authority. There was no financial activity during FY 2016-2017. The financial activity of the Authority will be reported in the City's financial statements as a governmental activity. There are no separate financial statements prepared for the Parking Authority.

Government-wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

**NOTE 1 REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Governmental fund financial statements are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues considered susceptible to accrual in those funds wherein revenue is recognized on a modified accrual basis is as follows: property and sales taxes, revenue from the use of money and property, interfund transfers, unbilled service receivables and intergovernmental revenue are all considered measurable and are recognized as revenue on a modified accrual basis; licenses, permits, fines and forfeitures and similar items are, for the most part, not susceptible to accrual and, consequently, are not recorded until received. Agency funds are purely custodial (assets equal liabilities) and thus, do not involve measurement of results of operations. Fiduciary funds are accounted for on a full accrual basis.

Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available. Available means then due or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities of the current period. The County of Los Angeles collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January proceeding the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property as it exists on that date. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent, if unpaid, on August 31.

Grants, entitlements or shared revenues recorded in governmental funds are recognized as revenue in the accounting period when they become susceptible to accrual, i.e. both measurable and available (modified accrual basis). Grants received before the revenue recognition criteria have been met are reported as unearned revenue, a liability account. Such resources not received are reported as a receivable if the revenue recognition criteria have been met.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

All proprietary and fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Their revenues are recognized when they are earned and become measurable; expenses are recognized when they are incurred. Unbilled service receivables are recorded as accounts receivable and as revenue when earned.

**NOTE 1 REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Retirement Special Revenue Fund accounts for all revenues and expenditures associated with the retirement tax levy to fund the employee's pension fund.
- The Housing and Community Development Special Revenue Fund accounts for all monies received from the Community Development Block Grant provided by the Federal Housing and Community Development Act.
- The Housing Asset Fund accounts for housing assets approved by the State Department of Finance to remain with the City after the dissolution of the former Redevelopment Agency.

The City reports the following major proprietary funds:

- The Water Fund is used to account for the operations of the El Monte Water Authority. All activities necessary to provide this service are accounted for in the Water Fund, including administration, operations, maintenance, capital improvement, billing, collection and depreciation.
- The Sewer Fund accounts for the City's sewer operation.

Additionally, the City reports the following fund types:

- Special Revenue Funds account for proceeds of specific revenue sources that are legally restricted or otherwise designated for specific purposes.
- The Capital Project Fund accounts for the accumulation of resources to fund capital projects within the City, other than those for proprietary funds.
- The Debt Service Fund accounts for the accumulation of resources for the payment of long-term debt principal and interest relating to the debt of the City.
- The Self-insurance Internal Service Fund accounts for the transactions of the general liability and worker's compensation insurance programs. It is financed through contributions paid by each operating program based on factors similar to those used by insurance companies (i.e. payroll, and number of employees).

**NOTE 1 REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

- The City's fiduciary fund financial statements report the following private purpose trust funds:
 - The Successor Agency to the Dissolved Redevelopment Agency Private-purpose Trust fund is a fiduciary fund type used by the City to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, liabilities and activities of the Successor Agency to the Dissolved El Monte Community Redevelopment Agency. Unlike the limited reporting typically utilized for Agency Funds, Private-purpose Trust Funds report a Statement of Fiduciary Net position and a Statement of Changes in Fiduciary Net position.
 - The Pension Trust Fund accounts for premiums paid for retirees and their families.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires City management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

**NOTE 1 REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Fund Balance Reporting

Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*, establishes the following fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds:

Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The City's nonspendable fund balance represents prepaid expenses and long-term advances to other funds.

Restricted fund balance includes resources that are subject to externally enforceable legal restrictions. It includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The City's restricted fund balances represent resources restricted for programs funded by grants and other restricted sources, capital projects, debt service and the low/moderate income housing program, and more.

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. As of June 30, 2017, the City has no committed fund balance.

Assigned fund balance consists of funds that are set aside for specific purposes by the City's highest level of decision making authority or a body or official that has been given the authority to assign funds. As of June 30, 2017, the City has assigned \$21.8 million of its fund balance for various contingency, capital, Measure GG and cash reserves.

Unassigned fund balance is the residual classification for the City's fund balance and includes all spendable amounts not contained in the other classifications. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purpose, it may be necessary to report a negative fund balance in that fund.

The City Council, as the City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken. Committed amounts cannot be used for any other purpose unless the City Council removes or changes the specific use through the same type of formal action taken to establish the commitment.

The City Council delegates the authority to assign fund balance to the City Manager for purposes of reporting in the annual financial statements.

**NOTE 1 REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

The City considers the restricted fund balances to have been spent when expenditure is incurred for purposes for which both unrestricted and restricted fund balance is available. The City considers unrestricted fund balances to have been spent when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy of the City to reduce the committed amounts first, followed by assigned amounts, and then unassigned amounts.

Assets, Liabilities and Net Position or Equity

Cash and Investments

For purposes of the statement of cash flows, the City considers cash and cash equivalents as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. The City follows the practice of pooling cash and investments of all funds. Since cash and investments are pooled, the City utilizes the assumption that cash and investments in the Enterprise Fund are cash and cash equivalents.

The cash management pool has the general characteristics of a demand deposit account in that the governmental enterprise may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty.

Investments for the City are reported at fair value. The current year changes in fair value are recognized in the statement of revenue, expenditures and changes in fund balance. Investment in the State Treasurer's Investment Pool operates in accordance with appropriate State laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance nonspendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectible accounts.

**NOTE 1 REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Functional Classifications

Expenditures of the Governmental Funds are classified by function. Functional classifications are defined as follows:

- General Government includes legislative activities which have a primary objective of providing legal and policy guidelines for the City. Also included in this classification are those activities which provide management or support services across more than one functional area.
- Public Safety includes those activities which involve the protection of people and property.
- Parks, Recreation and Cultural, includes those activities which involve the parks and recreation system.
- Public Works includes those activities which involve the maintenance and improvement of City streets, roads and park department development and maintenance.
- Economic development includes those activities which involve community development, planning, building regulation, environmental services, and code enforcement services.
- Debt Service includes those activities that account for the payment of long-term debt principal, interest and fiscal charges.
- Capital Outlay includes those activities that account for the acquisition of capital assets and the construction and improvements to city infrastructure.

Long-term Receivables

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatments are used to indicate that they should not be considered "available spendable resources," because they do not represent net current assets. Noncurrent portions of long-term loans receivable funded by grants are offset by due to grantors.

Inventories, Prepaid Costs and Land Held for Resale

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventory is equally offset by nonspendable fund balance in the fund level statements, which indicates that it does not constitute "available spendable resources."

**NOTE 1 REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The fund balances in the governmental fund types have been classified as nonspendable for amounts equal to the prepaid items in the fund-level statements, since these amounts are not available for appropriation.

Land held for resale is recorded at the lower of cost or fair value. Fund balances in the governmental fund type have been classified as nonspendable for amounts equal to the carrying amount of land and buildings held for resale because such assets are not available to finance the City's current operations.

Restricted Assets

Certain proceeds of debt issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. In addition, funds have been restricted for future capital improvements by City resolution.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, rights-of-way, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if not purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. However, donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

In accordance with GASB Statement No. 34, the City has reported general infrastructure assets acquired in the current year and prior years. Bond proceeds utilized in the acquisition of these assets have reduced the investment in capital assets portion of net position.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized cost of the assets constructed.

**NOTE 1 REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

The provision for depreciation of capital assets of the primary government, as well as the component units, is calculated using the straight-line method over the following estimated useful lives:

| Assets | Years |
|-------------------------------------|---------|
| Buildings | 10 - 42 |
| Improvements | 10 - 42 |
| Public domain - infrastructure | 25 - 40 |
| Furniture and equipment | 3 - 15 |
| Pumping plant | 7 - 50 |
| Transmission and distribution plant | 10 - 50 |

Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement Nos. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and 65, *Items Previously Reported as Assets and Liabilities*, the City recognizes deferred outflows and inflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position by the government that is applicable to a future reporting period. Refer to Note 15 for the list of deferred outflows and deferred inflows of resources the City has recognized as of June 30, 2017.

Compensated Absences

Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment. Normally, an employee cannot accrue more than one and one-half times his regular annual entitlement. Sick leave is payable when an employee is unable to work because of illness. Upon termination, an employee will forfeit any unused sick leave. Upon retirement, one-half to a maximum of 800 hours is paid to the employee and the remaining one-half is credited to service retirement. Typically, the City liquidates its compensated absences with general fund resources.

Long-term Obligations

In the government-wide financial statements and proprietary fund types fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective Interest method. Bonds payable are reported net of applicable bond premium or discount. In accordance with GASB Statement No. 65, bond issuance costs are reported as expenditures during the year they were incurred and paid.

**NOTE 1 REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Implementation of New Accounting Pronouncements

During the fiscal year ended June 30, 2017, the City adopted the following new Statement of the Governmental Accounting Standards Board (GASB):

GASB Statement No. 77, *Tax Abatement Disclosures*. The scope of this Statement addresses accounting and financial reporting by giving users of financial statements information that is not consistently or comprehensively reported to the public at present. This Statement requires governments that enter into tax abatement agreements to disclose relevant information such as brief descriptive information, that includes the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by the tax abatement recipients. The City did not have significant tax abatement agreements requiring disclosures under GASB Statement No. 77.

Pensions

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

General Budget Policies

The City Council approves each year's budget submitted by the City Manager prior to the beginning of the new fiscal year. Public comments are received prior to its adoption by the Council. Supplemental appropriations, where required during the period, are also approved by the Council and City Manager. Intradepartmental budget changes are approved by the City Manager. In most cases, expenditures may not exceed appropriations at the department level, which is the legal level of control. During the year, several supplementary appropriations were necessary. At fiscal year-end, all unencumbered appropriations lapse.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Budget Basis of Accounting

Budgets for governmental funds are adopted on a basis which differs from generally accepted accounting principles (GAAP). The Budget Comparison Statements and Budgetary Comparison Schedules present comparisons of the legally adopted budget with actual data on the budgetary basis. The difference between the budgetary basis and GAAP are presented on the same financial statements. Individual amendments were not material in relation to the original appropriations.

Annual budgets are required to be adopted for the General Fund, Special Revenue Funds, Debt Service Funds and Certain Capital Projects Funds. Although budgets are legally adopted for the City’s Proprietary Funds, there is no legal requirement for the fiscal year results to be reported to City Council. Therefore, no budgetary reporting for the Proprietary Funds has been presented in the accompanying financial statements.

For fiscal year 2016-2017, the following funds had no legally adopted budget:

- Special Revenue Funds
 - Tree Mitigation and Planting Fund
 - Gateway CFD

This is not in conformance with the City’s budgetary policy.

At June 30, 2017, the following funds had deficit fund balances or net position:

| | | |
|-------------------------------------|----|-------------|
| Special Revenue Funds: | | |
| Transportation Development Act Fund | \$ | (6,749) |
| MTA Call for Projects | | (48,934) |
| Miscellaneous Grants | | (601,194) |
| Internal Service Fund: | | |
| Self-Insurance | | (8,969,299) |
| Enterprise Fund | | |
| Water Fund | | (9,814,049) |

Management expects that the fund deficits will be covered from future revenues and transfers from the General Fund.

Excess of Expenditures Over Appropriations

Expenditures exceeded appropriation for the following function of the General Fund:

| | Expenditures | Appropriations | Excess |
|--------------------|--------------|----------------|-------------|
| General government | | | |
| City attorney | \$ 1,575,761 | \$ 1,500,000 | \$ (75,761) |
| Transfers out | 515,741 | 504,536 | (11,205) |

The City anticipates reimbursements will be received greater than this excess.

NOTE 3 CASH AND INVESTMENTS

As of June 30, 2017, cash and investments were reported in the accompanying financial statements as follows:

| | Cash and Investments | Cash and Investments with Fiscal Agent | Total |
|----------------------------|-------------------------|--|----------------|
| Governmental activities | \$ 84,846,126 | \$ 8,620,209 | \$ 93,466,335 |
| Business-type activities | 10,689,609 | 404,024 | 11,093,633 |
| Fiduciary funds | 4,551,623 | 1,463,582 | 6,015,205 |
| Total Cash and Investments | \$ 100,087,358 | \$ 10,487,815 | \$ 110,575,173 |

Cash and investments at June 30, 2017, consisted of the following:

| | | |
|--------------------------------------|----|-------------|
| Cash on hand | \$ | 16,250 |
| Deposits with financial institutions | | 23,156,803 |
| Deposits with escrow | | 1,441,105 |
| Investments | | 85,961,015 |
| Total Cash and Investments | \$ | 110,575,173 |

The City of El Monte maintains a cash and investment pool that is available for use by all funds. Each fund type's position in the pool is reported on the combined balance sheet as cash and investments. The City has adopted an investment policy, which authorizes it to invest in various types of investment securities.

Deposits

At June 30, 2017, the carrying amount of the City's deposits was \$23,156,803 and the bank balance was \$24,812,102. The \$1,655,299 difference represents outstanding checks, deposits in transit and other reconciling items.

The California Government Code requires California financial institutions to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a financial institution with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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

Under the provision of the City's investment policy, and in accordance with Section 53600 of the California Government Code, the following investments are authorized:

- United States Treasuries
- United States Government Agencies Securities
- Banker's Acceptances (BA's)
- Commercial Paper (CP)
- Medium Term Notes (MTN's)
- Local Agency Investment Fund (LAIF)
- Certificates of Deposit (CD's)

Investments Authorized by Debt Agreements

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a 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 in State Investment Pool

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. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the portion in the investment pool is the same as the value of the pool shares.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. As of June 30, 2017, none of the City's deposits or investments were exposed to custodial credit risk.

Concentration of Credit Risk

The City's investment policy imposes restrictions for certain types of investments with any one issuer to 15% of the total investment pool with the following exceptions: Treasury Securities (100%), LAIF (100%), Bankers Acceptances (40%), Commercial Paper (15%), Medium Term Notes (30%) and Certificates of Deposit (100%). With respect to concentration risk as of June 30, 2017, the City is in compliance with the investment policy's restrictions.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

In accordance with GASB 40 requirements, the City reports its exposure to concentration risk whenever it has invested more than 5% of its total investments in any one issuer. As of June 30, 2017, the City has investments with the following issuers which exceed 5% of the total investment value:

Federal Farm Credit Banks Consolidated \$ 6,988,660 8%

Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement.

Interest Rate Risk

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy states that, with the exception of the investment of bond proceeds and LAIF, investments may not exceed five years in maturity. Any investment which exceeds five years in maturity shall require authorization by City council prior to purchase. The City has elected to use the segmented time distribution method of disclosure for this interest rate risk.

As of June 30, 2017, the City had the following investments and original maturities:

| Investment Type | Total | Investment Maturity (in Years) | | |
|--|----------------------|--------------------------------|-----------------|-----------------|
| | | Less than 1 year | 1 to 3 Years | 3 to 5 Years |
| Local Agency Investment Fund | \$ 64,931,145 | \$ 64,931,145 | \$ - | \$ - |
| General Electric Capital Corporation | 1,001,680 | 1,001,680 | - | - |
| Federal Agency Securities: | | | | |
| Federal National Mortgage Association | 3,992,820 | 3,992,820 | - | - |
| Federal Farm Credit Banks Consolidated | 6,988,660 | 6,988,660 | - | - |
| Held by Fiscal Agents: | | | | |
| Held by Fiscal Agents | 9,046,710 | 9,046,710 | - | - |
| | <u>\$ 85,961,015</u> | <u>\$ 85,961,015</u> | <u>\$ -</u> | <u>\$ -</u> |

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

| Investment Type | Amount | Minimum Legal Rating | Not Rated | Rating | |
|--|----------------------|----------------------------|----------------------|----------------------|---------------------|
| | | | | AA+ | AA1 |
| Local Agency Investment Fund | \$ 64,931,145 | N/A | \$ 64,931,145 | \$ - | \$ - |
| General Electric Corp | 1,001,680 | A | - | - | 1,001,680 |
| Federal Agency Securities: | | | | | |
| Federal National Mortgage Association | 3,992,820 | A | - | 3,992,820 | - |
| Federal Farm Credit Banks Consolidated | 6,988,660 | A | - | 6,988,660 | - |
| Held by Fiscal Agents: | | | | | |
| Held by Fiscal Agents | 9,046,710 | N/A | 9,046,710 | - | - |
| Total | <u>\$ 85,961,015</u> | | <u>\$ 73,977,855</u> | <u>\$ 10,981,480</u> | <u>\$ 1,001,680</u> |

Fair Value Measurement

The City implemented GASB Statement No. 72, *Fair Value Measurement and Application*. GASB 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices for identical assets or liabilities in active markets that government can access at the measurement date.
- Level 2 inputs are other than quoted prices included in Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

| Investment Type | Amount | Quoted Prices in | Fair Value Measurement |
|--|----------------------|---|---|
| | | Active Markets for Identical Assets (Level 1) | Using Significant other Observable Inputs (Level 2) |
| General Electric Corp | \$ 1,001,680 | \$ 1,001,680 | \$ - |
| Federal Agency Securities: | | | |
| Federal National Mortgage Association | 3,992,820 | - | 3,992,820 |
| Federal Farm Credit Banks Consolidated | 6,988,660 | - | 6,988,660 |
| Held by Fiscal Agents: | | | |
| Money Market Funds | 9,046,710 | - | 9,046,710 |
| Total | <u>\$ 21,029,870</u> | <u>\$ 1,001,680</u> | <u>\$ 20,028,190</u> |
| Uncategorized: | | | |
| Local Agency Investment Fund | 64,931,145 | | |
| | <u>\$ 85,961,015</u> | | |

NOTE 4 LONG-TERM RECEIVABLES

As of June 30, 2017, the following loans receivable were outstanding:

| | | |
|---|-----------------|--------------------------|
| Pacific Place Expansion Project | \$ | 4,009,037 |
| Singing Wood Senior Housing | | 2,202,946 |
| First Time Homebuyer Loans | | 618,000 |
| San Gabriel Valley Habitat for Humanity, Inc. | | 300,000 |
| Various Housing Deferred Loans and Other Assistance | | 6,896,215 |
| Mercy Housing, California | | |
| Authority HOME Funds Loan | \$ 400,000 | |
| Site Acquisition Loan | 296,188 | |
| Special Development Loan | 350,000 | 1,046,188 |
| Tyler Court Associates, L.P. | | |
| Property Acquisition Loan | 610,000 | |
| Project Loan | 800,000 | |
| Project Capital Fee Loan | 221,250 | 1,631,250 |
| El Monte Housing Partners LP | | |
| Site Acquisition Loan | 4,500,000 | |
| HOME Project Loan | 2,500,000 | |
| Project Capital Fee Loan | 1,410,673 | |
| Predevelopment Loan | 1,500,000 | 9,910,673 |
| Hollywood Community Housing Corporation | | 358,618 |
| TELACU Housing-El Monte, II, Inc. | | 100,000 |
| TDF Senior Housing | | |
| Special Construction Loan | 416,595 | |
| Project Gap Loan | 986,345 | |
| Long-term Project Note | 998,217 | 2,401,157 |
| | <u>Subtotal</u> | <u>29,474,084</u> |
| Allowance for doubtful accounts | | <u>(17,024,269)</u> |
| Total | \$ | <u><u>12,449,815</u></u> |

Allowance for doubtful accounts was provided for certain borrowers for which full collection is uncertain.

Pacific Place Expansion Project

On September 14, 2005, the City of El Monte provided a loan to JT LLC for the Pacific Place Expansion Project. Principal payments are due annually beginning July 15, 2007, and range from \$130,000 to \$340,000 over the term of the loan which ends March 14, 2023. Interest payments on this note are due in quarterly installments on the first day of every calendar year quarter at a rate equal to the rate payable by the City to HUD. No payment was received during the fiscal year 2016-2017.

NOTE 4 LONG-TERM RECEIVABLES (CONTINUED)

Singing Wood Senior Housing

On July 15, 2002, the City provided a loan to Singing Wood Senior Housing, a California Limited Partnership, in the amount of \$650,000. Interest is to accrue on the loan at the rate of 3% per annum until the loan is paid in full. Annual payments are to commence on or before April 15 of the first full year after the first residential unit is rented and continue on April 15 each year thereafter until all principal and interest accrued thereon has been repaid. The annual payment shall be derived from 50% of annual residual receipts derived from the operation of the project. All outstanding indebtedness, including interest, must be repaid in full at the end of the 30-year term of the loan.

In addition, the former El Monte Community Redevelopment Agency provided a loan to Singing Wood Senior Housing, a California Limited Partnership, in the amount of \$440,143. Interest is to accrue on the loan at the rate of 3% per annum until the loan is paid in full. Annual payments are to commence on or before April 15 of the first full year after the first residential unit is rented and continue on April 15 each year thereafter until all principal and interest accrued thereon has been repaid. The annual payment shall be generated from 50% of annual residual receipts generated from the operation of the project. All outstanding indebtedness, including interest, must be repaid in full at the end of the 30-year term of the loan.

The City provided an additional loan from HOME program funds amounting to \$500,000 to assist Singing Wood Senior Housing to acquire certain real property and construct affordable senior citizen rental housing. The loan bears an interest rate of 1%. An additional \$175,000 loan, which bears an interest of 3% was provided. Annual payments are to commence on or before April 15 of the first full year after the first residential unit is rented and after the repayment in full by Singing Wood Senior Housing of its loans from the former Community Redevelopment Agency of the City of El Monte amounting to \$440,143 and the CDBG loan amounting to \$650,000, and continue on April 15 each year thereafter until all principal and interest accrued thereon has been repaid. The annual payment shall be derived from 50% of annual residual receipts derived from the operation of the project. All outstanding indebtedness, including interest, must be repaid in full at the end of the 55-year term of the loan.

San Gabriel Valley Habitat for Humanity, Inc.

On December 5, 2000, the San Gabriel Valley Habitat for Humanity executed a promissory note amounting to \$300,000 in accordance with an affordable housing agreement related to 2504 Burkett Road property. The note is secured by a deed of trust.

First-time Homebuyer Program and Various Deferred Loans

Housing loans receivable consist of low interest and no interest home assistance loans which are due and payable in full when the borrower's legal interest in the property, which is security for the loan, is sold, transferred or conveyed.

NOTE 4 LONG-TERM RECEIVABLES (CONTINUED)

Mercy Housing California

The El Monte Housing Authority entered into a disposition and development agreement with Mercy Housing California on November 1, 2011, related to the construction of Mercy Housing Veterans Affordable Rental Housing Community Initiative Project. As part of the Authority's financial assistance, the Authority provided a loan in the amount of \$400,000 as an Authority HOME Funds loan on December 1, 2012. The proceeds of the loan were used to pay portion of the site purchase of \$700,000. The Authority provided a second loan amounting to \$300,000 as a Site Acquisition Loan to be used to pay the remaining portion of the purchase price. The Authority provided a third loan amounting to \$350,000 as a Special Development Loan to be used to pay for the development project capital fees. Mercy Housing executed a non-interest bearing promissory note for each loan for a term of 55 years. The promissory notes are payable from 50% of the residual receipts of the housing project.

Tyler Court Associates L.P.

The El Monte Housing Authority entered into a disposition and development agreement with Tyler Court Associates, L.P. on March 20, 2012, related to the sale of 3348 Tyler Avenue in El Monte California 91731 and subsequent construction of 20 units of senior affordable rental units, known as Tyler Court Apartments. The Authority sold the site to Tyler Court Associates, L.P. for \$610,000 in the form of a loan from the Authority. To enable the construction of the project, the Authority provided a HOME Project Loan amounting to \$800,000 and a Project Capital Fee Loan amounting to \$250,000. These loans were evidenced by three promissory notes bearing interest of 2% simple interest which shall accrue and be payable to the Authority on the outstanding principal balance of the note. Installment payments of principal and interest shall be payable from 50% of residual receipts of the project on or before 90 days after the end of the project accounting year. The notes will mature and the remaining principal balance and all accrued and unpaid interest shall be due and payable after 55 years.

El Monte Housing Partners LP

The City entered into an affordable rental project acquisition and financing agreement with El Monte Housing Partners LP on September 25, 2013 for purposes of the Gateway Phase 1A Housing, a HOME Investment Partnership Program (HOME) – funded activity that would result in the development of a 132 unit workforce family housing building and amenities (the "Jamboree Project") To enable the construction of the project, the City provided a HOME Project Loan amounting to \$2,500,000, Site Acquisition Loan amounting to \$4,500,000 and a Project Capital Fee Loan amounting to \$1,410,673. In December 31, 2013, the City provided a Predevelopment Loan amounting to \$1,500,000. These loans were evidenced by four promissory notes bearing a rate of 2% simple interest which shall accrue and be payable to the City on the outstanding principal balance of the note. Installment payments of principal and interest shall be payable from 50% of residual receipts of the project on or before 90 days after the end of the project accounting year. The notes will mature and the remaining principal balance and all accrued and unpaid interest shall be due and payable after 55 years.

NOTE 4 LONG-TERM RECEIVABLES (CONTINUED)

Hollywood Community Housing Corporation

The City provided an affordable rental housing development loan to Hollywood Housing Corporation (HCHC) in support of the development of a forty-nine unit apartment complex on the property generally located at 4704-4716 Peck Road, El Monte California, 91732 in the amount of \$358,617 to finance a portion of the total cost of the Project on December 1, 2016. The proceeds of the loan were used and applied by HCHC solely to pay certain development project fees assessed to the project by the City as follows: (1) public park impact mitigation fees in the amount of \$270,480; and (2) an art in public places fee in the amount of \$88,137. The loan was evidenced by an HCHC promissory note, secured by a deed of trust and bearing a rate of 2% simple interest which shall accrue and be payable to the City on the outstanding principal balance of the note. Installment payments by HCHC to the City shall be made annually from the available residual receipts of the project beginning on the June 30 next following the date when the City issues a certificate of occupancy for the completed project and on each June 30 thereafter, through and until the maturity of the note. The principal and accrued interest payable on the loan shall be due and payable on the earlier of (i) 55 years from the date of the note; (ii) the sale or other transfer of the Property by HCC, or (iii) refinancing of the Property by HCHC.

TELACU Housing-El Monte II, Inc.

The City entered into an agreement with TELACU Housing-El Monte, II, Inc. (TELACU) to develop and operate a senior housing complex consisting of 70 affordable senior housing units known as TELACU-El Monte. The City provided \$100,000 HOME funds assistance to aid in the construction of the project and to defray a portion of the cost of construction on February 8, 1999. The City's HOME funds shall be reimbursed to the City by TELACU and shall be due and payable immediately if the project, or any portion thereof or interest therein, is sold, transferred, assigned or refinanced without prior written consent of the City; provided however, that during the term that HUD holds a security interest in the site under the HUD Section 202 Capital Advance Documents, the foregoing shall not apply to a transfer to HUD or to a transferee approved by HUD. In the event the project is acquired by any entity which is not a HUD permitted transferee, the outstanding principal balance of City's HOME funds shall be repaid to the City together with interest thereon at the rate equal to the then Federal Default Rate per annum commencing on the date of the sale or transfer of the project. Any such repayment during the term of the HUD Capital Advance Documents shall be from residual receipts as defined by HUD, provided that an approval has been obtained from HUD for such repayment. The right of the City to recover the amount of the HOME Funds shall be in existence for 40 years from the date of issuance of the Certificate of Completion for the Project.

NOTE 4 LONG-TERM RECEIVABLES (CONTINUED)

TDF Senior Housing

The "Original Project Gap Loan" was approved on January 1, 2003. The Long-term Project Note" and the "Special Construction Loan" were originated in March 2004. The notes bear interest at 3% for a term of 45 years. On February 5, 2015, the City and TDF Senior Housing entered into an agreement affirming principal and interest owed by TDF on its loans.

Capital lease receivable

A lease receivable is recorded in the City's General Fund. The lease is the remainder due to the City from the sale of the water rights to the Water Authority. The Water Authority is obligated to pay this lease from surplus revenues over the 50-year life of the lease ending September 1, 2049. Payments vary with the level of surplus revenues. There were no surplus revenues for the year ended June 30, 2017. The balance of the lease at June 30, 2017 is \$17,977,364. The lease receivable and capitalized lease obligation have been eliminated similar to internal balances in the government-wide statement of net position.

NOTE 5 LAND HELD FOR RESALE

The carrying amount of land is reported at cost which approximates fair value. As of June 30, 2017, the details of the City's investment in land held for resale are as follows:

| | | |
|--|----|------------------|
| Housing and Community Development Fund | \$ | 420,000 |
| Housing Asset Fund | | 1,339,645 |
| | | <u>1,759,645</u> |
| | \$ | <u>1,759,645</u> |

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|---|------------------------------|---------------------|------------------|---------------------------|
| Governmental Activities: | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 74,442,896 | \$ - | \$ - | \$ 74,442,896 |
| Rights-of-way | 266,801,532 | - | - | 266,801,532 |
| Landscaping-infrastructure | 95,462 | - | 95,462 | - |
| Construction-in-progress | 9,313,869 | 3,815,647 | - | 13,129,516 |
| Total capital assets not being depreciated | <u>350,653,759</u> | <u>3,815,647</u> | <u>95,462</u> | <u>354,373,944</u> |
| Capital assets being depreciated: | | | | |
| Land improvements | 13,030,538 | 83,720 | - | 13,114,258 |
| Structures and improvements | 42,449,986 | - | - | 42,449,986 |
| Furniture and equipment | 25,052,553 | 1,056,179 | - | 26,108,732 |
| Infrastructure | 120,636,792 | - | - | 120,636,792 |
| Total capital assets being depreciated | <u>201,169,869</u> | <u>1,139,899</u> | <u>-</u> | <u>202,309,768</u> |
| Less accumulated depreciation: | | | | |
| Land improvements | 7,003,861 | 455,318 | - | 7,459,179 |
| Structures and improvements | 15,801,445 | 1,092,018 | - | 16,893,463 |
| Furniture and equipment | 18,062,874 | 1,458,186 | - | 19,521,060 |
| Infrastructure | 63,571,290 | 2,837,593 | - | 66,408,883 |
| Total accumulated depreciation | <u>104,439,470</u> | <u>5,843,115</u> | <u>-</u> | <u>110,282,585</u> |
| Capital assets being depreciated, net | <u>96,730,399</u> | <u>(4,703,216)</u> | <u>-</u> | <u>92,027,183</u> |
| Governmental activities capital assets, net | <u>\$ 447,384,158</u> | <u>\$ (887,569)</u> | <u>\$ 95,462</u> | <u>\$ 446,401,127</u> |

Depreciation expense was charged to functions/programs of the primary government as follows:

| | |
|-------------------------------|---------------------|
| Governmental Activities: | |
| General government | \$ 1,607,946 |
| Public safety | 481,170 |
| Parks, recreation and leisure | 64,540 |
| Public works | <u>3,689,460</u> |
| Total | <u>\$ 5,843,115</u> |

In accordance with and as allowed by GASB Statement No. 34, the City capitalizes and reports general infrastructure assets acquired in the current year and prior years. Infrastructure assets recorded in prior years as part of implementing GASB Statement No. 34 included rights-of-way which amounted to \$266,801,532.

NOTE 6 CAPITAL ASSETS (CONTINUED)

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|---------------------|------------------|---------------------------|
| <u>Business-type Activities:</u> | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 310,748 | \$ - | \$ - | \$ 310,748 |
| Construction-in-progress | <u>1,664,994</u> | <u>2,220,787</u> | - | <u>3,885,781</u> |
| Total capital assets not being depreciated | <u>1,975,742</u> | <u>2,220,787</u> | - | <u>4,196,529</u> |
| | | | | |
| Capital assets being depreciated: | | | | |
| Water rights | 34,152,450 | - | - | 34,152,450 |
| Structures and improvements | 734,410 | - | - | 734,410 |
| Land improvements | 3,150,074 | - | - | 3,150,074 |
| Furniture and equipment | 3,693,164 | 16,455 | - | 3,709,619 |
| Infrastructure | <u>21,665,601</u> | <u>-</u> | <u>-</u> | <u>21,665,601</u> |
| Total capital assets being depreciated | <u>63,395,699</u> | <u>16,455</u> | <u>-</u> | <u>63,412,154</u> |
| | | | | |
| Less accumulated depreciation: | | | | |
| Water rights | 11,611,833 | 683,049 | - | 12,294,882 |
| Structures and improvements | 204,514 | 13,978 | - | 218,492 |
| Land improvements | 2,535,008 | 43,417 | - | 2,578,425 |
| Furniture and equipment | 3,005,063 | 113,754 | - | 3,118,817 |
| Infrastructure | <u>11,135,069</u> | <u>446,238</u> | <u>-</u> | <u>11,581,307</u> |
| Total accumulated depreciation | <u>28,491,487</u> | <u>1,300,436</u> | <u>-</u> | <u>29,791,923</u> |
| | | | | |
| Capital assets being depreciated, net | <u>34,904,212</u> | <u>1,283,981</u> | <u>-</u> | <u>33,620,231</u> |
| | | | | |
| Business-type activities capital assets, net | <u>\$ 36,879,954</u> | <u>\$ 3,504,768</u> | <u>\$ -</u> | <u>\$ 37,816,760</u> |

Depreciation expense was charged to functions/programs of the primary government as follows:

| | |
|---------------------------|---------------------|
| Business-type Activities: | <u>Amount</u> |
| Water Fund | \$ 861,436 |
| Sewer Fund | <u>439,000</u> |
| Total | <u>\$ 1,300,436</u> |

NOTE 7 INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS

The composition of interfund balances as of June 30, 2017, is as follows:

Advances To/From Other Funds

| Advances From Other Funds | Advances To Other Funds | | |
|---------------------------|-------------------------|-----------------------|---------------------|
| | Water Fund | Internal Service Fund | Total |
| General Fund | \$ 815,483 | \$ 300,000 | \$ 1,115,483 |
| | <u>\$ 815,483</u> | <u>\$ 300,000</u> | <u>\$ 1,115,483</u> |

The amount owed by the Water Fund to the General Fund was evidenced by a Water Meter Acquisition loan agreement, dated January 19, 2016, by and between the El Monte Water Authority (Authority) and the City for the sole purpose of acquiring water service meter equipment by the Authority amounting to \$1,000,000. The loan is payable in 5 annual installment payments and bears 4% interest on outstanding principal balance beginning on the first anniversary date of the initial disbursement of the loan to the Authority and annually thereafter. The first 4 annual installment payments by the Authority to the City shall be in the amount of \$244,627, and the final, or fifth installment payment shall be remaining unpaid principal and accrued interest.

Interfund Transfers

| Transfers Out: | Transfers In | | | | | Total |
|-----------------------------|---------------------|-----------------------------------|-----------------------------|--------------------------|------------------------|---------------------|
| | General Fund | Housing and Community Development | Nonmajor Governmental Funds | Total Governmental Funds | Internal Service Funds | |
| Governmental Funds: | | | | | | |
| General Fund | \$ - | \$ 31,214 | \$ 384,527 | \$ 415,741 | \$ 100,000 | \$ 515,741 |
| Housing and Development | - | - | - | - | - | - |
| Nonmajor governmental funds | 3,550,238 | - | 46,821 | 3,597,059 | - | 3,597,059 |
| Business-type funds: | | | | | | |
| Sewer Fund | - | - | - | - | 100,000 | 100,000 |
| | <u>\$ 3,550,238</u> | <u>\$ 31,214</u> | <u>\$ 431,348</u> | <u>\$ 4,012,800</u> | <u>\$ 200,000</u> | <u>\$ 4,212,800</u> |

For record-keeping purposes, the City accounts for its Gas Tax monies in a separate fund. Each year the City transfers these monies into the General Fund to fund allowable projects. In fiscal year 2016-2017, the City transferred \$3.6 million from its special revenue funds (nonmajor governmental funds) into its General Fund. The City also transfers \$324,000 from the General Fund to Storm Drain Fund to fund deficits in the Storm Drain Fund during fiscal year 2016-2017.

NOTE 8 ADVANCES TO THE FORMER COMMUNITY REDEVELOPMENT AGENCY

During the previous fiscal years, the City of El Monte made loans to the former Redevelopment Agency. These loans provided for interest at rates up to 12% per annum depending upon when the loan was initiated.

In June 2011, AB X1 26 dissolved the former Redevelopment Agency, effective (after some litigation on the matter) February 1, 2012. As part of the dissolution process set forth in that bill and a later bill clarifying and modifying the terms of the dissolution (Assembly Bill 1484, adopted in June 2012), the existing loan from the City to the Agency was considered by the Department of Finance to be unenforceable. The successor agency to the former redevelopment agency has sought reconsideration by the Department of Finance as to the enforceability of the loan. With the issuance of Findings of Completion to the Successor Agency in April 2013, the Department of Finance allowed the inclusion of the loan agreements between the former Redevelopment Agency and the City on the Recognized Obligation Payment Schedule (ROPS), as an enforceable obligation, provided the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes per HSC Section 34191.4(b) (1). In compliance with the provisions of Section 34191.4(2) of AB1484, interest receivable was recalculated using interest rates earned by funds deposited into the Local Agency Investment Fund (LAIF) resulting to a reduction in interest receivable by \$51 million. During fiscal year 2016, the Successor Agency recorded interest on the loans amounting to approximately \$43,000. Because of the uncertainty as to when the former Redevelopment Agency will have excess property tax distribution to pay for the loan, the full amount of the loan of \$42.4 million (including \$12.3 million of adjusted accrued interest) has been reserved as potentially uncollectible as of June 30, 2017. (See Note 17).

NOTE 9 LONG-TERM DEBT

Governmental Activities

The following is a schedule of changes in long-term debt for the fiscal year ended June 30, 2017:

| | Balance at | | | Balance at | Amount due |
|-------------------------------|-----------------------|----------------------|----------------------|-----------------------|---------------------|
| | July 1, 2016 | Additions | Retirements | June 30, 2017 | within one |
| | | | | | Year |
| 2010 Lease revenue bonds | \$ 17,730,000 | \$ - | \$ 375,000 | \$ 17,355,000 | \$ 395,000 |
| 2011 Lease revenue bonds | 10,000,000 | - | 10,000,000 | - | - |
| Certificates of Participation | | | | | |
| Series 2013-A | 2,170,000 | - | 835,000 | 1,335,000 | 865,000 |
| Notes and loans payable | 4,389,000 | - | 260,000 | 4,129,000 | 115,000 |
| Accrued compensated absences | 6,012,975 | 599,987 | 370,752 | 6,242,210 | 1,560,552 |
| Net pension liability | 122,237,053 | 35,830,884 | 17,282,946 | 140,784,991 | - |
| OPEB liability (Note 13) | 28,685,290 | 4,942,855 | 1,971,159 | 31,656,986 | - |
| Claims and judgments | 12,445,000 | 4,782,122 | 3,426,122 | 13,801,000 | 2,088,000 |
| | <u>\$ 203,669,318</u> | <u>\$ 46,155,848</u> | <u>\$ 34,520,979</u> | <u>215,304,187</u> | <u>\$ 5,023,552</u> |
| Unamortized bond discount | | | | (464,258) | |
| Unamortized bond premium | | | | 19,549 | |
| | | | | <u>\$ 214,859,478</u> | |

NOTE 9 LONG-TERM DEBT (CONTINUED)

Agency Cooperation Agreement and the Taxable Lease Revenue Bond Payable

The El Monte Public Financing Authority has issued taxable lease revenue bonds on behalf of the City of El Monte, part of the proceeds of which were loaned to the former Redevelopment Agency to finance certain redevelopment activities. The Taxable Recovery Zone Economic Development Lease Revenue Bonds, Series 2010A and the Taxable Lease Revenue Bonds, Series 2010B were issued on December 13, 2010 to provide funds to the Agency to (1) finance the acquisition and development of the City of El Monte Maintenance Yard Facility; (2) fund reserve account; (3) pay for cost of issuance.

These bonds are special obligations of the Authority payable from and secured by revenues consisting primarily of amounts payable by the City under the Lease Agreement.

The 2010 Lease Revenue Bonds are backed by a City General Fund pledge, which shall be payable from any source of available funds to the City. However, the bonds were structured with 2 primary sources of revenue (lease payments) and Federal Direct payments:

1. Agency Cooperation Agreement – The former Redevelopment Agency pays for a portion of the costs to acquire and construct the project in the form of annual lease payments, summarized below:
 - \$245,000 from the Northwest project area
 - \$485,000 from the Valley/Durfee project area

2. City Enterprise Sublease Agreement – The City Water Enterprise and City Sewer Enterprise will lease a portion of the property from the City, and shall make sublease payments to the City Debt Service Fund to be applied by the City for the payment of the lease payments as follows:
 - \$200,000 Water Enterprise Fund
 - \$300,000 Sewer Enterprise Fund

The Agency Cooperation Agreement provides that the Agency may incur bonded indebtedness superior to any Agency obligation under the Agency Cooperation Agreement.

NOTE 9 LONG-TERM DEBT (CONTINUED)

\$14,790,000 – Taxable Recovery Zone Economic Development Lease Revenue Bonds, Series 2010A

The following schedule illustrates the debt service requirements to maturity for the bonds as of June 30, 2017:

| Year Ending June 30, | 2010 Lease Revenue Bonds Series A | |
|----------------------------|--------------------------------------|---------------|
| | Principal | Interest |
| 2018 | \$ - | \$ 1,318,262 |
| 2019 | - | 1,318,262 |
| 2020 | - | 1,318,262 |
| 2021 | - | 1,318,262 |
| 2022 | - | 1,318,262 |
| 2023-2027 | 2,395,000 | 6,262,314 |
| 2028-2032 | 3,510,000 | 4,958,562 |
| 2033-2037 | 4,455,000 | 3,235,950 |
| 2038-2041 | 4,430,000 | 1,020,600 |
| Total | \$ 14,790,000 | \$ 22,068,736 |

Note: Net interest is gross interest minus the 45% subsidy from the U.S. Treasury Department pursuant to the “Build America Bonds” program which was created by the Recovery Act of 2009.

Based on the annual payments expected from the former Redevelopment Agency, City management expects \$16,118,000 of the above debt to be repaid using the Agency’s tax increment revenues.

NOTE 9 LONG-TERM DEBT (CONTINUED)

\$4,465,000 – Taxable Lease Revenue Bonds, Series 2010B

The following schedule illustrates the debt service requirements to maturity for the bonds as of June 30, 2017:

| Year Ending June 30, | 2010 Lease Revenue Bonds Series B | |
|----------------------------|--------------------------------------|------------|
| | Principal | Interest |
| 2018 | \$ 395,000 | \$ 196,222 |
| 2019 | 415,000 | 166,006 |
| 2020 | 435,000 | 134,257 |
| 2021 | 455,000 | 100,980 |
| 2022 | 480,000 | 66,172 |
| 2023 | 385,000 | 29,452 |
| Total | \$ 2,565,000 | \$ 693,089 |

Note: Net interest is gross interest minus the 35% subsidy from the U.S. Treasury Department pursuant to the “Build America Bonds” program which was created by the Recovery Act of 2009.

Based on the annual payments expected from the Agency, City management expects \$1,402,000 to be repaid using the Agency’s tax increment revenues.

Revenue Bonds Series 2011

In March 2011, the El Monte Public Financing Authority (the “Authority”) issued \$10,000,000 Revenue Bond Series 2011 (CMB Infrastructure Investment Group V, LP) (the “Bond”) to finance (1) the Ramona Boulevard Tunnel to the MTA Bus Station, (2) City sewer and water projects, (3) the El Monte Gateway Relocation Project (Fire Station, Pioneer Public Park and ball fields, (4) additional cost for the construction of the City’s new Maintenance Yard and (5) certain other projects for which either Agency or City funds are pledged for repayment (collectively, the Improvements”).

The proceeds of the Bonds were supposed to be loaned to the Agency pursuant to a Loan Agreement (the “Loan Agreement”) between the Authority and the former Redevelopment Agency for the purpose of assisting the Agency with its obligations to assist the City with the financing of the Improvements. With the dissolution of the former Redevelopment Agency, the proceeds of the Bonds were deposited directly to the City’s trust account. In May 1, 2017, the bonds were retired.

NOTE 9 LONG-TERM DEBT (CONTINUED)

2013 Certificates of Participation

On January 14, 2003, the City of El Monte issued \$7,310,000 Variable Rate Demand Certificates of Participation Series 2003A and \$3,315,000 Taxable Variable Rate Demand Certificates of Participation Series 2003B. Interest on the Series 2003A and 2003B is 2.92% and 4.91%, respectively, and is payable January 1 and July 1 of each year commencing January 1, 2004.

In July 2013, the debt was refinanced through the issuance of \$3,125,000 2013 Certificates of Participation, Series A and \$1,615,000 Certificates of Participation, Series 2013 B Taxable. Interest on the Series 2013A and 2013B is 3% and 2%, respectively, and is payable January 1 of each year commencing January 1, 2014. The related loss on bond defeasance amounted to \$61,744.

Series 2013B was fully paid in 2015. The total debt service payment requirements with respect to the Series 2013A are as follows:

| Year Ending June 30, | Certificates of Participation Series 2013-A | |
|----------------------------|--|-----------|
| | Principal | Interest |
| 2018 | \$ 865,000 | \$ 50,462 |
| 2019 | 470,000 | 15,863 |
| Total | \$ 1,335,000 | \$ 66,325 |

Notes and Loans Payable

HUD Section 108 Loan 1999-A

On April 18, 1999, the City issued \$2,200,000 of U.S. Government Guaranteed Notes, Series 1999-A, guaranteed by the Secretary of Housing and Urban Development. The City has pledged as security for repayment of the notes the following:

- a. Future entitlements that the City may become eligible for under Section 106 of Title I of the Housing and Community Development Act of 1974; and
- b. Program income

The notes mature from 1999 to 2018 and bear varying interest rates. The principal balance outstanding as of June 30, 2017, was \$87,000.

HUD Section 108 Loan 2011-A

On August 9, 2001, the City issued \$2,500,000 of U.S. Government Guaranteed Notes, Series 2001-A, guaranteed by the Secretary of Housing and Urban Development.

NOTE 9 LONG-TERM DEBT (CONTINUED)

In November 2011, the notes were refinanced through the issuance of \$1,561,000 Guaranteed Notes, Series 2011-A. The U.S. Government Guaranteed Notes, Series 2001-A outstanding balance of \$ 1,561,000 were considered defeased. The principal balance outstanding of the Series 2011-A note as of June 30, 2017, was \$622,000.

The total debt service payment requirements with respect to the Series 2011-A note are as follows:

| Ending June 30, | HUD Section 108 Loan 2011-A | |
|--------------------|-----------------------------|-----------|
| | Principal | Interest |
| 2018 | \$ - | \$ 13,092 |
| 2019 | 194,000 | 11,375 |
| 2020 | 207,000 | 7,536 |
| 2021 | 221,000 | 2,707 |
| Total | \$ 622,000 | \$ 34,710 |

HUD Section 108 Loan 2015-A

On June 16, 2004, the City issued \$2,200,000 of U.S. Government Guaranteed Notes, Series 2004-A, guaranteed by the Secretary of Housing and Urban Development.

In May 2015, the notes were refinanced through the issuance of \$1,420,000 Guaranteed Notes, Series 2015-A. The U.S. Government Guaranteed Notes, series 2004-A were considered defeased. The principal balance outstanding of the Series 2015-A note as of June 30, 2017, was \$1,205,000.

The total debt service payment requirements with respect to the loan are as follows:

| Ending June 30, | HUD Section 108 Loan 2015-A | |
|--------------------|-----------------------------|------------|
| | Principal | Interest |
| 2018 | \$ 115,000 | \$ 25,763 |
| 2019 | 125,000 | 24,397 |
| 2020 | 130,000 | 22,344 |
| 2021 | 140,000 | 19,736 |
| 2022 | 150,000 | 16,588 |
| 2023-2025 | 545,000 | 24,567 |
| Total | \$ 1,205,000 | \$ 133,396 |

NOTE 9 LONG-TERM DEBT (CONTINUED)

HUD Section 108 Loan – Pacific Place

On August 25, 2004, the City issued \$4,000,000 of U.S. Government Guaranteed Notes, Series 2004-A, guaranteed by the Secretary of Housing and Urban Development. The notes mature from 2007 to 2024 with interest payments due quarterly bearing a variable interest rate equal to 0.2% of the applicable LIBOR Rate, and shall be adjusted monthly. The principal balance outstanding as of June 30, 2017, was \$2,065,000. The total debt service payment requirements with respect to the loan are as follows:

| Ending June 30, | Section 108 Loan - Pacific Place | |
|--------------------|----------------------------------|------------|
| | Principal | Interest |
| 2018 | \$ - | \$ 103,915 |
| 2019 | 245,000 | 98,255 |
| 2020 | 260,000 | 86,265 |
| 2021 | 275,000 | 73,114 |
| 2022 | 295,000 | 58,845 |
| 2023-2025 | 990,000 | 78,785 |
| Total | \$ 2,065,000 | \$ 499,179 |

The City plans to repay this note in December 2017 for a total of \$2,158,915.

Alameda Corridor East Construction Authority (ACE) Promissory Note

On December 21, 2012, the City, through the El Monte Housing Authority, issued a non-interest bearing Note as evidence of the indebtedness of the Housing Authority to ACE incurred in connection with the purchase by the Housing Authority of certain land from ACE. The purchase price of the property was \$700,000 and the first installment payment of \$400,000 was paid on December 17, 2012. The remaining \$300,000 was secured in the form of a promissory note. The payment of principal under this Note shall be made as follows:

| Ending June 30, | Principal |
|--------------------|------------|
| 2022 | \$ 150,000 |
| Total | \$ 150,000 |

Claims and Judgments

As of June 30, 2017, the City is party to certain lawsuits. After reviewing these lawsuits with legal counsel, management has estimated the potential claims against the City, not covered by insurance, resulting from such litigation. These claims and judgments are generally liquidated by the Internal Service Fund. At June 30, 2017, the total estimated liability for claims was \$13,801,000.

NOTE 9 LONG-TERM DEBT (CONTINUED)

Business-type Activities

The following is a schedule of changes in long-term debt for the fiscal year ended June 30, 2017:

| | Balance at July 1, 2016 | Additions | Retirements | Balance at June 30, 2017 | Amount due within one Year |
|------------------------------|----------------------------|---------------------|---------------------|-----------------------------|----------------------------------|
| 2006 Refunding revenue bonds | \$ 15,170,000 | \$ - | \$ 505,000 | \$ 14,665,000 | \$ 525,000 |
| Accrued compensated absences | 305,209 | 30,088 | 40,223 | 295,074 | 73,769 |
| Net pension liability | 7,484,031 | 1,685,621 | 870,096 | 8,299,556 | - |
| Capital lease payable | 17,977,364 | - | - | 17,977,364 | - |
| | \$ 40,936,604 | \$ 1,715,709 | \$ 1,415,319 | 41,236,994 | \$ 598,769 |

| | |
|--------------------------|----------------------|
| Unamortized bond premium | 87,189 |
| | \$ 41,324,183 |

2006 Refunding Revenue Bonds

In June 2006, the El Monte Water Authority issued \$18,805,000 Refunding Revenue Bonds, Series 2006 which are collateralized by net water revenues of the Authority. Interest on the Bonds is payable semi-annually each March 1 and September 1, commencing on March 1, 2007, at rates which range from 3.35% to 5.00%. Principal payments begin September 1, 2007, and continue on September 1 of each year through September 1, 2036, and range from \$195,000 to \$1,130,000. The proceeds from these Bonds were utilized to refund and defease \$12,850,000 in 1999 Revenue Bonds and \$5,380,000 in 2001 Revenue Bond Anticipation Notes, to pay the costs of issuance and to establish a reserve fund.

The total debt service payment requirements with respect to the above bonds are as follows:

| Year Ending June 30, | 2006 Refunding Revenue Bonds | |
|----------------------------|------------------------------|---------------------|
| | Principal | Interest |
| 2018 | \$ 525,000 | \$ 681,983 |
| 2019 | 545,000 | 660,310 |
| 2020 | 565,000 | 637,272 |
| 2021 | 595,000 | 612,764 |
| 2022 | 620,000 | 586,635 |
| 2023-2027 | 3,520,000 | 2,484,150 |
| 2028-2032 | 4,440,000 | 1,540,000 |
| 2033-2037 | 3,855,000 | 372,875 |
| Total | \$ 14,665,000 | \$ 7,575,989 |

NOTE 9 LONG-TERM DEBT (CONTINUED)

Capital lease payable

A lease payable is recorded in the City's Water Fund. The lease is the remainder due to the City from the sale of the water rights to the Water Authority. The Water Authority is obligated to pay this lease from surplus revenues over the 50-year life of the lease ending September 1, 2049. Payments vary with the level of surplus revenues. The balance of the lease at June 30, 2017 is \$17,977,364.

Defeased bonds

In prior years, the Water Authority defeased the 1999 revenue bonds and revenue anticipation notes by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements.

NOTE 10 NON-COMMITTAL DEBT

Certificates of Participation, Series 1999

On January 15, 1999, the City issued Certificates of Participation, Series 1999 (Department of Public Social Services Facility) in the amount of \$39,345,000. Proceeds of the sale of the certificates were used to finance the acquisition of real property and to construct a Department of Public Social Services building to be occupied by the County of Los Angeles. The balance outstanding on these bonds at June 30, 2017, is \$23,630,000. The City is not liable for the repayment of this debt. For this reason, neither the debt nor the related debt service payments are recorded in the City's financial statements.

NOTE 11 DEFINED BENEFIT PENSION PLANS

Public Employees Retirement System (PERS) and Public Agency Retirement System (PARS)

General Information about the Pension Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police) and Miscellaneous (all other) Plans, an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Effective July 2000, the City of El Monte entered into a multi-employer agreement with a Public Agency Retirement System (PARS) program, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. The City participates in CalPERS 2% at 55 retirement plan for miscellaneous employees. PARS provides an addition to CalPERS benefit for a maximum of 3% retirement.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

Upon retirement at age 55, PARS plan provides the eligible employees with 1% times their years of service times their highest annual salary. To receive benefits, the miscellaneous employees must be at least 55 years of age, have at least five years full-time employment with the City of El Monte and have terminated his or her employment with the City of El Monte and concurrently retire from PERS. The benefit is equal to a percentage of highest pay multiplied by years of service with the percentage varying by retirement age based on a 3.0% at 55 target offset by CalPERS 2% at 55 formula. The plan does not include a withdrawal benefit, death benefit or disability benefit other than a refund of employee contribution with interest credited at 3% per year. Benefits are increased by 2% annual cost of living adjustments after retirement.

The Plans' provisions and benefits in effect at June 30, 2017, are summarized as follows:

| | CalPERS | | | | PARS |
|---|-----------------------------|--------------------------------|-----------------------------|--------------------------------|--------------------------|
| | Miscellaneous | | Safety | | |
| | Prior to January 1, 2013 | On or after January 1, 2013 | Prior to January 1, 2013 | On or after January 1, 2013 | Prior to July 1, 2008 |
| Hire date | | | | | |
| Benefit formula | 2.7% @ 55 | 2% @ 62 | 3% @ 55 | 2.7% @ 57 | 1% @ 55 |
| Benefit vesting schedule | 5 years service | 5 years service | 5 years service | 5 years service | 5 years service |
| Benefit payments | monthly for life | monthly for life | monthly for life | monthly for life | monthly for life |
| Retirement age | 50 - 55 | 52 - 67 | 50 | 50-57 | 55 |
| Monthly benefits , as a % of eligible compensation | 2.0% to 2.7% | 1.0% to 2.5% | 3% | 2.0% to 2.7% | 1% |
| Required employee contribution rates | 7% | 6.25% | 9.123% | 13.00% | 5% |
| Required employer contribution rates | 8.613% | 8.613% | 23.300% | 23.300% | 34.30% |

NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Employees Covered

At June 30, 2017, the following employees were covered by the benefit terms of the Plan:

| | CalPERS | | PARS |
|--|---------------|--------|------|
| | Miscellaneous | Safety | |
| Inactive employees or beneficiaries currently receiving benefits | 326 | 258 | 109 |
| Inactive employees entitled but not yet receiving benefits | 194 | 56 | 22 |
| Active employees | 153 | 115 | 109 |
| Total | 673 | 429 | 240 |

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Net Pension Liability

The City's net pension liability for the Plans is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the CalPERS Plans is measured as of June 30, 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. The net pension liability of PARS Plan is measured as of June 30, 2016 using an actuarial valuation date of June 30, 2016. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Actuarial Assumptions

The total pension liability was determined using the following actuarial assumptions:

| | CalPERS | | PARS |
|---------------------------|------------------------------|------------------|------------------------------|
| | Miscellaneous | Safety | |
| Valuation Date | June 30, 2015 | June 30, 2015 | July 1, 2015 |
| Measurement Date | June 30, 2016 | June 30, 2016 | June 30, 2016 |
| Actuarial Cost Method | Entry-Age Normal Cost Method | | Entry-Age Normal Cost Method |
| Actuarial Assumptions: | | | |
| Discount Rate | 7.65% | 7.65% | 6.50% |
| Inflation | 2.75% | 2.75% | 2.75% |
| Payroll Growth | 3.00% | 3.00% | 2.00% |
| Projected Salary Increase | (1) | 3.3% - 14.2% (1) | 3.5% - 12.2% (1) |
| Investment Rate of Return | 7.5% (2) | 7.5% (2) | 6.5% (2) |
| Mortality | (3) | (3) | (3) |

(1) Varies by entry age and service

(2) Net of pension plan investment and administrative expenses, including inflation

(3) Derived using CalPERS' Membership Data for all funds

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2015 valuation were based on the results of a January 2015 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.65% for each CalPERS Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent is without reduction of pension plan administrative expenses and will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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

NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Discount Rate (Continued)

For PARS Plan, the discount rate used to measure total pension liability was 6.5%. The long-term expected rate of return on pension plan investments was determined by adding expected inflation to expected long-term returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of January 1, 2015.

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

CalPERS

| <u>Asset Class</u> | <u>New Strategic Allocatio</u> | <u>Real Return Years 1 - 10(a)</u> | <u>Real Return Years 11+(b)</u> |
|-------------------------------|--|--|-------------------------------------|
| Global Equity | 51.00% | 5.25% | 5.71% |
| Global Fixed Income | 20.00% | 0.99% | 2.43% |
| Inflation Sensitive | 6.00% | 0.45% | 3.36% |
| Private Equity | 10.00% | 6.83% | 6.95% |
| Real Estate | 10.00% | 4.50% | 5.13% |
| | | | |
| Infrastructure and Forestland | 2.00% | 4.50% | 5.09% |
| Liquidity | <u>1.00%</u> | -0.55% | -1.05% |
| | | | |
| Total | <u>100%</u> | | |

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Discount Rate (Continued)

PARS

| <u>Asset Class</u> | <u>Index</u> | <u>Target Allocation</u> | <u>Long-Term Expected Arithmetic Real Rate of Return</u> | <u>Long-Term Expected Geometric Real Rate of Return</u> |
|--|-----------------------------------|--------------------------|--|---|
| US Cash | BofA Merrill Lynch 90-Day T-Bills | 5.56% | 0.42% | 0.41% |
| US Core Fixed Income | Barclay Aggregate | 46.63% | 2.12% | 1.99% |
| US Equity Market | Russel 3000 | 35.61% | 5.12% | 3.81% |
| Developed Foreign Equities | MSCI EAFE | 7.94% | 5.85% | 4.20% |
| Emerging Market Equities | MSCI Emerging Markets | 2.73% | 8.07% | 4.79% |
| US Real Estate | FTSE NAREIT Equity REIT | 1.53% | 5.14% | 3.28% |
| Assumed Inflation - Mean | | | 2.32% | 2.30% |
| Assumed Inflation - Standard Deviation | | | 1.89% | 1.89% |
| Portfolio Real Mean Return | | | 3.60% | 3.24% |
| Portfolio Nominal Mean Return | | | 5.92% | 5.61% |
| Portfolio Standard Deviation | | | | 8.21% |
| Long-term Expected Rate of Return | | | | 6.50% |

Changes in the Net Pension Liability

The following tables show the changes in net pension liability over the measurement period:

CalPERS – Miscellaneous Plan

| | <u>Total Pension Liability (Asset)</u> | <u>Plan Fiduciary Net Position</u> | <u>Net Pension Liability (Asset)</u> |
|---|--|------------------------------------|--------------------------------------|
| Balance at June 30, 2015 (Measurement date) | \$ 144,983,479 | \$ 107,358,473 | \$ 37,625,006 |
| Changes Recognized for the | | | |
| Service Cost | 1,649,003 | - | 1,649,003 |
| Interest on the Total Pension Liability | 10,734,759 | - | 10,734,759 |
| Differences between expected and actual experiences | (1,557,996) | - | (1,557,996) |
| Contributions from the employer | - | 3,606,881 | (3,606,881) |
| Contributions from the employee | - | 753,952 | (753,952) |
| Net Investment Income | - | 507,287 | (507,287) |
| Benefit payments | (7,852,687) | (7,852,687) | - |
| Administrative Expenses | - | (65,429) | 65,429 |
| Net Changes during measurement period 2015-2016 | <u>2,973,079</u> | <u>(3,049,996)</u> | <u>6,023,075</u> |
| Balance at June 30, 2016 (Measurement date) | <u>\$ 147,956,558</u> | <u>\$ 104,308,477</u> | <u>\$ 43,648,081</u> |

NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)

CalPERS – Safety Plan

| | Total Pension Liability (Asset) | Plan Fiduciary Net Position | Net Pension Liability (Asset) |
|--|---------------------------------------|--------------------------------|----------------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| Balance at June 30, 2015 (Measurement date) | \$ 283,875,214 | \$ 212,308,393 | \$ 71,566,821 |
| Changes Recognized for the | | | |
| Service Cost | 3,854,169 | - | 3,854,169 |
| Interest on the Total Pension Liability | 21,083,754 | - | 21,083,754 |
| Differences between expected and actual experiences | (2,506,398) | - | (2,506,398) |
| Contributions from the employer | - | 7,088,089 | (7,088,089) |
| Contributions from the employee | - | 1,145,343 | (1,145,343) |
| Net Investment Income | - | 987,096 | (987,096) |
| Benefit payments | (15,382,567) | (15,382,567) | - |
| Administrative Expenses | - | (129,391) | 129,391 |
| Net Changes during measurement period 2015-2016 | <u>7,048,958</u> | <u>(6,291,430)</u> | <u>13,340,388</u> |
| Balance at June 30, 2016 (Measurement date) | <u>\$ 290,924,172</u> | <u>\$ 206,016,963</u> | <u>\$ 84,907,209</u> |

PARS

| | Total Pension Liability (Asset) | Plan Fiduciary Net Position | Net Pension Liability (Asset) |
|---|---------------------------------------|--------------------------------|----------------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| Balance at June 30, 2015 (Measurement date) | \$ 38,449,466 | \$ 17,870,222 | \$ 20,579,244 |
| Changes Recognized for the | | | |
| Service Cost | 497,179 | - | 497,179 |
| Interest on the Total Pension Liability | 2,468,145 | - | 2,468,145 |
| Contributions from the employer | - | 2,385,392 | (2,385,392) |
| Contributions from the employee | - | 345,242 | (345,242) |
| Net Investment Income | - | 291,774 | (291,774) |
| Benefit payments | (1,981,558) | (1,981,558) | - |
| Administrative Expenses | - | (7,097) | 7,097 |
| Net Changes during measurement period 2015-2016 | <u>983,766</u> | <u>1,033,753</u> | <u>(49,987)</u> |
| Balance at June 30, 2016 (Measurement date) | <u>\$ 39,433,232</u> | <u>\$ 18,903,975</u> | <u>\$ 20,529,257</u> |

NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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

| | CaPERS | | PARS |
|-----------------------|---------------|----------------|---------------|
| | Miscellaneous | Safety | |
| 1% Decrease | 6.65% | 6.65% | 5.50% |
| Net Pension Liability | \$ 63,512,441 | \$ 124,265,698 | \$ 25,657,328 |
| Current Discount Rate | 7.65% | 7.65% | 6.50% |
| Net Pension Liability | \$ 43,648,081 | \$ 84,907,209 | \$ 20,529,257 |
| 1% Increase | 8.65% | 8.65% | 7.50% |
| Net Pension Liability | \$ 27,309,884 | \$ 52,688,137 | \$ 16,272,011 |

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued CaPERS and PARS financial reports.

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

For the year ended June 30, 2017, the City recognized pension expense of \$1,795,414 and \$4,824,898 for CaPERS Miscellaneous Plan and Safety Plan respectively. The City recognized pension expense of \$336,783 for PARS Plan for the year ended June 30, 2017. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | CaPERS | | | | PARS | |
|---|---------------|----------------|---------------|-----------------|--------------|------------|
| | Miscellaneous | | Safety | | Deferred | Deferred |
| | Deferred | Deferred | Deferred | Deferred | Outflows of | Inflows of |
| | Outflows of | Inflows of | Outflows of | Inflows of | Resources | Resources |
| | Resources | Resources | Resources | Resources | Resources | Resources |
| Pension contributions subsequent to measurement date | \$ 5,032,657 | \$ - | \$ 9,253,254 | \$ - | \$ 2,752,653 | \$ - |
| Differences between actual and expected experience | - | (1,157,241) | - | (3,069,141) | - | - |
| Changes in assumptions | - | (341,827) | - | (1,464,806) | - | - |
| Net differences between projected and actual earnings on plan investments | 9,509,636 | (3,780,914) | 18,770,827 | (7,387,952) | 852,273 | - |
| Total | \$ 14,542,293 | \$ (5,279,982) | \$ 28,024,081 | \$ (11,921,899) | \$ 3,604,926 | \$ - |

NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

\$17,038,564 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense (income) as follows:

| Year Ended June 30 | Amount | | |
|-----------------------|---------------|----------------|------------|
| | CalPERS | | PARS |
| | Miscellaneous | Safety | |
| 2018 | \$ (463,438) | \$ (2,390,675) | \$ 336,783 |
| 2019 | 516,296 | 986,472 | 336,785 |
| 2020 | 2,666,419 | 5,258,849 | 178,705 |
| 2021 | 1,510,377 | 2,994,282 | - |
| Thereafter | - | - | - |

Payable to the Pension Plan

At June 30, 2017, the City reported a payable of \$1,205,173 for the outstanding amount of contributions to the pension plans required for the year ended June 30, 2017.

Allocation to Proprietary Funds

The City allocated net pension liability and related costs to the Water Fund and Sewer Fund based upon the enterprise and internal service funds' proportionate share of the total pension contribution during the fiscal year ended June 30, 2017.

NOTE 12 INSURANCE

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City is self-insured for the first \$250,000 on each general liability claim and the first \$500,000 of each worker's compensation claim against the City. The insurance coverage in excess of the self-insured amount is provided by The Independent Cities Risk Management Authority (ICRMA) up to a limit of \$20,000,000 for general liability. For worker's compensation, the City is self-insured for the first \$500,000 on each worker's compensation claim through the California State Association of Counties Excess Insurance Authority (CSAC-EIA).

NOTE 12 INSURANCE (CONTINUED)

Effective July 1, 2006, the City became a member of CSAC-EIA, a public entity risk pool currently operating as a common risk management and insurance program for 145 California cities, counties, school districts, municipal services organizations, and joint power authorities. The District pays an annual premium to the pool for its excess worker's compensation insurance coverage. The agreement for information of the CSAC-EIA provides that the pool will be self-sustaining through member premiums.

CSAC-EIA publishes its own financial report for the year ended June 30, 2017, which can be obtained from the California State Association of Counties Excess Insurance Authority, Moraga, California.

Worker's compensation claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred, but not reported. The City has accrued for its anticipated liability with respect to claims filed and claims incurred but not reported to the City as of year-end. The accruals are in the amounts of \$11.3 million and \$2.5 million for the worker's compensation claims and general liability claims, respectively, for a total of \$13.8 million.

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

| Fiscal Year | Liability at Beginning | Claims Incurred (Including IBNRs) | Claim Payments | Liability at End |
|----------------|---------------------------|--|-------------------|---------------------|
| 2015 | \$ 10,288,000 | 2,936,829 | (2,481,829) | 10,743,000 |
| 2016 | 10,743,000 | 5,651,047 | (3,949,047) | 12,445,000 |
| 2017 | 12,445,000 | 4,782,122 | (3,426,122) | 13,801,000 |

In 1986, the City became a member of the ICRMA, a public entity risk pool currently operating as a common risk management and insurance program for 22 California cities. The City pays an annual premium to the pool for its excess general liability insurance coverage. The agreement for formation of the ICRMA provides that the pool will be self-sustaining through member premiums. The City continues to carry commercial companies for all other risks of loss, including property insurance, auto physical damage insurance and special events insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The ICRMA has published its own financial report for the year ended June 30, 2017, which can be obtained from Independent Cities Risk Management Authority, Sherman Oaks, California.

NOTE 13 POSTEMPLOYMENT HEALTH BENEFITS

Plan Description

The City participates in the CalPERS medical program in which the City provides other postemployment benefits (OPEB) through a single-employer defined benefit healthcare plan. The plan provides health care benefits to retired public safety and management employees in accordance with City MOUs. To be eligible, the employee must be at least 50 years of age and have five years of service. The amount provided by the City includes annual contributions ranging from \$96 to \$1,396 toward the group benefit plan for the employee and is financed on a pay-as-you-go basis.

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City, City Council, and/or employee associations. The required contribution is based on projected pay-as-you-go financing requirements with additional amounts to prefund benefits as determined annually by the City pursuant to actuarial valuations.

Annual OPEB Costs and Net OPEB Obligation

The City's annual postemployment benefits cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liability over a period not to exceed thirty years.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the City's net OPEB obligation:

| | Fiscal year ended June 30 | |
|---|---------------------------|---------------|
| | 2017 | 2016 |
| Annual required contribution | \$ 5,192,427 | \$ 4,849,661 |
| Interest on net OPEB obligation | 1,284,867 | 1,158,626 |
| Adjustments to annual required contribution | (1,534,439) | (1,331,144) |
| Annual pension cost | 4,942,855 | 4,677,143 |
| Annual contribution made | (1,971,159) | (1,871,144) |
| Increase in net OPEB obligation | 2,971,696 | 2,805,999 |
| OPEB obligation, beginning of year | 28,685,290 | 25,879,291 |
| OPEB obligation, end of year | \$ 31,656,986 | \$ 28,685,290 |

NOTE 13 POSTEMPLOYMENT HEALTH BENEFITS (CONTINUED)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2015-16 and the two preceding years were as follows:

| Fiscal Year Ended | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|----------------------|---------------------|--|------------------------|
| 6/30/2015 | \$ 4,426,424 | 27.51% | \$ 23,152,295 |
| 6/30/2016 | 4,677,143 | 40.01% | 28,685,290 |
| 6/30/2017 | 4,942,855 | 39.88% | 31,656,986 |

Funded Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The funded status of the plan as of June 30, 2014 based on the plan's most recent actuarial valuation date of July 1, 2014, was:

| | |
|---|----------------------|
| Actuarial Accrued Liability (AAL) | \$ 61,195,888 |
| Actuarial Value of Assets | - |
| Unfunded Actuarial Accrued Liability | <u>\$ 61,195,888</u> |
| Funded Ratio | 0% |
| Covered Payroll | \$ 21,549,000 |
| Unfunded Actuarial Accrued Liability as Percentage of Payroll | 284.0% |

Actuarial Methods and Assumptions

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

NOTE 13 POSTEMPLOYMENT HEALTH BENEFITS (CONTINUED)

In the July 1, 2014, actuarial valuation, the Entry Age Normal Cost Method was used. The actuarial assumptions included a 4.5% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, an annual healthcare cost trend rate of 3% per year for dental and vision programs and 5% for long-term care premiums. Both rates included a payroll increase rate of 3.25%. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2017, was twenty-three years. As of the actuarial valuation date, the City had 257 retirees receiving benefits.

The Schedule of Funding Progress for postemployment health benefits plan below presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial liability for benefits overtime.

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a % of Covered Payroll (c)/(b-a) |
|--------------------------------|--|--|------------------------------------|--------------------------|---------------------------|--|
| 6/30/2010 | \$ - | \$ 64,759 | \$ 64,759 | 0.0% | \$ 24,750 | 261.7% |
| 6/30/2012 | - | 65,525 | 65,525 | 0.0% | 23,541 | 278.3% |
| 6/30/2014 | - | 61,196 | 61,196 | 0.0% | 21,549 | 284.0% |

NOTE 14 COMMITMENTS AND CONTINGENCIES

The City of El Monte has been named as defendant in numerous lawsuits and claims arising in the course of operations. In the aggregate, these claims seek monetary damages in significant amounts. To the extent the outcome of such litigation has been determined to result in probable financial loss to the City; such loss has been accrued in the accompanying government-wide financial statements.

On March 16, 2013, the City received a letter of warning from the U.S. Department of Housing and Urban Development (HUD) regarding its administration of CDBG, HOME and ESG Consolidated Plan Programs. The letter reflected findings for disallowed and unsupported costs totaling \$2.2 million.

On August 7, 2015, the City received the Fiscal Year 2015 On-Site Monitoring report from the U.S. Department of Housing and Urban Development (HUD) regarding its administration of CDBG and HOME programs. The letter reflected findings for disallowable and unsupported costs amounting to \$2,875,658 consisting of uncleared and outstanding 2012 findings and additional FY 2015 findings. During 2016-17, the City addressed all findings to HUD's satisfaction and refunded only \$31,200 as a result of the findings.

NOTE 14 COMMITMENTS AND CONTINGENCIES (CONTINUED)

On October 23, 2014, the City received the final audit report from the State Controller’s Office (SCO) pertaining to its audit of the Special Gas Tax Street Improvement Fund, Traffic Congestions Relief Fund Allocations and Proposition 1B allocations. The report reflected a determination by the SCO that the City did not meet the maintenance-of-effort required by Streets and Highways Code section 2182.1(b) for two fiscal years. As a result, the City was required to return \$2,051,605 to the SCO. As of December 23, 2015, the City has not received any instructions from the SCO regarding the return of the funds. Hence, the City accrued the \$2,051,605 in the June 30, 2017 financial statements. On September 23, 2016, the City received a legislative extension to utilize these funds by June 30, 2021. The City will recognize revenue and a reduction in this liability in future years as expenditures occur.

For other pending or threatened litigation, it is the opinion of outside counsel and the City Attorney that potential liability of the City for such claims will not have a material effect on the City’s financial statements.

NOTE 15 DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Pursuant to GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position” and GASB Statement No. 65, “Items Previously Reported as Assets and Liabilities,” the City recognized deferred outflows of resources in the City’s financial statements.

The deferred outflow of resources pertains to the unamortized loss on defeasance of debt. Previous financial reporting standards require this amount to be presented as part of the City’s long-term debt. This deferred outflow of resources is recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

| | Balance at June 30, 2017 | | |
|--|-----------------------------|-----------------------------|------------|
| | Governmental Activities | Business-type Activities | Total |
| Deferred Outflow of Resources | | | |
| Unamortized difference between the reacquisition amount and the net carrying amount of the refunded debt | \$ - | \$ 585,677 | \$ 585,677 |
| Total | \$ - | \$ 585,677 | \$ 585,677 |

NOTE 15 DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES (CONTINUED)

The deferred inflow of resources in the governmental funds balance sheet pertains to unavailable revenues which represent receivables that were not received within the availability period.

| | |
|--|------------------------------------|
| | Balance at <u>June 30, 2017</u> |
| Governmental Activities | |
| Deferred inflow of resources: | |
| Unavailable revenue - receivables that were not collected within the availability period and were not recognized as revenues | \$ <u>753,759</u> |

Refer to Note 11 for deferred outflows and inflows of resources related to pensions.

NOTE 16 SUBSEQUENT EVENTS

The City has evaluated events subsequent to June 30, 2017 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 18, 2017, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

NOTE 17 SUCCESSOR AGENCY DISCLOSURES

The accompanying financial statements also include the Private-purpose Trust Fund for the Successor Agency to the City's former Redevelopment Agency (Successor Agency). The City, as the Successor Agency, serves in a fiduciary capacity, as custodian for the assets and to wind down the affairs of the former Redevelopment Agency. Its assets are held in trust for the benefit of the taxing entities within the former Redevelopment Agency's boundaries and as such, are not available for the use of the City.

NOTE 17 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Taxable Tax Allocation Refunding Bonds Payable, Series of 2017

The Bonds are dated May 1, 2017, and were issued to provide funds to the Agency (i) to refund certain obligations of the El Monte Community Redevelopment Agency currently outstanding in the aggregate principal of \$33,190,000 as follows: (1) the \$20,680,000 Senior Tax Allocation Revenue Bonds, Series 2007 (Multiple Redevelopment Project Area Loans), \$2,510,000 Subordinate Tax Allocation Revenue Bonds, Series 2007 (Multiple Redevelopment Project Area Subordinate Loans), and \$10,000,000 Revenue Bond, Series 2011 (CMB Infrastructure Investment Group V, LP, City Projects) (collectively the "Refunded Bonds"), (ii) to purchase a debt service reserve insurance policy to be credited to a debt service reserve account for the 2017 Bonds and (iii) to pay costs of issuance of the 2017 Bonds. The 2017 Bonds are secured by the pledged of tax revenues.

The following schedule illustrates the debt service requirements to maturity for the bonds as of June 30, 2017:

| Year Ending June 30, | Taxable Tax Allocation Refunding Bond, Series 2017 | |
|----------------------------|---|---------------|
| | Principal | Interest |
| 2018 | \$ 75,000 | \$ 956,386 |
| 2019 | 1,090,000 | 1,169,963 |
| 2020 | 1,105,000 | 1,150,056 |
| 2021 | 1,135,000 | 1,126,238 |
| 2022 | 1,155,000 | 1,099,031 |
| 2023-2027 | 6,300,000 | 4,964,419 |
| 2028-2032 | 5,610,000 | 3,825,031 |
| 2033-2037 | 3,785,000 | 2,975,144 |
| 2038-2042 | 4,665,000 | 2,076,241 |
| 2043-2047 | 5,780,000 | 940,188 |
| 2048-2052 | 1,310,000 | 28,656 |
| Total | \$ 32,010,000 | \$ 20,311,353 |

NOTE 17 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

County of Los Angeles Reimbursement Agreement

During 2003-04, the County of Los Angeles implemented the repayment provisions of Agreement 45043 between the County and the Agency - El Monte Center Redevelopment Project. This Agreement related to tax increment adjustments and overpayments between 1988 and 1995 in the amount of \$324,818.

This obligation to the County, together with accrued interest thereon, is to be paid in full from tax increment revenues by a date no later than July 1, 2027. The terms of this repayment are presently being negotiated between the Agency and the County. At June 30, 2017, the principal balance outstanding together with accrued interest through that date was \$100,467.

During 2007-08, the County of Los Angeles entered into an agreement with the Agency - Northwest El Monte Project Area. The agreement related to tax increment adjustments and overpayments during 2007-08 to assist in funding the Gibson Park improvements in the amount of \$254,530. The terms of this repayment are presently being negotiated between the Agency and the County. At June 30, 2017, the principal balance outstanding was \$771,235.

The schedules of debt service requirements for the County of Los Angeles Reimbursement Agreements were not included because the debt service payments are not on a fixed schedule.

Non-committal debt

Multi-Family Housing Revenue Refunding Bonds

On March 17, 2004, the former Redevelopment Agency issued \$6,500,000 Multifamily Housing Revenue Refunding Bonds, Series 2004 (Ginnie Mae Collateralized Mortgage Loan – Pacific Towers Apartment Project). The proceeds of the bonds were used to refund in whole the outstanding principal of the former Redevelopment Agency's \$6,500,000 Agency Multifamily Housing Revenue Bonds (Pacific Towers apartment Project) Series 2003A (the "Prior Bonds"). The proceeds of the Prior Bonds were invested in an investment agreement and were used to provide costs of the Pacific Towers Apartments (the "Project") located in the Downtown El Monte Redevelopment Project in the City and issuance expenses in connection with the bonds.

The bonds and interest thereon are a limited obligation of the former Redevelopment Agency and do not constitute an indebtedness of either the City or the Successor Agency to the former Redevelopment Agency. In the opinion of City and the Successor Agency officials, these bonds are not payable from any revenues or assets of the City or the Successor Agency and none of the full faith and credit of the City, the Successor Agency, the Districts, the State or any political subdivision thereof is obligated to the payment of the principal or interest on the bonds. Accordingly, no liability has been recorded as long-term debt.

NOTE 17 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Advances from the City of El Monte

During the previous fiscal years, the City of El Monte made loans to the former Redevelopment Agency. With the dissolution of all redevelopment agencies in California effective February 1, 2012, the existing loan from the City to the Agency was considered by the Department of Finance to be unenforceable. The successor agency to the former redevelopment agency has sought reconsideration by the Department of Finance as to the enforceability of the loan. In addition, the loan may be reinstated (but is not required to be) under Assembly Bill 1484 following the completion of a due diligence process and issuance of Finding of Completion by the Department of Finance. In compliance with the provisions of Section 34191.4(2) of AB1484, interest on the loans was recalculated using interest rates earned by funds deposited into the Local Agency Investment Fund (LAIF) resulting to a reduction in accrued interest by \$51 million. During fiscal year 2015, the Successor Agency recorded interest on the loans amounting to \$776,364. Details of the balance of the loan of \$42.4 million at June 30, 2017 (including \$12.3 million of adjusted accrued interest) are as follows:

| Loan No. | SOI Loan Letter | Date | Description | Principal Amount* | Coupon | Recalculated Unpaid Interest as of 06/30/2016 | Outstanding Balance as of 06/30/16 |
|------------------------|-----------------|--------------|---|----------------------|--------------|---|------------------------------------|
| El Monte Center | | | | | | | |
| 3 | 1-C | 9/1/1988 | Loans From the City of El Monte (R-383, 222) | \$ 1,313,497 | | \$ 1,269,072 | \$ 2,582,569 |
| 4 | 1-D | 4/1/1998 | Loan from City to K-mart Deferred Fees | 133,560 | LAIF + 2.00% | 61,241 | 194,801 |
| 5 | 1-E | 1/6/2000 | Loan from the city of El Monte Longo Expansion | 2,800,000 | 6.5% | 984,295 | 3,784,295 |
| 6 | 1-H | 1/6/2000 | Loan from City (CDBG) - Longo Expansion | 1,200,000 | 6.5% | 449,983 | 1,649,983 |
| 7 | 1-I | 5/10/1993 | Loan from the city of El Monte - ERAF | 50,561 | 6.0% | 35,799 | 86,360 |
| 8 | 2-A | 2003/2004 | Loan from the city of El Monte - Nelson Honda Jobs | 1,444,234 | 4% | 159,822 | 1,604,056 |
| 9 | 2-C | Feb. 4, 2004 | City Cooperation Agreement Longo New Jobs Grant Agreement | 2,500,000 | 5% | 380,441 | 2,880,441 |
| 10 | 2-E | Feb. 3, 2004 | Longo Construction Loan | 3,000,000 | LAIF + 2.00% | 636,347 | 3,636,347 |
| | | | Loan Totals | \$ 12,441,852 | | \$ 3,977,000 | \$ 16,418,852 |
| Center Amended | | | | | | | |
| 3 | 1-C | 1998/1989 | Loans From the City of El Monte (R-356, 385) | 702,000 | 10% | 690,167 | 1,392,167 |
| 4 | 1-I | 3/25/1997 | CDBG Loan From Bank | 694,602 | LAIF + 2.00% | 361,523 | 1,056,125 |
| | | | Loan Totals | \$ 1,396,602 | | \$ 1,051,690 | \$ 2,448,292 |

City of El Monte
Notes to Financial Statements
Year ended June 30, 2017

NOTE 17 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Advances from the City of El Monte (Continued)

| Loan No. | SOI Loan Letter | Date | Description | Principal Amount* | Coupon | Unpaid Interest as of 06/30/2017 | Outstanding Balance as of 06/30/17 |
|--------------------------------------|-----------------|------------|---|----------------------|---------------------|----------------------------------|------------------------------------|
| Downtown El Monte | | | | | | | |
| 3 | 1-A | 4/6/2005 | Loans from the City of El Monte - King Court (Home Fund) | \$ 513,000 | 10% | \$ 96,765 | \$ 609,765 |
| 4 | 1-D | 1986-1990 | Loans From the City of El Monte (R-360, 364) | 1,350,590 | 10% | 1,465,018 | 2,815,608 |
| 5 | 1-E | 11/12/1991 | Loan from the city of El Monte (R-428) Nelson Honda | 222,950 | LAIF + 2.00% | 179,308 | 402,258 |
| 6 | 1-F | 12/1/1991 | Loan from the city of El Monte (R-436) Orchard | 15,000 | 8% | 12,015 | 27,015 |
| 7 | 1-G | 6/1/1995 | Loan from the city of El Monte (R-598) Food Barn | 75,000 | 7.5% | 46,913 | 121,913 |
| 8 | 1-J | 1986-1990 | Loans from the city of El Monte CDBG (R-251) | 326,000 | 10% | 402,098 | 728,098 |
| 9 | 2-A | 1990-1992 | Loans from the city of El Monte CDBG (R-410, 345, 331) | 803,000 | LAIF + 2.00% & 9.5% | 884,797 | 1,687,797 |
| Downtown El Monte (Continued) | | | | | | | |
| 10 | 2-B | 9/27/1994 | Loan from the city of El Monte CDBG (R-562) Orchard | 42,880 | 7.0% | 28,333 | 71,213 |
| 11 | 2-F | 1991-1992 | Loan from the City of El Monte R-432 - Edwards Theater | 725,000 | 9% | 581,335 | 1,306,335 |
| 12 | 2-F | 1991-1992 | Loans from the city of El Monte UDAG (R417) | 20,000 | 9% | 16,624 | 36,624 |
| 13 | 2-G | 5/3/1993 | Loan from the city of El Monte - ERAF | 59,549 | 6% | 41,578 | 101,127 |
| 14 | 2-K | 2003/2004 | Gabae Loan and Section 108 Loan - Peck/Ramona Triangle | 3,251,455 | | 160,619 | 3,412,074 |
| 15 | 3-A | 6/1/07 | DDA- Agreement- Festial -Capri Santa Fe Trail Associates | 5,390,000 | 4.5% & LAIF + 2.0% | 525,445 | 5,915,445 |
| | | | Loan Totals | \$ 12,794,424 | | \$ 4,440,848 | \$ 17,235,272 |
| Northwest el Monte | | | | | | | |
| 1 | 1-A | 1986-1990 | Loans From the City of El Monte (R-221, 296, 323, 337, 391) | \$ 1,723,954 | 12% | 1,938,846 | \$ 3,662,800 |
| 2 | 1-B | 1991/1992 | Loans From the City of El Monte (R-411, 465) | 500,000 | 12% & 7% | 388,348 | 888,348 |
| 3 | 1-C | 1992/1993 | Loan From the City of El Monte (R-484) | 350,000 | 7% | 252,881 | 602,881 |
| 4 | 1-D | 1994/1995 | Loan From the City of El Monte (R-463) | 90,000 | 8% | 67,639 | 157,639 |
| 5 | 1-F | 1994-1995 | Loan from the city of El Monte - Water Fund (R-570) | 150,000 | 7% | 97,002 | 247,002 |
| 6 | 1-I | 2005-2006 | Loan from the city of El Monte - ERAF | 213,231 | 2.5% | 39,085 | 252,316 |
| | | | Loan Totals | \$ 3,027,185 | | \$ 2,783,801 | \$ 5,810,986 |
| Valley Durfee | | | | | | | |
| 1 | 1-C | 4/16/2006 | Loan from the City of El Monte - ERAF | 213,231 | 5% | 32,478 | 245,709 |
| 2 | 1-D | 9/19/2006 | Loan from the city of El Monte For Improvement Costs | 217,406 | LAIF + 2.00% | 29,767 | 247,173 |
| | | | Loan Totals | \$ 430,637 | | \$ 62,245 | \$ 492,882 |
| Grand total | | | | \$ 30,090,700 | | \$ 12,315,584 | \$ 42,406,284 |

NOTE 17 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Advances from the City of El Monte

Details of Outstanding Loans (Continued)

El Monte Center

Loan (1-C)

This loan is composed of three loans to Star Cash Wash. The first two loans were issued on October 2, 1990, with an original principal value of \$670,061 and \$343,436. The third loan was issued in 1986 with a principal value of \$300,000. The loans carry an interest rate of 10%, with a final maturity on June 30, 2029.

Loan (1-D)

This loan was issued in 1998 to finance development fees for K-Mart. The original principal value of loan was \$133,560 with a variable rate of interest equal to LAIF plus 200 bps, to be repaid by 2029.

Loan (1-E & 1-H)

The two loans were issued on January 6, 2000 to fund the Longo Expansion totaling \$4.0 million: City/Agency loan for \$2.8 million and \$1.2 million loan financed by CDBG. Both loans carry an interest rate of 6.5%, with a final maturity in 2029.

Loan (1-I)

The City has combined two loans to finance past SERAF payments to the State of California for fiscal years 1992-93 and 1994-95 for the Center Project Area. The original principal value on the loans was \$42,207 and \$8,354, respectively. The loans carry an interest rate of 6.0% and 7.5%, due in 2029.

Loan (2-A/D/G)

The three loans (2-A / 2-D / 2-G) were issued over a 10-year period to facilitate the Nelson Honda Jobs Grant program. The loans had seven installment payments made totaling \$1,444,234 in principal value. The loans carry an interest rate of 4% with a final maturity in 2029.

Loan (2-C / 2-F)

The City loaned the Agency an aggregate of \$2.5 million in order to provide a New Jobs Grant Loan to Longo, commencing in 2004. The Agency made three (3) installment payments to Longo totaling \$2.5 million over 3 years. The loans are to be repaid over a 20 year period (2024), with a 5% interest rate.

Loan (2-E)

An additional construction loan was issued to Longo. The original principal value of the loan was \$3,000,000, with adjustable interest rate equal to LAIF plus 200 bps, to be repaid by 2024.

NOTE 17 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Details of Outstanding Loans (Continued)

Center Amended

Loan (1-C)

The City provided two loans in order to purchase two properties (11923 Landsdale and Djanogly Property) needed to expand and improve Fire Station No. 3. The loans were issued in 1988 with an original principal value of \$102,000 and in 1989 for \$600,000. Both loans carry an interest rate of 10% to be repaid by 2029.

Loan (1-I)

The loan to the Community Reinvestment Fund (CRF) was issued on March 25, 1997 which replaced the original loan (1-F) made to Gunderson Nissan totaling \$694,602. The loan will be repaid by 2029 at an interest rate equal to LAIF plus 200 bps.

Downtown El Monte

Loan (1-A)

In 2005, the City provided a loan to the Agency in the amount of \$513,000 for the purchase of a real property at King Court. The loan carries an interest rate of 10%, to be repaid by 2042.

Loan (1-D)

The loan is composed of two loans for the purchase of real property in the Downtown Project Area in 1988. The first loan original principal value was \$100,000 and the second loan was \$1,250,590. Both loans carry an interest rate of 10% and are due in 2042.

Loan (1-E)

In 1991, the City issued a Loan to the Agency to purchase land for Nelson Honda in the amount of \$222,950. The outstanding loan balance is to be repaid by 2042 and carry an interest rate of LAIF plus 200 bps.

Loan (1-F)

In 1991, the City issued a loan to the Agency to purchase land for additional Orchard street extension in the amount of \$15,000. The loan has a maturity date of 2042 with an interest rate of 8%.

Loan (1-G)

The City issued a Loan to the Agency in 1995, in the Downtown Project area for Food Barn. The loan amount of \$75,000 carry an interest rate of 7.5% to be repaid by 2042.

Loan (1-J)

In 1986, the City issued a Loan to the Agency for the purpose to purchase land for CDBG with a principal loan value of \$326,000 with an interest rate of 10% to be repaid by 2042.

NOTE 17 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Details of Outstanding Loans (Continued)

Loan (2-A)

The loan is composed of three loans for different purposes. The first loan was issued in 1987 to provide the Southern California Gas Company to operate in the Downtown Project Area. The outstanding loan amount is \$228,000 with an interest rate of LAIF plus 200 bps, to be repaid by 2042. The second loan was issued for the Silverman Family Trust in 1988 for \$425,000 with an interest rate of LAIF plus 200 bps. The third loan was issued for the Ramona Hernandez property in 1991 for \$150,000 and carries an interest rate of 9.5% with a final maturity in 2011.

Loan (2-B)

In 1994, the City issued a loan to the Agency to purchase additional property for the Orchard Street Extension. The original principal loan value was \$42,880 and carries an interest rate of 7% to be repaid by 2042.

Loan (2-F)

The loan is composed of two loans. The first loan was issued in 1991 for Peck/Triangle enhancement in the Downtown Project area. The loan original principal value was \$20,000 and carries an interest rate of 9% to be repaid by 2011. The second loan was issued in 1991 for the Edwards Theater project. The loan original principal value was \$725,000 with an interest rate of 9% to be repaid by 2011.

Loan (2-G)

The City combined two loans used to finance past SERAF payments to the State of California for fiscal years 1992-93 and 1994-95 for the Downtown Project Area. The original principal values on the loans were \$43,823 and \$15,726, respectively. The loans carry an interest rate of 6% and 7.5%, due in 2042.

Loan (2-K)

The loan is composed of HUD Section 108 (Peck/Ramona) which have two components: (1) Cash grant, (2) Land assembly, issued in 2004. The first loan has an original principal value of \$2,200,000 with an adjustable interest rate to be repaid by 2024. The second loan was \$200,000 and carries an interest rate of 5% to be repaid by 2024. During fiscal year 2016-2017, the Successor Agency paid the City \$600,106.

Loan (3-A)

The loan is composed of two loans issued in 2007. The first loan original principal value was \$4,400,000 and carries an interest rate of 9% and 4.5% with a maturity date of 2032. The second loan amount was \$990,000 has a variable interest rate equal to LAIF plus 200 bps to be repaid by 2032.

NOTE 17 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Details of Outstanding Loans (Continued)

Northwest

Loan (1-A)

The loan is composed of five loans to purchase real property on West Valley Boulevard for Longo Toyota. The loans were issued between 1986 and 1990 and mature in 2044, with a stated interest rate of 12%.

Loan (1-B)

The loan is composed of several amendments to 1-A loans, for the Longo Toyota Project. The first loan was issued in 1991. The original principal value of loan was \$150,000 with an interest rate of 12% to be repaid by 2044. The second loan was issued in 1992. The original principal value of the loan was \$350,000 with an interest rate of 7% to be repaid by 2044.

Loan (1-C)

In 1993, the City issued a Loan to the Agency to purchase property of the former site of Longo Toyota for the Titan Unlimited partnership. The original principal value of loan was \$350,000 with an interest rate of 7% to be repaid by 2044.

Loan (1-D)

In 1992, the City issued a Loan to the Agency for third party environmental consultant fees in the Northwest Project area. The original principal value of loan was \$90,000 with an interest rate of 8% to be repaid by 2044.

Loan (1-F)

In 1994, the City issued a Loan to the Agency for costs associated with groundwater investigation. The original principal value of loan was \$150,000 with an interest rate of 7% to be repaid by 2044.

Loan (1-I)

The City has SERAF payment to the State of California for fiscal year 2005-06 for the Northwest Project Area. The original principal value on the loan was \$213,321. The loan has a final maturity date of 2044 and carries an interest rate of LAIF plus 200 bps.

Valley / Durfee

Loan (1-C)

The City has SERAF payment to the State of California for fiscal year 2004-05 for the Valley/Durfee Project Area. The original principal value on the loan was \$213,231. The loan has a final maturity date of 2048 and carries an interest rate of LAIF plus 200 bps.

NOTE 17 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Loan (1-D)

In 2006 the City issued a loan to the Agency for sewer improvements. The original principal value was \$217,406 with an interest rate of LAIF plus 200 bps to be repaid by 2048.

Management's Evaluation of Outstanding Loans

Management believes, in consultation with legal counsel, that the above obligations of the Dissolved RDA to the City are valid enforceable obligations payable by the Successor Agency under the requirements of the Dissolution Act and AB 1484.

With the issuance of Findings of Completion to the Successor Agency in April 2013, the Department of Finance allowed the inclusion of the loan agreements between the former Redevelopment Agency and the City on the Recognized Obligation Payment Schedule (ROPS), as an enforceable obligation, provided the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes per HSC Section 34191.4(b)(1). As of December 18, 2017, the Oversight Board has not yet made a finding that the loans were for legitimate redevelopment purposes.

Transfers to the City

During the fiscal year, the Successor Agency transferred \$12,036,205 to the City. Of this amount, \$10,773,049 represent a portion of the proceeds of the 2017 Tax Allocation Refunding Bonds and was used to refund the \$10 million Series 2011 Revenue Bonds. The \$1,263,156 was transferred to the City's Capital Projects Fund to fund a project approved in the ROPS.

REQUIRED SUPPLEMENTARY INFORMATION

City of El Monte
Budgetary Comparison by Department
General Fund
Year ended June 30, 2017

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | \$ 51,069,500 | \$ 52,259,500 | \$ 52,798,913 | \$ 539,413 |
| Licenses and permits | 1,063,500 | 1,063,500 | 1,378,163 | 314,663 |
| Intergovernmental | 98,000 | 98,000 | 88,779 | (9,221) |
| Charges for services | 2,073,600 | 2,611,693 | 3,283,685 | 671,992 |
| Use of money and property | 435,000 | 506,900 | 374,130 | (132,770) |
| Fines and forfeitures | 1,270,300 | 1,085,300 | 1,059,160 | (26,140) |
| Contributions | 235,700 | 235,700 | 9,689 | (226,011) |
| Miscellaneous | 785,600 | 1,285,600 | 736,827 | (548,773) |
| Net change in fair value of investments | 175,000 | 175,000 | (123,407) | (298,407) |
| Total revenues | <u>57,206,200</u> | <u>59,321,193</u> | <u>59,605,939</u> | <u>284,746</u> |
| Expenditures | | | | |
| General Government | | | | |
| City council | 413,300 | 313,300 | 250,059 | 63,241 |
| Administrative office | | | | |
| City manager | 1,113,700 | 1,095,300 | 1,029,104 | 66,196 |
| City clerk | 729,400 | 729,400 | 531,478 | 197,922 |
| Commissions and community promotion | 35,600 | 35,600 | 5,260 | 30,340 |
| Public information office | 246,100 | 254,500 | 293,793 | (39,293) |
| Total administrative office | <u>2,124,800</u> | <u>2,114,800</u> | <u>1,859,635</u> | <u>255,165</u> |
| Human Resources | 967,700 | 967,700 | 534,893 | 432,807 |
| Finance | | | | |
| Accounting and administration | 1,270,900 | 1,270,900 | 882,499 | 388,401 |
| City treasurer | 244,900 | 244,900 | 265,038 | (20,138) |
| Purchasing | 75,200 | 75,200 | 76,742 | (1,542) |
| License collection | 189,200 | 189,200 | 191,278 | (2,078) |
| Insurance and surety | 1,261,200 | 1,261,200 | 1,251,225 | 9,975 |
| Information technology | 308,400 | 308,400 | 246,908 | 61,492 |
| Total finance | <u>3,349,800</u> | <u>3,349,800</u> | <u>2,913,690</u> | <u>436,110</u> |
| City attorney | 1,400,000 | 1,500,000 | 1,575,761 | (75,761) |
| General city expense | 6,326,100 | 4,214,100 | 3,045,417 | 1,168,683 |
| Total general government | <u>14,581,700</u> | <u>12,459,700</u> | <u>10,179,455</u> | <u>2,280,245</u> |
| Public safety | | | | |
| Police | 23,716,400 | 23,734,300 | 23,588,759 | 145,541 |
| Fire department | 12,372,600 | 12,372,600 | 12,182,762 | 189,838 |
| Police helicopter | 591,400 | 645,400 | 554,358 | 91,042 |
| Civil defense | 11,500 | 11,500 | 10,847 | 653 |
| Traffic safety program | 14,400 | 14,400 | 6,599 | 7,801 |
| Parking enforcement | 174,300 | 174,300 | 117,831 | 56,469 |
| Total public safety | <u>36,880,600</u> | <u>36,952,500</u> | <u>36,461,156</u> | <u>491,344</u> |
| Parks, recreation and cultural | | | | |
| Administration | 524,100 | 524,100 | 478,557 | 45,543 |
| Parks | 994,600 | 1,124,200 | 873,705 | 250,495 |
| Sports/playgrounds | - | 9,500 | 8,588 | 912 |
| Adult sports | 78,900 | 78,900 | 61,073 | 17,827 |
| Senior services | 457,700 | 496,200 | 380,063 | 116,137 |
| Aquatic center project | 786,300 | 791,300 | 748,010 | 43,290 |
| Communications and marketing | 9,600 | 9,600 | 7,243 | 2,357 |
| Contracted classes | 20,100 | 40,700 | 26,649 | 14,051 |
| El Monte Museum | 58,400 | 58,400 | 36,611 | 21,789 |
| Special facilities | 117,300 | 117,300 | 137,359 | (20,059) |
| Total parks, recreation and cultural | <u>3,047,000</u> | <u>3,250,200</u> | <u>2,757,858</u> | <u>492,342</u> |

City of El Monte
Budgetary Comparison by Department
General Fund (Continued)
Year ended June 30, 2017

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|----------------------|----------------------|----------------------|---|
| | Original | Final | | |
| Public works | | | | |
| Economic development | | | | |
| Community development | \$ 523,000 | \$ 612,035 | \$ 614,646 | \$ (2,611) |
| City planning | 2,498,600 | 2,860,155 | 2,353,014 | 507,141 |
| Building regulation | 1,460,900 | 1,460,900 | 1,438,557 | 22,343 |
| Environmental services | 282,400 | 284,650 | 307,040 | (22,390) |
| Code enforcement | 672,400 | 672,400 | 646,882 | 25,518 |
| Home Foreclosure Program | 50,000 | 50,000 | 32,878 | 17,122 |
| Total economic development | <u>5,487,300</u> | <u>5,940,140</u> | <u>5,393,017</u> | <u>547,123</u> |
| Engineering and public works | | | | |
| Engineering | 807,700 | 723,200 | 463,090 | 260,110 |
| Public works administration | 894,500 | 1,156,000 | 774,520 | 381,480 |
| Building and grounds maintenance | 1,168,000 | 1,335,296 | 1,058,100 | 277,196 |
| Parks and building maintenance | 906,900 | 1,000,862 | 979,515 | 21,347 |
| Street maintenance | 446,800 | 505,378 | 418,390 | 86,988 |
| Street signs and striping | 297,800 | 442,600 | 444,687 | (2,087) |
| Median maintenance | 748,000 | 747,700 | 642,866 | 104,834 |
| Traffic signal maintenance | 230,500 | 246,800 | 198,117 | 48,683 |
| Street lights | 741,800 | 741,800 | 718,311 | 23,489 |
| Street trees and parkways | 458,600 | 504,461 | 301,370 | 203,091 |
| Equipment maintenance | 274,900 | 282,396 | 221,309 | 61,087 |
| Valley Mall | 86,500 | 94,000 | 66,527 | 27,473 |
| Transportation | - | - | - | - |
| Urban Forest Management | 58,400 | 30,400 | 14,414 | 15,986 |
| Total engineering and public works | <u>7,120,400</u> | <u>7,810,893</u> | <u>6,301,216</u> | <u>1,509,677</u> |
| Total public works | <u>12,607,700</u> | <u>13,751,033</u> | <u>11,694,233</u> | <u>2,056,800</u> |
| Capital outlay | 3,556,700 | 8,370,565 | 1,715,561 | 6,655,004 |
| Debt service: | | | | |
| Principal retirement | 805,000 | 805,000 | 835,000 | (30,000) |
| Interest and fiscal charges | 125,000 | 125,000 | 85,658 | 39,342 |
| Total expenditures | <u>71,603,700</u> | <u>75,713,998</u> | <u>63,728,921</u> | <u>11,985,077</u> |
| Excess(deficiency) of revenues over expenditures | (14,397,500) | (16,392,806) | (4,122,982) | 12,269,824 |
| Other financing sources (uses) | | | | |
| Transfers in | 3,284,000 | 3,469,000 | 3,550,238 | 81,238 |
| Transfers out | (100,000) | (180,536) | (515,741) | (335,205) |
| Net other financing sources (uses) | <u>3,184,000</u> | <u>3,288,464</u> | <u>3,034,497</u> | <u>(253,967)</u> |
| Change in fund balance | (11,213,500) | (13,104,342) | (1,088,485) | 12,015,857 |
| Fund balance, beginning of year | 45,549,174 | 45,549,174 | 45,549,174 | - |
| Fund balance, end of year | <u>\$ 34,335,674</u> | <u>\$ 32,444,832</u> | <u>\$ 44,460,689</u> | <u>\$ 12,015,857</u> |

**City of El Monte
Budgetary Comparison
Retirement Fund
Year ended June 30, 2017**

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|----------------------|----------------------|----------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | \$ 9,063,000 | \$ 9,063,000 | \$ 10,992,356 | \$ 1,929,356 |
| Use of money and property | 102,000 | 102,000 | 80,928 | (21,072) |
| Miscellaneous | 235,000 | 235,000 | 69,515 | (165,485) |
| Total revenues | <u>9,400,000</u> | <u>9,400,000</u> | <u>11,142,799</u> | <u>1,742,799</u> |
| Expenditures | | | | |
| General government | 14,919,900 | 14,939,089 | 13,774,388 | 1,164,701 |
| Total expenditures | <u>14,919,900</u> | <u>14,939,089</u> | <u>13,774,388</u> | <u>1,164,701</u> |
| Change in fund balance | (5,519,900) | (5,539,089) | (2,631,589) | 2,907,500 |
| Fund balances, beginning of year | <u>15,804,389</u> | <u>15,804,389</u> | <u>15,804,389</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 10,284,489</u> | <u>\$ 10,265,300</u> | <u>\$ 13,172,800</u> | <u>\$ 2,907,500</u> |

**City of El Monte
Budgetary Comparison
Housing and Community Development Fund
Year ended June 30, 2017**

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|---------------------|-----------------------|---------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ 2,990,600 | \$ 2,990,600 | \$ 772,526 | \$ (2,218,074) |
| Use of money and property | - | - | 36,872 | 36,872 |
| Program income | 126,000 | 126,000 | 1,497,750 | 1,371,750 |
| Miscellaneous | - | - | 184,110 | 184,110 |
| Total revenues | <u>3,116,600</u> | <u>3,116,600</u> | <u>2,491,258</u> | <u>(625,342)</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | 32,000 | 31,214 | 786 |
| Parks, recreation and cultural | 29,000 | 30,500 | 30,500 | - |
| Public works | 9,000 | 94,969 | 547 | 94,422 |
| Economic development | 1,322,100 | 2,941,180 | 719,540 | 2,221,640 |
| Capital outlay | 1,308,400 | 5,674,314 | 504,401 | 5,169,913 |
| Debt service: | | | | |
| Principal retirement | 110,000 | 110,000 | 110,000 | - |
| Interest and fiscal charges | 149,300 | 149,280 | 149,780 | (500) |
| Total expenditures | <u>2,927,800</u> | <u>9,032,243</u> | <u>1,545,982</u> | <u>7,486,261</u> |
| Excess(deficiency) of revenues over expenditures | <u>188,800</u> | <u>(5,915,643)</u> | <u>945,276</u> | <u>6,860,919</u> |
| Other financing sources | | | | |
| Transfers in | - | 32,000 | 31,214 | 786 |
| Total other financing sources | <u>-</u> | <u>32,000</u> | <u>31,214</u> | <u>786</u> |
| Net change in fund balances | 188,800 | (5,883,643) | 976,490 | 6,860,133 |
| Fund balances, beginning of year | 4,639,325 | 4,639,325 | 4,639,325 | - |
| Fund balances, end of year | <u>\$ 4,828,125</u> | <u>\$ (1,244,318)</u> | <u>\$ 5,615,815</u> | <u>\$ 6,860,133</u> |

**City of El Monte
Budgetary Comparison
Housing Assets Fund
Year ended June 30, 2017**

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Use of money and property | \$ 30,000.00 | \$ 30,000 | \$ 32,485 | \$ 2,485 |
| Miscellaneous | - | - | 267,928 | 267,928 |
| Total revenues | <u>30,000</u> | <u>30,000</u> | <u>300,413</u> | <u>270,413</u> |
| Expenditures | | | | |
| Current: | | | | |
| Economic development | 25,000 | 25,000 | 7,460 | 17,540 |
| Capital outlay | 165,100 | 165,100 | - | 165,100 |
| Debt service: | | | | |
| Principal retirement | 280,000 | 280,000 | 150,000 | 130,000 |
| Total expenditures | <u>470,100</u> | <u>470,100</u> | <u>157,460</u> | <u>312,640</u> |
| Net change in fund balances | (440,100) | (440,100) | 142,953 | 583,053 |
| Fund balances, beginning of year | <u>3,049,927</u> | <u>3,049,927</u> | <u>3,049,927</u> | - |
| Fund balances, end of year | <u>\$ 2,609,827</u> | <u>\$ 2,609,827</u> | <u>\$ 3,192,880</u> | <u>\$ 583,053</u> |

City of El Monte
California Public Retirement System
Schedule of Changes in the Net Pension Liability and Related Ratios
Miscellaneous Plan
Last Ten Years*

| | Measurement Period | | |
|--|-----------------------|-----------------------|-----------------------|
| | 2013-2014 | 2014-2015 | 2015-2016 |
| Total Pension Liability | | | |
| Service Cost | \$ 1,413,675 | \$ 1,398,531 | \$ 1,649,003 |
| Interest on total pension liability | 10,356,614 | 10,529,069 | 10,734,759 |
| Differences between expected and actual experience | - | (1,904,480) | (1,557,996) |
| Changes in assumptions | - | (2,620,669) | - |
| Benefit payments, including refunds of employee contributions | (7,622,269) | (7,759,491) | (7,852,687) |
| Net change in total pension liability | <u>4,148,020</u> | <u>(357,040)</u> | <u>2,973,079</u> |
| Total pension liability - beginning | 141,192,499 | 145,340,519 | 144,983,479 |
| Total pension liability - ending (a) | <u>\$ 145,340,519</u> | <u>\$ 144,983,479</u> | <u>\$ 147,956,558</u> |
| | | | |
| Plan Fiduciary Net Position | | | |
| Contributions - employer | \$ 2,469,291 | \$ 2,877,899 | \$ 3,606,881 |
| Contributions - employee | 849,234 | 726,230 | 753,952 |
| Net investment income | 16,546,367 | 2,394,089 | 507,287 |
| Benefit payments | (7,622,269) | (7,759,491) | (7,852,687) |
| Administrative expenses | - | (120,827) | (65,429) |
| Net change in plan fiduciary net position | <u>12,242,623</u> | <u>(1,882,100)</u> | <u>(3,049,996)</u> |
| Plan fiduciary net position - beginning | 96,997,950 | 109,240,573 | 107,358,473 |
| Plan fiduciary net position - ending (b) | <u>\$ 109,240,573</u> | <u>\$ 107,358,473</u> | <u>\$ 104,308,477</u> |
| | | | |
| Net pension liability - ending (a)-(b) | <u>\$ 36,099,946</u> | <u>\$ 37,625,006</u> | <u>\$ 43,648,081</u> |
| | | | |
| Plan fiduciary net position as a percentage of the total pension liability | <u>75.16%</u> | <u>74.05%</u> | <u>70.50%</u> |
| | | | |
| Covered - employee payroll | <u>\$ 9,288,883</u> | <u>\$ 9,287,631</u> | <u>\$ 10,689,767</u> |
| | | | |
| Net pension liability as percentage of covered-employee payroll | <u>388.64%</u> | <u>405.11%</u> | <u>408.32%</u> |

Notes to Schedule:

Benefit changes - The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2015 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumption - In 2016, there were no changes. In 2015, amounts reported reflect 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% discount rate.

* Fiscal year 2015 was the first year of implementation, therefore only three years are shown.

**City of El Monte
California Public Retirement System
Schedule of Plan Contributions
Miscellaneous Plan
Last Ten Years***

| | Fiscal Year | | |
|---|--------------|--------------|---------------|
| | 2014-2015 | 2015-2016 | 2016-2017 |
| Actually determined contributions | \$ 2,877,899 | \$ 3,606,881 | \$ 5,032,657 |
| Contributions in relation to the actuarially determined contributions | (2,877,899) | (3,606,881) | (5,032,657) |
| Contribution deficiency / (excess) | \$ - | \$ - | \$ - |
| | | | |
| Covered-Employee Payroll | \$ 9,288,883 | \$ 9,287,631 | \$ 10,689,767 |
| | | | |
| Contributions as a percentage of Covered-Employee Payroll | 30.98% | 38.84% | 47.08% |

Notes to Schedule:

| | | | |
|----------------|-----------|-----------|-----------|
| Valuation Date | 6/30/2013 | 6/30/2014 | 6/30/2015 |
|----------------|-----------|-----------|-----------|

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2015-16 were from the June 30, 2013 funding valuation report.

| | |
|------------------------------|--|
| Actuarial Cost Method | Entry age normal |
| Amortization method / Period | For details, see June 30, 2013 Funding Valuation Report. |
| Asset valuation method | Market Value of Assets. For details, see June 30, 2013 Funding Valuation Report. |
| Inflation | 2.75% |
| Salary increases | Varies by Entry age and Service |
| Payroll Growth | 3.00% |
| Investment rate of return | 7.50%, net of pension plan investment expense and administrative expenses; includes inflation |
| Retirement age | The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. |
| Mortality | The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society Actuaries. |

* Fiscal year 2015 was the first year of implementation, therefore only three years are shown.

City of El Monte
California Public Retirement System
Schedule of Changes in the Net Pension Liability and Related Ratios
Safety Plan
Last Ten Years*

| | Measurement Period | | |
|--|-----------------------|-----------------------|-----------------------|
| | 2013-2014 | 2014-2015 | 2015-2016 |
| Total Pension Liability | | | |
| Service Cost | \$ 4,209,379 | \$ 4,080,356 | \$ 3,854,169 |
| Interest on total pension liability | 20,146,739 | 20,530,962 | 21,083,754 |
| Differences between expected and actual experience | - | (5,343,596) | (2,506,398) |
| Changes in assumptions | - | (5,126,822) | - |
| Changes in benefits | - | - | - |
| Benefit payments, including refunds of employee contributions | <u>(13,982,615)</u> | <u>(14,149,001)</u> | <u>(15,382,567)</u> |
| Net change in total pension liability | 10,373,503 | (8,101) | 7,048,958 |
| Total pension liability - beginning | <u>273,509,812</u> | <u>283,883,315</u> | <u>283,875,214</u> |
| Total pension liability - ending (a) | <u>\$ 283,883,315</u> | <u>\$ 283,875,214</u> | <u>\$ 290,924,172</u> |
| | | | |
| Plan Fiduciary Net Position | | | |
| Contributions - employer | \$ 5,853,271 | \$ 6,433,171 | \$ 7,088,089 |
| Contributions - employee | 1,231,838 | 1,219,054 | 1,145,343 |
| Net investment income | 32,363,060 | 4,802,759 | 987,096 |
| Benefit payments | (13,982,615) | (14,149,001) | (15,382,567) |
| Administrative expense | <u>-</u> | <u>(238,927)</u> | <u>(129,391)</u> |
| Net change in plan fiduciary net position | 25,465,554 | (1,932,944) | (6,291,430) |
| Plan fiduciary net position - beginning | <u>188,775,783</u> | <u>214,241,337</u> | <u>212,308,393</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 214,241,337</u> | <u>\$ 212,308,393</u> | <u>\$ 206,016,963</u> |
| | | | |
| Net pension liability - ending (a)-(b) | <u>\$ 69,641,978</u> | <u>\$ 71,566,821</u> | <u>\$ 84,907,209</u> |
| | | | |
| Plan fiduciary net position as a percentage of the total pension liability | <u>75.47%</u> | <u>74.79%</u> | <u>70.81%</u> |
| | | | |
| Covered - employee payroll | <u>\$ 12,907,061</u> | <u>\$ 13,042,114</u> | <u>\$ 12,062,372</u> |
| | | | |
| Net pension liability as percentage of covered-employee payroll | <u>539.56%</u> | <u>548.74%</u> | <u>703.90%</u> |

Notes to Schedule:

Benefit changes - The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2015 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumption - In 2016, there were no changes. In 2015, amounts reported reflect 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% discount rate.

* Fiscal year 2015 was the first year of implementation, therefore only three years are shown.

**City of El Monte
California Public Retirement System
Schedule of Plan Contributions
Safety Plan
Last Ten Years***

| | Fiscal Year | | |
|---|---------------|---------------|---------------|
| | 2014-2015 | 2015-2016 | 2016-2017 |
| Actually determined contributions | \$ 7,088,089 | \$ 7,088,089 | \$ 9,253,254 |
| Contributions in relation to the actuarially determined contributions | (7,088,089) | (7,088,089) | (9,253,254) |
| Contribution deficiency / (excess) | \$ - | \$ - | \$ - |
| | | | |
| Covered-Employee Payroll | \$ 12,907,061 | \$ 13,042,114 | \$ 12,062,372 |
| | | | |
| Contributions as a percentage of Covered-Employee Payroll | 54.92% | 54.35% | 76.71% |

Notes to Schedule:

| | | | |
|----------------|-----------|-----------|-----------|
| Valuation Date | 6/30/2013 | 6/30/2014 | 6/30/2015 |
|----------------|-----------|-----------|-----------|

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2015-2016 were from the June 30, 2013 funding valuation report.

| | |
|------------------------------|--|
| Actuarial Cost Method | Entry age normal |
| Amortization method / Period | For details, see June 30, 2013 Funding Valuation Report. |
| Asset valuation method | Market Value of Assets. For details, see June 30, 2103 Funding Valuation Report |
| Inflation | 2.75% |
| Salary increases | Varies by Entry age and Service |
| Payroll Growth | 3.00% |
| Investment rate of return | 7.50%, net of pension plan investment expense and administrative expenses; includes inflation |
| Retirement age | The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. |
| Mortality | The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society Actuaries. |

* Fiscal year 2015 was the first year of implementation, therefore only three years are shown.

City of El Monte
Public Agency Retirement System (PARS) Retirement Enhancement Plan
Schedule of Changes in the Net Pension Liability and Related Ratios
Last Ten Years*

| | Measurement Period | |
|--|---------------------------|----------------------|
| | <u>2014-2015</u> | <u>2015-2016</u> |
| Total Pension Liability | | |
| Service Cost | \$ 482,698 | \$ 497,179 |
| Interest on total pension liability | 2,405,253 | 2,468,145 |
| Differences between expected and actual experience | - | - |
| Changes in assumptions | - | - |
| Changes in benefits | - | - |
| Benefit payments, including refunds of employee contributions | <u>(1,889,598)</u> | <u>(1,981,558)</u> |
| Net change in total pension liability | 998,353 | 983,766 |
| Total pension liability - beginning | 37,451,113 | 38,449,466 |
| Total pension liability - ending (a) | <u>\$ 38,449,466</u> | <u>\$ 39,433,232</u> |
| | | |
| Plan Fiduciary Net Position | | |
| Contributions - employer | \$ 1,655,324 | 2,385,392 |
| Contributions - employee | 345,022 | 345,242 |
| Net investment income | 345,266 | 291,774 |
| Administrative expenses | (5,811) | (7,097) |
| Benefit payments | <u>(1,889,598)</u> | <u>(1,981,558)</u> |
| Net change in plan fiduciary net position | 450,203 | 1,033,753 |
| Plan fiduciary net position - beginning | 17,420,019 | 17,870,222 |
| Plan fiduciary net position - ending (b) | <u>\$ 17,870,222</u> | <u>\$ 18,903,975</u> |
| | | |
| Net pension liability - ending (a)-(b) | <u>\$ 20,579,244</u> | <u>\$ 20,529,257</u> |
| | | |
| Plan fiduciary net position as a percentage of the total pension liability | <u>46.48%</u> | <u>47.94%</u> |
| | | |
| Covered - employee payroll | <u>\$ 6,900,440</u> | <u>\$ 6,904,840</u> |
| | | |
| Net pension liability as percentage of covered-employee payroll | <u>298.23%</u> | <u>297.32%</u> |

Notes to Schedule:

Benefit changes - There have been no significant changes between the valuation date and the measurement date of June 30, 2016.

Changes in assumption - There have been no significant changes between the valuation date and the measurement date of June 30, 2016.

* Fiscal year 2015 was the first year of implementation, therefore only two years are shown.

City of El Monte
Public Agency Retirement System (PARS) Retirement Enhancement Plan
Schedule of Plan Contribution
Retirement Enhancement Plan
Last Ten Years

| | Fiscal Year | | |
|---|-------------------------|-------------------------|-------------------------|
| | 2014-2015 | 2015-2016 | 2016-2017 |
| Actually determined contributions | \$ 2,047,953 | \$ 2,368,360 | \$ 2,752,653 |
| Contributions in relation to the actuarially determined contributions | (1,655,324) | (2,385,392) | (2,752,653) |
| Contribution deficiency / (excess) | <u>\$ 392,629</u> | <u>\$ (17,032)</u> | <u>\$ -</u> |
| Covered-Employee Payroll | <u>\$ 6,900,440</u> | <u>\$ 6,904,840</u> | <u>\$ 6,904,840</u> |
| Contributions as a percentage of Covered-Employee Payroll | <u>23.99%</u> | <u>34.55%</u> | <u>39.87%</u> |

Notes to Schedule:

| | | | |
|----------------|----------|----------|----------|
| Valuation date | 7/1/2014 | 7/1/2015 | 7/1/2015 |
|----------------|----------|----------|----------|

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2015-16 were from the July 1, 2015 public agency valuations.

| | |
|------------------------------|--|
| Actuarial Cost Method | Entry age normal |
| Amortization method / Period | Level dollar, closed, 16 years at 7/1/2014 |
| Asset valuation method | None |
| Inflation | 2.75% |
| Salary increases | Graded rates based on years of service, 3.50% after 30 years of service |
| Payroll Growth | 3.00% |
| Investment rate of return | 6.50%, net of pension plan investment expense and administrative expenses including inflation. |
| Retirement age | Retirement rates at 30% per year. At age 70, 100% of all participants are assumed to retire. Experience Study for the period from 1997 to 2007. |
| Mortality | Pre-Retirement: Consistent with the Non-Industrial rates used to value the Miscellaneous CalPERS Pension Plans. Post Retirement: CalPERS 1997-2011 Healthy Retiree Table (sex-distinct) with an assumed base year of 2008 and full generational projection using Scale AA. |

* Fiscal year 2015 was the first year of implementation, therefore only two years are shown.

**City of El Monte
Postemployment Health Benefits
Schedule of Funding Progress
June 30, 2017**

Postemployment Health Benefits

Schedule of Funding Progress
(Amounts in Thousands)

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a % of Covered Payroll (c)/(b-a) |
|--------------------------------|--|--|------------------------------------|--------------------------|---------------------------|---|
| 6/30/2008 | \$ - | \$ 52,584 | \$ 52,584 | 0.0% | \$ 28,500 | 184.5% |
| 6/30/2010 | - | 64,759 | 64,759 | 0.0% | 24,750 | 261.7% |
| 6/30/2012 | - | 65,525 | 65,525 | 0.0% | 23,541 | 278.3% |
| 6/30/2014 | - | 61,196 | 61,196 | 0.0% | 21,549 | 284.0% |

BUDGETARY CONTROL AND ACCOUNTING

The City and its component units' fiscal year begins on July 1 of each year and ends June 30 the following year. The following procedures establish the budgetary data reflected in the financial statements:

- On or before the fifteenth of June of each year, the City Manager submits to the City Council a proposed budget for the next ensuing fiscal year based on a detailed financial plan prepared by the heads of the various offices, agencies and departments of the City and its component units. Upon receipt of the proposed budget, the Council may make modifications with the affirmative vote of at least a majority of its members.
- Before adoption of the budget, the Council holds a public hearing wherein the public is given an opportunity to be heard, after which the Council may make any revisions deemed advisable. On or before July 1 annually, the City Council adopts the budget as amended through a budget resolution passed by the affirmative vote of at least a majority of its members. Upon final adoption, the budget is in effect for the ensuing fiscal year and becomes the authority for the various offices, agencies, and departments to expend subject to controls established by the City's Policy. At any meeting after the adoption of the budget, the City Council may amend or supplement the budget by affirmative vote of the majority of the Council members so as to authorize the transfer of unused balances appropriated for one purpose to another purpose, or to appropriate available revenue not included in the budget.
- The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level, subject to the authority granted to the City Manager to transfer appropriations from account to account as necessary to assure adequate and proper standards of service and to achieve the intent of the City Council in providing municipal services for the fiscal year.

The City's budget is a detailed operating plan, which identifies estimated costs and results in relation to estimated revenues. The budget includes (1) the programs, projects, services, and activities to be provided during the fiscal year, (2) the estimated resources (inflows) and amounts available for appropriation and (3) the estimated charges to appropriations. The budget represents a process through which policy decisions are made, implemented, and controlled.

Annual budgets are legally adopted for the General Fund, Special Revenue Funds, Debt Service Funds and Certain Capital Projects Funds. Although budgets are legally adopted for the City's Proprietary Funds, there is no legal requirement for the fiscal year results to be reported to City Council. Therefore, no budgetary reporting for the Proprietary Funds has been presented in the accompanying financial statements.

TRANSFERS OUT IN EXCESS OF APPROPRIATIONS

Transfers out for the year ended June 30, 2017 exceeded the appropriations by the following amounts in the following funds:

| | | |
|--------------------------------------|----|-------------|
| Major Special Revenue Fund | | |
| General Fund | \$ | 335,205 (1) |
| Nonmajor Debt Service Funds: | | |
| 2011 Lease Revenue Bond Debt Service | | 82,869 (2) |

These transfers represented 1) a funded match on a senior grant and 2) the repatriation of land sale proceeds to the general fund.

SUPPLEMENTARY INFORMATION

| | Special Revenue Funds | | |
|--|----------------------------|----------------------------|----------------------------|
| | Proposition A | Proposition C | Special Gas Tax |
| | A | C | Tax |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | |
| Assets: | | | |
| Cash and investments | \$ 2,280,100 | \$ 6,446,182 | \$ 1,247,078 |
| Cash and investments with fiscal agent | - | - | - |
| Receivables: | | | |
| Accounts | 70,636 | 110,490 | - |
| Taxes | - | - | - |
| Notes and loans | - | - | - |
| Prepaid expenses | 3,567 | - | - |
| Due from other governments | - | 179,620 | - |
| Total assets | <u>2,354,303</u> | <u>6,736,292</u> | <u>1,247,078</u> |
| Deferred outflows of resources | - | - | - |
| Total assets and deferred outflows of resources | \$ <u>2,354,303</u> | \$ <u>6,736,292</u> | \$ <u>1,247,078</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable | \$ 173,016 | \$ 528,318 | \$ - |
| Advances from grantors | - | - | - |
| Deposits payable | - | - | - |
| Due to other governments | - | - | - |
| Due to other funds | - | - | - |
| Total liabilities | <u>173,016</u> | <u>528,318</u> | <u>-</u> |
| Deferred inflows of resources | | | |
| Unavailable revenue | - | - | - |
| Deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances (Deficit) | | | |
| Nonspendable | | | |
| Prepaid items | 3,567 | - | - |
| Restricted | | | |
| Special revenue funds | 2,177,720 | 6,207,974 | 1,247,078 |
| Debt service funds | - | - | - |
| Unassigned | - | - | - |
| Total fund balances (deficit) | <u>2,181,287</u> | <u>6,207,974</u> | <u>1,247,078</u> |
| Total liabilities, deferred inflows of resources, and fund balances | \$ <u>2,354,303</u> | \$ <u>6,736,292</u> | \$ <u>1,247,078</u> |

**City of El Monte
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017**

| Special Revenue Funds | | | | | |
|---|---------------------|-----------------------------|---------------------|------------------------------------|-----------------------|
| Transportation Development Act Fund | Measure R | MTA Call for Projects | AB 939 | Air Quality Improvement Fund | Affordable Housing |
| \$ - | \$ 7,493,941 | \$ - | \$ 803,010 | \$ 115,405 | \$ 122,644 |
| - | - | - | - | - | - |
| - | - | - | 223,890 | - | - |
| - | - | - | 12,515 | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 23,000 | - | 91,220 | - | 36,968 | - |
| <u>23,000</u> | <u>7,493,941</u> | <u>91,220</u> | <u>1,039,415</u> | <u>152,373</u> | <u>122,644</u> |
| - | - | - | - | - | - |
| <u>\$ 23,000</u> | <u>\$ 7,493,941</u> | <u>\$ 91,220</u> | <u>\$ 1,039,415</u> | <u>\$ 152,373</u> | <u>\$ 122,644</u> |
| \$ 29,749 | \$ 1,313,631 | \$ 14,499 | \$ 44,184 | \$ 16,300 | \$ - |
| - | - | - | - | - | - |
| - | 59,639 | - | - | - | - |
| - | - | - | - | - | - |
| - | - | 34,435 | - | - | - |
| <u>29,749</u> | <u>1,373,270</u> | <u>48,934</u> | <u>44,184</u> | <u>16,300</u> | <u>-</u> |
| - | - | 91,220 | - | - | - |
| - | - | 91,220 | - | - | - |
| - | - | - | - | - | - |
| - | 6,120,671 | - | 995,231 | 136,073 | 122,644 |
| - | - | - | - | - | - |
| (6,749) | - | (48,934) | - | - | - |
| <u>(6,749)</u> | <u>6,120,671</u> | <u>(48,934)</u> | <u>995,231</u> | <u>136,073</u> | <u>122,644</u> |
| <u>\$ 23,000</u> | <u>\$ 7,493,941</u> | <u>\$ 91,220</u> | <u>\$ 1,039,415</u> | <u>\$ 152,373</u> | <u>\$ 122,644</u> |

| | Special Revenue Funds | | |
|--|---------------------------------------|--------------------------|--------------------------------------|
| | Tree Mitigation & Planting Fund | CallHome Grant | Urban Development Grant (UDAG) |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | |
| Assets: | | | |
| Cash and investments | \$ 42,307 | \$ 623 | \$ 161,195 |
| Cash and investments with fiscal agent | - | - | - |
| Receivables: | | | |
| Accounts | - | - | - |
| Taxes | - | - | - |
| Notes and loans | - | 668,173 | - |
| Prepaid expenses | - | - | - |
| Due from other governments | - | 42,325 | - |
| Total assets | <u>42,307</u> | <u>711,121</u> | <u>161,195</u> |
| Deferred outflows of resources | - | - | - |
| Total assets and deferred outflows of resources | \$ <u>42,307</u> | \$ <u>711,121</u> | \$ <u>161,195</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable | \$ - | \$ - | \$ - |
| Advances from grantors | - | - | - |
| Deposits payable | - | - | - |
| Due to other governments | - | 668,173 | 77,515 |
| Due to other funds | - | - | - |
| Total liabilities | <u>-</u> | <u>668,173</u> | <u>77,515</u> |
| Deferred inflows of resources | - | - | - |
| Unavailable revenue | - | 42,325 | - |
| Deferred inflows of resources | <u>-</u> | <u>42,325</u> | <u>-</u> |
| Fund Balances (Deficit) | | | |
| Nonspendable | | | |
| Prepaid items | - | - | - |
| Restricted | | | |
| Special revenue funds | 42,307 | 623 | 83,680 |
| Debt service funds | - | - | - |
| Unassigned | - | - | - |
| Total fund balances (deficit) | <u>42,307</u> | <u>623</u> | <u>83,680</u> |
| Total liabilities, deferred inflows of resources, and fund balances | \$ <u>42,307</u> | \$ <u>711,121</u> | \$ <u>161,195</u> |

| | Special Revenue Funds | | | |
|--|-----------------------|----------------------------|----------------------|-------------------|
| | Quimby | Art in Public Places | Public Facilities | Storm Drain |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Assets: | | | | |
| Cash and investments | \$ 1,622,561 | \$ 1,461,394 | \$ 2,040,349 | \$ 176,164 |
| Cash and investments with fiscal agent | - | - | - | - |
| Receivables: | | | | |
| Accounts | - | - | - | - |
| Taxes | - | - | - | - |
| Notes and loans | - | - | - | - |
| Prepaid expenses | - | - | - | - |
| Due from other governments | - | - | - | - |
| Total assets | <u>1,622,561</u> | <u>1,461,394</u> | <u>2,040,349</u> | <u>176,164</u> |
| Deferred outflows of resources | - | - | - | - |
| Total assets and deferred outflows of resources | <u>\$ 1,622,561</u> | <u>\$ 1,461,394</u> | <u>\$ 2,040,349</u> | <u>\$ 176,164</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ 6,829 | \$ - | \$ 97,895 |
| Advances from grantors | - | - | - | - |
| Deposits payable | - | 3,376 | - | - |
| Due to other governments | - | - | - | - |
| Due to other funds | - | - | - | - |
| Total liabilities | <u>-</u> | <u>10,205</u> | <u>-</u> | <u>97,895</u> |
| Deferred inflows of resources | - | - | - | - |
| Unavailable revenue | - | - | - | - |
| Deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances (Deficit) | | | | |
| Nonspendable | | | | |
| Prepaid items | - | - | - | - |
| Restricted | | | | |
| Special revenue funds | 1,622,561 | 1,451,189 | 2,040,349 | 78,269 |
| Debt service funds | - | - | - | - |
| Unassigned | - | - | - | - |
| Total fund balances (deficit) | <u>1,622,561</u> | <u>1,451,189</u> | <u>2,040,349</u> | <u>78,269</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 1,622,561</u> | <u>\$ 1,461,394</u> | <u>\$ 2,040,349</u> | <u>\$ 176,164</u> |

City of El Monte
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2014

| Special Revenue Funds | | | | |
|--|------------------------------------|------------------------------|--|----------------------------------|
| Parking and Business Improvement | Cable Television Corporation | Mountain View CFD 13-1 | Economic Development Corporation | El Monte Housing Authority |
| \$ 594,970 | \$ 18,029 | \$ 20,002 | \$ 22 | \$ 13 |
| - | - | - | 6,850,811 | - |
| - | 31,598 | - | 739 | - |
| - | - | 139 | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>594,970</u> | <u>49,627</u> | <u>20,141</u> | <u>6,851,572</u> | <u>13</u> |
| - | - | - | - | - |
| <u>\$ 594,970</u> | <u>\$ 49,627</u> | <u>\$ 20,141</u> | <u>\$ 6,851,572</u> | <u>\$ 13</u> |
| - | - | - | - | - |
| - | 38 | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| 594,970 | 49,589 | 20,141 | 6,851,572 | 13 |
| - | - | - | - | - |
| <u>594,970</u> | <u>49,589</u> | <u>20,141</u> | <u>6,851,572</u> | <u>13</u> |
| <u>\$ 594,970</u> | <u>\$ 49,627</u> | <u>\$ 20,141</u> | <u>\$ 6,851,572</u> | <u>\$ 13</u> |

| | Special Revenue Funds | | |
|--|--------------------------|-------------------------|-------------------------|
| | Special Programs | Special Programs II | Gateway CFD |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | |
| Assets: | | | |
| Cash and investments | \$ 310,775 | \$ 83,087 | \$ 18,168 |
| Cash and investments with fiscal agent | - | - | - |
| Receivables: | | | |
| Accounts | 357 | - | - |
| Taxes | - | - | - |
| Notes and loans | - | - | - |
| Prepaid expenses | 821 | - | - |
| Due from other governments | - | - | - |
| Total assets | <u>311,953</u> | <u>83,087</u> | <u>18,168</u> |
| Deferred outflows of resources | - | - | - |
| Total assets and deferred outflows of resources | \$ <u>311,953</u> | \$ <u>83,087</u> | \$ <u>18,168</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable | \$ 5,204 | \$ - | \$ 123 |
| Advances from grantors | - | - | - |
| Deposits payable | 11,940 | 15,252 | - |
| Due to other governments | - | - | - |
| Due to other funds | - | - | - |
| Total liabilities | <u>17,144</u> | <u>15,252</u> | <u>123</u> |
| Deferred inflows of resources | | | |
| Unavailable revenue | - | - | - |
| Deferred inflows of resources | - | - | - |
| Fund Balances (Deficit) | | | |
| Nonspendable | | | |
| Prepaid items | 821 | - | - |
| Restricted | | | |
| Special revenue funds | 293,988 | 67,835 | 18,045 |
| Debt service funds | - | - | - |
| Unassigned | - | - | - |
| Total fund balances (deficit) | <u>294,809</u> | <u>67,835</u> | <u>18,045</u> |
| Total liabilities, deferred inflows of resources, and fund balances | \$ <u>311,953</u> | \$ <u>83,087</u> | \$ <u>18,168</u> |

**City of El Monte
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2017**

| Special Revenue Funds | | | Debt Service Funds | | | Totals |
|-----------------------|----------------------|-----------------------|--------------------------|-------------------------|---------------|--------|
| Traffic Safety Fund | Miscellaneous Grants | Capital Projects Fund | 2010 Lease Revenue Bonds | 2011 Lease Revenue Bond | | |
| \$ - | \$ - | \$ 1,318,179 | \$ 2,067 | \$ - | \$ 31,124,098 | |
| - | - | - | 1,260,789 | - | 8,111,600 | |
| - | 25,824 | - | - | - | 475,004 | |
| - | - | - | - | - | 20,781 | |
| - | - | - | - | - | 668,173 | |
| - | - | - | - | - | 4,388 | |
| - | 684,005 | - | - | - | 1,257,572 | |
| - | 709,829 | 1,318,179 | 1,262,856 | - | 41,661,616 | |
| - | - | - | - | - | - | |
| \$ - | \$ 709,829 | \$ 1,318,179 | \$ 1,262,856 | \$ - | \$ 41,661,616 | |
| \$ - | \$ 431,931 | \$ - | \$ - | \$ - | \$ 2,901,183 | |
| - | 113,469 | - | - | - | 113,469 | |
| - | - | 10,669 | - | - | 103,251 | |
| - | - | - | - | - | 745,688 | |
| - | 159,545 | - | - | - | 212,409 | |
| - | 704,945 | 10,669 | - | - | 4,076,000 | |
| - | 606,078 | - | - | - | 739,623 | |
| - | 606,078 | - | - | - | 739,623 | |
| - | - | - | - | - | 4,388 | |
| - | - | 1,307,510 | - | - | 36,235,626 | |
| - | - | - | 1,262,856 | - | 1,262,856 | |
| - | (601,194) | - | - | - | (656,877) | |
| - | (601,194) | 1,307,510 | 1,262,856 | - | 36,845,993 | |
| \$ - | \$ 709,829 | \$ 1,318,179 | \$ 1,262,856 | \$ - | \$ 41,661,616 | |

| | Special Revenue Funds | | |
|--|-----------------------|---------------------|-----------------------|
| | Proposition A | Proposition C | Special Gas Tax |
| Revenues | | | |
| Taxes | \$ 2,112,569 | \$ 1,760,342 | \$ 2,143,189 |
| Intergovernmental | 705,635 | 81,599 | - |
| Charges for services | 444 | - | - |
| Use of money and property | 11,520 | 38,815 | 13,304 |
| Fines and forfeitures | - | - | - |
| Contributions | - | - | - |
| Miscellaneous | 316,279 | - | - |
| Total revenues | <u>3,146,447</u> | <u>1,880,756</u> | <u>2,156,493</u> |
| Expenditures | | | |
| Current: | | | |
| General government | - | - | - |
| Public safety | - | - | - |
| Parks, recreation and cultural | - | - | - |
| Public works | 2,303,694 | 1,493,006 | - |
| Economic development | - | - | - |
| Capital outlay | - | 586,022 | 23,496 |
| Debt service: | | | |
| Principal retirement | - | - | - |
| Interest and fiscal charges | - | - | - |
| Total expenditures | <u>2,303,694</u> | <u>2,079,028</u> | <u>23,496</u> |
| Excess (deficiency) of revenues over expenditures | <u>842,753</u> | <u>(198,272)</u> | <u>2,132,997</u> |
| Other financing sources (uses) | | | |
| Transfers in | - | - | - |
| Transfers out | - | - | (3,284,000) |
| Net other financing sources (uses) | <u>-</u> | <u>-</u> | <u>(3,284,000)</u> |
| Change in fund balances | 842,753 | (198,272) | (1,151,003) |
| Fund balances, beginning of year | 1,338,534 | 6,406,246 | 2,398,081 |
| Fund balances, end of year | <u>\$ 2,181,287</u> | <u>\$ 6,207,974</u> | <u>\$ 1,247,078</u> |

City of El Monte
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended June 30, 2017

| Special Revenue Funds | | | | | |
|---|---------------------|-----------------------------|-------------------|------------------------------------|-----------------------|
| Transportation Development Act Fund | Measure R | MTA Call for Projects | AB 939 | Air Quality Improvement Fund | Affordable Housing |
| \$ - | \$ 1,314,558 | \$ - | \$ 677,518 | \$ - | \$ - |
| 23,000 | - | - | - | 145,431 | - |
| - | - | - | 414,184 | - | - |
| - | 42,604 | - | - | 477 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | 42,580 | - | - | - |
| <u>23,000</u> | <u>1,357,162</u> | <u>42,580</u> | <u>1,091,702</u> | <u>145,908</u> | <u>-</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 29,749 | - | - | 2,779 | 91,719 | - |
| - | - | - | 1,024,997 | - | - |
| - | 1,425,114 | 80,414 | 2,378.00 | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>29,749</u> | <u>1,425,114</u> | <u>80,414</u> | <u>1,030,154</u> | <u>91,719</u> | <u>-</u> |
| <u>(6,749)</u> | <u>(67,952)</u> | <u>(37,834)</u> | <u>61,548</u> | <u>54,189</u> | <u>-</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>(6,749)</u> | <u>(67,952)</u> | <u>(37,834)</u> | <u>61,548</u> | <u>54,189</u> | <u>-</u> |
| - | 6,188,623 | (11,100) | 933,683 | 81,884 | 122,644 |
| <u>\$ (6,749)</u> | <u>\$ 6,120,671</u> | <u>\$ (48,934)</u> | <u>\$ 995,231</u> | <u>\$ 136,073</u> | <u>\$ 122,644</u> |

| | Special Revenue Funds | | |
|--|---------------------------------------|------------------|--------------------------------------|
| | Tree Mitigation & Planting Fund | CalHome Grant | Urban Development Grant (UDAG) |
| Revenues | | | |
| Taxes | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - |
| Charges for services | - | - | - |
| Use of money and property | - | - | 991 |
| Fines and forfeitures | - | - | - |
| Contributions | - | - | - |
| Miscellaneous | 46,625 | 42,948 | - |
| Total revenues | <u>46,625</u> | <u>42,948</u> | <u>991</u> |
| Expenditures | | | |
| Current: | | | |
| General government | - | - | - |
| Public safety | - | - | - |
| Parks, recreation and cultural | 4,817 | - | - |
| Public works | - | - | - |
| Economic development | - | - | - |
| Capital outlay | - | - | - |
| Debt service: | | | |
| Principal retirement | - | - | - |
| Interest and fiscal charges | - | - | - |
| Total expenditures | <u>4,817</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>41,808</u> | <u>42,948</u> | <u>991</u> |
| Other financing sources (uses) | | | |
| Transfers in | - | - | - |
| Transfers out | - | - | - |
| Net other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Change in fund balances | 41,808 | 42,948 | 991 |
| Fund balances, beginning of year | 499 | (42,325) | 82,689 |
| Fund balances, end of year | <u>\$ 42,307</u> | <u>\$ 623</u> | <u>\$ 83,680</u> |

City of El Monte
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year ended June 30, 2017

| Special Revenue Funds | | | | | | |
|-------------------------------|---|------------------------------------|---------------------------|------------------------------|--------------------------------|--|
| Emergency Shelter Grant | Supplemental Law Enforcement Safety Fund (SLES) | Police/ Narcotics Forfeiture | Older Americans Act | Senior Citizen Program | Children's Lunch Program | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| 215,538 | 230,631 | 859,985 | 51,210 | 113,070 | 54,603 | |
| - | - | - | - | - | - | |
| - | 4,778 | 24,196 | - | - | - | |
| - | - | - | - | - | - | |
| - | - | - | - | 19,699 | - | |
| - | - | 15,972 | - | - | - | |
| <u>215,538</u> | <u>235,409</u> | <u>900,153</u> | <u>51,210</u> | <u>132,769</u> | <u>54,603</u> | |
| - | - | - | - | - | - | |
| - | 2,061 | 270,883 | - | - | - | |
| - | - | - | 59,404 | 165,728 | 59,201 | |
| - | - | - | - | - | - | |
| 235,494 | - | - | - | - | - | |
| - | - | 402,878 | - | - | - | |
| - | - | - | - | - | - | |
| <u>235,494</u> | <u>2,061</u> | <u>673,761</u> | <u>59,404</u> | <u>165,728</u> | <u>59,201</u> | |
| (19,956) | 233,348 | 226,392 | (8,194) | (32,959) | (4,598) | |
| 19,956 | - | - | 8,194 | 32,377 | - | |
| - | - | - | - | - | - | |
| <u>19,956</u> | <u>-</u> | <u>-</u> | <u>8,194</u> | <u>32,377</u> | <u>-</u> | |
| - | 233,348 | 226,392 | - | (582) | (4,598) | |
| - | 664,324 | 3,529,106 | 1,367 | 48,445 | 7,792 | |
| <u>\$ -</u> | <u>\$ 897,672</u> | <u>\$ 3,755,498</u> | <u>\$ 1,367</u> | <u>\$ 47,863</u> | <u>\$ 3,194</u> | |

| | Special Revenue Funds | | |
|--|-----------------------|----------------------------|----------------------|
| | Quimby | Art in Public Places | Public Facilities |
| Revenues | | | |
| Taxes | \$ - | \$ - | \$ - |
| Intergovernmental | 651,532 | - | - |
| Charges for services | - | - | 700,130 |
| Use of money and property | - | - | 10,023 |
| Fines and forfeitures | - | - | - |
| Contributions | - | 596,862 | - |
| Miscellaneous | - | - | - |
| Total revenues | <u>651,532</u> | <u>596,862</u> | <u>710,153</u> |
| Expenditures | | | |
| Current: | | | |
| General government | - | - | - |
| Public safety | - | - | - |
| Parks, recreation and cultural | - | - | - |
| Public works | - | - | - |
| Economic development | - | 938 | - |
| Capital outlay | - | 83,720 | - |
| Debt service: | | | |
| Principal retirement | - | - | - |
| Interest and fiscal charges | - | - | - |
| Total expenditures | <u>-</u> | <u>84,658</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>651,532</u> | <u>512,204</u> | <u>710,153</u> |
| Other financing sources (uses) | | | |
| Transfers in | - | - | - |
| Transfers out | - | - | - |
| Net other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Change in fund balances | 651,532 | 512,204 | 710,153 |
| Fund balances, beginning of year | 971,029 | 938,985 | 1,330,196 |
| Fund balances, end of year | <u>\$ 1,622,561</u> | <u>\$ 1,451,189</u> | <u>\$ 2,040,349</u> |

City of El Monte
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year ended June 30, 2017

| Special Revenue Funds | | | | | |
|-----------------------|--|------------------------------------|------------------------------|--|----------------------------------|
| Storm Drain | Parking and Business Improvement | Cable Television Corporation | Mountain View CFD 13-1 | Economic Development Corporation | El Monte Housing Authority |
| \$ - | \$ - | \$ - | \$ 5,572 | \$ - | \$ - |
| - | - | - | - | - | - |
| 82,304 | 223,024 | 118,432 | - | - | - |
| - | - | - | - | 1,500 | 13 |
| - | - | - | - | - | - |
| - | - | - | 108 | - | - |
| <u>82,304</u> | <u>223,024</u> | <u>118,432</u> | <u>5,680</u> | <u>1,500</u> | <u>13</u> |
| - | 95,200 | 143,669 | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 356,698 | - | - | - | - | - |
| - | - | - | - | - | - |
| 48,611 | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>405,309</u> | <u>95,200</u> | <u>143,669</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| (323,005) | 127,824 | (25,237) | 5,680 | 1,500 | 13 |
| 324,000 | - | - | - | - | - |
| - | - | - | - | (46,821) | - |
| <u>324,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(46,821)</u> | <u>-</u> |
| 995 | 127,824 | (25,237) | 5,680 | (45,321) | 13 |
| 77,274 | 467,146 | 74,826 | 14,461 | 6,896,893 | - |
| <u>\$ 78,269</u> | <u>\$ 594,970</u> | <u>\$ 49,589</u> | <u>\$ 20,141</u> | <u>\$ 6,851,572</u> | <u>\$ 13</u> |

| | Special Revenue Funds | | |
|--|-----------------------|------------------------|------------------|
| | Special Programs | Special Programs II | Gateway CFD |
| Revenues | | | |
| Taxes | \$ 14,833 | \$ - | \$ 8,981 |
| Intergovernmental | - | - | - |
| Charges for services | 516 | - | - |
| Use of money and property | 69,730 | - | 62 |
| Fines and forfeitures | - | - | - |
| Contributions | 47,835 | - | - |
| Miscellaneous | 9,168 | - | - |
| Total revenues | <u>142,082</u> | <u>-</u> | <u>9,043</u> |
| Expenditures | | | |
| Current: | | | |
| General government | - | - | - |
| Public safety | 39,709 | - | - |
| Parks, recreation and cultural | 67,989 | - | - |
| Public works | - | - | 325 |
| Economic development | - | - | - |
| Capital outlay | - | - | - |
| Debt service: | | | |
| Principal retirement | - | - | - |
| Interest and fiscal charges | - | - | - |
| Total expenditures | <u>107,698</u> | <u>-</u> | <u>325</u> |
| Excess (deficiency) of revenues over expenditures | <u>34,384</u> | <u>-</u> | <u>8,718</u> |
| Other financing sources (uses) | | | |
| Transfers in | - | - | - |
| Transfers out | - | - | - |
| Net other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Change in fund balances | 34,384 | - | 8,718 |
| Fund balances, beginning of year | 260,425 | 67,835 | 9,327 |
| Fund balances, end of year | <u>\$ 294,809</u> | <u>\$ 67,835</u> | <u>\$ 18,045</u> |

City of El Monte
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year ended June 30, 2017

| Special Revenue Funds | | | Debt Service Funds | | Totals |
|---------------------------|-------------------------|-----------------------------|--------------------------------|-------------------------------|----------------------|
| Traffic Safety Fund | Miscellaneous Grants | Capital Projects Fund | 2010 Lease Revenue Bonds | 2011 Lease Revenue Bond | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 8,037,562 |
| - | 831,759 | - | 1,399,739 | - | 5,363,732 |
| - | - | - | - | - | 1,539,034 |
| - | - | - | 524,157 | 513 | 742,683 |
| 183,369 | - | - | - | - | 183,369 |
| - | - | - | - | - | 664,396 |
| - | 108,884 | - | - | - | 582,564 |
| <u>183,369</u> | <u>940,643</u> | <u>-</u> | <u>1,923,896</u> | <u>513</u> | <u>17,113,340</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | 238,869 |
| - | 233,802 | - | - | - | 546,455 |
| - | - | - | - | - | 357,139 |
| - | 69,891 | - | - | - | 4,347,861 |
| - | 33,880 | - | - | - | 1,295,309 |
| - | 401,002 | 42,643 | - | - | 3,096,278 |
| - | - | - | 375,000 | 10,000,000 | 10,375,000 |
| - | - | - | 1,547,108 | 773,799 | 2,320,907 |
| <u>-</u> | <u>738,575</u> | <u>42,643</u> | <u>1,922,108</u> | <u>10,773,799</u> | <u>22,577,818</u> |
| <u>183,369</u> | <u>202,068</u> | <u>(42,643)</u> | <u>1,788</u> | <u>(10,773,286)</u> | <u>(5,464,478)</u> |
| - | - | 1,309,977 | - | 10,773,049 | 12,467,553 |
| <u>(183,369)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(82,869)</u> | <u>(3,597,059)</u> |
| <u>(183,369)</u> | <u>-</u> | <u>1,309,977</u> | <u>-</u> | <u>10,690,180</u> | <u>8,870,494</u> |
| - | 202,068 | 1,267,334 | 1,788 | (83,106) | 3,406,016 |
| - | (803,262) | 40,176 | 1,261,068 | 83,106 | 33,439,977 |
| \$ <u>-</u> | \$ <u>(601,194)</u> | \$ <u>1,307,510</u> | \$ <u>1,262,856</u> | \$ <u>-</u> | \$ <u>36,845,993</u> |

**City of El Monte
Budgetary Comparison Schedule
Proposition A
Year ended June 30, 2017**

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|--------------------|-------------------|---------------------|---|
| Revenues | | | | |
| Taxes | \$ 1,766,400 | \$ 1,766,400 | \$ 2,112,569 | \$ 346,169 |
| Intergovernmental | 238,700 | 238,700 | 705,635 | 466,935 |
| Charges for services | 3,900 | 3,900 | 444 | (3,456) |
| Use of money and property | 10,400 | 10,400 | 11,520 | 1,120 |
| Miscellaneous | 158,400 | 158,400 | 316,279 | 157,879 |
| Total revenues | <u>2,177,800</u> | <u>2,177,800</u> | <u>3,146,447</u> | <u>968,647</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public works | 2,548,500 | 2,715,954 | 2,303,694 | 412,260 |
| Capital outlay | 29,600 | 29,600 | - | 29,600 |
| Total expenditures | <u>2,578,100</u> | <u>2,745,554</u> | <u>2,303,694</u> | <u>441,860</u> |
| Change in fund balance | (400,300) | (567,754) | 842,753 | 1,410,507 |
| Fund balances, beginning of year | <u>1,338,534</u> | <u>1,338,534</u> | <u>1,338,534</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 938,234</u> | <u>\$ 770,780</u> | <u>\$ 2,181,287</u> | <u>\$ 1,410,507</u> |

City of El Monte
Budgetary Comparison Schedule
Proposition C
Year ended June 30, 2017

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|---------------------|---------------------|---------------------|---|
| Revenues | | | | |
| Taxes | \$ 1,759,500 | \$ 1,759,500 | \$ 1,760,342 | \$ 842 |
| Intergovernmental | 69,700 | 69,700 | 81,599 | 11,899 |
| Use of money and property | 26,200 | 26,200 | 38,815 | 12,615 |
| Total revenues | <u>1,855,400</u> | <u>1,855,400</u> | <u>1,880,756</u> | <u>25,356</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public works | 1,777,600 | 2,043,070 | 1,493,006 | 550,064 |
| Capital outlay | 3,493,000 | 4,018,855 | 586,022 | 3,432,833 |
| Total expenditures | <u>5,270,600</u> | <u>6,061,925</u> | <u>2,079,028</u> | <u>3,982,897</u> |
| Change in fund balance | (3,415,200) | (4,206,525) | (198,272) | 4,008,253 |
| Fund balances, beginning of year | <u>6,406,246</u> | <u>6,406,246</u> | <u>6,406,246</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 2,991,046</u> | <u>\$ 2,199,721</u> | <u>\$ 6,207,974</u> | <u>\$ 4,008,253</u> |

City of El Monte
Budgetary Comparison Schedule
Special Gas Tax
Year ended June 30, 2017

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|--------------------|--------------------|---------------------|---|
| Revenues | | | | |
| Taxes | \$ 3,775,000 | \$ 3,775,000 | \$ 2,143,189 | \$ (1,631,811) |
| Use of money and property | 26,000 | 26,000 | 13,304 | (12,696) |
| Total revenues | <u>3,801,000</u> | <u>3,801,000</u> | <u>2,156,493</u> | <u>(1,644,507)</u> |
| Expenditures | | | | |
| Capital outlay | 2,591,000 | 2,591,000 | 23,496 | 2,567,504 |
| Total expenditures | <u>2,591,000</u> | <u>2,591,000</u> | <u>23,496</u> | <u>2,567,504</u> |
| Excess (deficiency) of revenues over expenditures | <u>1,210,000</u> | <u>1,210,000</u> | <u>2,132,997</u> | <u>922,997</u> |
| Other financing sources (uses) | | | | |
| Transfers out | <u>(3,284,000)</u> | <u>(3,284,000)</u> | <u>(3,284,000)</u> | <u>-</u> |
| Change in fund balance | (2,074,000) | (2,074,000) | (1,151,003) | 922,997 |
| Fund balances, beginning of year | <u>2,398,081</u> | <u>2,398,081</u> | <u>2,398,081</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 324,081</u> | <u>\$ 324,081</u> | <u>\$ 1,247,078</u> | <u>\$ 922,997</u> |

**City of El Monte
Budgetary Comparison Schedule
Transportation Development Act Fund
Year ended June 30, 2017**

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|--------------------|-----------------|-------------------|---|
| Revenues | | | | |
| Intergovernmental | \$ 81,600 | \$ 81,600 | \$ 23,000 | \$ (58,600) |
| Total revenues | 81,600 | 81,600 | 23,000 | (58,600) |
| Expenditures | | | | |
| Current: | | | | |
| Public works | - | 23,000 | 29,749 | (6,749) |
| Capital outlay | 81,600 | 58,600 | - | 58,600 |
| Total expenditures | 81,600 | 81,600 | 29,749 | 51,851 |
| Change in fund balance | - | - | (6,749) | (6,749) |
| Fund balances, beginning of year | - | - | - | - |
| Fund balances, end of year | \$ - | \$ - | \$ (6,749) | \$ (6,749) |

City of El Monte
Budgetary Comparison Schedule
Measure R
Year ended June 30, 2017

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|---------------------|---------------------|---------------------|---|
| Revenues | | | | |
| Taxes | \$ 359,400 | \$ 359,400 | \$ 1,314,558 | \$ 955,158 |
| Use of money and property | - | - | 42,604 | 42,604 |
| Total revenues | <u>359,400</u> | <u>359,400</u> | <u>1,357,162</u> | <u>997,762</u> |
| Expenditures | | | | |
| Capital Outlay | 359,400 | 2,342,868 | 1,425,114 | 917,754 |
| Total expenditures | <u>359,400</u> | <u>2,342,868</u> | <u>1,425,114</u> | <u>917,754</u> |
| Change in fund balance | - | (1,983,468) | (67,952) | 1,915,516 |
| Fund balances, beginning of year | <u>6,188,623</u> | <u>6,188,623</u> | <u>6,188,623</u> | - |
| Fund balances, end of year | <u>\$ 6,188,623</u> | <u>\$ 4,205,155</u> | <u>\$ 6,120,671</u> | <u>\$ 1,915,516</u> |

City of El Monte
Budgetary Comparison Schedule
MTA Call for Projects
Year ended June 30, 2017

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|--------------------|-----------------|-------------------|---|
| Revenues | | | | |
| Miscellaneous | \$ 145,500 | \$ 145,500 | \$ 42,580 | \$ (102,920) |
| Total revenues | 145,500 | 145,500 | 42,580 | (102,920) |
| Expenditures | | | | |
| Capital outlay | 145,500 | 145,500 | 80,414 | 65,086 |
| Total expenditures | 145,500 | 145,500 | 80,414 | 65,086 |
| Change in fund balance | - | - | (37,834) | (37,834) |
| Fund balances, beginning of year | (11,100) | (11,100) | (11,100) | - |
| Fund balances, end of year | \$ (11,100) | \$ (11,100) | \$ (48,934) | \$ (37,834) |

City of El Monte
Budgetary Comparison Schedule
AB 939
Year ended June 30, 2017

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|----------------------------|--------------------------|--------------------------|---|
| Revenues | | | | |
| Taxes | \$ - | \$ 740,700 | \$ 677,518 | \$ (63,182) |
| Charges for services | - | 413,600 | 414,184 | 584 |
| Total revenues | <u>-</u> | <u>1,154,300</u> | <u>1,091,702</u> | <u>(62,598)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public works | 696,300 | - | 2,779 | (2,779) |
| Economic development | 458,000 | 1,193,170 | 1,024,997 | 168,173 |
| Total expenditures | <u>1,154,300</u> | <u>1,195,170</u> | <u>1,030,154</u> | <u>165,016</u> |
| Change in fund balance | (1,154,300) | (40,870) | 61,548 | 102,418 |
| Fund balances, beginning of year | <u>933,683</u> | <u>933,683</u> | <u>933,683</u> | - |
| Fund balances, end of year | \$ <u><u>(220,617)</u></u> | \$ <u><u>892,813</u></u> | \$ <u><u>995,231</u></u> | \$ <u><u>102,418</u></u> |

**City of El Monte
Budgetary Comparison Schedule
Air Quality Improvement Fund
Year ended June 30, 2017**

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|--------------------|-----------------|-------------------|---|
| Revenues | | | | |
| Intergovernmental | \$ 220,200 | \$ 220,200 | \$ 145,431 | \$ (74,769) |
| Use of money and property | 300 | 300 | 477 | 177 |
| Total revenues | 220,500 | 220,500 | 145,908 | (74,592) |
| Expenditures | | | | |
| Current: | | | | |
| Public works | 136,100 | 186,100 | 91,719 | 94,381 |
| Capital outlay | 26,600 | 26,600 | - | 26,600 |
| Total expenditures | 162,700 | 212,700 | 91,719 | 120,981 |
| Change in fund balance | 57,800 | 7,800 | 54,189 | 46,389 |
| Fund balances, beginning of year | 81,884 | 81,884 | 81,884 | - |
| Fund balances, end of year | \$ 139,684 | \$ 89,684 | \$ 136,073 | \$ 46,389 |

**City of El Monte
Budgetary Comparison Schedule
Tree Mitigation & Planting Fund
Year ended June 30, 2017**

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|--------------------|-----------------|-------------------|---|
| Revenues | | | | |
| Miscellaneous | \$ - | \$ - | \$ 46,625 | \$ 46,625 |
| Total revenues | - | - | 46,625 | 46,625 |
| Expenditures | | | | |
| Current: | | | | |
| Parks, recreation and cultural | - | - | 4,817 | (4,817) |
| Total expenditures | - | - | 4,817 | (4,817) |
| Change in fund balance | - | - | 41,808 | 41,808 |
| Fund balances, beginning of year | 499 | 499 | 499 | - |
| Fund balances, end of year | \$ 499 | \$ 499 | \$ 42,307 | \$ 41,808 |

**City of El Monte
Budgetary Comparison Schedule
CalHome Grant
Year ended June 30, 2017**

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|--------------------|-----------------|-------------------|---|
| Revenues | | | | |
| Intergovernmental | \$ 593,000 | \$ 593,000 | \$ - | \$ (593,000) |
| Miscellaneous | - | - | 42,948 | 42,948 |
| Total revenues | 593,000 | 593,000 | 42,948 | (550,052) |
| Expenditures | | | | |
| Current: | | | | |
| Economic development | 593,000 | 593,000 | - | 593,000 |
| Total expenditures | 593,000 | 593,000 | - | 593,000 |
| Change in fund balance | - | - | 42,948 | 42,948 |
| Fund balances, beginning of year | (42,325) | (42,325) | (42,325) | - |
| Fund balances, end of year | \$ (42,325) | \$ (42,325) | \$ 623 | \$ 42,948 |

**City of El Monte
Budgetary Comparison Schedule
Urban Development Grant (UDAG)
Year ended June 30, 2017**

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive - (Negative) |
|---|--------------------|-----------------|-------------------|---|
| Revenues | | | | |
| Use of money and property | \$ - | \$ - | \$ 991 | \$ 991 |
| Total revenues | - | - | 991 | 991 |
| Change in fund balance | - | - | 991 | 991 |
| Fund balances, beginning of year | 82,689 | 82,689 | 82,689 | - |
| Fund balances, end of year | \$ 82,689 | \$ 82,689 | \$ 83,680 | \$ 991 |

**City of El Monte
Budgetary Comparison Schedule
Emergency Shelter Grant
Year ended June 30, 2017**

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|--------------------|--------------------|-------------------|---|
| Revenues | | | | |
| Intergovernmental | \$ 155,600 | \$ 155,600 | \$ 215,538 | \$ 59,938 |
| Total revenues | <u>155,600</u> | <u>155,600</u> | <u>215,538</u> | <u>59,938</u> |
| Expenditures | | | | |
| Current: | | | | |
| Economic development | 155,600 | 257,463 | 235,494 | 21,969 |
| Total expenditures | <u>155,600</u> | <u>257,463</u> | <u>235,494</u> | <u>21,969</u> |
| Other financing sources (uses) | | | | |
| Transfers in | - | 20,000 | 19,956 | (44) |
| Net other financing sources (uses) | <u>-</u> | <u>20,000</u> | <u>19,956</u> | <u>(44)</u> |
| Change in fund balance | - | (81,863) | - | 81,863 |
| Fund balances, beginning of year | - | - | - | - |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ (81,863)</u> | <u>\$ -</u> | <u>\$ 81,863</u> |

City of El Monte
Budgetary Comparison Schedule
Supplemental Law Enforcement Safety Fund (SLES)
Year ended June 30, 2017

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|--------------------|-------------------|-------------------|---|
| Revenues | | | | |
| Intergovernmental | \$ 264,000 | \$ 264,000 | \$ 230,631 | \$ (33,369) |
| Use of money and property | - | - | 4,778 | 4,778 |
| Total revenues | <u>264,000</u> | <u>264,000</u> | <u>235,409</u> | <u>(28,591)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public Safety | 40,000 | 40,000 | 2,061 | 37,939 |
| Capital outlay | 224,000 | 224,000 | - | 224,000 |
| Total expenditures | <u>264,000</u> | <u>264,000</u> | <u>2,061</u> | <u>261,939</u> |
| Change in fund balance | - | - | 233,348 | 233,348 |
| Fund balances, beginning of year | <u>664,324</u> | <u>664,324</u> | <u>664,324</u> | - |
| Fund balances, end of year | <u>\$ 664,324</u> | <u>\$ 664,324</u> | <u>\$ 897,672</u> | <u>\$ 233,348</u> |

**City of El Monte
Budgetary Comparison Schedule
Police/Narcotics Forfeiture
Year ended June 30, 2017**

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|---------------------|---------------------|---------------------|---|
| Revenues | | | | |
| Intergovernmental | \$ - | \$ 860,000 | \$ 859,985 | \$ (15) |
| Use of money and property | - | - | 24,196 | 24,196 |
| Miscellaneous | - | - | 15,972 | 15,972 |
| Total revenues | <u>-</u> | <u>860,000</u> | <u>900,153</u> | <u>40,153</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public Safety | - | 275,409 | 270,883 | 4,526 |
| Capital outlay | - | 372,018 | 402,878 | (30,860) |
| Total expenditures | <u>-</u> | <u>647,427</u> | <u>673,761</u> | <u>(26,334)</u> |
| Change in fund balance | - | 212,573 | 226,392 | 13,819 |
| Fund balances, beginning of year | <u>3,529,106</u> | <u>3,529,106</u> | <u>3,529,106</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 3,529,106</u> | <u>\$ 3,741,679</u> | <u>\$ 3,755,498</u> | <u>\$ 13,819</u> |

**City of El Monte
Budgetary Comparison Schedule
Older Americans Act
Year ended June 30, 2017**

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|--------------------|-----------------|-------------------|---|
| Revenues | | | | |
| Intergovernmental | \$ 39,400 | \$ 52,059 | \$ 51,210 | \$ (849) |
| Total revenues | 39,400 | 52,059 | 51,210 | (849) |
| Expenditures | | | | |
| Current: | | | | |
| Parks, recreation and cultural | 39,400 | 59,868 | 59,404 | 464 |
| Total expenditures | 39,400 | 59,868 | 59,404 | 464 |
| Excess (deficiency) of revenues over expenditures | - | (7,809) | (8,194) | (385) |
| Other financing sources (uses) | | | | |
| Transfers in | - | 7,809 | 8,194 | 385 |
| Net other financing sources (uses) | - | 7,809 | 8,194 | 385 |
| Change in fund balance | - | - | - | - |
| Fund balances, beginning of year | 1,367 | 1,367 | 1,367 | - |
| Fund balances, end of year | \$ 1,367 | \$ 1,367 | \$ 1,367 | \$ - |

**City of El Monte
Budgetary Comparison Schedule
Senior Citizen Program
Year ended June 30, 2017**

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|--------------------|------------------|-------------------|---|
| Revenues | | | | |
| Intergovernmental | \$ 113,500 | \$ 113,483 | \$ 113,070 | \$ (413) |
| Miscellaneous | 22,000 | 23,000 | 19,699 | (3,301) |
| Total revenues | <u>135,500</u> | <u>136,483</u> | <u>132,769</u> | <u>(3,714)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Parks, recreation and cultural | 138,400 | 157,210 | 165,728 | (8,518) |
| Total expenditures | <u>138,400</u> | <u>157,210</u> | <u>165,728</u> | <u>(8,518)</u> |
| Excess (deficiency) of revenues over expenditures | (2,900) | (20,727) | (32,959) | (12,232) |
| Other financing sources (uses) | | | | |
| Transfers in | 2,900 | 20,727 | 32,377 | 11,650 |
| Change in fund balance | - | - | (582) | (582) |
| Fund balances, beginning of year | 48,445 | 48,445 | 48,445 | - |
| Fund balances, end of year | \$ <u>48,445</u> | \$ <u>48,445</u> | \$ <u>47,863</u> | \$ <u>(582)</u> |

**City of El Monte
 Budgetary Comparison Schedule
 Children's Lunch Program
 Year ended June 30, 2017**

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|--------------------|-----------------|-------------------|---|
| Revenues | | | | |
| Intergovernmental | \$ 106,600 | \$ 106,600 | \$ 54,603 | \$ (51,997) |
| Total revenues | 106,600 | 106,600 | 54,603 | (51,997) |
| Expenditures | | | | |
| Current: | | | | |
| Parks, recreation and cultural | 106,600 | 106,600 | 59,201 | 47,399 |
| Total expenditures | 106,600 | 106,600 | 59,201 | 47,399 |
| Change in fund balance | - | - | (4,598) | (4,598) |
| Fund balances, beginning of year | 7,792 | 7,792 | 7,792 | - |
| Fund balances, end of year | \$ 7,792 | \$ 7,792 | \$ 3,194 | \$ (4,598) |

City of El Monte
Budgetary Comparison Schedule
Quimby
Year ended June 30, 2017

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|--------------------|-----------------|-------------------|---|
| Revenues | | | | |
| Intergovernmental | \$ - | \$ - | \$ 651,532 | \$ 651,532 |
| Total revenues | - | - | 651,532 | 651,532 |
| Change in fund balance | - | - | 651,532 | 651,532 |
| Fund balances, beginning of year | 971,029 | 971,029 | 971,029 | - |
| Fund balances, end of year | \$ 971,029 | \$ 971,029 | \$ 1,622,561 | \$ 651,532 |

**City of El Monte
Budgetary Comparison Schedule
Art in Public Places
Year ended June 30, 2017**

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|--------------------|-------------------|---------------------|---|
| Revenues | | | | |
| Contributions | \$ - | \$ - | \$ 596,862 | \$ 596,862 |
| Total revenues | <u>-</u> | <u>-</u> | <u>596,862</u> | <u>596,862</u> |
| Expenditures | | | | |
| Current: | | | | |
| Economic Development | - | - | 938 | (938) |
| Capital outlay | - | 84,200 | 83,720 | 480 |
| Total expenditures | <u>-</u> | <u>84,200</u> | <u>84,658</u> | <u>(458)</u> |
| Change in fund balance | - | (84,200) | 512,204 | 596,404 |
| Fund balances, beginning of year | 938,985 | 938,985 | 938,985 | - |
| Fund balances, end of year | <u>\$ 938,985</u> | <u>\$ 854,785</u> | <u>\$ 1,451,189</u> | <u>\$ 596,404</u> |

City of El Monte
Budgetary Comparison Schedule
Public Facilities
Year ended June 30, 2017

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|---------------------|---------------------|---------------------|---|
| Revenues | | | | |
| Charges for services | \$ 292,500 | \$ 292,500 | \$ 700,130 | \$ 407,630 |
| Total revenues | <u>292,500</u> | <u>292,500</u> | <u>710,153</u> | <u>417,653</u> |
| Expenditures | | | | |
| Capital outlay | 292,500 | 292,500 | - | 292,500 |
| Total expenditures | <u>292,500</u> | <u>292,500</u> | <u>-</u> | <u>292,500</u> |
| Change in fund balance | - | - | 710,153 | 710,153 |
| Fund balances, beginning of year | 1,330,196 | 1,330,196 | 1,330,196 | - |
| Fund balances, end of year | <u>\$ 1,330,196</u> | <u>\$ 1,330,196</u> | <u>\$ 2,040,349</u> | <u>\$ 710,153</u> |

City of El Monte
Budgetary Comparison Schedule
Storm Drain
Year ended June 30, 2017

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|--------------------|------------------|-------------------|---|
| Revenues | | | | |
| Charges for services | \$ 150,000 | \$ 150,000 | \$ 82,304 | \$ (67,696) |
| Miscellaneous | 601,400 | 601,400 | - | (601,400) |
| Total revenues | <u>751,400</u> | <u>751,400</u> | <u>82,304</u> | <u>(669,096)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public works | 691,400 | 691,400 | 356,698 | 334,702 |
| Capital outlay | 60,000 | 60,000 | 48,611 | 11,389 |
| Total expenditures | <u>751,400</u> | <u>751,400</u> | <u>405,309</u> | <u>346,091</u> |
| Excess (deficiency) of revenues over expenditures | - | - | (323,005) | (323,005) |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | 324,000 | 324,000 |
| Net other financing sources (uses) | <u>-</u> | <u>-</u> | <u>324,000</u> | <u>324,000</u> |
| Change in fund balance | - | - | 995 | 995 |
| Fund balances, beginning of year | <u>77,274</u> | <u>77,274</u> | <u>77,274</u> | - |
| Fund balances, end of year | <u>\$ 77,274</u> | <u>\$ 77,274</u> | <u>\$ 78,269</u> | <u>\$ 995</u> |

**City of El Monte
Budgetary Comparison Schedule
Parking and Business Improvement
Year ended June 30, 2017**

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|--------------------|-------------------|-------------------|---|
| Revenues | | | | |
| Charges for services | \$ 95,200 | \$ 95,200 | \$ 223,024 | \$ 127,824 |
| Total revenues | <u>95,200</u> | <u>95,200</u> | <u>223,024</u> | <u>127,824</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | 95,200 | 95,200 | 95,200 | - |
| Total expenditures | <u>95,200</u> | <u>95,200</u> | <u>95,200</u> | <u>-</u> |
| Change in fund balance | - | - | 127,824 | 127,824 |
| Fund balances, beginning of year | 467,146 | 467,146 | 467,146 | - |
| Fund balances, end of year | <u>\$ 467,146</u> | <u>\$ 467,146</u> | <u>\$ 594,970</u> | <u>\$ 127,824</u> |

City of El Monte
Budgetary Comparison Schedule
Cable Television Corporation
Year ended June 30, 2017

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|--------------------|------------------|-------------------|---|
| Revenues | | | | |
| Charges for services | \$ 114,200 | \$ 114,200 | \$ 118,432 | \$ 4,232 |
| Total revenues | <u>114,200</u> | <u>114,200</u> | <u>118,432</u> | <u>4,232</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | 114,200 | 144,200 | 143,669 | 531 |
| Total expenditures | <u>114,200</u> | <u>144,200</u> | <u>143,669</u> | <u>531</u> |
| Change in fund balance | - | (30,000) | (25,237) | 4,763 |
| Fund balances, beginning of year | 74,826 | 74,826 | 74,826 | - |
| Fund balances, end of year | <u>\$ 74,826</u> | <u>\$ 44,826</u> | <u>\$ 49,589</u> | <u>\$ 4,763</u> |

**City of El Monte
Budgetary Comparison Schedule
Mountain View CFD 13-1
Year ended June 30, 2017**

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|--------------------|-------------------|-------------------|---|
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ 5,572 | \$ 5,572 |
| Miscellaneous | - | - | 108 | 108 |
| Total revenues | <u>-</u> | <u>-</u> | <u>5,680</u> | <u>5,680</u> |
| Change in fund balance | - | - | 5,680 | 5,680 |
| Fund balances, beginning of year | <u>14,461</u> | <u>14,461</u> | <u>14,461</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 14,461</u> | <u>\$ 14,461</u> | <u>\$ 20,141</u> | <u>\$ 5,680</u> |

**City of El Monte
Budgetary Comparison Schedule
Economic Development Corporation
Year ended June 30, 2017**

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|---------------------|--------------------|---------------------|---|
| Revenues | | | | |
| Use of money and property | \$ - | \$ - | \$ 1,500 | \$ 1,500 |
| Total revenues | <u>-</u> | <u>-</u> | <u>1,500</u> | <u>1,500</u> |
| Excess (deficiency) of revenues over expenditures | - | - | 1,500 | 1,500 |
| Other financing sources (uses) | | | | |
| Transfers out | <u>(7,058,500)</u> | <u>(6,896,892)</u> | <u>(46,821)</u> | <u>6,850,071</u> |
| Net other financing sources (uses) | <u>(7,058,500)</u> | <u>(6,896,892)</u> | <u>(46,821)</u> | <u>6,850,071</u> |
| Change in fund balance | (7,058,500) | (6,896,892) | (45,321) | 6,851,571 |
| Fund balances, beginning of year | <u>6,896,893</u> | <u>6,896,893</u> | <u>6,896,893</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ (161,607)</u> | <u>\$ 1</u> | <u>\$ 6,851,572</u> | <u>\$ 6,851,571</u> |

**City of El Monte
Budgetary Comparison Schedule
El Monte Housing Authority
Year ended June 30, 2017**

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|--------------------|---------------------|-------------------|---|
| Revenues | | | | |
| Use of money and property | \$ - | \$ - | \$ 13 | \$ 13 |
| Miscellaneous | 2,600,000 | 2,600,000 | - | (2,600,000) |
| Total revenues | <u>2,600,000</u> | <u>2,600,000</u> | <u>13</u> | <u>(2,599,987)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Economic development | 780,000 | 780,000 | - | 780,000 |
| Capital outlay | 2,600,000 | 2,600,000 | - | 2,600,000 |
| Debt Service | | | | |
| Principal Retirement | - | 150,000 | - | 150,000 |
| Total expenditures | <u>3,380,000</u> | <u>3,530,000</u> | <u>-</u> | <u>3,530,000</u> |
| Excess (deficiency) of revenues over expenditures | (780,000) | (930,000) | 13 | 930,013 |
| Other financing sources (uses) | | | | |
| Proceeds from long-term debt | 780,000 | 780,000 | - | (780,000) |
| Net other financing sources (uses) | <u>780,000</u> | <u>780,000</u> | <u>-</u> | <u>(780,000)</u> |
| Change in fund balance | - | (150,000) | 13 | 150,013 |
| Fund balances, beginning of year | - | - | - | - |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ (150,000)</u> | <u>\$ 13</u> | <u>\$ 150,013</u> |

**City of El Monte
Budgetary Comparison Schedule
Special Programs
Year ended June 30, 2017**

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|--------------------|-------------------|-------------------|---|
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ 14,833 | \$ 14,833 |
| Charges for services | - | 516.00 | 516 | - |
| Use of money and property | 48,100 | 48,100 | 69,730 | 21,630 |
| Contributions | - | 15,000 | 47,835 | 32,835 |
| | - | - | 9,168 | 9,168 |
| Total revenues | <u>48,100</u> | <u>63,616</u> | <u>142,082</u> | <u>78,466</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public safety | - | - | 39,709 | (39,709) |
| Parks, recreation and cultural | 48,100 | 63,616 | 67,989 | (4,373) |
| Capital outlay | - | 70,000 | - | 70,000 |
| Total expenditures | <u>48,100</u> | <u>133,616</u> | <u>107,698</u> | <u>25,918</u> |
| Change in fund balance | - | (70,000) | 34,384 | 104,384 |
| Fund balances, beginning of year | 260,425 | 260,425 | 260,425 | - |
| Fund balances, end of year | <u>\$ 260,425</u> | <u>\$ 190,425</u> | <u>\$ 294,809</u> | <u>\$ 104,384</u> |

City of El Monte
Budgetary Comparison Schedule
Gateway CFD
Year ended June 30, 2017

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|--------------------|-----------------|-------------------|---|
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ 8,981 | \$ 8,981 |
| Use of money and property | - | - | 62 | 62 |
| Total revenues | - | - | 9,043 | 9,043 |
| Expenditures | | | | |
| Current: | | | | |
| Public works | - | - | 325 | (325) |
| Total expenditures | - | - | 325 | (325) |
| Net change in fund balance | - | - | 8,718 | 8,718 |
| Fund balances, beginning of year | - | - | 9,327 | - |
| Fund balances, end of year | \$ - | \$ - | \$ 18,045 | \$ 8,718 |

**City of El Monte
 Budgetary Comparison Schedule
 Traffic Safety Fund
 Year ended June 30, 2017**

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|--------------------|-----------------|-------------------|---|
| Revenues | | | | |
| Fines and forfeitures | \$ - | \$ 185,000 | \$ 183,369 | \$ (1,631) |
| Total revenues | - | 185,000 | 183,369 | (1,631) |
| Other financing sources (uses) | | | | |
| Transfers out | - | (185,000) | (183,369) | 1,631 |
| Net change in fund balance | - | - | - | - |
| Fund balances, beginning of year | - | - | - | - |
| Fund balances, end of year | \$ - | \$ - | \$ - | \$ - |

City of El Monte
Budgetary Comparison Schedule
Miscellaneous Grants
Year ended June 30, 2017

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|--------------------|-----------------|-------------------|---|
| Revenues | | | | |
| Intergovernmental | \$ 4,543,600 | \$ 5,266,048 | \$ 831,759 | \$ (4,434,289) |
| Miscellaneous | - | 174,000 | 108,884 | (65,116) |
| Total revenues | 4,543,600 | 5,440,048 | 940,643 | (4,499,405) |
| Expenditures | | | | |
| Current: | | | | |
| Public safety | - | 202,481 | 233,802 | (31,321) |
| Public works | 61,800 | 89,700 | 69,891 | 19,809 |
| Economic development | - | 61,800 | 33,880 | 27,920 |
| Capital outlay | 4,481,800 | 5,086,067 | 401,002 | 4,685,065 |
| Total expenditures | 4,543,600 | 5,440,048 | 738,575 | 4,701,473 |
| Net change in fund balance | - | - | 202,068 | 202,068 |
| Fund balances, beginning of year | (803,262) | (803,262) | (803,262) | - |
| Fund balances, end of year | \$ (803,262) | \$ (803,262) | \$ (601,194) | \$ 202,068 |

City of El Monte
Budgetary Comparison Schedule
Capital Projects
Year ended June 30, 2017

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|------------------------------|-------------------------|----------------------------|---|
| Expenditures | | | | |
| Capital outlay | \$ 8,228,100 | \$ 8,228,100 | \$ 42,643 | \$ 8,185,457 |
| Total expenditures | <u>8,228,100</u> | <u>8,228,100</u> | <u>42,643</u> | <u>8,185,457</u> |
| Excess (deficiency) of revenues over expenditures | (8,228,100) | (8,228,100) | (42,643) | 8,185,457 |
| Other financing sources (uses) | | | | |
| Transfers in | <u>6,952,100</u> | <u>8,212,092</u> | <u>1,309,977</u> | <u>(6,902,115)</u> |
| Net other financing sources (uses) | <u>6,952,100</u> | <u>8,212,092</u> | <u>1,309,977</u> | <u>(6,902,115)</u> |
| Change in fund balance | (1,276,000) | (16,008) | 1,267,334 | 1,283,342 |
| Fund balances, beginning of year | <u>40,176</u> | <u>40,176</u> | <u>40,176</u> | <u>-</u> |
| Fund balances, end of year | \$ <u><u>(1,235,824)</u></u> | \$ <u><u>24,168</u></u> | \$ <u><u>1,307,510</u></u> | \$ <u><u>1,283,342</u></u> |

**City of El Monte
Budgetary Comparison Schedule
2010 Lease Revenue Bond Debt Service
Year ended June 30, 2017**

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|---------------------|---------------------|---------------------|---|
| Revenues | | | | |
| Intergovernmental | \$ 1,403,500 | \$ 1,403,500 | \$ 1,399,739 | \$ (3,761) |
| Use of money and property | 520,000 | 520,000 | 524,157 | 4,157 |
| Total revenues | <u>1,923,500</u> | <u>1,923,500</u> | <u>1,923,896</u> | <u>396</u> |
| Expenditures | | | | |
| Debt service: | | | | |
| Principal retirement | 375,000 | 375,000 | 375,000 | - |
| Interest and fiscal charges | 1,548,500 | 1,548,500 | 1,547,108 | 1,392 |
| Total expenditures | <u>1,923,500</u> | <u>1,923,500</u> | <u>1,922,108</u> | <u>1,392</u> |
| Change in fund balance | - | - | 1,788 | 1,788 |
| Fund balances, beginning of year | 1,261,068 | 1,261,068 | 1,261,068 | - |
| Fund balances, end of year | \$ <u>1,261,068</u> | \$ <u>1,261,068</u> | \$ <u>1,262,856</u> | <u>1,788</u> |

City of El Monte
Budgetary Comparison Schedule
2011 Lease Revenue Bond Debt Service
Year ended June 30, 2017

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|--------------------|------------------|-------------------|---|
| Revenues | | | | |
| Use of money and property | \$ - | \$ - | \$ 513 | \$ 513 |
| Total revenues | <u>-</u> | <u>-</u> | <u>513</u> | <u>513</u> |
| Expenditures | | | | |
| Debt service: | | | | |
| Principal retirement | - | - | 10,000,000 | (10,000,000) |
| Interest and fiscal charges | 393,800 | 393,800 | 773,799 | (379,999) |
| Total expenditures | <u>393,800</u> | <u>393,800</u> | <u>10,773,799</u> | <u>(10,379,999)</u> |
| Excess (deficiency) of revenues over expenditures | (393,800) | (393,800) | (10,773,286) | (10,379,486) |
| Other financing sources | | | | |
| Transfers in | \$ 393,800 | 393,800 | \$ 10,773,049 | \$ 10,379,249 |
| Transfers out | - | - | (82,869) | (82,869) |
| | <u>393,800</u> | <u>393,800</u> | <u>10,690,180</u> | <u>10,296,380</u> |
| Change in fund balance | - | - | (83,106) | (83,106) |
| Fund balances, beginning of year | 83,106 | 83,106 | 83,106 | - |
| Fund balances, end of year | <u>\$ 83,106</u> | <u>\$ 83,106</u> | <u>\$ -</u> | <u>\$ (83,106)</u> |

City of El Monte
Combining Statement of Net Position
All Internal Service Funds
June 30, 2017

| | Internal Service Funds | | | |
|-------------------------------------|------------------------|------------------------|--------------------------|-----------------------|
| | Self Insurance | Vehicle Replacement | Equipment Replacement | Total |
| ASSETS | | | | |
| Current assets | | | | |
| Cash and investments | \$ 5,123,845 | \$ 753,863 | \$ 790,400 | \$ 6,668,108 |
| Receivables: | | | | |
| Accounts | 25,000 | - | - | 25,000 |
| Total current assets | <u>5,148,845</u> | <u>753,863</u> | <u>790,400</u> | <u>6,693,108</u> |
| Noncurrent assets | | | | |
| Capital assets | - | 86,537 | - | 86,537 |
| Total assets | <u>5,148,845</u> | <u>840,400</u> | <u>790,400</u> | <u>6,779,645</u> |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Accounts payable | 17,144 | - | - | 17,144 |
| Accrued claims and judgments | 2,088,000 | - | - | 2,088,000 |
| Total current liabilities | <u>2,105,144</u> | <u>-</u> | <u>-</u> | <u>2,105,144</u> |
| Noncurrent liabilities | | | | |
| Advances from other funds | 300,000 | | | 300,000 |
| Accrued claims and judgments | 11,713,000 | - | - | 11,713,000 |
| Total liabilities | <u>14,118,144</u> | <u>-</u> | <u>-</u> | <u>14,118,144</u> |
| NET POSITION | | | | |
| Unrestricted net position (deficit) | (8,969,299) | 840,400 | 790,400 | (7,338,499) |
| Total net position | <u>\$ (8,969,299)</u> | <u>\$ 840,400</u> | <u>\$ 790,400</u> | <u>\$ (7,338,499)</u> |

City of El Monte
Combining Statement of Revenues, Expenses and Changes in Net Position
All Internal Service Funds
Year Ended June 30, 2017

| | Internal Service Funds | | | |
|---|------------------------|------------------------|--------------------------|-----------------------|
| | Self Insurance | Vehicle Replacement | Equipment Replacement | Total |
| Operating revenues | | | | |
| Interdepartmental charges | \$ 2,594,550 | \$ - | \$ - | \$ 2,594,550 |
| Total operating revenues | <u>2,594,550</u> | <u>-</u> | <u>-</u> | <u>2,594,550</u> |
| Operating expenses | | | | |
| Claims expenses | 5,100,552 | - | - | 5,100,552 |
| Total operating expenses | <u>5,100,552</u> | <u>-</u> | <u>-</u> | <u>5,100,552</u> |
| Operating income (loss) | (2,506,002) | - | - | (2,506,002) |
| Other financing sources | | | | |
| Transfers in | - | 100,000 | 100,000 | 200,000 |
| Changes in net position | (2,506,002) | 100,000 | 100,000 | (2,306,002) |
| Net position (deficit) - beginning | <u>(6,463,297)</u> | <u>740,400</u> | <u>690,400</u> | <u>(5,032,497)</u> |
| Net position (deficit) - ending | <u>\$ (8,969,299)</u> | <u>\$ 840,400</u> | <u>\$ 790,400</u> | <u>\$ (7,338,499)</u> |

**City of El Monte
Combining Statement of Cash Flows
All Internal Service Funds
Year ended June 30, 2017**

| | Internal Service Funds | | | Total |
|--|------------------------|------------------------|--------------------------|-----------------------|
| | Self Insurance | Vehicle Replacement | Equipment Replacement | |
| Cash flows from operating activities | | | | |
| Cash received for interfund service provided | \$ 2,570,821 | \$ - | \$ - | \$ 2,570,821 |
| Cash paid to suppliers for goods and services | (3,728,088) | - | - | (3,728,088) |
| Net cash provided by (used in) operating activities | <u>(1,157,267)</u> | <u>-</u> | <u>-</u> | <u>(1,157,267)</u> |
| Cash flows from non-capital financing activities | | | | |
| Transfers from other funds | - | 100,000 | 100,000 | 200,000 |
| Net cash provided by (used in) non-capital and related financing activities | <u>-</u> | <u>100,000</u> | <u>100,000</u> | <u>200,000</u> |
| Cash flows from capital and related financing activities | | | | |
| Acquisition of capital assets | - | (86,537) | - | (86,537) |
| Net cash provided by (used in) capital and related financing activities | <u>-</u> | <u>(86,537)</u> | <u>-</u> | <u>(86,537)</u> |
| Change in cash and cash equivalents | (1,157,267) | 13,463 | 100,000 | (1,043,804) |
| Beginning cash and cash equivalents | 6,281,112 | 740,400 | 690,400 | 7,711,912 |
| Ending cash and cash equivalents | <u>\$ 5,123,845</u> | <u>\$ 753,863</u> | <u>\$ 790,400</u> | <u>\$ 6,668,108</u> |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Operating income (loss) | \$ (2,506,002) | \$ - | \$ - | \$ (2,506,002) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| (Increase) decrease in: | | | | |
| Accounts receivable | (23,729) | - | - | (23,729) |
| Increase (decrease): | | | | |
| Accounts payable | 16,464 | - | - | 16,464 |
| Accrued claims and judgments | 1,356,000 | - | - | 1,356,000 |
| Net cash provided by (used in) operating activities | <u>\$ (1,157,267)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (1,157,267)</u> |

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Contents

Financial Trends

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

| | |
|---------|--|
| Table 1 | Net position by Component |
| Table 2 | Changes in Net position |
| Table 3 | Fund Balances of Governmental Funds |
| Table 4 | Fund Balances of Governmental Funds GASB#54 |
| Table 5 | Changes in Fund Balances of Governmental Funds |
| Table 6 | Governmental Activities Tax Revenues by Source |

Revenue Capacity

These schedules contain information to help reader assess the City's most significant local revenue source, the property tax.

| | |
|----------|--|
| Table 7 | Assessed Value and Estimated Value of Taxable Property |
| Table 8 | Direct and Overlapping Property Tax Rates |
| Table 9 | Principal Property Taxpayers |
| Table 10 | Property Tax Levies and Collections |

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.

| | |
|----------|---|
| Table 11 | Ratios of Outstanding Debt by Type |
| Table 12 | Direct and Overlapping Government Activities Debt |
| Table 13 | Legal Debt Margin Information |
| Table 14 | Pledged Revenue Coverage |

Demographic and Economic Information

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

| | |
|----------|-------------------------------------|
| Table 15 | Demographic and Economic Statistics |
| Table 16 | Principal Employers |

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and activities it performs.

| | |
|----------|---|
| Table 17 | Full-Time Equivalent City Employees by Function |
| Table 18 | Operating Indicators by Function/Program |
| Table 19 | Capital Assets by Function |
| Table 20 | Water Rates |
| Table 21 | Top Water Customers |

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant year.

City of El Monte
Table 1 - Net Position by Component
Last Ten Fiscal Years

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|------------------------|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 387,726,129 | \$ 393,169,859 | \$ 382,391,198 | \$ 382,386,047 | \$ 406,191,154 | \$ 408,942,772 | \$ 410,145,295 | \$ 413,506,843 | \$ 417,936,017 | \$ 428,069,299 |
| Restricted | 45,093,002 | 45,444,013 | 68,553,946 | 66,201,676 | 71,058,861 | 67,082,252 | 62,080,199 | 63,168,424 | 59,313,835 | 60,732,597 |
| Unrestricted | 17,981,867 | 6,706,495 | (3,841,062) | 2,156,436 | (6,986,991) | (5,969,100) | (4,728,375) | (131,237,522) | (121,391,436) | (119,813,615) |
| Total governmental activities net assets | \$ 450,800,998 | \$ 445,320,367 | \$ 447,104,082 | \$ 450,744,159 | \$ 470,263,024 | \$ 470,055,924 | \$ 467,497,119 | \$ 345,437,745 | \$ 355,858,416 | \$ 368,988,281 |
| Business-type activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 3,681,347 | \$ 3,884,727 | \$ 17,144,056 | \$ 15,773,348 | \$ 14,644,182 | \$ 14,198,071 | \$ 3,575,181 | \$ 2,745,186 | \$ 4,259,232 | \$ 6,041,019 |
| Restricted | 402,693 | 403,419 | 411,743 | 403,419 | 623,422 | 403,422 | - | - | - | - |
| Unrestricted | (15,067,058) | (15,364,273) | (2,461,586) | (1,392,384) | (783,223) | (663,601) | 10,752,227 | 4,339,498 | 3,711,862 | 2,090,973 |
| Total business-type activities net assets | \$ (10,983,018) | \$ (11,076,127) | \$ 15,094,213 | \$ 14,784,383 | \$ 14,484,381 | \$ 13,937,892 | \$ 14,327,408 | \$ 7,084,684 | \$ 7,971,094 | \$ 8,131,992 |
| Primary government | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 391,407,476 | \$ 397,054,586 | \$ 399,535,254 | \$ 398,159,395 | \$ 420,835,336 | \$ 423,140,843 | \$ 413,720,476 | \$ 416,252,029 | \$ 422,195,249 | \$ 434,110,318 |
| Restricted | 45,495,695 | 45,847,432 | 68,965,689 | 66,605,095 | 71,682,283 | 67,485,674 | 62,080,199 | 63,168,424 | 59,313,835 | 60,732,597 |
| Unrestricted | 2,914,809 | (8,657,778) | (6,302,648) | 764,052 | (7,770,214) | (6,632,701) | 6,023,852 | (126,898,024) | (117,679,574) | (117,722,642) |
| Total primary government net assets | \$ 439,817,980 | \$ 434,244,240 | \$ 462,198,295 | \$ 465,528,542 | \$ 484,747,405 | \$ 483,993,816 | \$ 481,824,527 | \$ 352,522,429 | \$ 363,829,510 | \$ 377,120,273 |

The City of El Monte implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation of GASB 34 is not available.

The City of El Monte implemented GASB 34 Infrastructure Valuation Services for the fiscal year ended June 30, 2007.

The City of El Monte implemented GASB 68 Accounting and Financial Reporting for Pensions for the fiscal year ended June 30, 2015.

Source: Finance Department, City of El Monte

City of El Monte
Table 2 – Changes in Net Position
Last Ten Fiscal Years

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 38,252,969 | \$ 36,766,602 | \$ 37,182,894 | \$ 29,578,242 | \$ 31,035,167 | \$ 20,788,814 | \$ 22,732,447 | \$ 23,640,914 | \$ 24,848,509 | \$ 27,106,832 |
| Public safety | 39,990,879 | 34,909,950 | 29,821,998 | 32,851,129 | 31,373,685 | 33,813,668 | 35,302,886 | 33,364,275 | 33,012,638 | 35,464,248 |
| Parks, recreation, and cultural | 5,710,017 | 4,581,714 | 4,148,973 | 4,745,831 | 3,292,920 | 3,163,505 | 2,928,453 | 2,968,162 | 2,792,932 | 3,037,979 |
| Public works | 9,662,975 | 10,587,267 | 11,013,617 | 10,677,438 | 12,273,857 | 15,096,927 | 16,274,135 | 15,952,980 | 16,585,908 | 19,397,177 |
| Economic development | - | - | - | 3,703,687.00 | 3,795,416.00 | 4,231,041.00 | 5,679,490.00 | 2,608,571.00 | 1,635,333 | 1,911,677 |
| Interest on long-term debt and issue costs | 5,642,085 | 5,904,551 | 6,560,377 | 1,826,698 | 4,375,648 | 2,492,205 | 2,783,650 | 2,455,645 | 2,434,888 | 2,474,698 |
| Total governmental activities expenses | 99,258,925 | 92,750,084 | 88,727,858 | 83,383,025 | 86,146,693 | 79,586,160 | 85,701,061 | 80,990,547 | 81,310,208 | 89,392,611 |
| Business-type activities: | | | | | | | | | | |
| Water authority and sewer fund | 3,162,041 | 3,199,691 | 5,982,157 | 6,813,653 | 6,200,127 | 6,448,416 | 6,003,145 | 6,044,861 | 5,957,680 | 6,250,283 |
| Total business-type activities expenses | 3,162,041 | 3,199,691 | 5,982,157 | 6,813,653 | 6,200,127 | 6,448,416 | 6,003,145 | 6,044,861 | 5,957,680 | 6,250,283 |
| Total primary government expenses | \$ 102,420,966 | \$ 95,949,775 | \$ 94,710,015 | \$ 90,196,678 | \$ 92,346,820 | \$ 86,034,576 | \$ 91,704,206 | \$ 87,035,408 | \$ 87,267,888 | \$ 95,642,894 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | \$ 4,068,360 | \$ 1,983,176 | \$ 2,114,853 | \$ 3,139,208 | \$ 2,660,459 | \$ 417,889 | \$ 377,054 | \$ 349,516 | \$ 378,402 | \$ 326,524 |
| Public safety | 2,226,196 | 2,548,125 | 2,323,037 | 2,429,210 | 2,136,780 | 1,758,649 | 1,516,786 | 1,528,004 | 1,398,239 | 1,130,297 |
| Community development | - | 1,179,197.00 | - | - | - | - | - | - | - | - |
| Parks, recreation, and cultural | 587,291 | 485,483 | 3,228,325 | 828,110 | 899,689 | 1,337,638 | 505,314 | 1,213,806 | 1,150,647 | 1,374,211 |
| Public works | 2,051,314 | 4,940,139 | 2,382,772 | 861,338 | 994,082 | 1,254,749 | 1,505,903 | 3,389,613 | 1,000,247 | 2,289,590 |
| Economic development | - | - | - | 3,368,408 | 3,668,748 | 1,743,141 | 2,198,057 | 1,819,589 | 3,394,330 | 3,458,458 |
| Operating grants and contributions | 8,393,235 | 7,147,776 | 7,757,105 | 6,909,382 | 9,245,274 | 12,050,550 | 12,337,537 | 12,032,841 | 9,333,169 | 7,712,035 |
| Capital grants and contributions | 5,917,284 | 3,010,609 | 3,426,688 | 7,471,458 | 7,219,958 | 2,961,085 | 3,788,170 | 3,712,045 | 3,938,321 | 2,143,189 |
| Total governmental activities program revenues | 23,243,680 | 21,294,505 | 21,232,780 | 25,007,114 | 26,824,990 | 21,523,701 | 22,228,821 | 24,045,414 | 20,593,355 | 18,434,304 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Water authority and sewer fund | 3,165,031 | 2,985,694 | 6,318,772 | 6,761,971 | 6,573,474 | 6,301,092 | 6,579,007 | 6,651,294 | 6,876,895 | 6,400,515 |
| Operating Contributions and Grants: | | | | | | | | | | |
| Water authority and sewer fund | - | 117,527 | 135,512 | 87,977 | 24,995 | 41,601 | 62,487 | 185,197 | - | 7,500 |
| Total business-type activities program revenues | 3,165,031 | 3,103,221 | 6,454,284 | 6,849,948 | 6,598,469 | 6,342,693 | 6,641,494 | 6,836,491 | 6,876,895 | 6,408,015 |
| Total primary government program revenues | \$ 26,408,711 | \$ 24,397,726 | \$ 27,687,064 | \$ 31,857,062 | \$ 33,423,459 | \$ 27,866,394 | \$ 28,870,315 | \$ 30,881,905 | \$ 27,470,250 | \$ 24,842,319 |
| Net (expense) revenue | | | | | | | | | | |
| Governmental activities | \$ (76,015,245) | \$ (71,455,579) | \$ (67,495,078) | \$ (58,375,911) | \$ (59,321,703) | \$ (58,062,459) | \$ (63,472,240) | \$ (56,945,133) | \$ (60,716,853) | \$ (70,958,307) |
| Business-type activities | 2,990 | (96,470) | 472,127 | 36,295 | 398,342 | (155,723) | 638,349 | 794,630 | 919,215 | 157,732 |
| Total primary government net expense | \$ (76,012,255) | \$ (71,552,049) | \$ (67,022,951) | \$ (58,339,616) | \$ (58,923,361) | \$ (58,218,182) | \$ (62,833,891) | \$ (56,150,503) | \$ (59,797,638) | \$ (70,800,575) |
| General Revenues and Other Changes in Net Assets | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes, levied for general purposes | \$ 29,357,486 | \$ 30,781,923 | \$ 31,914,717 | \$ 32,108,113 | \$ 29,761,876 | \$ 23,681,773 | \$ 24,509,692 | \$ 26,099,320 | \$ 27,532,723 | \$ 28,984,080 |
| Transient occupancy taxes | 315,076 | 306,710 | 273,128 | 266,460 | 277,629 | 298,784 | 318,023 | 379,991 | 419,552 | 475,614 |
| Sales taxes | 22,397,169 | 12,819,325 | 13,482,687 | 18,365,147 | 19,908,564 | 21,908,497 | 22,812,015 | 23,527,026 | 25,664,884 | 25,478,114 |
| Franchise taxes | 2,627,027 | 2,799,335 | 3,841,747 | 2,658,124 | 3,127,463 | 2,427,661 | 3,284,097 | 3,138,337 | 3,474,799 | 3,623,293 |
| Business licenses taxes | - | 60,319 | 135,156 | 143,629 | 132,044 | 2,024,962 | 2,183,836 | 2,110,351 | 2,501,208 | 2,644,494 |
| Utility user taxes | 8,820,706 | 8,477,622 | 7,850,115 | 7,436,906 | 7,129,350 | 7,087,818 | 7,134,428 | 7,177,685 | 6,869,855 | 6,824,008 |
| Other taxes | 2,496,140 | 2,145,353 | 2,080,476 | 496,829 | 403,452 | 508,683 | 608,814 | 587,024 | 681,879 | 729,201 |
| Intergovernmental, unrestricted: | | | | | | | | | | |
| Motor vehicle in-lieu | 538,617 | 362,920 | 373,048 | 406,053 | 328,956 | 64,828 | 53,652 | 51,826 | 46,713 | 51,019 |
| Use of money and property | 5,987,192 | 5,010,702 | 4,915,268 | 1,366,333 | 1,822,085 | 1,302,410 | 1,146,044 | 1,103,442 | 1,160,164 | 1,344,967 |
| Gain on sale of assets | - | - | - | - | - | - | - | - | - | - |
| Other | 1,999,663 | 324,017 | 92,990 | 269,038 | 341,432 | 597,391 | 1,581,528 | 3,085,984 | 1,421,951 | 1,920,584 |
| Special item | - | - | - | (864,036) | - | (929,376) | 509,360 | 181,143 | 98,088 | (123,407) |
| Transfers | - | - | - | 200,000 | 283,612 | 200,000 | 296,273 | 100,000 | 1,265,708 | 12,136,205 |
| Total governmental activities | 74,539,076 | 63,088,226 | 64,959,332 | 62,852,596 | 63,516,463 | 59,173,431 | 64,437,762 | 67,542,129 | 71,137,524 | 84,088,172 |
| Business-type activities: | | | | | | | | | | |
| Property taxes, levied for general purposes | - | - | - | - | - | - | - | - | - | - |
| Investment earnings | 111,021 | 57,847 | 60,528 | 53,387 | 25,894 | 42,639 | 47,440 | 43,243 | 60,936 | 73,603 |
| Other | 177,892 | 2,853 | 8,733 | 85,616 | 20,281 | 197,930 | - | 142 | 6,259 | 29,563 |
| Transfers | - | - | - | (200,000) | (283,612) | (200,000) | (296,273) | (100,000) | (100,000) | (100,000) |
| Total business-type activities | 288,913 | 60,700 | 69,261 | (60,997) | (237,437) | 40,569 | (248,833) | (56,615) | (32,805) | 3,166 |
| Total primary program | \$ 74,827,989 | \$ 63,148,926 | \$ 65,028,593 | \$ 62,791,599 | \$ 63,279,026 | \$ 59,214,000 | \$ 64,188,929 | \$ 67,485,514 | \$ 71,104,719 | \$ 84,091,338 |
| Change in Net Assets | | | | | | | | | | |
| Governmental activities | \$ (1,476,169) | \$ (8,367,353) | \$ (2,535,746) | \$ 4,476,685 | \$ 4,194,760 | \$ 1,110,972 | \$ 965,522 | \$ 10,596,996 | \$ 10,420,671 | \$ 13,129,865 |
| Business-type activities | 291,903 | (35,770) | 541,388 | (24,702) | 160,905 | (115,154) | 389,516 | 738,015 | 886,410 | 160,898 |
| Total primary government program | \$ (1,184,266) | \$ (8,403,123) | \$ (1,994,358) | \$ 4,451,983 | \$ 4,355,665 | \$ 995,818 | \$ 1,355,038 | \$ 11,335,011 | \$ 11,307,081 | \$ 13,290,763 |

The City of El Monte implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation of GASB 34 is not available.

* The 2011 and 2010 amounts represent a change in recognition of interest income and interest expense on loans between the General Fund and the Redevelopment Agency.

Source: Finance Department, City of El Monte

City of El Monte
Table 3 & 4 – Fund Balances of Governmental Funds
Last Ten Fiscal Years

| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---|------------------------------|------------------------------|-------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ 50,842,563 | \$ 56,247,468 | \$ 102,055,636 | | | | | | | |
| Unreserved | 5,273,348 | 1,100,064 | 4,160,710 | | | | | | | |
| Total general fund | <u>\$ 56,115,911</u> | <u>\$ 57,347,532</u> | <u>\$ 106,216,346</u> | | | | | | | |
| All other governmental funds | | | | | | | | | | |
| Reserved | \$ 27,687,724 | \$ 26,364,717 | \$ 26,280,794 | | | | | | | |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | 23,211,013 | 26,288,132 | 27,665,852 | | | | | | | |
| Debt service funds | 2,936,723 | 3,307,179 | 8,757,158 | | | | | | | |
| Capital projects funds | <u>(55,119,435)</u> | <u>(61,031,642)</u> | <u>(95,571,019)</u> | | | | | | | |
| Total all other governmental funds | <u>\$ (1,283,975)</u> | <u>\$ (5,071,614)</u> | <u>\$ (32,867,215)</u> | | | | | | | |
| GASB 54 Fund Balance Classification: | | | | | | | | | | |
| General Fund | | | | | | | | | | |
| Nonspendable | | | | \$ 18,873,079 | \$ 18,886,423 | \$ 19,044,938 | \$ 22,163,961 | \$ 20,920,508 | \$ 19,942,149 | \$ 20,438,164 |
| Restricted | | | | - | - | - | 501,994 | 370,531 | 524,431 | 508,609 |
| Assigned | | | | - | - | - | 9,100,000 | 18,673,000 | 19,476,714 | 21,756,795 |
| Unassigned | | | | 8,440,216 | 8,644,339 | 11,469,215 | 3,280,429 | 1,653,074 | 5,605,880 | 1,757,121 |
| Total general fund | | | | <u>27,313,295</u> | <u>27,530,762</u> | <u>30,514,153</u> | <u>35,046,384</u> | <u>41,617,113</u> | <u>45,549,174</u> | <u>44,460,689</u> |
| All other governmental funds | | | | | | | | | | |
| Nonspendable | | | | 36,948,151 | 8,621,007 | 7,066,904 | 3,942,456 | 3,610,008 | 3,257,986 | 3,068,882 |
| Restricted | | | | | | | | | | |
| Special revenue funds | | | | 15,088,458 | 44,868,988 | 47,269,807 | 54,353,261 | 55,599,570 | 53,053,576 | 53,845,117 |
| Capital projects funds | | | | 9,527,746 | 12,688,988 | 9,783,516 | 31,216 | - | - | 1,307,510 |
| Debt service funds | | | | 6,502,042 | 1,250,933 | 1,248,318 | 1,324,843 | 1,321,941 | 1,344,174 | 1,262,856 |
| Committed | | | | 78,804,828 | - | - | - | - | - | - |
| Unassigned | | | | <u>(92,056,922)</u> | <u>(915,551)</u> | <u>(1,054,062)</u> | <u>(1,833,890)</u> | <u>(2,696,066)</u> | <u>(722,118)</u> | <u>(656,877)</u> |
| Total all other governmental funds | | | | <u>54,814,303</u> | <u>66,514,365</u> | <u>64,314,483</u> | <u>57,817,886</u> | <u>57,835,453</u> | <u>56,933,618</u> | <u>58,827,488</u> |
| Total Governmental Funds | | | | <u>\$ 82,127,598</u> | <u>\$ 94,045,127</u> | <u>\$ 94,828,636</u> | <u>\$ 92,864,270</u> | <u>\$ 99,452,566</u> | <u>\$ 102,482,792</u> | <u>\$ 103,288,177</u> |

The City of El Monte implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation of GASB is not available.

Source: Finance Department, City of El Monte

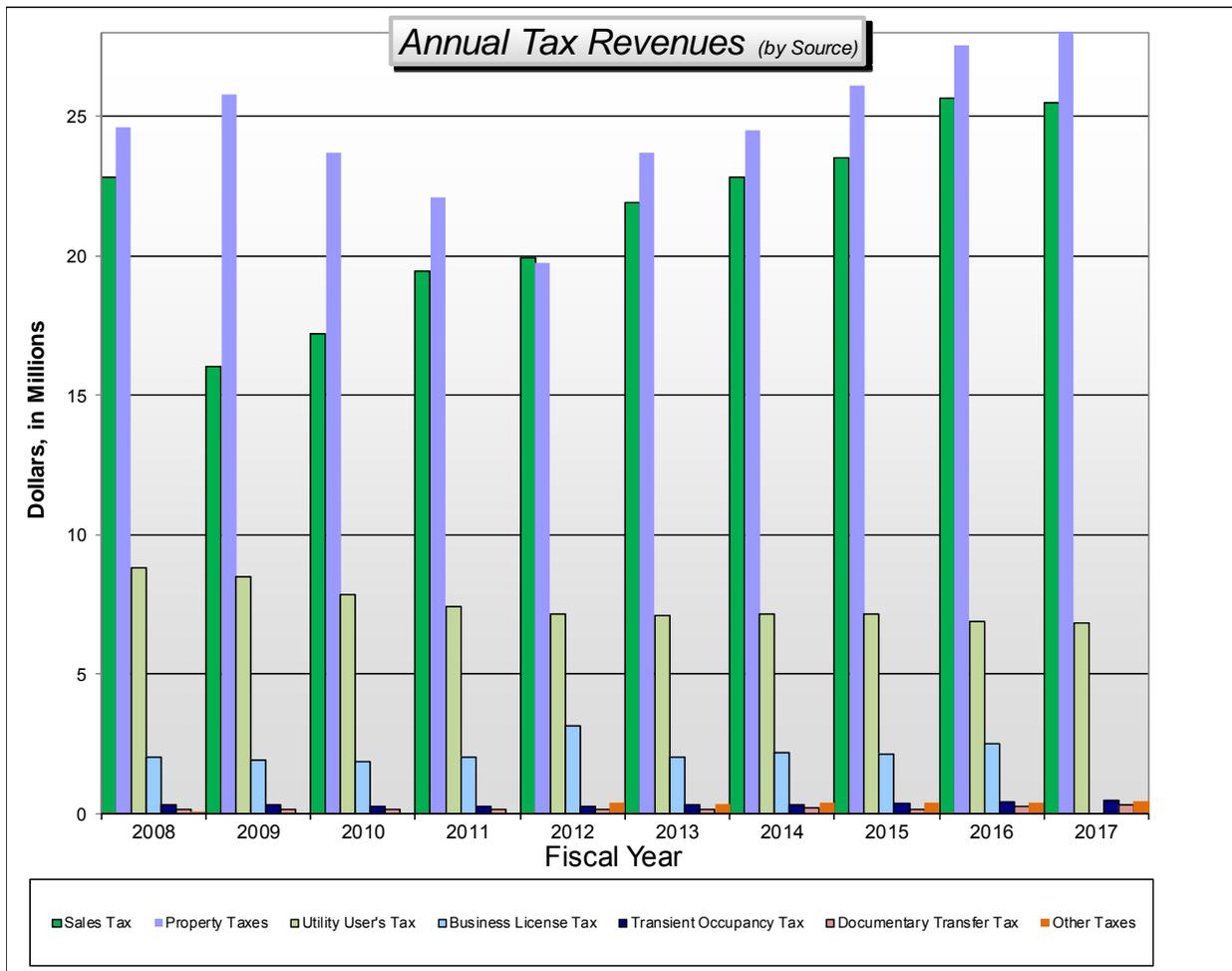
City of El Monte
Table 5 - Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|--|-----------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Revenues | | | | | | | | | | |
| Taxes | \$ 65,000,743 | \$ 60,272,665 | \$ 63,467,593 | \$ 64,650,097 | \$ 65,332,159 | \$ 62,277,534 | \$ 65,841,564 | \$ 67,674,576 | \$ 70,695,250 | \$ 71,828,831 |
| Licenses and permits | 3,135,488 | 6,853,145 | 2,517,044 | 2,643,806 | 2,518,997 | 762,214 | 986,933 | 1,482,638 | 1,413,277 | 1,378,163 |
| Intergovernmental | 14,855,965 | 7,059,621 | 10,164,303 | 15,543,494 | 13,218,295 | 10,862,667 | 10,322,262 | 8,368,013 | 9,841,472 | 6,225,037 |
| Charges for services | 2,937,085 | 2,366,960 | 2,980,376 | 2,747,434 | 2,760,338 | 3,019,053 | 3,866,329 | 4,790,410 | 4,205,638 | 4,822,719 |
| Use of money and property | 5,306,137 | 4,636,653 | 4,915,268 | 1,608,928 | 1,776,326 | 1,048,530 | 1,124,564 | 1,044,042 | 1,160,085 | 1,267,098 |
| Fines and forfeitures | 1,218,477 | 1,513,547 | 1,298,040 | 1,561,288 | 1,719,778 | 1,825,943 | 1,441,434 | 1,362,878 | 1,374,249 | 1,242,529 |
| Contributions | 456,021 | 494,993 | 203,687 | 193,006 | 199,637 | 181,140 | 89,920 | 405,663 | 610,934 | 674,085 |
| Developer participation | 1,482,986 | - | - | - | - | - | - | - | - | - |
| Miscellaneous | 987,590 | 547,653 | 4,488,670 | 2,549,143 | 2,531,484 | 2,454,371 | 2,218,961 | 5,656,492 | 2,275,396 | 3,338,694 |
| Net Change in Fair Value of Investments | - | - | - | - | - | (929,376) | 509,360 | 181,143 | 98,088 | (123,407) |
| Total revenues | 95,380,492 | 83,745,237 | 90,034,981 | 91,497,196 | 90,057,014 | 81,502,076 | 86,401,327 | 90,965,855 | 91,674,389 | 90,653,749 |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 36,713,532 | 30,959,376 | 35,030,299 | 27,553,572 | 29,329,966 | 19,542,961 | 20,934,236 | 20,430,156 | 22,019,727 | 24,223,926 |
| Public safety | 39,293,878 | 34,716,300 | 28,728,032 | 31,049,574 | 29,393,872 | 31,562,378 | 33,276,479 | 34,296,919 | 34,910,924 | 37,007,611 |
| Parks, recreation and cultural | 5,510,146 | 4,541,136 | 4,003,571 | 4,522,463 | 3,076,821 | 2,957,309 | 2,734,176 | 2,956,668 | 2,933,995 | 3,145,497 |
| Public works | 6,535,553 | 7,818,511 | 5,445,472 | 7,622,183 | 7,941,927 | 10,317,511 | 11,215,809 | 12,659,130 | 15,010,029 | 16,042,485 |
| Economic development | - | - | - | 3,703,687 | 3,431,716 | 3,984,763 | 5,430,664 | 2,694,122 | 1,740,963 | 2,022,309 |
| Capital outlay | 5,256,934 | 3,891,957 | 5,992,383 | 21,923,576 | 12,762,314 | 7,862,196 | 7,288,106 | 6,785,299 | 7,598,789 | 5,316,396 |
| Debt Service: | | | | | | | | | | |
| Principal retirement | 9,732,787 | 1,630,725 | 2,221,482 | 1,942,000 | 1,853,000 | 1,602,000 | 1,701,000 | 1,876,000 | 3,028,000 | 11,470,000 |
| Interest and fiscal charges | 5,577,604 | 5,649,471 | 6,029,713 | 1,806,114 | 3,469,859 | 2,531,116 | 2,631,674 | 2,588,865 | 2,467,444 | 2,556,345 |
| Bond issuance cost | 1,515,390 | - | - | 908,543 | - | - | 166,147 | - | - | - |
| Payment to refunded bond escrow agent | 2,152,727.00 | - | - | - | - | - | - | - | - | - |
| Total expenditures | 112,288,551 | 89,207,476 | 87,450,952 | 101,031,712 | 91,259,475 | 80,360,234 | 85,378,291 | 84,287,159 | 89,709,871 | 101,784,569 |
| Revenues over (under) expenditures | (16,908,059) | (5,462,239) | 2,584,029 | (9,534,516) | (1,202,461) | 1,141,842 | 1,023,036 | 6,678,696 | 1,964,518 | (11,130,820) |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Transfers in | 7,294,579 | 6,074,214 | 10,250,309 | 19,367,784 | 9,367,779 | 7,459,364 | 15,368,873 | 3,939,319 | 5,266,600 | 4,012,800 |
| Transfers out | (10,294,579) | (6,074,214) | (10,250,309) | (19,417,784) | (9,384,167) | (7,559,364) | (15,263,000) | (4,029,719) | (5,366,600) | (4,112,800) |
| Transfers from Successor Agency | - | - | - | - | - | - | - | - | 1,165,708 | 12,036,205 |
| Refunding bonds issued | 30,090,000 | - | - | - | - | - | 4,803,723 | - | - | - |
| Notes and loans issued | 5,182,241 | - | 450,082 | - | - | - | - | - | - | - |
| Proceeds from sale of land held for resale | 1,572,500 | - | - | - | - | 300,000 | - | - | - | - |
| Other debts issued | (19,374,581) | - | - | 19,255,000 | 10,000,000 | - | (4,372,671) | - | - | - |
| Proceeds from sale of capital assets | - | 19,499 | - | - | - | - | - | - | - | - |
| Miscellaneous | - | - | (70,593.00) | (894,193.00) | - | - | - | - | - | - |
| Net other financing sources (uses) | 14,470,160 | 19,499 | 379,489 | 18,310,807 | 9,983,612 | 200,000 | 536,925 | (90,400) | 1,065,708 | 11,936,205 |
| Change in fund balances | \$ (2,437,899) | \$ (5,442,740) | \$ 2,963,518 | \$ 8,776,291 | \$ 8,781,151 | \$ 1,341,842 | \$ 1,559,961 | \$ 6,588,296 | \$ 3,030,226 | \$ 805,385 |
| Debt service as a percentage of noncapital expenditures | | | | | | | | | | |
| | 14.17% | 8.46% | 9.77% | 4.71% | 6.67% | 5.54% | 5.51% | 5.72% | 6.76% | 14.44% |

Source: Finance Department, City of El Monte

City of El Monte
Table 6 - Tax Revenues by Source - Governmental Activities
Last Ten Fiscal Years

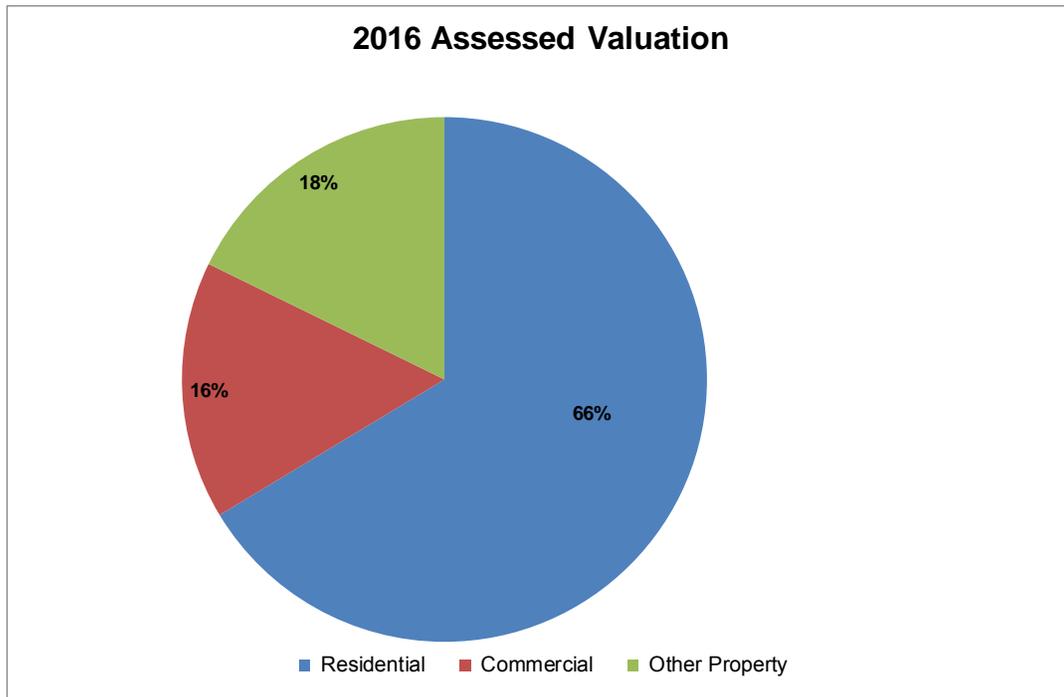
| Fiscal Year | Property Taxes | Documentary Transfer Tax | Business License Tax | Utility User's Tax | Transient Occupancy Tax | Sales Tax | Other Taxes | Total |
|-------------|----------------|--------------------------|----------------------|--------------------|-------------------------|--------------|-------------|--------------|
| 2008 | \$ 24,601,338 | \$ 174,847 | \$ 1,999,419 | \$ 8,820,706 | \$ 315,076 | \$22,790,292 | \$ 23,966 | \$57,617,970 |
| 2009 | 25,764,716 | 158,080 | 1,928,093 | 8,477,622 | 306,710 | 16,043,743 | - | 58,725,644 |
| 2010 | 23,675,790 | 153,548 | 1,851,680 | 7,850,115 | 273,128 | 17,217,238 | - | 52,678,964 |
| 2011 | 22,096,855 | 151,201 | 2,017,847 | 7,436,906 | 266,460 | 19,424,297 | - | 51,021,499 |
| 2012 | 19,726,496 | 132,044 | 3,127,463 | 7,129,350 | 277,629 | 19,908,564 | 403,452 | 51,393,566 |
| 2013 | 23,681,773 | 159,157 | 2,024,962 | 7,087,818 | 298,784 | 21,908,497 | 349,526 | 55,510,517 |
| 2014 | 24,509,692 | 202,876 | 2,183,836 | 7,134,428 | 318,023 | 22,812,015 | 405,938 | 57,566,808 |
| 2015 | 26,099,320 | 179,949 | 2,110,351 | 7,177,685 | 379,991 | 23,527,026 | 407,075 | 59,881,397 |
| 2016 | 27,532,723 | 285,002 | 2,501,208 | 6,869,855 | 419,552 | 25,664,884 | 396,877 | 63,670,101 |
| 2017 | 28,984,080 | 290,083 | 2,644,494 | 6,824,008 | 475,614 | 25,478,114 | 439,118 | 65,135,511 |



Source: Finance Department, City of El Monte Audited Annual Financial Reports

City of El Monte
Table 7 - Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(rate per \$100 of assessed value)

| Fiscal Year | Real Property | | | Less: Tax Exempt Real Property | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Taxable Value (1) |
|-------------|------------------|----------------|------------------|--------------------------------|------------------------------|-----------------------|------------------------------------|
| | Residential | Commercial | Other Property | | | | |
| 2008 | \$ 3,754,978,088 | \$ 841,808,323 | \$ 1,065,634,917 | \$ 42,862,053 | \$ 5,619,559,275 | \$ - | \$ 5,619,559,275 |
| 2009 | 3,955,072,498 | 894,157,102 | 1,086,518,219 | 41,041,565 | 5,894,706,254 | 0.35048% | 5,894,706,254 |
| 2010 | 3,836,445,196 | 967,476,562 | 1,179,202,504 | 46,540,442 | 5,936,583,820 | 0.36092% | 5,936,583,820 |
| 2011 | 3,801,709,215 | 940,004,168 | 1,120,153,954 | 49,631,071 | 5,812,236,266 | 0.35572% | 5,812,236,266 |
| 2012 | 3,862,423,779 | 947,932,740 | 1,048,968,931 | 49,041,796 | 5,810,283,654 | 0.34806% | 5,810,283,654 |
| 2013 | 3,924,119,452 | 965,154,088 | 1,041,804,256 | 58,039,660 | 5,873,038,136 | 0.34797% | 5,873,038,136 |
| 2014 | 4,089,110,471 | 980,098,697 | 1,044,567,594 | 56,126,462 | 6,057,650,300 | 0.24770% | 6,057,650,300 |
| 2015 | 4,327,685,408 | 1,018,947,908 | 1,217,554,355 | 55,404,795 | 6,345,825,284 | 0.24785% | 6,345,825,284 |
| 2016 | 4,502,784,697 | 1,036,602,565 | 1,128,146,481 | 52,992,652 | 6,614,541,091 | 0.24776% | 6,614,541,091 |
| 2017 | 4,752,667,452 | 1,138,193,486 | 1,271,412,054 | 183,700,502 | 6,978,572,490 | 0.24776% | 6,978,572,490 |



(1) Assessed Value is equal to Estimated Taxable Value and Actual Value
Source: HdL Coren & Cone, Los Angeles County Assessor 2016/17 Combined Tax Rolls

City of El Monte
Table 8 - Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

| Fiscal Year | City Direct Rates | | | Overlapping Rates | | | | | Total Direct & Overlapping Rates | |
|-------------|-------------------|--------------|--------------|-------------------|------------------------|-------------------|------------------|-----------------|----------------------------------|-------------------|
| | General City | Debt Service | Total Direct | LA County General | Flood Control District | Community College | School Districts | Water Districts | | Total Overlapping |
| 2008 | 1.000 | 0.150 | 1.150 | 0.000000 | 0.000000 | 0.014000 | 0.109000 | 0.005000 | 0.127000 | 1.277000 |
| 2009 | 1.000 | 0.150 | 1.150 | 0.000000 | 0.000000 | 0.023000 | 0.125000 | 0.004000 | 0.152000 | 1.302000 |
| 2010 | 1.000 | 0.150 | 1.150 | 0.000000 | 0.000000 | 0.027000 | 0.216000 | 0.004000 | 0.247000 | 1.397000 |
| 2011 | 1.000 | 0.150 | 1.150 | 0.000000 | 0.000000 | 0.034000 | 0.209000 | 0.004000 | 0.247000 | 1.397000 |
| 2012 | 1.000 | 0.150 | 1.150 | 0.000000 | 0.000000 | 0.054000 | 0.374000 | 0.004000 | 0.432000 | 1.582000 |
| 2013 | 1.000 | 0.150 | 1.150 | 0.000000 | 0.000000 | 0.049000 | 0.375000 | 0.004000 | 0.427000 | 1.577000 |
| 2014 | 1.000 | 0.150 | 1.150 | 0.000000 | 0.000000 | 0.047910 | 0.435920 | 0.004000 | 0.487830 | 1.637830 |
| 2015 | 1.000 | 0.150 | 1.150 | 0.000000 | 0.000000 | 0.038530 | 0.301260 | 0.004000 | 0.343790 | 1.493790 |
| 2016 | 1.000 | 0.150 | 1.150 | 0.000000 | 0.000000 | 0.035840 | 0.487940 | 0.003500 | 0.527280 | 1.677280 |
| 2017 | 1.000 | 0.150 | 1.150 | 0.000000 | 0.000000 | 0.036930 | 0.316840 | 0.003500 | 0.357270 | 1.507270 |

NOTE: (1) The passage of Proposition 13 on June 6, 1978 established a maximum countywide levy (the basic rate) of 1% of market value or \$1.00 per \$100. Prior to fiscal year 1982, assessed valuation was stated at 25% of market value or \$4.00 per \$100 of assessed value. The City's portion of the basic rate is approximately 0.098%. This rate added to the debt service rate of 0.15% results in the city's total direct tax rate of approximately 0.2477% as reported on Table 7. All reported overlapping rates are debt service rates without the portion of the basic rate associated with those entities.

Source: HdL, Coren & Cone, Los Angeles County Assessor 2007/08 - 2016/17 Tax Rate Table

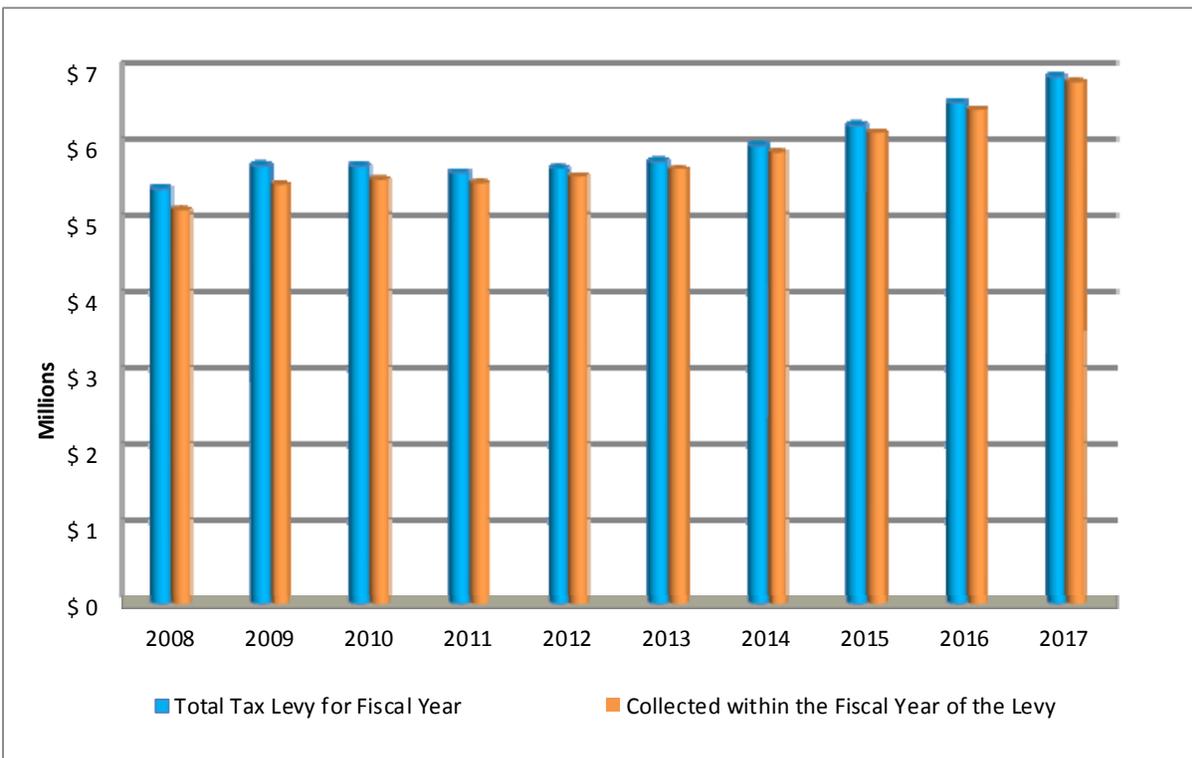
City of El Monte
Table 9 - Principal Property Taxpayers
Current year and Ten Years Ago

| Taxpayer | 2017 | | | 2008 | | |
|-------------------------------------|------------------------------|------|--|------------------------------|------|--|
| | Taxable Assessed Value (USD) | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value (USD) | Rank | Percentage of Total Taxable Assessed Value |
| KM El Monte Investors LLC | \$ 45,240,280 | 1 | 0.65 % | 29,171,888 | 6 | 0.52 % |
| Wells Fargo Bank | 43,094,053 | 2 | 0.62 % | 37,707,033 | 2 | 0.67 % |
| GLC El Monte LLC | 40,880,768 | 3 | 0.59 % | | | |
| Penske Realty Inc. | 40,455,050 | 4 | 0.58 % | 36,422,000 | 3 | 0.65 % |
| Multi Investment Associates | 37,098,962 | 5 | 0.53 % | 29,171,888 | 7 | 0.52 % |
| Telstar Investments LLC | 35,763,328 | 6 | 0.51 % | | | |
| Safeway Inc. | 34,328,268 | 7 | 0.49 % | | | |
| Gill Properties LLC | 27,021,151 | 8 | 0.39 % | | | |
| Cathay Bank | 26,994,697 | 9 | 0.39 % | | | |
| AG And H | 26,054,089 | 10 | 0.37 % | | | |
| Vons Companies Inc. | | | | 78,243,780 | 1 | 1.39 % |
| Group IX BP Properties | | | | 34,104,507 | 4 | 0.61 % |
| 600 Hobabart LLC | | | | 32,630,065 | 5 | 0.58 % |
| Driftwood Dairy | | | | 24,485,829 | 8 | 0.44 % |
| Wohl Penwood El Monte Partners, LLC | | | | 22,489,000 | 9 | 0.40 % |
| 11850 Del Pueblo LLC | | | | 21,500,000 | 10 | 0.38 % |
| Other Taxpayers | 6,621,641,844 | | 94.89 % | 5,273,633,285 | | 93.84 % |
| Totals | 6,978,572,490 | | 100.00 % | 5,619,559,275 | | 100.00 % |

Source: HdL Coren & Cone, Los Angeles County Assessor 2016/17 and 2007/2008 Combined Tax Rolls and the SBE Non-Unitary Roll

City of El Monte
Table 10 - Property Tax Levies and Collections
Last Ten Fiscal Years

| Year Ending June 30 | Total Tax Levy for Fiscal Year | Collected within the Fiscal Year of the Levy | Percentage of Levy | Collections in Subsequent Years | Total Collections to Date | Percentage of Levy |
|----------------------------|---------------------------------------|---|---------------------------|--|----------------------------------|---------------------------|
| 2008 | \$ 5,425,596 | \$ 5,156,381 | 100.00 % | \$ 237,675 | \$ 5,394,056 | 100.00 % |
| 2009 | 5,745,854 | 5,478,542 | 100.00 % | 217,362 | 5,695,904 | 100.00 % |
| 2010 | 5,739,762 | 5,544,085 | 100.00 % | 78,066 | 5,622,151 | 100.00 % |
| 2011 | 5,634,364 | 5,500,041 | 97.62 % | 62,193 | 5,562,234 | 98.72 % |
| 2012 | 5,703,916 | 5,585,883 | 97.93 % | 76,733 | 5,662,616 | 99.28 % |
| 2013 | 5,797,183 | 5,693,897 | 98.22 % | 63,949 | 5,757,846 | 99.32 % |
| 2014 | 6,003,620 | 5,915,751 | 98.54 % | 81,628 | 5,997,379 | 99.90 % |
| 2015 | 6,258,243 | 6,168,751 | 98.57 % | 67,921 | 6,236,672 | 99.66 % |
| 2016 | 6,554,310 | 6,462,057 | 98.59 % | 61,646 | 6,523,703 | 99.53 % |
| 2017 | 6,904,698 | 6,840,245 | 99.07 % | 62,345 | 6,902,590 | 99.97 % |



Source: Los Angeles County Auditor-Controller

City of El Monte
Table 11 - Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

| Fiscal Year | Governmental Activities | | | | | Business-type | Total Primary Government | % of Personal Income(1) | Per-Capita (1) |
|-------------|-------------------------|-------------------------------|--------------------------|-------------------------|----------------|---------------|--------------------------|-------------------------|----------------|
| | Revenue Bonds | Certificates of Participation | Tax Allocation Bonds (2) | Notes and Loans Payable | Capital Leases | Revenue Bonds | | | |
| 2008 | \$ - | \$ 7,915,000 | \$ 29,340,000 | \$ - | \$ 567,812 | \$ 18,610,000 | \$ 56,432,812 | 0.00% | \$ 448 |
| 2009 | - | 7,285,000 | 28,670,000 | 9,658,620 | 446,782 | 18,225,000 | 64,285,402 | 0.00% | 521 |
| 2010 | - | 5,930,000 | 27,975,000 | 8,977,527 | 422,810 | 17,430,000 | 60,735,337 | 0.00% | 552 |
| 2011 | 19,255,000 | 5,930,000 | 27,250,000 | 9,427,527 | 397,449 | 17,430,000 | 79,689,976 | 0.00% | 724 |
| 2012 | 29,065,000 | 5,205,000 | - | 7,621,000 | 370,617 | 17,010,000 | 59,271,617 | 3.64% | 521 |
| 2013 | 28,755,000 | 4,435,000 | - | 7,399,000 | 342,230 | 16,570,000 | 57,501,230 | 3.53% | 505 |
| 2014 | 28,430,000 | 3,920,000 | - | 6,843,000 | 312,197 | 16,120,000 | 55,625,197 | 3.30% | 483 |
| 2015 | 28,090,000 | 3,125,000 | - | 6,252,000 | 280,423 | 15,655,000 | 53,402,423 | 3.17% | 464 |
| 2016 | 27,730,000 | 2,170,000 | - | 4,389,000 | - | 15,170,000 | 49,459,000 | 2.86% | 434 |
| 2017 | 17,355,000 | 1,335,000 | - | 4,279,000 | - | 14,665,000 | 37,634,000 | 2.13% | 329 |

NOTE: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) See the Schedule of Demographic and Economic Statistics for personal income and population data.
- (2) Dissolution of RDA

Source: Finance Department, City of El Monte Audited Financial Statements

City of El Monte
Table 12 - Direct and Overlapping Government Activities Debt
As of June 30, 2017

| | Gross Bonded Debt Balance | Percent Applicable to City (1) | Net Bonded Debt (2) |
|---|------------------------------|-----------------------------------|------------------------------|
| Direct Debt: | | | |
| Certificates of Participation and Notes Payable | \$ 5,649,000 | 100.000 | \$ 5,649,000 |
| Total Direct Debt | | | <u>\$ 5,649,000</u> |
| Overlapping Debt: | | | |
| Metropolitan Water District | \$ 36,281,674 | 0.636 | \$ 205,955 |
| El Monte School District 2004 Series B | 1,519,104 | 62.915 | 955,741 |
| El Monte City SD DS 2004 Series D (2009) | 2,030,000 | 62.915 | 1,277,170 |
| El Monte School District 2008 Series A | 53,375,000 | 62.915 | 33,580,751 |
| El Monte School District 2008 Series A-1 BABS | 5,998,159 | 62.915 | 3,773,727 |
| El Monte School District 2012 Refunding Bonds | 8,993,668 | 62.915 | 5,658,344 |
| El Monte School District 2014 Series A | 12,970,000 | 62.915 | 8,160,044 |
| El Monte School District 2015 Series A | 76,460,000 | 62.915 | 48,104,622 |
| El Monte School District 2014 Series B | 11,990,000 | 62.915 | 7,543,479 |
| Mountain View School District | 18,000,000 | 73.116 | 13,160,844 |
| Rosemead School District DS 2007 Series D | 335,000 | 15.181 | 50,855 |
| Rosemead School District DS 2008 Series A | 615,000 | 15.181 | 93,361 |
| Rosemead School District DS 2011 Refunding Bonds | 7,335,000 | 15.181 | 1,113,504 |
| Rosemead School District DS 2012 Refunding Bonds | 5,250,000 | 15.181 | 796,986 |
| Rosemead School District DS 2008 Series T 1 | 8,041,503 | 15.181 | 1,220,756 |
| Rosemead School District DS 2014 Refunding Bonds | 5,975,000 | 15.181 | 907,046 |
| Rosemead School District DS 2016 Refunding Bonds | 12,550,000 | 15.181 | 1,905,177 |
| El Monte Union High School District DS 2008 Series A | 1,209,213 | 52.594 | 635,972 |
| El Monte Union High School District DS 2008 Series B | 30,187,623 | 52.594 | 15,876,845 |
| El Monte Union High School District DS 2015 Refunding | 26,325,000 | 52.594 | 13,845,341 |
| El Monte Union High School District DS 2016 Refunding | 22,950,000 | 52.594 | 12,070,298 |
| Pasadena CCD DS 2002, 2006 SERIES D | 5,265,000 | 1.908 | 100,448 |
| Pasadena CCD 2002, 2009 SERIES E (BABS) | 25,295,000 | 1.908 | 482,589 |
| Pasadena CCD DS2014 Refunding Series A | 16,680,000 | 1.908 | 318,228 |
| Pasadena CCD DS2016 Refunding Series A | 33,390,000 | 1.908 | 637,029 |
| Rio Hondo CCD DS 2005 Refunding Bonds | 35,355,000 | 15.625 | 5,524,323 |
| Rio Hondo CCD DS 2004 Series 2008 | 118,452,824 | 15.625 | 18,508,604 |
| Total - Overlapping Debt | <u>\$ 582,828,768</u> | | <u>\$ 196,508,039</u> |
| Grand Total Direct and Overlapping Debt | | | <u>\$ 202,157,039</u> |

2016/17 Assessed Valuation: \$6,119,753,071 after deducting \$841,351,763 Incremental Value.

Debt to Assessed Valuation Ratios:

| | |
|------------------|-------|
| Direct debt | 0.09% |
| Overlapping Debt | 3.21% |
| Total Debt | 3.30% |

(1) Listed values represent the actual rate, rounded to the nearest 3 decimal places

(2) Listed values are based on the actual rate, not the rounded rate as listed in the table

Source: HdL Coren & Cone, L.A. County Assessor and Auditor Controller's Office

City of El Monte
Table 13 – Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2017

| | |
|------------------------------------|-------------------------|
| Assessed value | \$ 6,978,572,490 |
| Debt limit (15% of assessed value) | 1,046,785,874 |
| Debt applicable to limit: | |
| General obligation bonds | - |
| Total net debt applicable to limit | <u>1,046,785,874</u> |
| Legal debt margin | <u>\$ 1,046,785,874</u> |

| <u>Fiscal Year</u> | <u>Debt Limit</u> | <u>Total Net Debt Applicable to Limit</u> | <u>Legal Debt Limit</u> | <u>Legal Debt Limit as a percentage of Debt Limit</u> |
|--------------------|-------------------|---|-----------------------------|---|
| 2008 | \$ 842,933,891 | \$ - | \$ 842,933,891 | 100.00% |
| 2009 | 884,205,938 | - | 884,205,938 | 100.00% |
| 2010 | 890,487,573 | - | 890,487,573 | 100.00% |
| 2011 | 871,835,440 | - | 871,835,440 | 100.00% |
| 2012 | 871,542,548 | - | 871,542,548 | 100.00% |
| 2013 | 880,955,720 | - | 880,955,720 | 100.00% |
| 2014 | 908,647,545 | - | 908,647,545 | 100.00% |
| 2015 | 951,873,793 | - | 951,873,793 | 100.00% |
| 2016 | 992,181,164 | - | 992,181,164 | 100.00% |
| 2017 | 1,046,785,874 | - | 1,046,785,874 | 100.00% |

Source: City of El Monte Finance Department

City of El Monte
Table 14 - Pledged Revenue Coverage
Last Ten Fiscal Years

| Water Revenue Bonds | | | | | | | |
|----------------------------|-----------------------|--------------------------------|-------------------------------------|---------------------|------------------|-----------------|-----------------|
| Fiscal Year | Gross Revenues | Rate Stabilization Fund | Less: Net Operating Expenses | Net Revenues | Principal | Interest | Coverage |
| 2008 | \$ 3,165,031 | \$ 400,000 | \$ 2,039,591 | \$ 1,525,440 | \$ 215,000 | \$ 693,600 | 1.68 |
| 2009 | 2,985,694 | 400,000 | 2,077,333 | 1,308,361 | 385,000 | 831,095 | 1.08 |
| 2010 | 2,922,555 | 400,000 | 1,731,545 | 1,591,010 | 390,000 | 817,822 | 1.32 |
| 2011 | 3,256,851 | 400,000 | 1,929,974 | 1,726,877 | 405,000 | 804,008 | 1.43 |
| 2012 | 3,266,501 | 403,422 | 1,879,627 | 1,790,296 | 420,000 | 789,465 | 1.48 |
| 2013 | 3,423,700 | 403,422 | 1,924,815 | 1,902,307 | 445,000 | 774,100 | 1.56 |
| 2014 | 3,199,184 | 403,422 | 2,007,543 | 1,595,063 | 450,000 | 784,320 | 1.29 |
| 2015 | 3,353,355 | 403,445 | 2,081,396 | 1,675,404 | 465,000 | 740,801 | 1.39 |
| 2016 | 3,436,627 | 403,471 | 2,172,752 | 1,667,346 | 485,000 | 747,709 | 1.35 |
| 2017 | 3,926,310 | 403,491 | 2,298,157 | 2,031,644 | 505,000 | 763,723 | 1.60 |

| Tax Allocation Bonds | | | | |
|-----------------------------|----------------------|------------------|-----------------|-----------------|
| Fiscal Year | Tax Increment | Principal | Interest | Coverage |
| 2008 | \$ 3,349,188 | \$ 750,000 | \$ 1,235,832 | 1.69 |
| 2009 | 6,709,829 | 670,000 | 1,326,361 | 3.36 |
| 2010 | 6,603,164 | 695,000 | 1,299,421 | 3.31 |
| 2011 | 6,803,496 | 725,000 | 1,271,411 | 3.41 |
| 2012 | - | - | - | - |
| 2013 | - | - | - | - |
| 2014 | - | - | - | - |
| 2015 | - | - | - | - |
| 2016 | - | - | - | - |

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Expenses do not include interest, depreciation or amortization expense

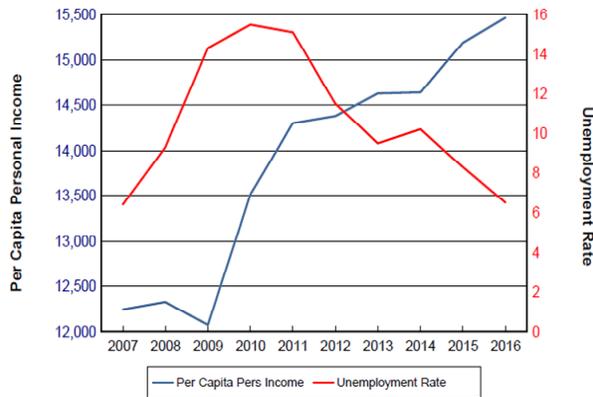
Source: Finance Department, City of El Monte

Tax Allocation Bonds Payable Debt Service Information per CAFR Notes 2 and 8.

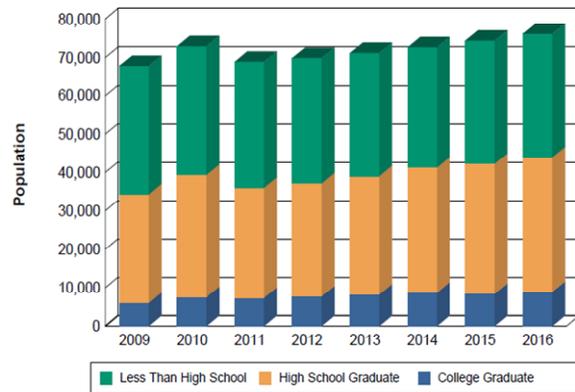
City of El Monte
Table 15 - Demographic and Economic Statistics
Last Ten Fiscal Years

| Calendar Year | Population ⁽¹⁾ | Personal Income (thousands of dollars) ⁽²⁾ | Per-Capita Personal Income ⁽²⁾ | School Enrollment ⁽³⁾ | Unemployment Rate ⁽⁴⁾ | Median Age | % of Pop 25+ with High School Degree | % of Pop 25+ with Bachelor's Degree |
|---------------|---------------------------|---|---|----------------------------------|----------------------------------|------------|--------------------------------------|-------------------------------------|
| 2007 | 125,077 | \$1,531,851 | \$12,247 | 20,813 | 6.00% | | | |
| 2008 | 125,136 | \$1,542,736 | \$12,328 | 20,246 | 9.00% | | | |
| 2009 | 125,842 | \$1,519,400 | \$12,074 | 20,320 | 14.00% | 27.4 | 50.6% | 8.9% |
| 2010 | 126,464 | \$1,709,414 | \$13,517 | 19,966 | 16.00% | 30.9 | 54.0% | 10.4% |
| 2011 | 113,912 | \$1,628,942 | \$14,300 | 19,164 | 15.00% | 31.6 | 52.3% | 10.7% |
| 2012 | 114,436 | \$1,645,361 | \$14,378 | 18,893 | 12.00% | 32.2 | 53.2% | 11.1% |
| 2013 | 115,064 | \$1,683,501 | \$14,631 | 26,729 | 10.00% | 32.8 | 54.9% | 11.6% |
| 2014 | 115,118 | \$1,685,788 | \$14,644 | 26,362 | 10.00% | 33.5 | 56.8% | 12.0% |
| 2015 | 113,885 | \$1,729,787 | \$15,188 | 25,764 | 8.30% | 34.7 | 56.9% | 11.3% |
| 2016 | 114,268 | \$1,767,505 | \$15,468 | 24,538 | 6.50% | 35.5 | 57.8% | 11.7% |

Personal Income and Unemployment



Education Level Attained for Population 25 and Over



Sources: ⁽¹⁾ Population estimate provided by California Department of Finance, Demographic Research Unit
⁽²⁾ Consumer Price Index of Urban Wage Earners, Bureau of Economic Analysis
⁽³⁾ Education Data
⁽⁴⁾ State Employment Development Department Data (percent of labor force, based on annual average)

Note: Data are based on information provided by HdL Coren & Cone on calendar year basis. For example, fiscal year 2016 data is from calendar year 2015.

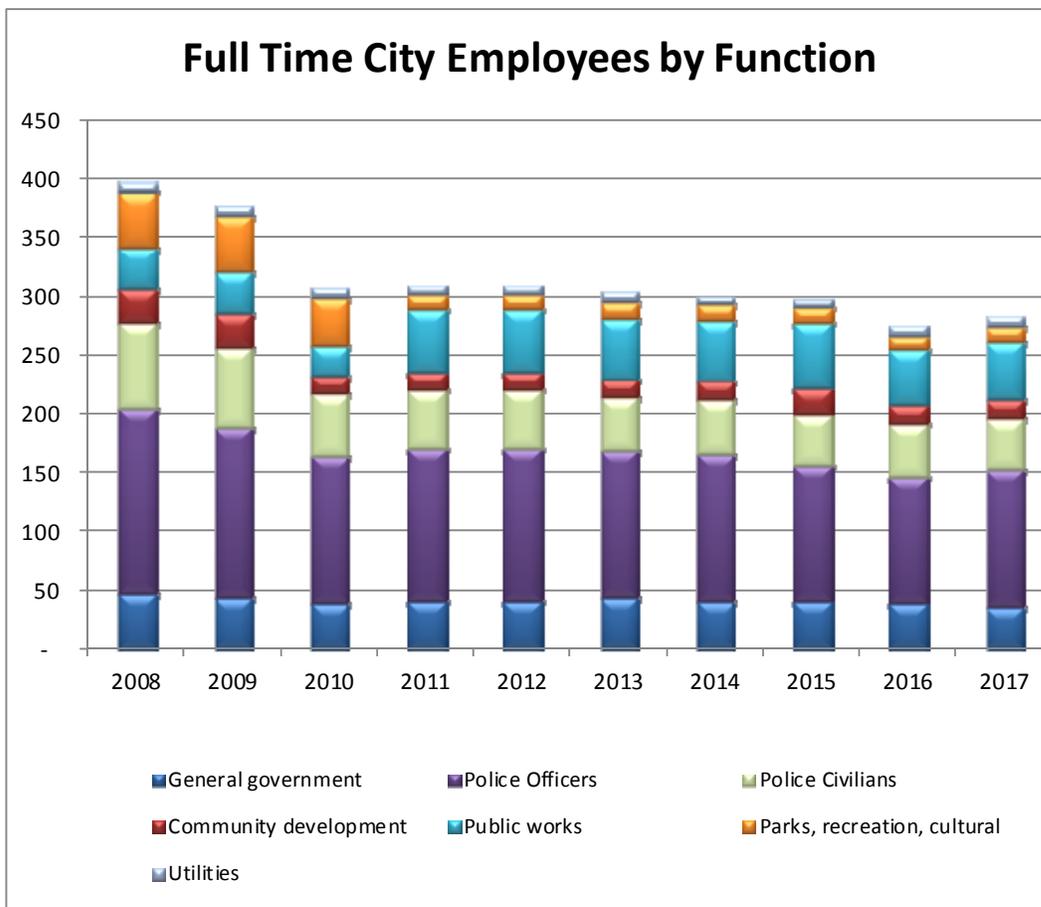
City of El Monte
Table 16 - Principal Employers
Current Year and Nine Years Ago

| Employer | 2017 | | | 2009 | | |
|--|---------------|-------------------------------------|------|---------------|-------------------------------------|------|
| | Employees | Percentage of Total City Employment | Rank | Employees | Percentage of Total City Employment | Rank |
| El Monte City Elementary School District | 1500 | 2.586% | 1 | | | |
| El Monte Union High School District | 1400 | 2.414% | 2 | 1742 | 2.132% | 2 |
| Moutain View Elementary School District | 1000 | 1.724% | 3 | 1007 | 1.232% | 3 |
| Geosyntec Consultants | 1000 | 1.724% | 4 | | | |
| Longo -Toyota-Lexus-Scion | 847 | 1.460% | 5 | 600 | 0.734% | 5 |
| City of El Monte | 496 | 0.855% | 6 | 526 | 0.644% | 6 |
| McGill Corporation | 460 | 0.793% | 7 | 250 | 0.306% | 9 |
| Asian Pacific Health Care Veture Inc. | 260 | 0.448% | 8 | | | |
| House Foods America Corp | 250 | 0.431% | 9 | | | |
| The Home Depot | 243 | 0.419% | 10 | | | |
| Total | 7,456 | 12.855% | | 4,125 | 5.049% | |
| Total Employment | 58,000 | 100% | | 81,707 | | |

Source: Finance Department, City of El Monte
State of California Economic Development Department - Labor Force Information
El Monte Chamber of Commerce

City of El Monte
Table 17 - Full-time Equivalent City Employees by Function / Program
Last Ten Fiscal Years

| <u>Function</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| General government | 48 | 44 | 39 | 42 | 42 | 44 | 41 | 41 | 39 | 36 |
| Public Safety | | | | | | | | | | |
| Police Officers | 156 | 145 | 126 | 129 | 129 | 125 | 126 | 116 | 108 | 118 |
| Police Civilians | 75 | 69 | 53 | 50 | 50 | 46 | 45 | 43 | 45 | 42 |
| Community development | 28 | 29 | 15 | 16 | 16 | 15 | 17 | 22 | 16 | 16 |
| Public works | 36 | 35 | 26 | 53 | 53 | 52 | 51 | 56 | 48 | 50 |
| Parks, recreation, cultural | 47 | 48 | 41 | 12 | 12 | 14 | 14 | 14 | 11 | 13 |
| Utilities | <u>10</u> | <u>9</u> | <u>9</u> | <u>9</u> | <u>9</u> | <u>9</u> | <u>7</u> | <u>7</u> | <u>10</u> | <u>10</u> |
| Total full-time equivalent positions | <u>400</u> | <u>379</u> | <u>309</u> | <u>311</u> | <u>311</u> | <u>305</u> | <u>301</u> | <u>299</u> | <u>277</u> | <u>285</u> |



Source: Finance Department, City of El Monte

City of El Monte
Table 18 - Operating Indicators by Function / Program
Last Nine Fiscal Years

| <u>Function</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Police Department | | | | | | | | | |
| Physical arrests | 3,741 | 3,128 | 3,126 | 3,103 | 3,272 | 3,370 | 3,398 | 3,443 | 3,269 |
| Parking violations | 26,716 | 18,686 | 20,893 | 18,885 | 17,719 | 12,230 | 17,126 | 15,374 | 13,214 |
| Moving violations | 13,914 | 11,384 | 12,454 | 4,682 | 4,476 | 4,122 | 4,129 | 2,802 | 2,918 |
| Water Department | | | | | | | | | |
| Total number of customers | 22,828 | 22,722 | 22,722 | 22,700 | 22,968 | 23,760 | 22,968 | 23,653 | 23,405 |
| Average daily consumption | 23,400 | 20,900 | 20,900 | 20,900 | 20,900 | 20,840 | 18,507 | 16,275 | 16,932 |
| Total active domestic service connections | 3,445 | 3,525 | 3,536 | 3,554 | 3,557 | 3,578 | 3,544 | 3,453 | 3,575 |
| Volume of water delivered (in acre feet) | 2,539 | 2,343 | 2,789 | 1,996 | 2,335 | 2,272 | 2,331 | 1,823 | 1,897 |

Source: Finance and Police Departments, City of El Monte
 Service connections and water volumes are presented on a calendar year basis.

City of El Monte
Table 19 - Capital Assets by Function
Last Nine Fiscal Years

| Function | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-------|-------|-------|-------|-------|-------|-------|--------|--------|
| Public safety | | | | | | | | | |
| Police | | | | | | | | | |
| Number of Police Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of Police Motor Vehicles | 87 | 97 | 109 | 95+ | 95+ | 97 | 93 | 94 | 101 |
| Fire | | | | | | | | | |
| Number of Fire Stations | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Highways and streets | | | | | | | | | |
| Streets (miles) | 151.4 | 151.4 | 151.4 | 151.4 | 151.4 | 151.4 | 151.4 | 151.65 | 151.65 |
| Streetlights | 4,500 | 4,500 | 4,500 | 4,500 | 4,784 | 4,784 | 4,784 | 4,799 | 4,785 |
| Traffic signals | 73 | 76 | 76 | 76 | 81 | 82 | 84 | 85 | 82 |
| Culture and recreation | | | | | | | | | |
| Parks acreage | 50 | 51 | 51 | 51 | 51 | 51 | 39.8 | 39.8 | 39.8 |
| Parks | 9 | 10 | 10 | 10 | 10 | 10 | 9 | 9 | 9 |
| Ball diamonds | 6 | 6 | 6 | 6 | 6 | 6 | 4 | 4 | 4 |
| Basketball courts | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Craft/Activity buildings | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Gymnasium | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Swimming pools | 8 | 7 | 7 | 7 | 7 | 7 | 6 | 6 | 4 |
| Community centers | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Water | | | | | | | | | |
| Water mains (miles) | 38 | 38.7 | 38.7 | 38.7 | 38.7 | 38.7 | 38.7 | 40.8 | 40.8 |
| Maximum daily treatment capacity (millions of gallons) | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 5.6 | 5.8 | 5.8 |

Source: Various departments, City of El Monte

**City of El Monte
Table 20 – Water Rates
Last Ten Fiscal Years**

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Service connection fee - 1 inch meter | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 |
| Monthly Service Charge | | | | | | | | | | |
| Meter Size | | | | | | | | | | |
| 0 - 75 units ⁽¹⁾ | \$ 0.1517 | \$ 0.1567 | \$ 0.1567 | \$ 0.1567 | \$ 0.1567 | \$ 0.1567 | \$ 0.1567 | | | |
| over 75 units | 0.2307 | 0.2384 | 0.2384 | 0.2384 | 0.2384 | 0.2384 | 0.2384 | | | |
| 0 - 125 units | | | | | | | | 0.1950 | 0.2140 | 0.2340 |
| over 125 units | | | | | | | | 0.3380 | 0.3700 | 0.4050 |
| - Domestic Service | | | | | | | | | | |
| Meter Size | | | | | | | | | | |
| 5/8 " | \$ 12.9000 | \$ 13.3300 | \$ 13.3300 | \$ 13.3300 | \$ 13.3300 | \$ 13.3300 | \$ 13.3300 | \$ 17.3300 | \$ 18.9800 | \$ 20.7800 |
| 1.0 " | 27.9800 | 28.9100 | 28.9100 | 28.9100 | 28.9100 | 28.9100 | 28.9100 | 37.5800 | 41.1500 | 45.0600 |
| 1.5 " | 55.9600 | 57.8100 | 57.8100 | 57.8100 | 57.8100 | 57.8100 | 57.8100 | 75.1500 | 82.2900 | 90.1100 |
| 2.0 " | 89.6800 | 92.6400 | 92.6400 | 92.6400 | 92.6400 | 92.6400 | 92.6400 | 120.4300 | 131.8700 | 144.4000 |
| 3.0 " | 167.8500 | 173.3900 | 173.3900 | 173.3900 | 173.3900 | 173.3900 | 173.3900 | 225.4100 | 246.8200 | 270.2700 |
| 4.0 " | 279.7600 | 289.0000 | 289.0000 | 289.0000 | 289.0000 | 289.0000 | 289.0000 | 375.7000 | 411.3900 | 450.4700 |
| 6.0 " | 559.5100 | 577.9800 | 577.9800 | 577.9800 | 577.9800 | 577.9800 | 577.9800 | 751.3700 | 822.7500 | 900.9200 |
| 8.0 " | 895.2000 | 924.7500 | 924.7500 | 924.7500 | 924.7500 | 924.7500 | 924.7500 | 1,202.1800 | 1,316.3800 | 1,441.4400 |
| 10.0 " | 1,286.8700 | 1,329.3400 | 1,329.3400 | 1,329.3400 | 1,329.3400 | 1,329.3400 | 1,329.3400 | 1,728.1400 | 1,892.3200 | 2,072.0900 |
| - Fire Service | | | | | | | | | | |
| Meter Size | | | | | | | | | | |
| 2.0 " | \$ 37.0600 | \$ 37.0600 | \$ 37.0600 | \$ 37.0600 | \$ 37.0600 | \$ 37.0600 | \$ 37.0600 | \$ 37.6100 | \$ 41.1900 | \$ 45.1000 |
| 3.0 " | 69.4300 | 69.4300 | 69.4300 | 69.4300 | 69.4300 | 69.4300 | 69.4300 | 70.4600 | 77.1600 | 84.4900 |
| 4.0 " | 115.7200 | 115.7200 | 115.7200 | 115.7200 | 115.7200 | 115.7200 | 115.7200 | 117.4400 | 128.6000 | 140.8100 |
| 6.0 " | 220.6600 | 220.6600 | 220.6600 | 220.6600 | 220.6600 | 220.6600 | 220.6600 | 223.9300 | 245.2000 | 268.4900 |
| 8.0 " | 370.3100 | 370.3100 | 370.3100 | 370.3100 | 370.3100 | 370.3100 | 370.3100 | 375.8000 | 411.5100 | 450.6000 |
| 10.0 " | 534.1100 | 534.1100 | 534.1100 | 534.1100 | 534.1100 | 534.1100 | 534.1100 | 542.0300 | 593.5200 | 649.9000 |

⁽¹⁾ Unit is equal to 100 gallons.

Source: City of El Monte Finance Department
The City approved ordinance number 2846 increasing water rates effective each January from 2017 through 2019.

City of El Monte
Table 21 – Top Water Customers
Current Year and Nine Years Ago

| Customer | 2017 | | | 2009 | | |
|--|---------------------|-----------------------------------|------|--------------------|-----------------------------------|------|
| | Total Revenue | Percentage of Total Water Revenue | Rank | Total Revenue | Percentage of Total Water Revenue | Rank |
| Driftwood Dairy | \$ 112,771 | 2.87 % | 1 | \$ 37,335 | 1.25 % | 3 |
| Los Angeles County Metropolitan Transportation Authority | 36,183 | 0.92 % | 2 | 52,184 | 1.75 % | 2 |
| Fire Station #166 | 29,633 | 0.75 % | 3 | | | |
| Mike Nijjar | 26,073 | 0.66 % | 4 | 22,499 | 0.75 % | 7 |
| El Monte Housing - Gateway Apts | 24,683 | 0.63 % | 5 | | | |
| TDF-LP | 22,640 | 0.58 % | 6 | | | |
| El Monte Union High School District | 21,431 | 0.55 % | 7 | | | |
| Los Angeles County Location 1 - Health Center | 21,314 | 0.54 % | 8 | 20,914 | 0.70 % | 8 |
| Los Angeles County Location 2 - Superior Court | 21,234 | 0.54 % | 9 | | | |
| JDH Investments LLC | 16,784 | 0.43 % | 10 | | | |
| Valet Services Location 1 | | | | 59,136 | 1.98 % | 1 |
| Valet Services Location 2 | | | | 28,306 | 0.95 % | 4 |
| Valet Services Location 3 | | | | 25,837 | 0.87 % | 5 |
| David Wasserman | | | | 23,169 | 0.78 % | 6 |
| City of El Monte - Pioneer Park | | | | 17,509 | 0.59 % | 9 |
| Hermetic Seal | | | | 15,987 | 0.54 % | 10 |
| Other Customers | <u>3,593,564</u> | <u>91.53 %</u> | | <u>2,682,818</u> | <u>89.86 %</u> | |
| Total Water Sales and Service Revenue | <u>\$ 3,926,310</u> | 100.00 % | | <u>\$2,985,694</u> | 76.04 % | |

Source: Finance Department, City of El Monte



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